

## Revenue posts 14.5pc rise in FY05

REJAUL KARIM BYRON

Revenue collection by the National Board of Revenue (NBR) in the last fiscal year witnessed a 14.5 percent growth over the previous year but it fell Tk 556 crore, or 1.8 percent, short of its Tk 30,500 crore revised target.

The NBR collected Tk 29,944 crore revenue in FY05. In FY04, it had collected Tk 26,193 crore, posting a 10.75 percent yearly increment.

The collection target for FY05 could not be achieved due to a lower yield of value-added tax (VAT) from a few sectors including tobacco, wholesales and retailing, NBR sources said.

An NBR high official said they realised about 98.20 percent of the revised target for FY05. The 1.8 percent deficit was largely due to a huge decline in VAT collection from the tobacco sector.

The anti-smoking law caused a sizeable fall in cigarette sales, making it hard to achieve even a three percent increase in VAT collection from the sector, let alone the target of 10 percent growth, explained the NBR source.

The government usually collects around Tk 2,500 crore VAT on cigarette sales.

The initiative to raise VAT from wholesales and retailing by shop-owners was not much successful either, the official said, adding that against a Tk 500 crore VAT collection target, only around Tk 200 crore could be earned.

VAT collection from the gas sector in FY05 was also less than what had been envisaged at the beginning, he said.

Last year VAT collection growth was 11.34 percent, which was 12.69 percent in the previous year.

The growth in import duty collection was 14.65 percent in FY05,

against the 9.14 percent growth in FY04.

Income tax collection in FY05 witnessed a growth of 20.50 percent, which was 11.14 percent in the previous fiscal.

The tremendous rise in income tax collection was mainly due to a number of steps, including special auditing and making it mandatory for taxpayers to provide lifestyle information.

A special audit of some 10,000 individual taxpayers' files added some Tk 10 crore to the NBR coffers.

In the current fiscal year, 2005-06, the NBR's revenue target has been set at Tk 35,652 crore, which is about 19 percent more than that of FY05.

The NBR official said the current fiscal year will see a further broadening of the large number of reform initiatives taken up in last year, which would make the target feasi-

ble.

Besides, from this fiscal year, tax will be cut at source in some sectors such as readymade garments, stockbroking and shipping lines. This, he added, will bring in another Tk 300 crore in revenue. Tax collection from sales of SIM (subscriber identity module) cards of mobile phones will also add about Tk 250 crore to NBR income.

The NBR official also anticipated that many would avail the opportunity of whitening black money, the time of which has been extended by another year, as the national elections are coming. Particularly those, who have earned a lot of black money in the last three to four years using their government connections, may also try to whiten their money, he said, adding that this will fatten the government coffers by a few hundred crores of taka more.

## Imported ceramic to be unloaded on BSTI approval

Orders HC

STAR BUSINESS REPORT

The High Court has directed the tax authorities to issue unloading order for imported ceramic ware only after receiving chemical test report on samples from Bangladesh Standard and Testing Institution (BSTI).

The court order, delivered upon a writ petition, also asked the tax authorities not to permit unloading of imported ceramics if the goods fail to obtain BSTI approval.

Rashed Mowdud Khan, president of Bangladesh Ceramic Ware Manufacturers Association (BCWMA), filed the writ petition on July 10 stating that some importers were importing ceramic ware containing excessive level of lead and cadmium, posing threat to public health.

Although there is a provision in the export policy 2003-2006, issued by the commerce ministry, not to unload imported ceramic ware before receiving BSTI approval, it was not followed properly, said a BCWMA press statement.

## Export clocks record 15pc growth in May

STAR BUSINESS REPORT

Export performance is back on track in May fetching a record 15 percent growth in a single month.

Export earnings in May 2005 amounted to US\$823.70 million, up by \$107 million during the same month of 2004.

Income in May this year is the second highest in a single month as exports fetched \$868 million in July 2004, according to Export Promotion Bureau statistics.

Export crossed the target by more than \$102 million amounting to \$7784.58 million during July-May period of the just-concluded financial year. Earnings grew by 15.03 percent compared to the same period of FY2003-04.

Knitwear, jute goods, home textile, chemical, engineering and agricultural products, raw jute, ceramic tableware, and electronics

performed well crossing their respective targets in 11 months of FY2004-05.

Knitwear sector showed a vigorous performance crossing its annual target in only 11 months. The yearly target from knitwear export was \$2500 million but the earning was \$2,535.72 million in the first 11 months.

However, some major earning sectors including woven, frozen food, leather, bi-cycle, petroleum by-products and tea failed to achieve the goal during the period.

"Export sector in recent months is performing beyond our expectation considering the changed global scenario of quota phaseout from January this year," said a top EPB official. "We were ready to see some major setbacks in the second half of the last fiscal."

Exports felt the sting of the quota-phase out in January 2005,

with earnings from woven products plummeted 21 percent compared to the same month in 2004.

The export target for FY2004-05 was set at \$8,565 million. "The target for the last fiscal was ambitious and at first we didn't think that we would reach the goal. But with the performance in recent months, I think the target may be achieved," the official added.

Woven garment exports amounted to \$3,219.6 million during the July-May period, marking a 1.9 percent growth over the same period of FY2003-04.

Jute goods exports fetched \$280.54 in the first 11 months of FY2004-05, recording an impressive 23.2 percent growth.

Frozen food exports amounted to \$383 million during the period, posting an 11.37 percent growth over the corresponding period of previous year.

## HP holds partners' meet in Ctg

Hewlett-Packard (HP) recently organised a meeting of its premium business partners and business partners based in Chittagong.

The local HP partners were briefed on HP operations in Bangladesh, benefits of HP partner schemes and latest HP products at a function in the port city, says a press release.

During the meet, latest HP products including HP Compaq Business Notebook NX6120, HP Compaq Business Desktop DX2000, HP iPAQ Pocket PC h6365, HP DeskJet Printers, HP Photo Smart Printers, HP All-in-Ones and HP Laser Jet Printers were on demonstration. 78 HP resellers based in the port city attended the meet.

## New A310 of Emirates SkyCargo freighter takes off

The first of Emirates SkyCargo's three Airbus freighters took off on July 7 from Dresden in Germany.

Headed for Emirates' home-base in Dubai, this was the aircraft's first flight in its new livery, says a press release.

Emirates SkyCargo took delivery of its first A310-300F on July 6 and the two A310-300Fs on order will enter Emirates' fleet by the end of the year.

## New MD of Brac Concord Lands



AFM Sodrul Alam Choudhury took over as the managing director of Brac Concord Lands Ltd with effect from July 1.

After obtaining his MBA degree in 1984 he served different organisations at home and abroad before joining Brac in 1997 as a marketing manager of its dairy and food project, says a press release.

## Wal-Mart to open first Shanghai outlet

AP, Shanghai, China

Wal-Mart, the world's largest retailer, plans to open its first store in China's biggest city, Shanghai, at the end of July, the company said Friday.

Wal-Mart already operates 47 stores employing 20,000 people in China, and has its headquarters in the southern commercial center of Shenzhen.

But it is a relative latecomer to Shanghai, where French rival Carrefour S.A. already operates eight of its giant stores and Germany's Metro AG is also well established.



PHOTO: STAR

Two Thai girls woo food connoisseurs at the Thailand Festival 2005 organised by the Royal Thai Embassy in collaboration with Thai Airways International Company Ltd and Sonargaon Hotel in Dhaka Thursday. The 11-day fruits and food festival will continue until July 24 at Sonargaon Hotel.

## World tea exports rise, Bangladesh slips: UN

BDNEWS, Dhaka

Although the tea export of Bangladesh decreased by more than one percent during the last fiscal year over the 2003-2004 fiscal year, the world tea production last year reached a record 3.2 million tons, according to a report released by the United Nations Food and Agriculture Organisation on Thursday.

The report said the world tea export increased by 50,000 tons which is more than the production in 2003, but production of the major exporters such as India and Bangladesh has decreased.

The FAO report was prepared for the Intergovernmental Group on Tea meeting in Bali (20-22 July 2005) to review the current world tea market

and its medium-term outlook.

Increase in export was due mainly to record production in Turkey, China, Kenya, Malawi, Sri Lanka and Indonesia.

Azharul Islam, Director of Bangladesh Tea Board, yesterday told the news agency that reduction in tea export was due to a rise in domestic consumption. He said annual production of tea failed to cope with higher domestic consumption.

Presently, the consumption is rising by 3.5 percent annually against 1 to 1.5 percent rise in production, he said.

He, however, hoped that tea production would mark a record growth this year because of favourable weather.

World tea exports increased by

4.4 percent in 2004 rising to 1.47 million tons, with all major exporters registering a rise, according to the report.

Tea production in India, the report said, declined by 4.3 percent with production standing at around 820,200 tonnes due to unfavourable weather conditions and for the closure of about 70 tea gardens in Assam.

World net tea imports increased in 2004, by 1.5 percent, which is 1.42 million tonnes. This trend reflected the increases in traditional developed country markets of the European community (an increase of 2.4 percent), the United States (5.3 percent) and Japan (2 percent), where imports reached to 215, 000 tonnes, 99 000 tonnes and 56 000 tonnes respectively.

## Boeing finalises \$430m China Cargo order

AFP, Washington

US aerospace maker Boeing Company said Thursday it finalized a deal with China Cargo Airlines for two Boeing 747-400ER freighters, worth about 430 million dollars at list prices.

The deal with China Cargo Airlines, a subsidiary of Shanghai-based China Eastern Airlines, had been first announced nearly a year ago.

Delivery was set for July 2006 and August 2007, and the two freighters will be used to expand the operating capacity of China Cargo Airline's routes.

The two 747s will be the first in China Cargo's fleet, which includes six Boeing MD-11Fs. In recent years it has leased 747 freighters.

China Cargo is 70 percent owned by China Eastern and 30 percent owned by China Ocean Shipping.

"This is a new element to our long, mutually beneficial relationship with the China Eastern Airlines family," said Rob Laird, vice president for China at Boeing Commercial Airplanes Sales.

## Brazil to delay US trade sanctions over cotton subsidies

AFP, Geneva

Brazil has agreed to postpone trade sanctions on the United States, which has signaled it is moving to comply with a World Trade Organization (WTO) ruling against its cotton export subsidy programme, the two countries said Friday.

In the deal struck between the Brazilian and US governments, Brazil will maintain its right to impose sanctions but suspend their application, while the United States abolishes the cotton export subsidies deemed illegal by the WTO in March.

Under the WTO ruling, Brazil had until Friday to exercise its right to impose sanctions. Thanks to the agreement with the US, it will have recourse to them at any moment.

At a special meeting of the WTO dispute settlement body here Friday, the US reiterated its intention to "fully implement" the WTO ruling, which demanded the abolition of certain cotton sector subsidies, considered hidden export subsidies.

The US was to have abolished these subsidies before July 1. The administration of US President George W Bush finally announced on July 5 that it was asking Congress to approve changes to the cotton export subsidy program to comply with the WTO ruling.

Brazil, in its request for WTO authorization of penalties against the US, said that Washington's subsidies had cost Brazilian cotton producers three billion dollars (2.5 billion euros) a year.

Under global trade rules, which are set by the 148-member WTO, Brazil is authorised to levy trade sanctions against US goods in that amount if the US fails to comply with the WTO decision.

## Ghorashal power plant limps on overhaul lack

UNB, Ghorashal

Power generation at the Ghorashal thermal power plant might stop due to want of overhauling of the plant for over three decades.

The 940-megawatt power plant, installed at a cost of Tk 2,700 crore, might face a major disaster at any time resulting in disruption of power distribution in Narsingdi and rest of the country.

In January 1974, the plant first started its operation by producing 55 MW of electricity. The first unit was commissioned at a cost of Tk 150 crore.

The plant's second unit with a 55-MW capacity, built at a cost of Tk

175 crore, went into production in February 1976.

The 210-MW capacity third unit of the plant was built at a cost of Tk 550 crore and commissioned in September 1986.

The 210-MW fourth unit, also built at a cost of Tk 550 crore, went into production in 1989 while another 210-MW fifth, costing Tk 600 crore, was commissioned in 1994.

Finally, the other 210-MW capacity sixth unit was installed in January 1999 at a cost of Tk 700 crore. Russian Technogram Export Company installed the unit.

The production capacity of the units is valid for 20 years. All the

units were scheduled for overhauling every five years. But in last 38 years, overhauling was not done in any of these six units. As a result, production capacity of these units is gradually coming down. So far, these units were shut down 200 times. In each month, production stops in one or two units.

An executive engineer of the plant told the news agency that the overhauling of the units were not being done due to mysterious reasons. The entire Ghorashal power plant might go out of order if overhauling is not done immediately, the engineer said on condition of anonymity.