Star BUSINESS

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Govt okays deal with Switzerland to avoid double taxation

UNB, *Dhaka*

The caretaker government approved a ratified agreement between Bangladesh and Switzerland on avoidance of double taxation to further strengthen the existing economic relations between the two countries.

An unscheduled meeting of the council of advisers with Chief Adviser Dr Fakhruddin Ahmed in the chair yesterday approved a proposal on the agreement placed by the Internal Resources Division.

"The deal will go in favour of Bangladesh's interest," according to an official.

The meeting also approved draft of the Public Procurement (amendment) Ordinance 2007, incorporating option for negotiation during signing agreement between government and international organisations, development partners and foreign countries on loan document, donation, goods and services.

The advisory council also approved a proposal placed by commerce ministry for refixing or increasing various fees of joint stock companies and firms under schedule 2(A) of the Companies (Amendment) Act 2005, according to chief adviser's Press Secretary Syed Fahim Munaim.

Earlier in 1994, the fees were fixed, which are now comparatively less or very small.

With the rise in the fees, government's annual revenue will increase by Tk26 crore.

The meeting also discussed prices of essential commodities and means of stabilising market prices.

Expansion of BDR outlet markets and increase in the number of wholesale markets apart from Karwan Bazar in the capital were discussed in this context.

EU states, lawmakers strike deal on mobile roaming rates

AFP, *Brussels*

EU governments and the European Parliament struck a deal on Tuesday to force mobile phone operators to reduce charges for calls from abroad, officials said on Tuesday.

A diplomat said that under the agreement rates for calls made while in other EU countries would be capped in the first year of application at 49 euro cents a minute while receiving calls could cost no more than 24 cents.

The ceiling would come down even lower in the second year, falling to 46 and 22 cents and then 43 and 19 cents in the third year.

The European Commission drew up the plans to regulate roaming rates last year after it found evidence of huge variations between operators' prices, with some roaming calls costing up to six times those of local mobile calls.

The package has the industry, which argues that fierce competition has already driven down prices, up in arms and it has been lobbying hard to get the plans watered down.

Jakarta to privatise more state firms

ANN/ THE JAKARTA POST

The government hopes to add several additional state-owned companies (SoEs) to its privatisation program this year, in a bid to raise more cash to plug the budget deficit, the new state enterprises minister says.

"We will identify the SoEs that are ready to go public this year while taking a look at the market conditions. If it is feasible, we'll ask for more divestment approvals from the House of Representatives," State Minister for State Enterprises Sofyan Djalil said Monday on the sidelines of a hearing with the House's trade commission.

He declined to say how many SoEs will be added to the current list of companies scheduled to go public this year.

The government has already listed nine SoEs for the 2007 privatization program. These include toll operator Jasa Marga, Bank Negara Indonesia (BNI), contractor Wijaya Karya, airlines Garuda Indonesia, Merpati Nusantara Indonesia and investment firm PT Permodalan Nasional Madani.

New system for cargo handling comes into force at Ctg port

Stevedoring system goes

STAFF CORRESPONDENT, *Ctg*

Chittagong Port Authority (CPA) yesterday introduced a new single-point system to replace the old fashioned stevedoring system for cargo handling at Chittagong Port.

The new system, also known as berth operator system, came into force with the delivery of containers from MV Banga Barta and MV Hasna at the port.

The decision to introduce the single-point operating system was taken at a high-level meeting at Chittagong Port on May 7.

Under the system, twelve berth operators, instead of workers and employees at the port, handle cargo operations at all the 13 jetties of the port.

The new system, launched on an experimental basis, will continue until berth operators are engaged through open tenders after necessary amendments to the rules.

The 12 stevedoring agencies that have been appointed berth operators are Ruhul Amin & Brothers (Jetty No 2), AW Khan (No 3), United Trading (No 4), Cosmos Enterprise (No 5), FQ Khan (No 6), Four Jewel Stevedoring (No 7), Pancharag Udayan Sangstha (No 8), Fazli Sons (No 9), Bashir Ahmad (No 10), A&J Traders (No 11), Everest Enterprise (No 12) and MH Chowdhury (No 13), official sources said.

Besides, 36 more stevedoring agencies, which had been operating at the port, have also been absorbed and will work with the twelve berth operators.

Some 231 workers and staffs will remain under the control of each berth operator.

The port users believe the new system will protect importers from harassment and financial losses they suffered in the stevedoring system.

PHOTO: BANGLALINK

Bangladesh Army Overseas Operations Directorate and mobile phone operator Banglalink have signed a memorandum of understanding to commemorate the 'United Nations Peacekeeping Day 2007' on May 29. Major Gen Iqbal Karim Bhuiyan, chief of General Staff of Bangladesh Army, Rashid Khan, chief executive officer of Banglalink, Omer Rashid, director (Marketing) of Banglalink, and Brig Gen Mahboob, director of Overseas Operations, among others, were present at the signing ceremony.

Indian IT lobby demands more US work visas for tech professionals

AFP, *Bangalore*

India's tech industry on Wednesday demanded more liberal US visa rules for software and computer professionals in response to calls by US lawmakers to limit their entry further.

The annual US visa limit of 65,000 for overseas professionals such as software engineers is harming trade in the information technology industry, India's National Association of Software and Service Companies said in an e-mailed statement.

The cap on the so-called H1B visas was reduced from 195,000 two years ago, noted NASSCOM, as the industry lobby group is known. This year, foreign employers snapped up all the visas on the first day of their issue.

"Constraining the supply when demand is high gives rise to problems for both US companies as well Indian IT companies," said NASSCOM.

"NASSCOM feels that the cap should be large enough to allow market forces to operate freely," it said.

The H1B visa is an employer-sponsored, non-immigrant, temporary work visa for skilled employees.

NASSCOM was reacting to an allegation by US federal lawmakers Charles Grassley and Richard Durbin this week that H1B visas were being misused by foreign employers to disadvantage skilled Americans.

The two senators have introduced legislation that would overhaul the US work visa programme to ensure American workers are protected and crackdown on employers who deprive locals of high-skill jobs.

"Supporters claim the goal of the H1B programme is to help the American economy allowing companies to hire needed foreign workers," Durbin was quoted as saying in a statement.

"The reality is that too many H1B visas are being used to facilitate the the outsourcing of American jobs to other countries."

The two senators wrote to nine top Indian IT firms, including software makers Tata Consultancy, Infosys and Wipro, to account for their workforce and how they are using H1B visas, demanding a reply by May 29.

The nine companies account for 20,000 H1B visas.

Bangalore-based Infosys, India's second-largest software maker, is "examining the issue," said a spokeswoman for the company. Wipro, also based in Bangalore, is waiting to receive the letter, spokeswoman said.

PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Hasan Mahmood Raja, chairman of United Group, a business house, sign a lease agreement yesterday in Dhaka. Under the deal, United Group will set up a 40MW power plant in Chittagong EPZ with an investment of US$32 million. Ashraf Abdullah Yussuf, Bepza executive chairman, among others, is seen.

Bangladesh Army, Banglalink sign MoU

Bangladesh Army Overseas Operations Directorate and mobile phone operator Banglalink have signed a memorandum of understanding (MoU) to commemorate the 'United Nations Peacekeeping Day 2007' on May 29.

The day will start off with a peacekeeper's run comprising former and serving officers of the United Nations Peacekeeping Operations, high military officials and delegates from the UNDP (United Nations Development Programme), says a press release.

An award giving and commemoration ceremony organised by the UNDP will also be held at Bangladesh-China Friendship Conference Centre at Agargaon in Dhaka.

Chief Adviser to the caretaker government Dr Fakhruddin Ahmed, Chief of Army Staff Lt Gen Moeen U Ahmed, UN delegates and a number of high-profile civil and military officials will attend the programme.

A foundation ceremony will also be held for the construction of a peace monument to remember the martyrs who sacrificed their lives for the noble cause.

Omer Rashid, director (Marketing) of Banglalink, and Brig Gen Mahboob, director of Overseas Operations, signed the MoU at the Army Headquarters in the capital.

Major Gen Iqbal Karim Bhuiyan, chief of General Staff of Bangladesh Army, Rashid Khan, chief executive officer of Banglalink, and Lt Col Shahid and Major Sajjad of Overseas Operations Directorate, among others, were present at the signing ceremony.

China pledges currency reforms

AFP, *Shanghai*

Premier Wen Jiabao pledged that China would further reform its currency controls and take steps to resolve problems ranging from the nation's growing trade surplus to its soaring foreign exchange reserves.

China's overall economic outlook was positive, Wen said Wednesday at the opening of the African Development Bank's annual meeting in Shanghai. He also promised that Beijing would make interest rates more flexible while using all available options to control growth of its money supply and ensure economic stability.

That could indicate tightening measures may be on the way to cool an economy that grew a blistering 11.1 percent in the first quarter growth that authorities worry could lead to a debt crisis or higher inflation.

"There are some problems. We face excessive liquidity, an imbalance in the balance of payments, and rapid accumulation of foreign exchange. But we are taking measures to deal with these issues," Wen said.

"We are fully confident and capable of resolving the problems and maintaining sustained, stable and sound growth of the financial sector," he said.

China's bulging global trade surplus which last year grew to US$177.5 billion and currency regime are expected to among the top issues discussed at a meeting of top Chinese and U.S. trade officials next week in Washington.

Mittal's Q1 profits rise 28.8pc

AFP, *Paris*

Arcelor Mittal, the world's biggest steel producer, raised net profits by 28.8 percent in the first quarter to 1.717 billion euros (2.35 billion dollars) on strong fundmentals in the steel market.

Underlying earnings rose by 20.8 percent to 3.316 billion euros, exceeding the company's own forecast of 4.0-4.2 billion euros.

Group chairman Lakshmi Mittal said the results showed the strength of the group's business model and strong overall demand for steel.

The group said it expected to raise underlying profit as measured by earnings before interest tax, depreciation and amortisation even further.

Lakshmi Mittal said the group aimed to improve its performance in the rolled steel sector in the Americas and in long steel products in the Asia-Africa region.

FBCCI seeks specific duties on edible oil, baby food, raw materials

Hands over budget proposals to govt

STAR BUSINESS REPORT

The country's apex trade body yesterday requested the government to impose specific duties on edible oil, powdered milk, baby foods, basic metal and raw materials in the next budget to keep prices of the essential products and industrial raw materials stable.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) also recommended specific duties on other essential products on which ad valorem (in proportion to the value of something) duty have been imposed.

The FBCCI placed the set of proposals at a consultative meeting in the run-up to the next budget, jointly organised by the National Board of Revenue (NBR) and FBCCI in Dhaka. The FBCCI made the proposals after compiling all the suggestions the apex trade body received from chambers and associations across the country.

Among others, Finance and Planning Adviser Mirza Azizul Islam, NBR Chairman Badiur Rahman, and FBCCI President Mir Nasir Hossain attended the meeting.

In the proposals, the apex trade body suggested restructuring of the existing duty structure from four-tier to three- tier--5 percent, 10 percent and 25 percent.

The federation said the duty restructure should be changed in the light of the global and regional trade agreements.

The FBCCI also demanded that the lowest individual income tax slab be fixed at Tk 1.8 lakh and proposed minimum income tax of Tk 1,500 per year.

The apex trade body proposed 10 percent income tax for annual incomes between Tk 1.8 lakh and Tk 4.8 lakh, 15 percent between Tk 4.8 lakh and Tk 7.8 lakh and 20 percent between Tk 7.8 lakh and above.

The FBCCI also suggested formulation of a price database on the basis of transaction value by establishing a non-profiteering organisation.

The federation said as the pre-shipment inspections have failed to serve ultimate benefit of inspection, a price database will help end the existing valuation and classification problems.

The FBCCI proposed an end to the discretionary power of the income tax officials and urged to implement the Value Added Tax (VAT) order, which was announced in February 2005.

The federation proposed reduction in duties on all types of CNG-run vehicles from the existing 25 percent to 12 percent.

The chamber also proposed reduction in customs duty on equipment of games and sports to 5 percent from the existing 12 percent.

The FBCCI suggested special assistance and support for companies, which are involved in establishing recycling and effluent treatment plants.

The chamber also proposed duty cut on newsprint and whiteprint paper.

It also proposed complete withdrawal of import and other duties on imported books and children's picture books.

PHOTO: FBCCI

Finance Adviser Dr AB Mirza Azizul Islam (C) speaks at a consultative committee meeting of National Board of Revenue (NBR) jointly organised by the NBR and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka yesterday. NBR Chairman Badiur Rahman (L) and FBCCI President Mir Nasir Hossain are also seen.

Migrant labour crucial for Asia: ILO

AFP, *Singapore*

Migrant workers from developing Asian countries play a critical role in addressing labour shortages in the region's wealthiest economies, the International Labour Organisation told a regional forum here Wednesday.

Lured by the prospect of a higher income, more than 40 percent of Asian migrants moved to richer neighbours like Japan, Hong Kong and Singapore in search of work, the ILO said.

"With much determination and dignity, migrant workers provide their labour to countries that require it in sectors facing shortages of native workers," the ILO's Asia Pacific director, Ng Gek Boo, said at a symposium organised by the UN body in conjunction with a local university.

"Labour migration is a sign of the growing integration of our dynamic regional economies," he told the forum.

Ng said per capita gross domestic product in the region's wealthier nations was as much as 16 times that of the poorest economies, including Laos and Cambodia.

Singapore's Minister of State for Education and Manpower, Gan Kim Yong, said that between 1995 and 2000, 1.1 million of a total 2.8 million Asian migrant workers went to other Asian countries to seek employment.

"Countries such as Japan, (South) Korea, Hong Kong, Singapore, Malaysia and Thailand are the main ASEAN destinations of these migrant workers," Gan said, referring to the Association of Southeast Asian Nations.

"This is quite different from the situation two decades ago, when the bulk of Asian migrant workers sought employment mainly in countries outside Asia."

The forum, entitled Regional Symposium on Managing Labour Migration in East Asia: Policies and Outcomes, was organised to discuss regional labour migration policies and how to improve them.

Ng noted migrants also made significant contributions to their home countries in the form of remittances, skills and experience.

Figures from the World Bank showed remittance inflows into the region doubled every four years since 1990 to reach 43 billion US dollars in 2005, Ng said.

"There is evidence that these remittances have been funnelled into positive investments and have contributed to poverty alleviation in the receiving countries," he said.

Gan agreed migrant workers benefited not only their home countries but also the economies where they found employment.

"For labour-receiving countries, migrant workers help to meet manpower needs, thereby sustaining economic growth," Gan said in his opening address.

"Returning migrants also bring with them knowledge, skills, experience and new ideas gained from working abroad, which they can then apply back home."

PHOTO: BEF

Leyla Tegmo-Reddy, South Asian regional director of International Labour Organisation, exchanges views with the members of Bangladesh Employers' Federation (BEF) at a meeting in Dhaka yesterday.