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Nov 30 new
deadline for
income tax
returns

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has extended the time for submitting income tax return by another one month on poor response from taxpayers.

The deadline is now November 30, according to a circular the board issued yesterday.

This is the second time the government allowed more time for the income tax return.

NBR chairman Mohammad Abdul Majid said he was not satisfied with the income tax returns submitted so far. However he is hopeful of a significant rise in the number on setting the new deadline.

The NBR collected Tk 458.65 crore from 226,993 persons till October 25 against the target of Tk 10,838 crore revenue this fiscal from incometax.

The number of income tax returns submitted last year was 535,994 with the government earning Tk 252.11 crore for the national exchequer.

NBR has around two million tax identification number (TIN) holders in the country.

Warning for Rupali Bank's Saudi buyer

Privatisation Commission to cancel sale if prince fails to complete final deal in Nov

STAR BUSINESS REPORT

Public Undertakings'

The Privatisation Commission will cancel the sale of Rupali Bank to a Saudi prince if he fails to complete final sales and purchase agreement (SPA) within the next month.

"We will wait until November. If the Saudi prince does not complete the final deal within the timeframe, the sale procedures to the prince will be cancelled," Abu Solaiman Chowdhury, chairman of Privatisation Commission, said yesterday.

When asked about what the privatisation plans would be for the bank if it was not sold to Prince Bandar Bin Mohammad Bin Abdulrahman Al Saud, the Privatisation Commission boss said: "We will disclose the strategy after the timeframe has expired."

Chowdhury made his comments to reporters after a seminar in the Dhaka Chamber of Commerce and Industry (DCCI) auditorium. The DCCI organised the seminar on 'Privatisation of State-owned Enterprises (SoEs) and Public-Private Partnership in

Rupali Bank privatisation. "The government can bring Rupali Bank into the capital market rather than selling it to foreign investors," he observed.

MH Shekif Chowdhury, director of DCCI, said the dilly-dallying in the Rupali Bank's privatisation will ultimately impact badly the other privatisation activities in future.

He also said the government can privatisate Rupali Bank through offloading its stakes in the stock market, which has grown rapidly in recent times.

Privatisation Commission Chairman Solaiman Chowdhury said: SoEs were unfortunately performing badly, despite having its tremendous earning potential.

"To get them back on a profitable trackfull preparations are now underway to transfer many of the SoEs to private entrepreneurs in order to obtain greater efficiency and higher production," he said.

Nasiruddin Ahmed, member of Privatisation Commission, said a new regulation for smooth privatisation of the SoEs may be gazetted in the next week.



Shahjalal Islami Bank gets new MD

23 banks to face capital deficit under amended banking law

REJAUL KARIM BYRON

Twenty-three commercial banks will need Tk 1,651 crore to meet the minimum bank capital requirement that has been increased from Tk 100 crore to Tk 200 crore by a recent amendment to 'Bank Company Law.'

Banking sources said at least 17 private commercial banks will face a deficit of Tk 1,306 crore and six foreign banks operating here face a deficit of Tk 345 crore.

However banking sources say the banks will face a huge deficit of capital if the Bangladesh Bank (BB) does not give them an extended period to meet the requirements. "The commercial banks will face a huge capital deficit if the central bank asks them to increase the capital all at one time," said a senior official of a private bank.

BB sources said the central bank is now considering the banks'

demand for more time. "As per the amended Bank Company Law, each commercial bank needs a minimum of Tk 200 crore of capital and we are considering giving the banks two years to meet the requirement," said a BB official.

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The rest of the private commercial banks have capital of more than Tk 200 crore.

Among the foreign banks, Commercial Bank of Ceylon has a capital of Tk 168 crore as of June 30 this year, while One Bank Ltd has Tk 150 crore, Mutual Trust Bank Ltd Tk 151 crore, Bank Asia Ltd Tk 194 crore, First Security Bank Ltd Tk 109 crore, Jamuna Bank Ltd Tk 132 crore, BRAC Bank Ltd Tk 125 crore, United Commercial Bank Ltd Tk 112 crore, AB Bank Ltd Tk 134 crore, IFIC Bank Ltd Tk 106 crore, Eastern Bank Ltd Tk 165 crore, Uttara Bank Ltd Tk 92 crore, Trust Bank Ltd Tk 97 crore, Bangladesh Commerce Bank Ltd Tk 97 crore, Social Investment Bank Ltd Tk 91 crore, Dutch-Bangla Bank Ltd Tk 92 crore, and Oriental Bank Ltd Tk 60 crore.

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Export Development Fund raised to \$150m

STAR BUSINESS REPORT

Bangladesh Bank has increased the Export Development Fund (EDF) to US\$ 150 million from existing US\$ 100 million to help maintain the growth trend of the export-oriented industries.

The Foreign Reserve and Management Department of the central bank in a recent circular also announced raising the loan

\$3.29m export orders from Tokyo fair

Japan assures Bangladesh of support for duty-free access

UNB, Dhaka

Bangladeshi companies have received export orders worth 3.29 million US dollars at the Bangladesh Single Country Trade Fair held in Japan last week.

The orders include handicrafts, jute products, home textile and ready-made garment (RMG) items.

At the inauguration of the exhibition, the Japanese vice-minister for Foreign Affairs assured active support and cooperation for giving Bangladeshi products 100 percent free access into the Japanese market.

Export Promotion Bureau (EPB) with financial and technical support from Japan External Trade Organization (JETRO) and in close association with the Bangladesh

Embassy in Tokyo, organised the fair in the Japanese capital between October 22 and 25, according to a press release.

Bangladesh organised such single country fair in Tokyo after an eight-year gap amid huge enthusiasm among the local exporters.

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Meanwhile, a business delegation from Bangladesh, headed by EPB Vice-Chairman M Shahab Ullah, attended the inauguration of the fair.

Bangladeshi products displayed in the exhibition created significant interests among the Japanese businesses and importers.

"At Gap, we firmly believe that under no circumstances is it acceptable for children to produce or work on garments," Gap said in a statement published in the newspaper.

"It is clear that one of our vendors violated this agreement, and a full investigation is underway.

"After learning of this situation, we immediately took steps to stop this work order and to prevent the product from ever being sold in our stores. We are also convening a meeting of our suppliers where we will reinforce our prohibition on child labour."

It was not immediately clear how many items of clothing were withdrawn on Sunday.

10-year-old boy Amitosh, told The Observer he had been working for free in a back-street sweatshop for four months -- after his parents were paid a fee for him.

"I've been told I have to work off the fee the owner paid for me so I can go home, but I am working for free," he was quoted as saying.



BB REFINANCE SCHEME

DBH disbursing home loan

Delta Brac Housing (DBH) Finance Corporation Ltd has started disbursing home loans under its recently signed participation agreement of 'BB Refinance Scheme for Housing Sector', says a press release.

The BB Refinance Scheme for Housing Sector is aimed at enhancing homeownership among the middle and lower-middle income groups of borrowers through providing housing loans at an affordable interest rate.

Under the scheme, the DBH has started providing housing loans at 10 percent interest rate per annum for the eligible borrowers for buying/constructing apartment units (size not exceeding 1250sqft) in six city corporation areas (Dhaka, Chittagong, Rajshahi, Khulna, Sylhet and Barisal) and the municipality areas of Tongi, Gazipur, Savar and Narayanganj. The maximum repayment term for the loans is 20 years.

A borrower may receive as high as Tk 15 lakh as home loan facility under the refinance scheme. The borrower must have regular monthly income of less than Tk 30,000 to be eligible for the housing loan.

Besides, those who do not have any apartment or housing unit in their own/wife's/ husband's/ children's name in the above-mentioned areas, and those who have not previously availed of any housing loan facility from any bank or financial institution are the eligible recipients of the loan. For salaried persons, individual employees not having any housing loan/housing scheme facility with

their present employer or organisation will be able to get the loan under the scheme.

People from middle-income group are significantly responding to this scheme, says the DBH press release, adding that a good number of real estate companies are showing interest to develop small apartments comprised of small apartments to fit the BB refinance scheme's criteria.

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WOMEN ENTREPRENEURSHIP

Removing barriers to business loans stressed

OUR CORRESPONDENT, Ctg

To remove barriers to business loans for women entrepreneurs, the traditional mindsets of such entrepreneurs and bankers should be changed, speakers observed at a seminar here yesterday.

They said motivational programmes are needed to make women aware about financial procedures, and to help bankers finance the small and medium enterprises (SMEs).

Chittagong Women Chamber of Commerce and Industries (CWCCI), Bangladesh Federation of Women Entrepreneurs (BFWE) and South Asia Enterprise Development Facility (SEDF), a multi-donors funded facility managed by International Finance Corporation (IFC) of the World Bank Group, jointly organised the daylong seminar 'Pathfinders 2007: Women in SMEs' at the Ichhamati hall of Hotel Agrabah.

BFWE President and former adviser to the caretaker government Rokia Afzal Rahman inaugurated it as chief guest.

Coordinator, Sustainability of



Rokia Afzal Rahman, president of Bangladesh Federation of Women Entrepreneurs, speaks at a seminar styled 'Pathfinders 2007: Women in SMEs' in Chittagong yesterday.

IMPACT OF DONOR-FUNDED PROJECTS

Mechanism needed to ensure donors' accountability

Says research paper

STAR BUSINESS REPORT

A mechanism needs to be developed to ensure donors' accountability in the event of any adverse impact of projects funded by them on the economy, a research paper has recommended.

The paper added reduction in fertilizer subsidy led to increase in fertilizer prices, reducing farmers' overall profits.

According to the research, the fertilizer distribution system introduced by the government recently appeared to be better to a section of farmers.

Under the system, farmers with authorized cards receive fertilizer. But in reality land owners, most of whom do not cultivate, get cards, depriving mainly marginal farmers, who grow crops.

According to the paper, a section of farmers are disappointed over the import liberalisation of agriculture equipment.

Addressing as a panel discussant, Prof M M Akash of Dhaka University suggested a homegrown national policy for the development agriculture sector.

He also suggested offering direct cash incentive to farmers instead of providing subsidy on prices.

Dr Assaduzzaman also pointed out the need for unified national programme to increase agricultural production.

Dr Ananya Raihan, executive director of D.Net, was also present.

AFP, Tokyo

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