

US-Bangla double taxation goes in couple of months

UNB, Dhaka

Bangladesh will sign a double taxation avoidance treaty with the United States within two months as the National Board of Revenue (NBR) expects to complete necessary formalities by that period.

"We're very much optimistic about completing all the procedures within next couple of months," NBR member (Income Tax Policy) AS Jahir Muhammad told the news agency over telephone on Friday.

"Our Mission in the USA informed us that the first hearing in this regard in the US Senate has been completed with positive attitude and they (Mission) informed us that all the formalities would be completed within the period," he said.

The US government had initiated the process to boost invest-

ment and trade, as the country holds untapped business potential, NBR officials said.

"Such agreement will help boost the US investment in the country," Jahir Muhammad said adding that the total US investment in Bangladesh is now over one billion dollars.

The American investors recently showed keen interest in investing in the energy sector of the country, he said and hoped that the planned treaty rescinding the double-taxation system would encourage the US investors to invest in Bangladesh.

Meanwhile, aiming to boost bilateral trade with Norway, Bangladesh has almost completed the procedural formalities for withdrawal of double taxation and a gazette notification to this effect is now in the offing.

According to the NBR, the file of the gazette notification was sent on February 6 to the law ministry for its perusal.

With the latest moves, Bangladesh is going to sign agreements with 14 more countries in a row for the withdrawal of double taxation to boost bilateral trade and investment in the country and abroad.

The countries now in the process of entering into such deals on avoidance of double-taxation are Indonesia, Mauritius, Qatar, Myanmar, Saudi Arabia, Switzerland, Russia, Nepal, Iran, Uzbekistan, South Africa and Morocco.

Bangladesh already signed such agreements with 23 countries to pave the way for enhanced business.

Formalities for the accord with

Norway, the US and Indonesia have been completed on Bangladesh's part. As soon as the governments of these countries endorse the agreement in their respective parliament, Bangladesh will be able to avoid being doubly taxed in doing business with these countries, which will entail lesser costs.

Meanwhile, officials said, the agreements signed with Mauritius and Qatar are awaiting approval from the cabinet body of Bangladesh. The deals with Myanmar, Saudi Arabia and Switzerland are under further scrutiny by the law ministry.

Agreement on avoidance of double taxation provides relief on taxes on shipping and air link, dividend, interest, royalty, capital and profit as well as on earnings by student-trainees.

Bangladesh to take part in Indian int'l trade fair

UNB, Dhaka

Bangladesh will participate in a 13-day international trade fair beginning February 20 in Guwahati, the capital of the northeastern Indian State of Assam.

A total of 29 Bangladeshi companies, under the initiative and management of the Export Promotion Bureau, are going to display their products in nine product categories.

The products include melamine, stationary, dry cell battery, food products, furniture, cosmetics, handloom products and herbal medicine.

A good few countries from across the world, including Iran, Pakistan, China, Myanmar and the Philippines, will participate in the fair, says an official release.

GP holds 'Grahak Kotha' in Rajshahi

STAFF CORRESPONDENT, Rajshahi

In a bid to get responses from its subscribers directly, mobile phone operator GrameenPhone Ltd organised a function styled 'Grahak Kotha' (Subscribers' Voice) in Rajshahi yesterday.

As the subscribers pinpointed the problems and proposals for improving service quality, GP assured them of best effort towards the betterment of its services.

GP customer center chief Promode Ranjan Karmakar and deputy chief Anwar Hossain were present at the function.

The cellphone operator has set up some 388 customer management centres across the country to provide services from 8am to 8pm daily.

Mitsubishi Motors to buy 20pc stake in China carmaker

AFP, Tokyo

Japan's Mitsubishi Motors has reached an outline agreement to buy a stake of at least 20 percent in Chinese carmaker South East Motor (Fujian) from Taiwan's China Motor, a spokesman said Friday.

Mitsubishi Motors, Japan's fourth-largest automaker and the only one now in the red, wants to expand its presence in mainland China.

"We have agreed with China Motor that we will buy about 20-25 percent of the shares of South East Motor," said the spokesman for Mitsubishi Motors.

"By the purchase of the stake we aim to strengthen our operation in China although the details of the agreement are still under negotiation," he said.

An official at China Motor in Taipei confirmed an agreement had been reached in principle for it to sell a 20 percent stake in South East Motor (SouEast) to the Japanese automaker.



PHOTO: STAR

The 14th 'Chittagong International Trade Fair' could not attract considerable number of visitors until yesterday as setting up of many stalls is still going on, although the show was formally inaugurated on Tuesday. Electricity was not provided yet for many stalls as the picture shows generator is being used at a stall. Chittagong Chamber of Commerce and Industry is organising the show at the Railway Polo Ground.

IPO subscription of S Alam Steels begins tomorrow

ABDULLAH-AL MAHMUD, Ctg

IPO subscription of S Alam Cold Rolled Steels Ltd, a concern of a Chittagong-based conglomerate, begins tomorrow and is scheduled to close on February 26.

The company offering 12 lakh ordinary shares of Tk 100 each amounting to Tk 12 crore is the first high capital-intensive backward linkage steel manufacturing plant going public.

Initial public offering (IPO) of S Alam Cold Rolled Steels would help bring in further accountability and efficiency in the management and contribute more to steel industries in the country, company officials hoped.

"Cold rolled (CR) steel unit of the company is now producing some 85,000 tons of CR strips annually but has the total production capacity of 1.20 lakh tons," said Noorun Nabi

Talukder, general manager of the company.

The project produces cold rolled steel strips (CR strips) in the form of both coils and sheets required for manufacturing galvanised plain (GP) and galvanised corrugated (GC/CI) steel sheets that are extensively used for roofing and cladding houses.

"A fully computerised system monitors the whole production process," said Project Implementation Manager JUA Siddiquee, adding that the CR strips and coils produced in the country are competitive compared to imported ones.

S Alam Cold Rolled Steels, located on 14.43 acres of land at Kalarpool of Shikalbaha under Patiya, produces CR strips from HR strips with technical support from Kawasaki of Japan.

The project involving around Tk 450 crore was incorporated

as a public limited company on December 12, 2000 and went into commercial production on February 16, 2004.

The group is well known for its transport business-- S Alam Luxury Chair Coach Services. Other subsidiaries of the group are S Alam Cement, S Alam Hatchery, S Alam Vegetable Oil, S Alam Super Edible Oil, S Alam Bag Manufacturing Mills and Shah Amanat Filling Station.

According to sources, there are now seven cold rolled steel plants in the country producing CR coils or strips for making steel products.

These are S Alam Cold Rolled Steels, PHP Cold Rolled Mills, Abul Khair Steel Products, KYCR Coil Industries of KDS group, Karnaphuli Steels of TK Group, Apollo Ispat Complex Ltd in Daudkandi, and RM Cold Rolled Mills in Narayanganj.

Carrefour to up apparel orders 20pc from Dhaka

BDNEWS, Dhaka

A senior executive of Carrefour, the world's second largest retail chain after the Wal-Mart, has said his company will raise orders from Bangladesh by 20 percent in 2006.

"We will raise orders from Bangladesh by 20 percent in 2006 over last year," Vincent Rome, international freight senior manager (Import Division) of Carrefour, told a group of reporters at an informal briefing at Sonargaon Hotel.

He said the company's orders from Bangladesh rose significantly in the past few years because of the competitiveness of the products in terms of price and quality.

Carrefour, based in France, purchased 4,200 containers of

goods from Bangladesh in 2005, up from 3,700 containers in 2004, 2,500 containers in 2003 and 1,400 containers in 2002.

He said the growth in purchases from Bangladesh was phenomenal in 2003 and 2004, and it slowed down slightly in 2005 because of the initial uncertainty over the elimination of the quota system in line with the Multi-Fibre Arrangement (MFA).

However, he said the elimination of quota system has not affected Bangladesh's exports, as the country remains competitive.

Carrefour, which has strong presence in Middle East and Southeast Asia, purchases a major part of its items, such as knit and woven garments, jeans, camping gear and sportswear, from

Bangladesh.

Carrefour purchase alone accounted for 4.0 percent of the country's exports to European Union (EU) markets.

Rome, who is in Bangladesh to review supply chain solution excellence, said the country need a deep-sea port to facilitate speedy export-import activities.

However, he said the said the lead time, or transition time, in export is consistent with other neighbouring countries in South and Southeast Asia.

Carrefour has been outsourcing orders to more than 40 factories in Bangladesh and supplying the products to over 30 destinations in Europe alone.



PHOTO: AB BANK

RQM Forkan, chief operating officer of AB Bank Ltd, and Imtiaz Hasib, deputy managing director of Southeast Bank Ltd, exchange documents after signing a draft drawing agreement recently in Dhaka. Under the deal, the banks will facilitate each other's draft issuance. Kaiser A Chowdhury, president and managing director of AB Bank, and Niaz Ahmed, managing director of Southeast Bank, among others, were present.

Indian growth to be 8pc this year

President says

PTI, New Delhi

Rolling out the reform agenda ahead of the budget, President APJ Abdul Kalam said Thursday that India will create a common market for agriculture and step up infrastructure development in ports, roads, power, airports, telecom and railways to sustain high growth.

Promising to keep the price line at a modest level despite surging global energy prices, Kalam said the United Progressive Alliance led government is committed to efficient management of public utilities and enterprises in the pursuit of reform.

In his address to joint sitting of Parliament, marking the beginning of the budget session, Kalam said the economy was on the move and after none too exciting growth of around 5 percent per annum during 1999-2003, it has bounced back recording 7.5 percent growth in 2004-05 and likely to cross 8 percent this fiscal.

"This is probably a precursor to better times to come in the future... The government's prudent and judicious management of the economy has helped it to perform exceedingly well despite unprecedented rise in oil prices which was of immense satisfaction," he said.

The renewed optimism of the people is visible in the savings rate

which now over 29 percent and the investment rate which is near 31 percent, the President said.

Voicing government's determination to address the concerns of "Aam Aadmi" (common man), Kalam said highest priority would be given to welfare of farmers and development of rural economy.

Apart from increasing farm credit by 60 percent, a revival package for long term cooperative credit structure is being studied, besides implementing a revival package for short term rural credit structure involving Rs 140 billion as recommended by the Vaidyanathan committee.

"My government is committed to having a common market for agricultural produce so that farmers get better farmgate prices. This is being done by making warehouse receipts negotiable instruments, amending the Essential Commodities Act, working with states to amend Local Agriculture Produce Marketing Acts and expanding food supply and storage chain," the President said.

A National Rainfed Authority is being established to look into all dimensions of managing water resources and the government has begun work on all elements of interlinking of peninsular rivers starting with work on two such links, he said.