

China to abolish age-old farm tax

ANN/ CHINA DAILY

A motion on abolishing the regulation concerning the agricultural tax was submitted to a legislative session of China's top legislature, for deliberation and approval on Saturday, according to Xinhua state news agency

China's more than 2,000 years old agricultural tax will be rooted out if it is approved at the 19th session of the Standing Committee of the 10th National People's Congress, which is held here from Dec 24 to 29.

Liu Jibin, vice director of the Financial and Economic Committee of the NPC, said with decades of economic development, the country had established a fine industry system, at the same time, the gap between industry and agriculture and the gap between city and countryside have widen.

"In a bid to narrow the income divide between urban citizens and

rural citizens, it is necessary to root out agricultural tax. Moreover, abolishing agricultural tax is conducive to building up a unified tax system for urban citizens and rural residents," he said.

Agricultural tax emerged in China as early as in the Period of Warring States (475-221 BC). And then, agricultural taxes were collected in almost every feudal dynasties.

In 1958, the NPC adopted the Regulation on Agricultural tax.

Feng Shuping, vice director of the Commission for Budget Affairs under the NPC Standing Committee said since the founding of the People's Republic of China in 1949, the Chinese government had always upheld the principle of increasing grain output, but reducing taxes.

In 1949, a Chinese farmer should bear grain tax as much as 28 kilograms a year, while the figure reduced to 13 kilograms in 2000,

although the annual grain output increased remarkably during the time.

She said abolishing agricultural tax would help reduce farmer's economic burden, increase income and sharpen the country's agricultural competitive power.

In March 2004, Premier Wen Jiabao announced in his annual government work report that the Chinese government would reduce agricultural taxes year on year and finally exempted it.

Since then, 28 provinces have decided by themselves to exempt agricultural taxes, reducing tax burden worth of 50 billion yuan (US\$6.19 billion) for 800 million farmers.

Government's endeavor of reducing and exempting agricultural tax has accumulated experiences for the country's top legislature to finally root out the category of agricultural tax, Liu said.

He said the economic losses caused by agricultural tax abolishment was within the country's fiscal capacity.

Statistics show that in 1949, agricultural tax revenue took up to 39 per cent of the country's total tax revenue, the percentage dropped to merely one per cent in 2000. In 2005, the Chinese government only collected about 1.5 billion yuan of agricultural taxes. Therefore, rooting out agricultural taxes could not influence the country's financial revenue too much, he said.

He said abolishing agricultural taxes will reduce the local fiscal revenues. For the economic well-developed provinces, the losses caused by rooting out agricultural tax will be burdened by themselves, for those backward western provinces or grain produce bases, the central government arranged 35.66 billion yuan to subsidise them in 2005.

Indian PM wants fast industrial growth

REUTERS, New Delhi

India's manufacturing sector is expanding too slowly, Prime Minister Manmohan Singh said, warning his Communist allies that more reform and new labour laws were needed to stimulate job creation.

Singh, who began India's economic reforms as finance minister a decade and a half ago, said Saturday manufacturing was critical to moving from a farm-based economy to an advanced, richer one.

"Manufacturing has to be the sponge which absorbs people who need to move out of agriculture in pursuit of higher incomes," he told a business conference in the capital.

"I am concerned that the share of manufacturing in national income has shown only a marginal improvement from 15.8 per cent in 1991 to 17 per cent in 2003."

Singh said manufacturing's

contribution to gross domestic product must surge to 25-35 per cent, compared with China's 40 per cent, which would need growth in the sector to jump to 12-14 per cent from about 8 per cent.

That 8 per cent is already strong by global standards and manufacturing exports are growing by 20 per cent a year, the fastest ever. "A substantial manufacturing base is essential to absorb the workforce and ensure sustainable growth of the economy," Singh added.

Analysts warn much faster manufacturing growth is vital for the economy, and for social and political stability, seeing it as the only way to create the extra jobs needed for a workforce growing by 12 million people -- more than the entire population of Greece -- every year and moving away from farms.



PHOTO: NCC BANK

M Wazhiullah Bhuiyan, chairman of National Credit and Commerce (NCC) Bank Ltd, inaugurates the 41st branch of the bank at Anderkilla in Chittagong on Thursday. Other senior officials of the bank are also seen.



PHOTO: JAMUNA BANK

Arifur Rahman, chairman of Jamuna Bank Ltd, inaugurates the 22nd branch of the bank at Baligaon in Munshiganj on Thursday. Directors and other senior officials were also present at the inauguration.

Emirates to begin direct flights between Dubai and Cambodia

AFP, Phnom Penh

Emirates airline of the United Arab Emirates will begin flights from Dubai to Cambodia, becoming the first airline to open a direct route between the Middle East and the Southeast Asian kingdom, officials said yesterday.

Cambodia's Secretariat of Civil Aviation signed an agreement Friday with the airline to operate at least seven flights a week to the capital Phnom Penh, starting next year.

Civil Aviation Secretary of State Mao Havana said the link-up would provide Cambodia with an important connection to Europe, and hoped it would boost the impoverished country's tourism numbers.

"Both our tourism figures and airline will benefit," he told AFP.

Emirates flies to more than 70 destinations worldwide, including more than a dozen Asian countries and regions.

More than 10 foreign airlines operate flights to Cambodia, including Singapore-based Jetstar Asia, Malaysia's low-cost carrier AirAsia and Shanghai Airlines.



PHOTO: ZISKA PHARMACEUTICALS

Khandaker Mosharraf Hossain, health and family welfare minister, speaks at the inaugural function of a plant of Ziska Pharmaceuticals Ltd in Dhaka on Saturday. Mizanur Rahman Sinha, state minister for health & family welfare, MA Hadi, vice chancellor of Bangabandhu Sheikh Mujib Medical University, SM Shafiuzzaman, president of Bangladesh Aushad Shilpa Samity, among others, were present at the function.



PHOTO: DHAKA BANK

Managing Director of Dhaka Bank Ltd Shahed Noman shakes hands with Finance and Planning Minister M Saifur Rahman after receiving on behalf of the bank the second prize of 'ICAB National Award 2004' for the best-published accounts and reports (Financial Sector) at a function in Dhaka on Wednesday.

Xmas eve sales slower than predicted

REUTERS, Chicago

US retailers faced slower-than-expected traffic in stores on the last shopping day before Christmas as extended hours and steep discounts failed to draw a big crowd of shoppers.

"I don't think the day is the kind of day that retailers thought it would be," said Britt Beemer, head of America's Research Group, which surveys consumer spending habits. "Christmas Eve is seldom the big day because of the fact that so many consumers... want to be home."

US retailers were counting on strong demand on Saturday to make up for solid but unspectacular sales so far this holiday season. The Saturday before Christmas has become the busiest shopping day of the year as consumers hold out for last-minute discounts.

Many retailers had opened their stores before 7 a.m. to take advantage of Christmas Eve falling on a weekend.

But most shoppers did not get an early start. The parking lot at Briarwood Mall in Ann Arbor, Michigan, was only about half full around noon, Hendrix said.

Sales picked up as the day wore

on but the stores were not filled with traditional holiday shoppers of mothers and children.

"Our clientele has changed today to be more men," said Audrie Thompson, general manager of Northpark Mall in Ridgeland, Mississippi.

Retailers said stores were jammed on Friday evening, with many people crossing the last items off their holiday shopping list before hitting the road for the weekend. Analysts said retailers cut prices more this year than they did last year in the hope of luring cost-conscious consumers, many of whom are grappling with steep gasoline prices and bracing for bigger winter heating bills.

Wal-Mart Stores Inc. (WMT.N: Quote, Profile, Research), which set the tone for a fiercely competitive holiday shopping season with discounts including a laptop computer for under \$400, said it was on pace to meet its December sales forecast.

The retailer said sales were starting off well on Saturday, but were not as strong as on Friday night. It predicted steady sales right up until closing time.



PHOTO: THE ORIENTAL BANK

A meeting of the Executive Committee of SWIFT (Society for Worldwide Interbank Financial Telecommunication) Member Group of Bangladesh was held recently in Dhaka. CM Koyes Sami, chairperson of the Member Group and managing director of The Oriental Bank Ltd, presided over the meeting.



PHOTO: EXIM BANK

Md Nazrul Islam Mazumder, chairman of Export Import (Exim) Bank of Bangladesh Ltd, inaugurates the 28th branch of the bank on Sat Masjid Road at Dhanmondi in Dhaka on Thursday. Other senior officials were also present.