

Basis urges govt to lift proposed 10pc income tax

Bangladesh Association of Software and Information Services (Basis) has appealed to the government for withdrawing the proposed 10 percent income tax on software businesses in the national budget for FY2005-06.

In the proposed budget, there has been a provision for withdrawal of tax exemption facility from the software business and introduction of 10 percent corporate income tax. The software sector has also been dropped from the proposed list of eligible sectors for tax holiday.

Basis in a press statement said the budget proposal is contradictory to the declared policy of the government of using ICT as an important tool for the national development.

As experienced by other countries, the industry needs some time and big amount of investment for reaching a mature stage. Since the rate of return from the investment in this sector is long-term, different countries including India, Malaysia, China, Vietnam, Sri Lanka and Pakistan offer full tax exemption facility and special tax incentive to attract investors, the statement added.

The statement also fears that any disincentive at this critical growth stage can cast adverse impact on the Bangladeshi software firms.

Beximco gets SEC nod to collect foreign capital

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) has approved the proposal of Beximco regarding collection of capital from outside the country.

The appeal for Tk 9 crore initial public offerings (IPO) of Nitel Insurance Company was also approved at the same meeting.

The decisions were taken at a meeting Thursday chaired by SEC Chairman Mirza Azizul Islam.

The executive directors of different departments of SEC were present at the meeting. Although the meeting of the Commission was held Tuesday, it was adjourned as the discussions remained incomplete on the day.

Exports grow 15pc in 10 months

STAR BUSINESS REPORT

Exports clocked 15 percent growth amounting to US\$6,961 million in the first 10 months of the current financial year.

However, earning in April missed the monthly target by 4.56 percent amounting to \$651.57 million, according to Export Promotion Bureau (EPB) statistics.

Knitwear continues to grow at an impressive 35.60 percent amounting to \$2,263 million until April despite the phaseout of quota system from January this year.

Knitwear apart, earnings from jute goods, home textile, chemical and agricultural products, ceramic tableware, electronics, footwear, raw jute and handicrafts crossed their respective targets and grew

substantially during the period.

However, earnings from woven, leather, and frozen food could not achieve their goals but recorded growth over last year's performance during July-April period of the current financial year.

Bi-cycle, petroleum by products and textile fabrics faced setback as income from these items plunged during the period.

"Overall export growth so far is impressive considering changed global scenario after phasing out of quota," said a top EPB official.

Exports felt the sting of the quota-phaseout in January 2005, with earnings from woven products plummeted by 21 percent compared to the same month in 2004.

The export target for the 2004-05 was set at \$8,565 million. "It is

an ambitious target and not possible to achieve the goal this year," the official felt. The strategic April target was set at \$682.69 million and the average monthly target is \$714 million.

Woven garment exports amounted to \$2907 million during July-April period, marking a 2.3 percent growth than last fiscal's same period.

Jute goods export fetched \$250 million in the first 10 months of the current fiscal, recording an impressive 22.86 percent growth over last fiscal's same period.

Frozen Food exports amounted to \$337 million during the period, reflecting a 9.83 percent growth than last fiscal's corresponding period.

BKMEA team leaves Saturday for Brussels to discuss new GSP

BDNEWS, Dhaka

A high-level delegation of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) leaves Dhaka for Brussels Saturday to discuss the new generalised system of preference (GSP) rules with the high officials of European Commission.

BKMEA President Fazlul Hoque will lead the delegation, said a press release.

The leaders will discuss the new GSP rules with EC Trade commissioner Peter Mandelson and other EC officials.

Tata signs deal for steel, mining projects in Iran

UNB, Dhaka

Tata Steel, India's largest private sector steel company, has signed a joint venture agreement with Iranian Mines and Mining Industries Development and Renovation Organisation (IMIDRO) for steel making and mining operations in Iran.

M Moazenzadeh, chairman of IMIDRO, and B Muthuraman, managing director of Tata Steel, signed the agreement at a function at the IMIDRO office in Tehran Wednesday, a Tata press release made available here yesterday said.

Under the joint venture agreement, Tata Steel would partner IMIDRO in the ongoing Hormozgan Steel project, which would establish steel-making operations in the Persian Gulf Special Economic Zone (PGSEZ) at the port city of Bandar Abbas.

This gas-based project will have a capacity of three mtpa in two modules of 1.5 mtpa each.

Rich countries not playing fair in trade talks Oxfam says

AFP, Geneva

World Trade Organisation talks aimed at liberalising global commerce could end up giving an unfair boost to the farm trade of rich nations, the development aid charity Oxfam International said Wednesday.

"Alongside aid and debt, trade reform is crucial to help end poverty in the developing world," said Celine Charveriat, head of Oxfam's fair trade campaign.

"But rich countries are dodging the commitments they've made to reduce subsidies that hurt poor farmers overseas."

"At the same time, they're forcing poor countries to open their markets to unfairly subsidised produce. This duplicity threatens to turn the whole round of 'development' talks into a farce," Charveriat said in a statement.

PHULBARI COAL MINE

Asia Energy to submit \$1.4b development plan

UNB, Phulbari, Dinajpur

Asia Energy will soon submit a comprehensive plan to the government for developing Phulbari coal mine in the country's northern region.

Under the plan, the company will invest about US\$ 1.4 billion to develop and extract coal from the country's largest coal mine having a total reserve of about 522 million tons of coal.

The UK-based company, which was engaged in carrying out a feasibility study on Phulbari mine, completed its test drilling operations on the 11 square kilometre area Thursday, boring a total of 107 holes in Phulbari upazila under Dinajpur district.

Chief Executive Officer of Asia Energy Gary Lye told the news agency that the country would earn up to US\$ 250 million per year from the mine as royalty and revenue for

a total period of 25 to 30 years.

Asia Energy Corporation Bangladesh Limited, a subsidiary of the UK-based Cobrin Mining Group, is planning to start the physical works on the mine from next year after completion of the present study in September.

The company was given a license and the Phulbari coal basin was leased out for both the feasibility study and development of the mine.

Lye said the government will take three months time to approve the development plan of his company.

"If the government approves our plan, we are hopeful of starting our physical works by early 2006," he said adding, "it will take one and a half years to develop the mine for going into production."

"If every thing goes as per schedule, the production of coal from Phulbari coal mine will start in 2008," he added.

The CEO of Asia Energy said his company plans to extract coal from the mine through applying the open pit methodology. At full production, approximately 15 million tons of coal will be produced per year from the mine.

The company will conduct environment impact assessment (EIA) and social impact assessment (SIA) before going into production from the mine, Asia Energy executives told a group of newsmen during a visit to the drilling site yesterday.

Executive Chairman of the Board of Investment (BoI) Mahmudur Rahman, who also visited the Phulbari coal mine on the day, appreciated the investment plan of Asia Energy.

He said the Phulbari project will bring a great momentum in the economic life in the industrially backward northern region and create employment for thousands of people.

Banglalink mobile phone fair now kicks off today

SIM cards to be sold with new tax

BDNEWS, Dhaka

Mobile phone fair organised by Banglalink, which was scheduled to be inaugurated yesterday, now will begin today at Bashundhara City shopping mall.

But Banglalink, one of the private mobile phone operators, will charge extra Tk 1,200 duty on a SIM card in the fair and elsewhere in the country from now on. Earlier, the company pledged to provide customers with SIM cards (connections) at old prices in the fair.

The visitors of the fair were seen going back with disappointment following the postponement of the fair yesterday.

Talking to news agency, Omer Rashid, director marketing of the Banglalink, said, "As we had to face unavoidable circumstances, we were forced to postpone the inauguration of the fair."

"We thought, we could distribute SIMs with previous prices but that would not be possible now," he said adding that the authorities regret the sufferings of the customers.

Earlier on Tuesday, the authorities of Banglalink at a press conference announced that more than 50,000 SIM cards would be provided through packages in the fair.

Post and Telecommunications Md Aminul Haque is expected to inaugurate the 4-day Banglalink Bashundhara Mobile Mela 2005 at 11am.

The fair will also offer a wide range of mobile handsets at reduced prices along with different services, including Banglalink's coverage, products and value added services, interactive games and music shows, the official added.

The fair will remain open to public everyday from 10am to 9pm with an entry fee of Tk 10.

India allows foreign fund investment in listed domestic newspapers

AFP, New Delhi

The Indian government Thursday allowed foreign funds to buy shares in listed domestic newspaper companies and said overseas groups will be able to print limited versions of their newspapers in the country.

The decision further eased foreign investment in the country's newspaper industry but holdings will be limited in all cases to a 26 percent limit to ensure local ownership, Information Minister Jaipal Reddy told reporters.

"The ceiling will remain," Reddy said.

In 2002, India allowed foreign firms to buy up to 26 percent in newspaper joint venture publications and 74 percent in specialty magazines and publications. In early June, it lifted the cap on specialty publications entirely.

The editions of foreign newspapers will not be able to source local content or advertising, Reddy said.

The announcement boosted prices of newspaper companies listed on the Mumbai stock exchange in late afternoon trade.

Mid-Day Multimedia, which publishes an afternoon tabloid in Mumbai, rose 9.05 rupees or 14.3 percent to 72.15.

The south India newspaper chain, the Deccan Chronicle, rose 29 rupees or 16 percent to 214.

The gains outpaced the Mumbai exchange benchmark Senxex index which was down 14.61 points or 0.21 percent to 6,892.37.



PHOTO: STAR

Nasir Bin Baharom, managing director of Telecom Malaysia International Bangladesh (TMIB), which provides services under the brand AKTEL, speaks at a press conference in Dhaka yesterday to launch a customer incentive programme titled 'Club Magnate' to offer different privileges to the operator's post-paid subscribers. Other senior officials of the company are also seen.

AKTEL launches incentives for post-paid subscribers

STAR BUSINESS REPORT

Telecom Malaysia International Bangladesh (TMIB), which provides services under the brand AKTEL, yesterday launched a customer incentive programme titled 'Club Magnate' to offer privileges to its post-paid subscribers.

"Club Magnate is a new experience for the mobile phone industry in Bangladesh and will reward and pamper AKTEL's individual post-paid customers," TMIB Managing Director Nasir Bin Baharom told reporters at a press briefing.

AKTEL Club Magnate will provide services through three types of cards including Platinum, Gold and Silver. Post-paid subscribers having connection for over six months and

monthly usage charge between Tk 2,500 and Tk 4,499 will be eligible for Silver card, while customers with usage charge between Tk 4,500 and Tk 6,499 will have Gold card and Tk 6,500 and above will belong to Platinum segment.

All club members will be entitled to free SIM (subscriber identity module) card replacement in cases of loss, damage or theft, free monthly itemised bill, one additional post-paid standard connection with NWD facility, one additional post-paid mobile-to-mobile connection with Tk 300 voucher. Moreover, Club Magnate members will be considered dedicated priority customers at all AKTEL customer care centres.

Apart from these, the club mem-

bers will enjoy special privileges from other partner organisations of AKTEL such as Dhaka Sheraton Hotel, Hotel Seagull, Medinova Medical Service, chain store Agora, Hertz, Malaysian Airlines and many more, said Vijay Watson, chief operating officer of TMIB.

Club members will also be entitled to different special offers including price discount on different products and services.

Watson said they have introduced the programme as the average revenue per user (ARPU) in post-paid segment is much higher than that of the pre-paid subscribers.

Some 96 percent of TMIB customers are in pre-paid segment while the rest are in post-paid, he added.

US wants trade with India to match China volume

AFP, Washington

The United States wants trade with India to jump rapidly to a level close to that of China, a senior US official said Wednesday in yet another indication of warming ties between the giant democracies.

US trade with India stood at 22 billion dollars last year compared to a whopping 231 billion dollars with China.

"Let me say that the United States is eager to collaborate with India to increase the level of trade to a level closer to the volume of trade we currently have with China," said acting deputy commerce secretary David Sampson.

"I know that's a huge goal but I think it's a goal worth pursuing," he told American and Indian business leaders and scientists gathered under the US-India High Technology Cooperation Group, a bilateral forum to expand high-tech trade.

Sampson said while there had been much improvement in US-India strategic and political ties, only modest progress has been made in bilateral trade, adding that President George W. Bush was "committed to transforming relations between the world's oldest democracy and the world's largest democracy."

The United States has made

wideranging moves to improve ties with India in what analysts see as a counterbalance to China, whose growing military, economic and political clout has sparked concerns in the Bush administration.

Sampson said India could boost investment and trade volume with the United States if it beefed up its infrastructure and removed barriers to investors.

He noted that India at present was only the 24th largest export market for the United States while American investments in India "also tells story of growth but unrealized potential."

US foreign direct investment in India amounted to just 3.6 billion dollars as of the end of 2003.

"This makes the United States India's largest foreign investor. But US companies invest vastly larger sums elsewhere," Sampson said.

Investors, he said, would be reluctant to come unless India's rules and regulations were streamlined, and made significantly more transparent and predictable.

One untapped potential for bilateral trade is in the high-tech sector but Sampson said India needed to improve on recent legislation to extend product patent protection to pharmaceuti-

cal and agricultural chemicals.

He cited the need for India to fight copyright, trademark and patent infringement, saying protection of intellectual property rights was a very high priority for the US administration.

Sampson also said that the United States and India had well-educated work forces for potential scientific and technological breakthroughs.

"I believe we're reaching a tipping point in biotechnology cooperation, agricultural and medical research, and the development of new pharmaceuticals," he said.

While pledging biotech investment reforms at the forum, India's Science and Technology Minister Kapil Sibal asked the United States to relax conditions for exporting biological materials crucial for rapid development of India's pharmaceutical industry.

The conditions were tightened after the terror attacks on September 11, 2001 amid fears of biological terrorism.

Sibal said the United States and India could jointly establish protocols for such exports and licensing arrangements for transfer of American biological material to the private sector in India for vaccine development.