

Star BUSINESS

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NBR chief says corrupt tax officials being punished

No plan for drive against capital market tax dodgers

STAR BUSINESS REPORT

The National Board of Revenue (NBR) chairman Badiur Rahman yesterday said the discretionary powers of tax officials have been cut and corrupt officials are being punished as part of the drive to improve the country's revenue collection.

"We are trying to ensure delivery of services to the taxpayers, reduce the discretionary power of the tax officers and stop discriminatory treatment," Badiur Rahman told a meeting held at the National Press Club yesterday.

He said the NBR has taken strong action against officials who have been involved in bribery and underhand dealings.

"We sacked income tax officers at Chittagong, Mongla and Zia International Airport who have been found negligent in their duties," Badiur said.

He said the NBR has cut the discretionary powers of tax officials with officers no longer being able to conduct random audits on income tax returns and impose frequent penalties.

The NBR chief said previously the tax payment system had varied for different classes of people. Now the unified self-assessment system had been introduced for all, and a unified taxpayer identification number (TIN) introduced for big companies.

He said if any taxpayers face problems in submitting income tax returns to a circle office (a local tax office) their return could be submitted directly to the NBR. In another move to simplify procedures the income tax appeal fee has been reduced, and the time in which people have the right to appeal extended.

The NBR chairman said a survey conducted by the NBR found that over 57 per cent of people liable for tax did not pay any.

He hoped people would take the opportunity given by section 198 to disclose their undeclared income by September 30. By August 16, a total of 13300 people had disclosed about Tk 2355 crore and paid taxes of Tk 427 crore, he added.

He said the opportunity did not apply to those listed by the joint

force and other agencies under the ongoing anti-corruption drive.

He said the NBR will continue filing cases against large scale tax evaders and make people aware of income tax rules.

Replying to a query Badiur Rahman said the NBR has no plans to carry out a drive on the capital markets to identify tax dodgers and will not impose any tax on opening beneficiary owner accounts. "The market is still very weak and should not be made more volatile by such a drive at this moment," he said.

The chairman said the NBR was not under any political pressure to file cases against specific tax dodgers. However he warned that, "if we welcome back the politicians who are now in jail by offering garlands, the present reform measures will not be able to continue."

BEA Secretary General Abul Barkat said the government can collect Tk 60,000 crore as income tax from the total undeclared money of around Tk two lakh crore in the country.

Donors' conditions termed disgraceful

STAR BUSINESS REPORT

The National Board of Revenue (NBR) chairman Badiur Rahman yesterday sharply criticized the conditions development partners placed on loans and grants, describing them as "disgraceful."

"The way the government has to behave in taking any loans and grants from development partners is really disgraceful for a sovereign nation. A gentleman who has any self-respect cannot continue to serve in the Economic Relation Division, (ERD)," Badiur Rahman said at a meeting held at the National Press Club.

Bangladesh Economic Association (BEA) organised the meeting titled "Reform in the Tax Management" presided over by Dr Quazi Kholiqzaman Ahmad, president of the association.

Badiur Rahman, the meeting's chief guest, said if the NBR became successful in increasing the tax-GDP ratio the country would no longer have to depend on external resources.

The government has set a target to increase the tax to GDP ratio to 10.8 percent this fiscal, form 10.4 percent a year earlier.

Terminating a dependency chain, Badiur Rahman said a child born today has to bear the burden of an average US\$ 140 in foreign loans.

He said the country cannot easily break out of this curse, as even if the

nation decided to stop taking foreign loans today it would still take another 40 years to clear outstanding debts.

"The nation will now have to decide how long it can continue taking such loans in a shameful manner, or whether people are prepared to pay more tax to the government to maintain its fiscal budget by its own resources."

BEA President Kholiqzaman said funds from external sources have never been used for the betterment of the general people; rather they had been used for a few people involved in policy making.

"The people who come from outside the country can never understand the indigenous problems, but donors always want to impose conditions on the nation, conditions that in most cases have proven wrong," Kholiqzaman added.

Sharp rise in import of foodgrains, essentials thru' Benapole

A CORRESPONDENT, Benapole

Import of foodgrains and essentials through Benapole land port increased significantly, which would help meet everyday demand for the items in the current flood situation in the country.

A total of 400 trucks of rice are being imported every day from India through this port, while 2.83 lakh tones of foodgrains have so far been imported through Benapole, Bhomra and Darshana in the last two and half years.

About 1.70 lakh tonnes of rice was imported through the port during June 1-August 15.

Customs sources said LCs are also being opened everyday as the government has waived duty on foodgrains import.

The customs officials have also taken several steps, including keeping the port open even on holidays so that the materials being imported could be released from the port everyday without any delay.

The essentials being imported largely through the port include lentil, onion, green and dry capsicum, and ginger.

Meanwhile, GOC of 55 infantry division in Jessore region Major General Rafiqul Islam Psc yesterday visited the port and customs house in Benapole. He also held a meeting with the district administration and port officials at the Joint Forces Monitoring Cell.

The C&F Agents Association who attended the meeting placed several demands including resumption of old transshipment yard at the port to ensure smooth import and export activities.

BPC starts privatisation of 11 tourist establishments

UNB, Barisal

Bangladesh Parjatan Corporation (BPC) has started the process of privatisation of 11 tourist establishments for better management and for providing better service to the tourists.

BPC sources said the 11 tourist establishments proposed for leasing included Kuakata holiday homes, tourist motels at Khagrachhari and Benapole, four cottages, bar, and auditorium of Ranganamati tourist complex, holiday complex at Sagordari, Hotel Netong and Madhumati at Teknaf and Tungipara, restaurant at Madhavkunda, swimming pool at

Cox's Bazaar, floating restaurant Merry Anderson at Pagla and rental-a-car facilities at BPC headquarters at Tejgaon.

BPC invited quotations for these establishments and tenders would be open on September 11 for selecting bidders.

Director (Business) of BPC acknowledging the fact said that they took the privatisation initiative as government can never do better in business and it is very hard to earn profit from public sector competing with the private sector.

Sources in BPC said they also requested the Planning Commission to revise and increase the estimate of tourist attraction

development project of Kuakata.

Tender of the project for developing motel, two Buddhist temples and youth tourist hostel at a cost of Tk 10 crore was called two times, but the BPC failed to select any standard firm for the works due to some technical difficulties.

The sources also said the firms are not interested to do the works, as costing of transportation of materials to Kuakata is higher than other places due to lack of direct road communication facilities from the nearest loading points of the cargoes.

They said they have requested the Planning Commission to increase estimate of the project cost.

Meghna, Jamuna to raise paid-up capital

STAR BUSINESS REPORT

State-owned Meghna and Jamuna oil companies need to increase their paid-up capital before they are partially privatised in order to make them more attractive to investors.

Last week the government announced its intention to sell off up to 49 per cent of the two oil distributors by October. However market experts said if the government offloads the shares on the basis of existing paid-up capital, the number of shares will be very low and the shares may be overvalued.

To avoid this, the Investment Corporation of Bangladesh (ICB) proposed that Meghna increase its paid-up capital to Tk 60 crore from the existing Tk 9.5 crore and Jamuna to Tk 70 crore from the existing Tk 10 crore.

Paid up capital is the total amount of shareholder capital that has been paid in full by shareholders. The larger the paid up capital the more shares that can be offered.

Market experts said there is a

huge demand for oil and power sectors shares in the stock market. When the government offloaded its stakes in the Dhaka Electric Supply of Company and Power Grid Company of Bangladesh last year, investors rushed to buy, they said.

As the two companies have a good amount of free reserve, the ICB has proposed that they turn the free reserve into paid-up capital through the issue of bonus shares. Meghna has a free reserve of Tk 51.28 crore, while the Jamuna has a free reserve of Tk 62 crore.

Iftikhar-uz-zaman, chief executive officer of ICB Capital Management Ltd, said offloading the shares will start next month.

"All the processes have been completed and we are now waiting for an increase of paid-up capital by the companies," he said.

ICB Capital Management Ltd is managing the sell off of shares in Meghna and Jamuna.



Summit Power's new MD

Taulhidul Islam has recently joined Summit Power Ltd as its managing director, says a press release.

Islam is former chairman of REB (Rural Electrification Board) and DESA (Dhaka Electric Supply Authority).

With excellent academic background in Mechanical Engineering, Islam brings in 36 years of experience of working for different organisations, the release adds.

Nokia announces product advisory for BL-5C battery

Nokia issued Friday a product advisory for the Nokia-branded BL-5C battery manufactured by Matsushita Battery Industrial Co., Ltd. of Japan between December 2005 and November 2006. This product advisory does not apply to any other Nokia-branded battery, says a press release.

The cellphone manufacturing company is working closely with Matsushita and will be cooperating with relevant authorities to investigate this situation.

Consumers with a BL-5C battery subject to this advisory should note that all of the approximately 100 overheating incidents have occurred while charging the battery. According to Nokia's knowledge this issue does not affect any other use of the mobile device.

While the occurrences in the BL-5C batteries produced by Matsushita in the time-period specified are very rare, concerned consumers can request a replacement for any BL-5C battery subject to this product advisory. This advisory will determine a consumer's ability to obtain a replacement free of charge.

The consumers have been asked to visit the website www.nokia.com/batteryreplacement or contact Nokia call center at 01819200077



Former finance minister M Syeduzzaman speaks at a seminar on 'Inflation in Bangladesh: The Evidence and the Policy Alternatives' held in the capital yesterday. Finance Adviser A B Mirza Md Azizul Islam and Bangladesh Bank Governor Dr Salehuddin Ahmed are also seen. (Story on page 1)

Cellphone seen as potential gold mine for advertisers

AP, Singapore

Mobile phones are a potential gold mine for advertisers, the most personal and intimate way to communicate and engage with subscribers more than 2 billion of them and counting worldwide.

Yet the advertisers' two-liner text pitches have largely fueled a growing hate club, with recipients quickly equating the messages with spam they abhor on desktops.

Now, thanks to improved technologies, advertisers believe they have struck upon the formula for getting their messages across without irking consumers. The development is important given the mobile handset's promise to be a "third screen" after the television and the desktop computer.

Several blue-chip brands like Nokia Corp. and McDonald's Corp. have been experimenting with interactive ads on cell phones,

taking advantage of the device's ability to know where you are. Customers have the option of finding the nearest retail or restaurant outlet with the press of a key.

Others partner with search engines and e-mail services to slip in an ad or two, similar to how Google has mastered the use of e-mail and search keywords on the desktop to help determine which topics users find interesting and, in turn, what ads appear.

Making Business Journalism work for Growth

MAMUN RASHID

Every city or region in the world, no matter how small, teems with interesting business and economic stories that affect the daily lives and pocketbooks of readers and viewers. Yet this news area is often neglected by reporters and editors who tend to concentrate on stories revolving around government, politics and other official institutions. Many journalists might secretly think that business and economics are boring, full of complicated terms and confusing numbers. Journalists can find a gold mine of good stories in business if they know where to look and how to use what they find. In addition, because these stories are so often overlooked, they provide a good way for weekly or small daily newspapers and other media outlets to beat the competition by presenting those stories first.

Headline is important
In many ways, a business and economic story is no different from any other. It must be accurate, thorough, well-researched, balanced and fair and contain multiple sources of information. In business stories, though, some forward looking statement, future prospects of an industry or a company, numbers and specific data are critically important.

A story about banking/multinational company's performance over a certain period can

reveal a lot of information about foreign banks or the multinationals and their investment curve if the news is properly depicted. The trend of capital increase each year also discloses the company's long-term commitment, hence giving a message to the general readers or the potential investors about the future economic prospects of a country. Even taking views from important people like the regulators or the industry leaders can also make the news more informative and interesting and augment more private sector investment.

A business reporter must never hesitate to ask questions about money and spending and to dig for the answers if they're not readily available. Another difference is the angle (approach) that a business reporter takes on a subject. For example, when writing about a new housing development subsidised by the government, the general assignment reporter may be primarily interested in how tenants of the apartments will be selected, how much they will pay in rent and about political and neighborhood support and opposition for the project. But the business reporter may also want to know which contractors have been awarded the construction bids for the project; how much each contract is worth; how many employees will be hired in the construction phase and then later to manage the project; where the capital (money) comes from to

fund the project; and how that money will be repaid. Every story, of course, could contain all of these elements. It is the details about numbers and money that often are missing in media stories, and that's where the opportunity comes for those who are interested in pursuing the business angles and take lead.

Reliable sources are essential
A variety of knowledgeable sources are needed for almost all business stories. In most cases, reporters should start at the top and try to interview the key decision-makers. When writing about a company, for example, try to interview the top business executives. It's the top business people who can best describe the firm's business strategy and often they are the only ones who can release certain important information. Reporters who establish themselves as accurate, reliable and fair professionals can win the confidence of top business leaders and will get better stories because of it.

The "numbers" people in an organization the chief accountant, chief financial officer or treasurer are other invaluable resources because they can often help explain confusing budgets and other financial statements. In the interests of accuracy and thoroughness, they may be quite willing to cooperate. Business reporters must make every effort to meet and know business leaders in the

community and to cultivate the contacts they make in the process of reporting stories. These sources can provide background, tips on developing news stories and perspective on business and economic trends.

The people and the corporate culture at organizations: Journalists sometimes think that they have no opportunity to write about people stories because it may not be directly linked to a business report. But doing so they often miss out the important fact that the people working for the company and the corporate culture, affects every business everywhere, and a company always banks on its talents to the same extent as it banks on its customers.

Writing about people stories, innovations and trends in business and or corporate culture often tells you how ethically a company is running its business and may also prove invaluable to many readers.

Business Stories
Highlighting the booming or buoyant sectors in an economy is the key to strengthen the country's economy and facilitate growth. Business stories can come from anywhere, but an organised division of subject areas can help reporters and editors ensure that they're keeping an eye on the entire picture. For instance, if we consider

Banking and finance: Banks often are the largest and sometimes the

most influential institutions in a community. Readers and viewers should be kept informed about the status of these banks: writing about trends and changes in banking, finance and lending are of utmost interest to readers and viewers. Bankers, while required to maintain confidence about individual clients, can also be good sources of information about other events in the business community, since they usually have a wide circle of acquaintances and knowledge about the local situation.

Retail: Every area has myriad retail businesses of all sizes and shapes. These basic businesses drive the local economy's engine. Their success or failure is always a story, and may also tell a lot about how the local economy and local residents are doing. Trend stories those that focus on changes in strategy, types of retail businesses, competition or pricing issues are the foundation of good retail reporting, especially when the reporter is the first to report on a new trend.

Hospitality and tourism: In developing countries or regions, tourism is often seen as a potential savior for the economy. Attracting paying visitors can indeed have a big payoff, in terms of attracting revenue, creating jobs and producing taxes. However, business reporters must look critically at such efforts. Merely announcing an effort to attract tourists or tout the advantages of local sites is not

enough. These are just a few of the potential areas for local business stories. Others include agriculture, manufacturing, sports and advertising/media, to name just a few.

Avoid the press release
The good business reporter never has to learn about a news story from a press release or press conference. Instead, the reporter strives to be the first with the news, gleaned through regular contracts with a wide variety of sources in the business community. By the time a press release is issued or a press conference is held, the reporter is just one of a pack covering a story. In cases where the public announcement of a new venture or major change is the reporter's first clue about a news story, it is still essential to use multiple sources, to look for competitors and rivals and to look for the labor angle to provide a comprehensive, balanced story that goes well beyond the single-source story.

Global Element to Business Stories
No matter where in the world you live and report, there are multinational corporations, government policies and international treaties that affect you, your community and your readers. The key is finding the information that brings a broader worldview to local business writing, and puts it in a global perspective. It is a mistake to assume that readers in a small city or rural place are not interested in,

say, global trade or international agreements. They just need to understand why they care and what, exactly affect them in their daily lives. It is the job of the business writer to tell them, to figure out how to bring these policies, news and information home to the local level and make it understandable to all levels of readers. There are a number of resources and Web sites at your fingertips to help you find a global angle, and this background is designed to help you find them.

It might be business, but it's still journalism
Being an economics reporter means being a good writer, a good communicator, not just someone who is knowledgeable about the subject matter. So if you want to do what you're doing better, don't spend all your spare time studying heavy economics textbooks - read a good novel instead. Being a good communicator also means we have to be expert journalists, not experts in finance or economics. And we have to keep doing what all journalists do, expertly judging things with the same instincts - Is it new? Is it big? Is it different? Is it interesting? Is it entertaining, even? And why does it matter?
And we should approach the information we are given with the same caution and concern: Where did it come from? Does the source of the information have an interest in seeing the story presented in a

particular way? Who else can I talk to so that I can confirm that the information is accurate, fair and balanced? Have I spoken to everyone involved in the story, or at least enough people to get a fair cross-section of opinion? Have I asked experts (since I am not the expert) what they think about it? Have I got some good quotes? What is my lead going to be?

Creating the wow factor: An economic reporter should always think of creating a "wow" factor in his piece that will lead to an information bank for the readers. You might have been given some information to start with, but you build the rest of it yourself. You begin by asking yourself - or your news editor or colleagues - all the questions you can think of that might make the story better, more interesting and easier to understand for your readers. And if there is something you don't understand, don't just put it in your story and hope for the best. Take command of the story and build it from a variety of sources, not just the one that issued the press release or held the press conference.

The ultimate aim for any business or economic reporter is to add value for the readers and make journalism work for growth.

The writer is a columnist. This article is the excerpt of a working paper.