

Remittance grows over 26pc in 8 months

STAR BUSINESS REPORT

The amount of inward remittances crossed \$4.8 billion in the first eight months of the current fiscal year, marking more than 26 percent rise over the same period of the previous fiscal, according to Bangladesh Bank (BB) statistics.

The country received \$4.827 billion in remittances

during the July-February period of fiscal year 2007-08 compared to \$3.824 billion during the corresponding period of FY2006-07.

Meanwhile, the country's foreign exchange reserve reached a new high at \$6,015.52 million as of yesterday, mainly due to robust growth of remittance and the donor agencies - World Bank

and Asian Development Bank -- that have recently paid \$100 million and \$50 million respectively.

According to BB, Bangladeshi nationals working abroad remitted \$676 million in February which was \$710 million in January. The monthly remittance figure of January was a record in the country's history, BB

sources said.

The country's private and state-owned commercial banks are trying their best to increase the flow of inward remittances from different parts of the world, including the Middle East, United Kingdom, Malaysia and Singapore to meet their growing demands for foreign exchange, sources said.

New MD of Nestle Bangladesh



Aurent Therond has been appointed the new managing director of Nestle Bangladesh Ltd with effect from March 1, 2008, says a press release.

Therond joined Nestle, a multinational packaged food company headquartered in Switzerland, in 1993.

He held different key positions of Nestle's Ivory Coast, United Arab Emirates, Kuwait and Egypt operations.

Thai show begins today

STAR BUSINESS REPORT

A four-day Thailand Exhibition 2008 begins today at Dhaka Sheraton Hotel in a bid to promote Thai products and services in Bangladesh.

The Department of Export Promotion Bureau of the Thai government is organising the show, which will remain open to visitors without any entry fee.

The schedule of the fair to be participated by 43 Thai companies was announced at a press conference in the capital on Monday.

One-to-one meeting between Thai and Bangladeshi businesspeople will be arranged and a one-stop support desk will be set up for visitors to help them get all sorts of trade-related information.

Local hospital, Thai medical centre sign partnership deal

STAR BUSINESS REPORT

Doctors, nurses, technicians and administrative managers of local Square Hospitals Ltd will get training and technical support from Bangkok Hospital Medical Center (BMC) of Thailand.

A partnership agreement to this effect was signed between the local hospital and the BMC in Dhaka yesterday.

Under the deal, BMC will arrange a monthly doctor consultation programme at the local hospital, and the referred patients from BMC will get follow-up treatment at Square Hospitals. In addition, Square Hospitals will be the official affiliated partner of BMC in Bangladesh.

Prof Sanawar Hossain, director (Medical Services) of Square Hospitals, and Dr Kit V Arom, director of BMC, signed the deal on behalf of their sides.

IMF asks govt to expand VAT to retail level

REJAUL KARIM BYRON

The International Monetary Fund (IMF) has called for expanding the VAT to retail level in the next fiscal year's budget.

The IMF suggestion came as the multilateral lending agency recently gave a 15-point reforms proposal to the National Board of Revenue (NBR).

The proposal also includes the enactment of new laws on income tax and VAT (value added tax).

"A committee formed by the NBR is now scrutinising the suggestions to accommodate in the existing laws," said a senior NBR official.

The IMF also asked to identify all tax exemptions in the income tax legislation and provide a complete inventory of exemptions in a separate section of the law.

The multilateral lending agency also said the government should make an evaluation of all income tax exemptions. The government should also evaluate costing of tax exemptions in the FY09 budget.

Asked about the new laws on income tax and VAT, the NBR official said, "We got drafts of such new laws that suggest to replace the entire existing laws." "Its not practical... we

are now working on how to accommodate the IMF suggestions in the existing laws through amendments," he said.

Regarding amendment to the income tax act, the IMF proposals say the Income Tax Ordinance of 1984 incorporates a number of modern income tax concepts. However, over the past two decades, countless amendments, deletions and additions have completely obscured whatever coherence the original structure of the ordinance had, the IMF says.

It asked for rewriting the income tax legislation to reveal the logical structure and underlying principles of the income tax.

A well conceived, structured and drafted income tax statute should be based upon tax principles -- the traditional tax criteria of equity, neutrality and simplicity as well as the prevailing international concepts and norms of taxation, the IMF suggested.

On the VAT law, the IMF called for approval of a new VAT law to introduce a modern invoice-credit based VAT system and separate excises (supplementary duties) from the VAT.

The current VAT causes severe economic distortions and administrative complexi-

ties, and joint administration of VAT and supplementary duties obscures the revenue inefficiency of the VAT, according to the IMF.

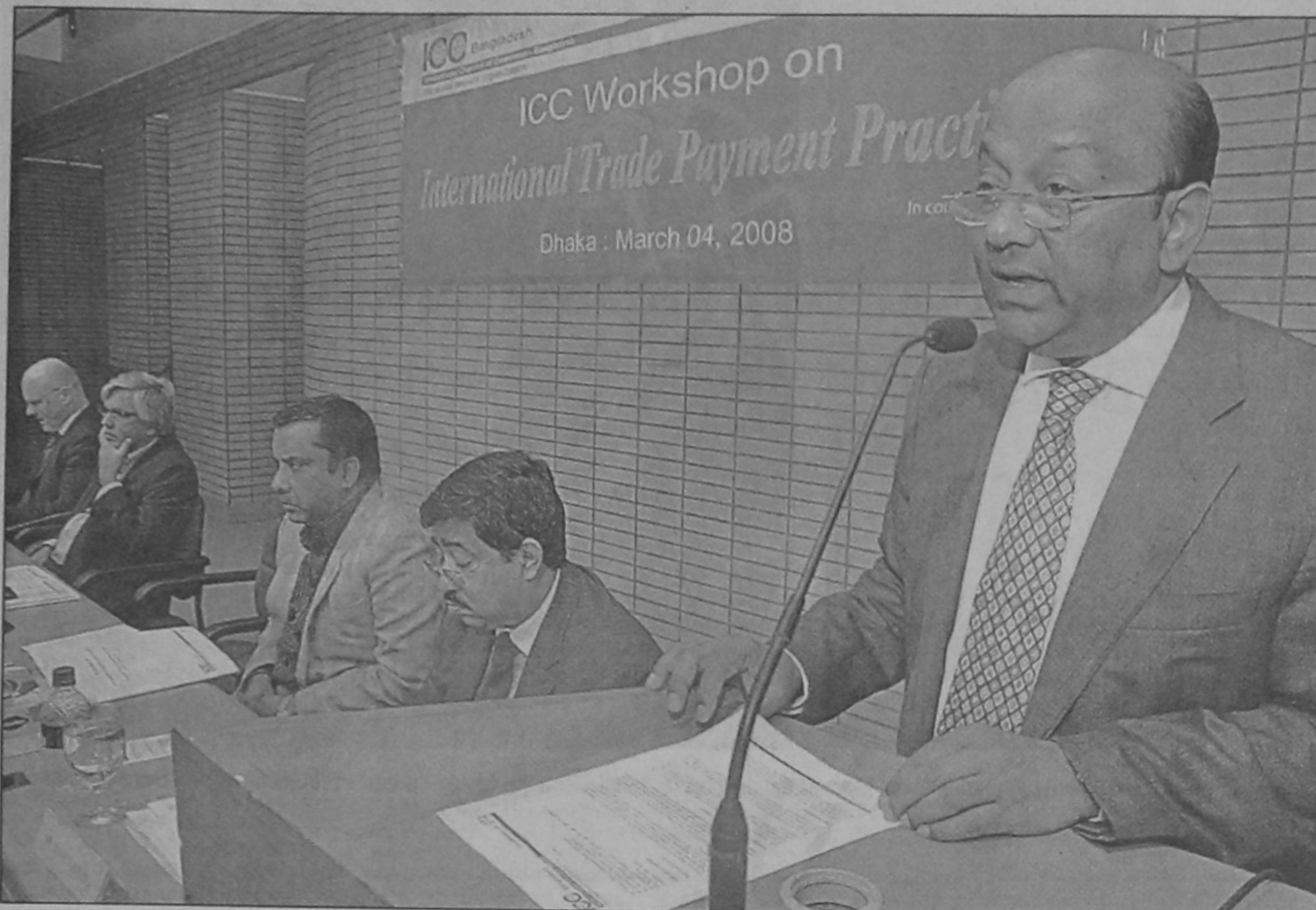
To address these fundamental issues, the VAT Act needs to be redrafted with references to best practices in other countries, the IMF said.

The multilateral lending agency said the government should continue to reduce the number of zero-tariff commodities in the FY09 budget and incorporate all existing regulatory orders that specify exemptions from customs duties into the customs law.

The IMF also suggested formulating and adopting a strategy for extending Universal Tax Identification Numbers (UTINs) for all taxpayers with a specific timetable.

It recommended establishing a tax policy unit within the Ministry of Finance and a separate responsibility of tax policy from tax administration by appointing a head for the unit and providing for initial staffing.

But, the NBR sources said establishing such a unit in the finance division will make the things more complicated and preferred that the unit could be formed in the Internal Resources Division (IRD).



Latifur Rahman, vice-president of International Chamber of Commerce-Bangladesh (ICC-B), addresses a workshop on International Trade Payment Practices. ICC-B organised the workshop in Dhaka yesterday. Business leaders at the workshop demanded further cut in lending rate. (Story on B-1)

Saarc ministers, experts meet to talk agriculture today

PALLAB BHATTACHARYA, New Delhi

Issues concerning the state of agriculture in South Asia, food insecurity and effects of climate change on agricultural sector of the region will come up at a three-day meeting of ministers and experts from the region, beginning here today.

The meet on "Science-based Agricultural Transformation Towards Alleviation of Hunger and Poverty in SAARC Countries" will suggest necessary policy and programme shifts to meet the UN Millennium Development Goals and promote science-based agriculture in the region.

About 40 per cent of the world's poor reside in South Asia and the responsibility to

eradicate poverty lies more on SAARC countries, said the Chairman of the Steering Committee, organizing the meet, Suresh Prabhu, a former Indian minister.

India as an emerging economy with rising rural consumption has to take the lead in taking the challenge of meeting food requirements of South Asian region, which faces a major problem in meeting food requirements, he said.

India's internationally-acclaimed agro scientist M S Swaminathan said the need of the hour was to increase food supply to fight hunger, otherwise the poor people will further move away from access to basic food because of rising commodity prices across the world.

The meeting will also dis-

cuss how Saarc countries can share knowledge to mitigate the impact of global warming and consequent climate change on agriculture in South Asia, which is the world's only region prone to highest numbers of natural disasters like cyclone, flood, tsunami and earthquake.

This assumes significance as the United Nations' Environmental Panel on Climate Change has already warned that climate change would trigger the worst agrarian crisis in South Asia, said IPCC head and leading environmentalist RK Pachauri.

Prabhu said Saarc region has similar agro-climatic conditions and one successful knowledge application can generally be used to overcome the problem.

Swaminathan said the governments of South Asian countries need to take steps to make agriculture economically viable to address the agrarian crisis and technology is necessary to increase farm production.

Any substantial fall in farm yield would seriously jeopardise food security in South Asia and would raise the number of malnourished people in the region, experts warn.

The three-day meeting, to be inaugurated by Indian Agriculture Minister Sharad Pawar, will be attended by Agriculture Ministers, farm scientists and nearly 100 farmers from eight Saarc countries -- Afghanistan, Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka, Maldives and India.

Vietnam targets 8m new jobs by 2010

ANN/VIET NAM NEWS

Vietnam's Ministry of Labour, Invalid and Social Affairs's plans to generate eight million new jobs by 2010 is well under way.

This was announced by Dam Huu Duc, Molisa's deputy minister, who said it was part of a National Target Programme on Job Generation.

"Each year, 1.5 to 1.6 million new jobs are being generated and a total of 49.5 million workers are expected to be employed by 2010."

The ministry promised to modernise 30 to 40 job-target centres and complete a national information system on job availability.

And it plans to raise the rate of exported labour to between 40,000 and 50,000 by 2010, an

increase of 65 five per cent over a five-year period.

Labour structure in different sectors will also change. By 2010, agriculture will account for just 49.6 per cent of workers as opposed to the present 52.8 per cent, industry will have 22.9 per cent (18.93 per cent), and the service sector, 27.4 per cent (28.6).

Foreign job markets have expanded significantly. There are now more than 40 export countries compared to 15 in 1995.

Despite positive results achieved in job generation, the challenges ahead will be considerable, Duc said.

"The unemployment rate in rural areas is still high," he said. The rural unemployment rate increased from 5.86 per cent in 2006 to 6.12 per cent in 2007.

It was often difficult to find jobs for low-skilled workers. Other difficulties have been a lack of co-ordination between the training system and the job market and insufficient State investment in developing human resources.

Duc said a score of measures must be taken to meet the targets set in the National Target Programme on Job Creation.

These measures will:

- boost development of trade villages and small-scale industries in rural provinces to generate jobs.
- focus investment on highly-advanced industries that can employ large numbers of workers in industrial parks and open new economic and processing zones to attract workers.
- make sure key socio-

economic development programmes are carried out in close relation with job-creation projects. The focus on human-resources must be paramount when screening local development plans.

Other measures include developing ideas for projects that put priority on rural workers, especially in areas where land has been reclaimed for industry and urban development, boosting vocational training and expanding foreign job markets.

These measures need to be taken comprehensively in order to meet set target, he said.

The Vietnamese job market generated about 1.68 million new jobs in 2007, passing the target of 1.52 million set for the year, according to the Ministry of Labour, Invalids and Social Affairs.

About 1.6 million of the new positions were generated within Viet Nam and about 85,000 jobs abroad, bringing the total Vietnamese guest workers and experts to more than 400,000 people by 2007.

By the end of 2007, there were more than 45.6 million labours employed nationwide, an increase of 2.31 per cent over the previous year.

At present, nationally, there are about 150 national job-introduction centres and more than 2,000 job consultancies and introduction services.

Of these, about 30 centres organised regular job exchanges in 2007, not only in big cities such as HCM City and Da Nang, but also in mountainous provinces, including Hoa Binh, Bac Giang and Phu Tho provinces.

US auto sales fall amid economic woes

AFP, Chicago

US consumers shied away from auto dealerships in February amid rising economic uncertainty which cut deeply into the sales of both the Big Three US automakers and popular Japanese rival Toyota.

Those who did make it into the showroom often sought more fuel-efficient options as sales continued to shift away from trucks and large sport-utility vehicles, giving Japan's Honda Motors an edge with its fleet of fuel-sipping cars.

Honda posted record

February sales of 115,397 vehicles Monday, a 0.7 percent increase over last year.

Toyota, which posted 12 straight years of record sales growth in the United States, has now recorded three straight months of losses as sales fell 6.6 percent to 182,169 vehicles in February as it failed to maintain momentum.

Toyota, which overtook Ford Motor Co. last year for the number two spot in the US market, slipped back behind Ford in February even as the Detroit group reported a decline of 6.9 percent to 196,681 vehicles.

The losses were felt across all Ford brands and Ford announced plans to trim production by 10 percent in the second quarter to 730,000 vehicles and cut 2,500 jobs at three US plants as it expands a massive restructuring plan.

"We remain focused on our plan to return the North American automotive business to profitability," Mark Fields, Ford's president of the Americas said in a statement.

"These actions are necessary as we align our capacity and product mix to meet real customer demand."



Brigadier General Ashraf Abdullah Yussuf, executive chairman of Bepza, inaugurates the Business Centre (Offshore Banking Unit) of Dhaka Bank at Zone Service Complex, CEPZ, in Chittagong on Monday. Dhaka Bank's Chairman Khondokar Monir Uddin and Managing Director Shahed Noman were also present.