

NBR mulls time-extension for income tax return

UNB, Dhaka

The National Board of Revenue (NBR) is contemplating to extend the deadline for submitting income tax return for fiscal 2006-07.

"The consideration is at the thinking stage," said a high official of the NBR.

Sources said the new NBR chairman has already talked in this regard over telephone with the finance adviser, who is now in the USA, as his organisation got a very poor response from the taxpayers.

Only 2,07,503 persons submitted their income tax returns until October 23 from where the government got Tk 432.34 crore in tax.

Last year 5,25,994 persons submitted their income tax returns for 2005-06 fiscal and the national exchequer received Tk 252.14 crore in tax.

NBR sources said at present, 2.4 million persons or organisations have Tax Identification Number (TIN).

The NBR official said "It is really very painful for us" that a country of 140 million people has only 2.4 million TIN holders, where the number of the submission of income tax returns is much lower than the TIN holders.

"We are thinking of extending the deadline, but everything depends on the chief adviser and the finance adviser," he said.

NBR already gave a proposal to extend the time by another 30 days, the sources added.

**Chinese economy grows by 11.5pc**

AP, Beijing

China's supercharged economy grew by a stunning 11.5 percent in the third quarter, slowing slightly but staying on track to overtake Germany as the world's third-largest within weeks, according to data reported Thursday.

Growth beat economists' forecasts but was below the 11.9 percent rate the previous quarter. The government said its repeated rate hikes and other controls were finally taking effect.

## Post-flood agriculture: Some policy suggestions-II

MAHABUB HOSSAIN and UTTAM DEB

Observations on post-flood agricultural activities and consultation with farmers in the flood-affected areas in the northwest districts (Tangail, Sirajganj, Dhunot (Bogra), Gaibandha, Rangpur, Kurigram and Lalmonirhat) during 4-6 October 2007 provided us insights on the nature and extent of damage by flood. We had an assessment of farmers' coping and production strategy in the next season and constraints to realising their plans. Based on the observations and insights gathered from the field we would like to offer following suggestions on the post-flood agricultural rehabilitation programmes and policies.

**Crop rehabilitation programme:** The government has planned to provide inputs free of cost to the marginal farmers for the ongoing aman and the next boro season. The Department of Agriculture (DAE) has already prepared a rehabilitation plan to distribute seeds and fertilisers free of cost to the flood-affected regions. The plan targets to cover 37,300 hectares for boro rice, 16,000 hectares for wheat, 8,800 hectares for maize, 7,000 hectares for pulses, 9000 hectares for mustard and 6500 hectares for vegetables. Such an investment of public resources is justified for both stimulating agricultural production in the affected region and mitigating the sufferings of the poor farmers. We must commend this effort on the part of the government.

The issue is whether the government can really reach the affected marginal farm households and effectively implement this programme. The problem of identification of the beneficiaries and reaching them with the input package is well known. We have noted that this flood was highly localised and those who have been affected, the damage has been very severe. So, it might be better if the government identifies the affected unions (or villages if possible) and target all farm households in those unions for the rehabilitation

consent from the Advisory Committee on Economic Affairs.

The Titas Gas also decided to distribute over 431 lakh bonus shares worth over Tk 431 crore to its

### Oil prices rise

AP, Vienna

Oil futures spiked Thursday, extending a price increase that began after figures exposed large and unexpected declines in U.S. crude and gasoline inventories last week.

Violence in Sudan and fears of shortfalls from Mexico also supported prices.

Light, sweet crude for December delivery rose \$1.62 to \$88.72 a barrel in electronic trading on the New York Mercantile Exchange by noon in Europe. The contract jumped \$1.83 to \$87.10 a barrel in the Nymex floor session after the fuel report.

Crude supplies fell last week 5.3 million barrels, the U.S. Energy Department's Energy Information Administration said. Analysts surveyed by Dow Jones Newswires, on average, had been expecting supplies to increase 300,000 barrels.

shareholders to increase its capital before going to public.

Meanwhile, stocks on the Dhaka Stock Exchange (DSE) bounced back yesterday following a slump in the previous two days.

The DSE General Index rose by 45.48 points, or 1.59 percent, ending the day at 2901.99 points, while the DSE All Share Price Index increased by 42.97 points, or 1.77 percent finishing at 2470.79 points.

A total of 18,319,346 shares worth Tk 227.73 crore changed hands on the premier bourse. Of the issues traded, 154 advanced, 52 declined and 17 remained unchanged.

Like DSE, the Chittagong Stock Exchange (CSE) also closed higher with the gainers outnumbering the losers.

The CSE Selective Categories Index increased by 70.8 points, or 1.5 percent, to close at 4760.71 points, while the CSE All Share Price Index rose by 126.16 points, or 1.7, to finish at 7536.81 points.

A total of 3,919,796 shares worth Tk 35.16 crore changed hands on the port city bourse. Of the issues traded, 90 advanced and 30 dropped with eight unchanged.



**Khawaja Muhammad Masum Billah, senior vice president and senior country operations officer of Citibank NA, and AZM Azizur Rahman, general manager (Investment Promotion) of Bangladesh Export Promotion Zones Authority (Bepza), exchange documents after signing an agreement in Dhaka yesterday. Under the deal, Citi Bank NA will provide off-shore banking services inside the Chittagong Export Processing Zone. Bepza Executive Chairman Brig Gen Ashraf Abdullah Yusuf and Citibank NA Managing Director and Country Officer Mamun Rashid were also present.**

is 203 thousand tonnes. Thus, total stock of urea fertiliser is 515 thousand tonnes. According to our estimate based on the fertiliser use reported by farmers, the demand for fertiliser in the next boro and rabi seasons would be about 1600 thousand tonnes. Thus, the government must make an arrangement to import about 700,000 tonnes of urea within the next three months assuming another 400,000 tonnes would be available from domestic production. At the current price of urea in the world market (US\$340 cif per tonne), it will cost the government Tk 1,600 crores for such import. The question is can the government afford to implement than what the DAE plans to do.

**Fertiliser distribution system:** In all the areas we visited farmers are really concerned with the availability of urea fertilisers, and are scared that the situation might worsen within the next few months when the need for this input will increase substantially. Farmers do not like the present system of fertiliser distribution through fertiliser card that needs certification from representative of local government and local level extension officials. It is not an efficient system on the ground of time loss and delay in fertiliser procurement. Also they would prefer to purchase the fertiliser in small amount as and when needed due to cash constraint. The present system is not conducive for such purchases in instalments. They would like fertiliser to be available through open market.

However, for an effective open market, there must be adequate supply of fertiliser within the country that matches the demand. Any scarcity in supply will promote operation in the black market with economically better-off farmers accessing the scarce supply at a higher price at the cost of the poor farm household.

The Ministry of Agriculture claims that there is no crisis of fertiliser. According to the daily monitoring report of 9 October 2007, the current stock of urea in different districts is 95 thousand tonnes, factory level stock is 216 thousand tonnes and buffer stock

Supply of seeds: The supply of seed is in the area of the private sector. There will be substantial additional demand for both rice and maize

New chairman of IFIC Bank



STAR BUSINESS REPORT

Mohammad Lutfar Rahman has been unanimously elected new chairman of International Finance Investment and Commerce Bank Ltd (IFIC Bank).

He was elected at an emergency meeting of the Board of Directors of the bank held in Dhaka yesterday.

Prior to his election he was also the vice-chairman of the bank and is the managing director of Dhaka Shanghai Ceramics Limited, a joint venture company, and a director of RTV and NTV.

The meeting also removed immediate past chairman of the bank, Mossadek Ali Falu, from the Board of Directors.

### New DMD of BRAC Bank



Kaiser Tamiz Amin has been appointed as a deputy managing director of BRAC Bank Ltd, says a press release.

Prior to his new assignment, Kaiser joined the bank in February 2003 as an executive vice-president and chief operations officer.

During 17 years of banking career, Kaiser also served as director of operations of American Express Bank Ltd, Bangladesh.

The BGMEA president hailed US Congressman Jim McDermott for introducing a bill, "New Partnership for Development Act 2007", in the US House of Representatives on October 18 to facilitate more market access of RMG products from the LDCs, including Bangladesh, to the US market.

He said BGMEA would send an 11-member delegation to USA to discuss with the US Congressmen, including Congressman McDermott, and officials of USTR and labour organisations so the bill is passed by both the House of Representatives and Senate.

Chief Adviser Dr Fakhruddin Ahmed will inaugurate the exposition as chief guest at Sonargaon Hotel on November 15 and Army Chief General Moeen U Ahmed will be the chief guest at the concluding ceremony.

Although China, India and Sri Lanka are major competitors of Bangladeshi garment products, the BGMEA president said Bangladesh would be the main source of RMG export in the ultimate analyses, mainly in low and medium price garments.

In reply to a question, Chowdhury said export of garment worth US\$ 8 million to India is a starter, saying that in the near future India could be the third largest destination of Bangladeshi RMG after USA and Europe.

He dismissed campaigns in UK against Bangladeshi garments for alleged child labour and low wages, saying that the campaigners could not produce any evidence in support of their allegations.

Buyers from Pakistan, India, China, Japan, Hong Kong and host Bangladesh will display their products in the exposition for which 41 different companies have already registered.

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In reply to another question, the BGMEA president said buyers this time around would feel more confident in participating in the expo-

tion because there is no political unrest.

The value of last year's spot order was US\$ 68.61 million, about 12 million higher than the previous year. The organisers expect more spot orders this year.

Chief Adviser Dr Fakhruddin Ahmed will inaugurate the exposition as chief guest at Sonargaon Hotel on November 15 and Army Chief General Moeen U Ahmed will be the chief guest at the concluding ceremony.

On the sidelines of the 3-day exposition, there will be seminars and fashion shows spotlighting the country's vibrant and burgeoning RMG sector.

BGMEA with assistance from German Technical Cooperation (GTZ) is organising the exhibition.

This traditional annual exhibition provides an opportunity for Bangladeshi RMG entrepreneurs and their foreign buyers to meet and interact for further boosting the country's apparel and textile sector which is a top foreign exchange earner.

The BGMEA president said Bangladeshi RMG sector is competitive enough in terms of quality, prices and skilled workforce and it is possible to raise the level of exports to US\$ 18 billion a year.

The world apparel market is worth US\$ 500 billion, which in next few years is going to reach US\$ 800 billion. Such burgeoning global market, Chowdhury said, would give Bangladesh newer opportunities to export more.

## BGMEA hopes to push garment export to \$18b in next 3 yrs

Batexpo-2007 set to kick off Nov 15

UNB, Dhaka

Setting an export target of readymade garment (RMG) worth \$15-18 billion dollars in next three years, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is going to hold its three-day apparel and textile exhibition here on November 15.

During the last fiscal (2006-07), the sector earned US\$ 9.2 billion.

BGMEA President Anwar-Ul-Alam Chowdhury told members of the Overseas Correspondents Association (OCAB) that the exhibition called Batexpo-07, the largest textile fair in the Asia Pacific region, would facilitate foreign buyers to see Bangladeshi textiles, clothing and accessories.

He said significant number of buyers particularly from USA, Canada, UK, Middle East, Southeast Asia and many other countries of the world participated in previous Batexpo fairs.

Buyers from Pakistan, India, China, Japan, Hong Kong and host Bangladesh will display their products in the exposition for which 41 different companies have already registered.

However, Chowdhury said BGMEA is now giving attention to human resource development, image building and improved relations between entrepreneurs and workers.

Presently some 2.4 million people, 80 percent of them women, are directly employed in the garment industry in Bangladesh.

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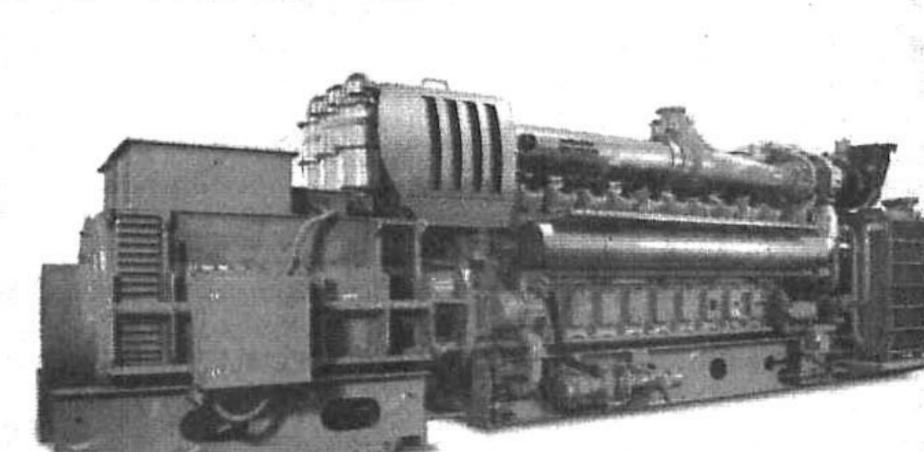
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GE Energy  
Jenbacher gas engines Austria (Headquarters)  
A-6200 Jenbach  
T +43 5244 600-0  
F +43 5244 600-527  
jenbacher.info@ge.com

Authorized Distributor & Service Provider Bangladesh  
ORIENT Energy Systems Ltd.  
T +88 02 8861638 & +88 02 8857355  
F +88 02 8826530  
info.bd@orient-power.com  
www.orient-power.com