

# NBR chief suspects undercover money smuggling in guise of FDI

UNB, Dhaka

National Board of Revenue (NBR) Chairman Abdul Mazid yesterday underlined measures to examine the balance sheet on foreign direct investment as the government's revenue chief suspects undercover money smuggling in the name of FDI.

"It is time we look closely at the balance sheet to study FDI," he said, at a pre-budget meeting with representatives from the computer, ICT and telecommunications sectors in Dhaka.

He alleged that people from abroad came in Bangladesh and took syndicated loans from banks and did business, in the name of Foreign Direct Investment (FDI).

"Where is the FDI in this? They did business with money from local sources, created employment for a handful of people, but send back huge amounts of foreign currency to the native country," he said, indicating the state of business being done here by a section of foreign investors.

The NBR chairman categorically stated that this type of FDI and investment will not be entertained in the next

budget, as the country is now about to graduate into a mid-level economy, shedding its LDC tag.

He was also against the import of those types of software, which are produced by local software manufacturers. "The government wants to facilitate the local software manufacturers."

Association of Mobile Telecom Operators in Bangladesh (AMTOB) President Fazlur Rahman urged a tax waiver on SIMs (subscriber identity module). "This tax totally blocked the growth of telecommunications in the country," he said.

Bangladesh Computer Samity President Mostafa Jabbar said that information technology is the only tool to provide employment to the educated unemployed people.

He pleaded for a total duty waiver on computer and computer-related accessories, which are still too expensive for the commoners to afford.

The IT sector leader also said the government should consider VAT waiver on internet users, as the present government pledged to build a digital Bangladesh by 2021 in its manifesto.

Mostaf Jabbar, a pioneer in IT,

opened Pandora's Box as he alleged that banks and corporate houses in the country are engaged in "money laundering in the name of software import".

"Higher taxes and supplementary duties should be imposed on the import of software that local software manufacturers are producing," he said.

Monjur Ahmed of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex body of country's business community, corroborated Jabbar's allegations, saying that money laundering is going on in the name of software import.

"This should be stopped. NBR should not allow the import of software that is produced by local companies. Higher supplementary duties can protect the local producers," he said.

Bangladesh Association of Software and Information Services (BASIS) President Habibullah Karim urged the government to announce the income-tax-exemption facility for the software manufacturing sector till 2017.

"This will facilitate local and foreign investors to invest more in the country and employment opportunities will also increase," he said.

## Europe must fight protectionism in auto sector: EU

AFP, Brussels

Europe must make a concerted effort to avoid protectionism in the auto sector, which would only hurt the ailing industry's exports, the European Commission warned Wednesday.

"It is essential that state aid and other measures are well directed, working to build the future strength of the industry rather than introducing short-term distortions that will damage long-term competitiveness," the EU's executive warned in a statement.

Brussels called on European capitals to invest in "strategic technologies" and help workers retrain to keep or change their jobs.

Registrations of new cars in Europe fell 27 percent in January compared with a year earlier, according to the European Automobile Manufacturers Association (ACEA).

Such figures have prompted countries such as France, Italy and Spain to launch rescue packages, prompting cries of protectionism, especially in central and eastern Europe amid fears that foreign auto factories will be closed and jobs reattributed.

The way to help the industry is through "a determined and concerted effort to combat any move towards



European Commission President Jose Manuel Barroso (L) gestures to former Bank of France chief and IMF director Jacques de Larosiere as they give a joint press conference on a high-level working group report on improving financial supervision across Europe at the EU Commission's headquarters in Brussels yesterday.

protectionism in global markets," the commission said.

EU Industry Commissioner Guenter Verheugen -- considered industry friendly -- presented the "communication" to the press in Brussels alongside EU Competition Commissioner Neelie Kroes, who has a more hardline image and has railed against countries seeking to "steal" from their neighbours.

Her office is currently examining auto sector aid plans from Britain, France, and Germany, Italy, Spain and Sweden, while stressing that she has "red lines" that cannot be crossed.

Both commissioners condemned acts of "economic nationalism", stressing that the short-term national gains were far outweighed by the long-term costs.

The car industry is European, no company operates and no item is produced in just one country," said Verheugen.

Verheugen stressed that bailout money would not be admissible to deal with

corporate problems and poor management which occurred before the onset of the economic crisis, which has plunged the EU into recession.

The EU executive noted that the European Union itself is threatened by protectionism elsewhere.

The situation is aggravated by the rising risk of protectionism, threatening reduced access to third country markets for European producers who have thrived on the export market," it said.

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The discount, however, is applicable only on regular ticket prices of Tk 20,000, inclusive of all taxes.

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## Dhaka Bank gets new MD

STAR BUSINESS DESK

Dhaka Bank Ltd has appointed Khondker Fazle Rashid as the bank's managing director, says a press release.

Prior to this appointment, he was the managing director of Premier Bank.

Rashid, an MBA from the Institute of Business Administration, Dhaka University, started his career with Sonali Bank in 1978 as a probationary officer. He also worked with AB Bank from May 1992 to December 1999 and left the bank as senior vice-president.

Rashid also worked for Southeast Bank as senior executive vice-president and head of its credit division from January 2002 to June 2003.

Warid teams up with Air Asia

STAR BUSINESS DESK

Warid Telecom has teamed with Air Asia to launch a special offer for all Zahi post-paid customers, says a press statement.

Under this special offer, the post-paid subscribers of Warid Telecom can avail themselves of discounts up to Tk 2,000 per ticket on the purchase of Air Asia's Dhaka-Kuala Lumpur-Dhaka tickets.

The offer is available for all post-paid customers who will buy tickets until March 5 for travelling to and from Malaysia between March 12 and May 31, 2009.

The subscribers will have to show a rebate short message service (SMS), sent by the telecom to a counter employee of Air Asia for receiving the discount.

Against a single SMS, a subscriber can buy a maximum of four tickets for his or her family members travelling together and thus could save up to Tk 8,000.

The discount, however, is applicable only on regular ticket prices of Tk 20,000, inclusive of all taxes.

Warid says, "The offer would be a great reward for its post-paid subscribers planning to travel to Malaysia for leisure or business."

## SEC backs profit, loss sharing

STAR BUSINESS REPORT

In a move to bring professionalism to the market, the Securities and Exchange Commission on Tuesday decided in principle to allow merchant bankers and retail investors to make joint investments on a profit-and-loss sharing basis.

The existing merchant banking rules, which do not permit such joint investments, will be amended to this effect, said Farhad Ahmed, executive director of SEC.

The decision was taken at a meeting of the commission, chaired by Chairman Faruq Ahmad Siddiqi.

Retail investors contribute more to joint funds, while merchant banks contribute less, the executive director said. "The ratio will

be fixed later."

The merchant banks will choose scripts guided by their professional know-how and company fundamentals, he said.

During any volatile situation, it was found, that the investors or clients borrowing from merchant banks went into panic sell-offs, even at losses, for loan adjustment. However, the clients were often under pressure from these banks for such sell-offs.

The commission thinks the joint investment system is necessary in consideration of the present perspective of the market. Once the new system becomes effective, merchant bankers who have sound experience and knowledge about the market can give advice to their clients, the SEC executive director said.

The merchant banker's responsibility will not be limited only to providing loans to their clients and realising those, their responsibilities will increase manifold, he added.

The SEC also approved the initial public offering (IPO) prospectus of Asia Insurance, for raising Tk 9 crore from the stock market, at Tuesday's meeting.

The insurance company will raise the amount by issuing 9 lakh ordinary shares of Tk 100 each.

As of March 31, 2008, the earning per share of the company was Tk 52.16, while the net asset value per share was Tk 242.

The SEC executive director also said the commission has cancelled the condition of providing national ID card number while applying for an IPO.

## US banks get ready for stress tests

AP, Washington

While the Obama administration begins conducting "stress tests" on the nation's biggest banks to judge whether they can hold up if the recession were to worsen, there was fresh evidence of a weakening housing market with sales of existing homes falling unexpectedly last month to the lowest level in nearly 12 years.

The median sales price plunged to \$170,300, from \$199,800 a year earlier. That was the lowest price since March 2003 and the second-largest drop on record.

Wall Street slumped on the news. The Dow Jones industrial average, which had been down about 85 ahead of the report, lost more than 150 points in morning trading.

Banking regulators plan to scrutinise the financial conditions of Citigroup Inc., Bank of America Corp and more than a dozen other institutions that have received billions from the Treasury Department's \$700 billion bailout pot.

The tests will help regulators decide whether the banks have sufficient capital and the right mix of it - to withstand any additional shocks to the economy over the next two years.

The tests also will help regulators decide whether the banks may need additional assistance so that they can carry out the critical mission of boosting lending to customers, a key ingredient to get tough questions about the government's controversial bank-rescue efforts.

Meanwhile, Federal Reserve Chairman Ben Bernanke is back on Capitol Hill Wednesday for the second straight day. This time he'll appear before the House Financial Services Committee where's he likely to get tough questions about the government's controversial bank-rescue efforts.

Testifying before a Senate panel on Tuesday, Bernanke calmed investor fears that the government was heading down a path of nationalizing troubled banks and

Wall Street rallied a day after hitting 12-year lows.

"We've always worked with banks to make sure that they're healthy and stable, and we're going to work with them. I don't see any reason to destroy the franchise value or to create the huge legal uncertainties of trying to formally nationalise the bank when it just isn't necessary," Bernanke told senators on Tuesday.

"The outcome of the stress test is not going to be fail or pass," added Bernanke, whose agency is the primary regulator for many of the country's largest banks. "The outcome of the stress test is, how much capital does this bank need in order to meet the credit needs of borrowers in our economy?"

Critics worry the government's rescue actions have the potential to put ever-more taxpayers' dollars at risk and encourage "moral hazard," where companies feel more comfortable making high-stakes gambles because the government will bail them out.

It's all troubling to Stan Eden, 48, of Miami.

"If you can't perform, you move to the side," Eden said of companies seeking bailouts. "All the greed and deceit has overtaken common sense in the decision-making process in the country."

### Invitation for Tenders

1	Ministry/Division	Agriculture.
2	Agency	Bangladesh Agricultural Research Council.
3	Procuring entity name	Director, Project Implementation Unit (PIU), Bangladesh Agricultural Research Council (BARC), Room No.-308, Garage Building (2 <sup>nd</sup> Floor), NATP: Phase-1, Farmgate, Dhaka-1215.
4	Procuring entity code	Not used at present.
5	Procuring entity district	Dhaka.
6	Invitation for	Procurement of Car.
7	Invitation Ref No.	IFB No. GD/PIU-BARC/12/04.
8	Date	19.02.2009
9	Procurement method	National Competitive Tender (NCT) Opening Tendering Method (OTM).
10	Budget and source of funds	IDA Credit-4386-BD.
11	Development partners (if applicable)	IDA & IFAD.
12	Project/programme code (if applicable)	
13	Project/programme name (if applicable)	National Agriculture Technology Project (NATP), Phase-1.
14	Tender package No.	GD/PIU-BARC/12.
15	Tender package name	Procurement of Car
16	Tender publication date	Not applicable.
17	Tender last selling date	Up to 15.03.2009.
18	Tender submission date and time	Date: 16.03.2009
19	Tender opening date and time	Date: 16.03.2009 Time: 12:00 noon
20	Name & address of the office - Selling tender document -Receiving tender document -Opening tender document -Pre-tender meeting	Director, Project Implementation Unit (PIU) Bangladesh Agricultural Research Council (BARC), NATP: Phase-1 Room No. 308, Garage Building (2 <sup>nd</sup> Floor), BARC Complex, Farmgate, Dhaka-1215.
21	Date/time of pre-tender meeting (optional)	Date: 09.03.2009 Time: 11:00am
22	Eligibility of tenderer	Bidders from all countries other than Israel who have required qualification as per the bidding documents.
23	Brief description of goods	Car (1500cc).
24	Brief description of related services	GNV conversion, registration & first party insurance.
25	Price of tender document (Tk)	Taka 1000/- (one thousand) only.
26	Lot No	1 (one) Car
26	Identification of lot	Dhaka
26	Location	Tender security amount
26		BDT 50,000/- (fifty thousand)
27	Name of official inviting tender	Dr. Md. Abul Kashem.
28	Designation of official inviting tender	Director.
29	Address of official inviting tender	Project Implementation Unit (PIU), Bangladesh Agricultural Research Council (BARC), Room No. 308, Garage Building (2 <sup>nd</sup> Floor), NATP: Phase-1, Farmgate, Dhaka-1215.
30	Contact details of official inviting tender	Tel: 8130756, Fax: 8113032 E-mail: neem98k@yahoo.com
31	The procuring entity reserves the right to accept or reject all tenders.	

GD-1015

Dr. Md. Abul Kashem

Director

১	মন্ত্রালয়/বিভাগ	গৃহস্থান মন্ত্রালয়/পরিসর বিভাগ।
২	সংস্থার নাম	বাংল