

# Delay in merger of tax units irks IMF

UNB, Dhaka

International Monetary Fund (IMF) has expressed displeasure with the government for not adhering to its recommendation for merger of two large taxpayers units (LTUs) -- income tax and value added tax (VAT).

A two-member IMF team led by its resident representative in Dhaka Jonathan C Dunn met with the senior officials of the National Board of Revenue yesterday and expressed their views.

IMF had made the recommendation about two years ago saying merger would ensure exchange of information and reduce incidents of tax evasion.

"We have made it clear that both units have already started exchanging information about payment of income tax and VAT before merger," a senior income tax official told the news

agency after the meeting of IMF officials.

In a meeting with the income tax department, the IMF team has expressed satisfaction over impressive growth of revenue from income tax in the first quarter of current fiscal year.

"The IMF has discussed the fate of new income tax policy in accordance with its prescriptions," said a senior income tax official.

The income tax department has said the government is unable to introduce the new policy as it contradicts with the context of the country, the official said.

The IMF discussed the issues relating to tax exemption and expansion of income tax wing.

The delegation of the IMF also discussed the activities of the Central Intelligence Cell (CIC) and expressed their satisfaction about it.

CIC officials informed the IMF team

that in the first three months of the current fiscal the CIC detected income tax evasion of Tk 19.14 crore while the amount of VAT is Tk 3.58 crore. The collection from income tax is Tk 2.12 crore and Tk 1.09 crore from VAT.

"The IMF team expressed worries over plummeting import of capital machinery," said a NBR official. It reflected bleak investment scenario."

Import order of capital machinery dropped by 30 percent in the last fiscal due to slow growth of industrial expansion.

Officials explained that it was because of sluggish trend of investment and industrial expansion as the country is unable to ensure supply of adequate gas and power to keep the wheels running.

Meeting with VAT officials, the IMF team stressed the need for expansion of the department with more manpower.



Commerce Minister Faruk Khan sits for a meeting with Assistant US Trade Representative for South Asia Michael J Delaney at the minister's office in Dhaka yesterday. (Story on B1)

## Capital market fair in Ctg from Oct 27

STAR BUSINESS DESK

The third CSE Capital Market Fair 2009 will be kicked off from October 27 at the Institution of Engineers in Chittagong. Chittagong Stock Exchange Ltd said in a statement.

The aim of the two-day fair is to equip general investors with the required knowledge on share market and different products of financial institutions and also to create awareness among people including professionals, housewives and students.

Two seminars will be organised on the opening day and three on the closing day of the fair.

## Education, tourism fair begins tomorrow

STAR BUSINESS REPORT

A three-day show, 9th International Education and Tourism Fair 2009, will begin at Dhaka Sheraton Hotel tomorrow.

"We are organising the fair with a view to facilitating the procedure of students' admission for higher education in different colleges and universities abroad. At the same time, we will try to encourage local youths to travel more," said Sumon Talukder, managing director of SS Business Corporation Ltd, the organiser of the fair.

He was speaking at a press conference organised at Dhaka Reporters Unity yesterday.

Civil Aviation and Tourism Minister GM Quader will inaugurate the fair.

A total of 80 institutions, including local and international educational institutions, agents, immigration institutions, education and visa consultants and edu-

cation loan providers will showcase their packages and services.

Representatives from renowned colleges and universities in Bangladesh, Britain, the United States of America, Germany, France, Italy, Hungary, Spain, Australia and China will provide visitors with necessary information about higher studies at their respective organisations.

XBangladesh Parjatan Corporation and Eastern Bank Ltd are supporting the fair, while Qatar Airways is the official carrier of the event.

The Daily Star, ETV, Radio Today, Daily Samakal and Parjatan Bichitra are the media partners of the exhibition.

The fair will remain open from 10 am and 8 pm. The entry fee is Tk 10 per person.

Mohammad Quamruzzaman, vice president of Eastern Bank Ltd, and Pam Ryan, business development officer of Horticulture Skill, Australia were also present at the conference.

## ABB eyes Q3 profits of \$1b

AFP, Zurich

Swedish-Swiss engineering group ABB said Monday it expected to post one billion dollars (670 million euros) in net profit for the third quarter after a significant cut in its provisions.

The group set aside 850 million dollars in December for likely costs from US and EU probes into alleged cartel activities, a tax dispute and asset writedowns. But it has now reduced the provisions to 380 million dollars.

The group was fined 33.75 million euros (50 million dollars) by the European Commission over anti-competitive practices in the power transformer market.

## British economy in for painful recovery

AFP, London

Britain's recovery from recession will be slow and painful, with growth unlikely to hit one percent in 2010, a report out Monday warned.

The recovery will be a drawn out, bumpy ride, according to the influential Independent Treasury Economic Model (ITEM) Club economic forecasting group of auditors Ernst and Young.

The club said the emergence from recession would be hampered by world economic uncertainties, government tax increases and lending restrictions.

"The outlook for the next 12 months is certainly looking more positive than the last year," said Professor Peter Spencer, chief economist to the ITEM Club.

"But it is going to be a bumpy ride, particularly once the government starts to cut back."

"Policy will begin to tighten in early-2010 with the restoration of valued added tax to 17.5 percent; an end to the stamp duty holiday on housing; an increase in national insurance contributions; the introduction of the new 50 pence tax (50 percent upper tax rate) and a programme of spending restraint."

"But these measures only provide a fraction of the extra income needed to close the government deficit."

The forecast sees an "anaemic" gross domestic product (GDP) performance next year following an uncertain recovery in the second half of this year.

"GDP growth struggles to reach one percent in 2010," the report said.

"The weakness of domestic demand puts downward pressure on the Consumer Price Index, but this is offset by downward pressure on the exchange rate, helping to rebalance the economy in subsequent years."

The ITEM Club forecast comes ahead of Friday's official figures for July to September, which are expected to show that Britain's worst recession in decades has finally ended, with a quarter of positive GDP.

## Gaibandha job generation programme begins

BSS, Gaibandha

The government launched special 40-day employment generation programme in all the seven upazilas of Gaibandha district on Sunday.

The programme targets the poor, particularly the jobless labourers, during the months of Ashwin and Kartik.

In Sadar upazila, 2,495 workers have been enlisted, while the numbers stand at 2,934 in Sundarganj upazila, 2,976 in Gobindaganj upazila and 3,488 in Fulchhari upazila.

The numbers are 1,704, 1,657 and 1,449 for Sadullapur, Shaghata and Palashbari upazilas respectively.

The project includes construction and reconstruction of roads, bridges, culverts, earth filling and excavation and re-excavation of derelict ponds and canals and removing water hyacinth from water bodies.

"Each beneficiary will get Tk 4,000 at the end of the 40-day project on December 15," said Shah Alam, district relief and rehabilitation officer.

## Investment Corporation of Bangladesh



Head Office  
8, DIT Avenue, Dhaka

## Extra-ordinary General Meeting (EGM)

Notice is hereby given that the Extra-ordinary General Meeting (EGM) of the Shareholders of the Investment Corporation of Bangladesh (ICB) will be held on Saturday, 21 November, 2009 at 11:00am at the Auditorium of National Sports Council Tower (NSC Tower), 62/3, Purana Paltan, Dhaka-1000 to transact the following business:

1. To inform the shareholders issues relating to increase of Authorised Capital from Tk. 100.00 (one hundred) crore to Tk. 500.00 (five hundred) crore as per approval of the Government of the People's Republic of Bangladesh.
2. To inform the shareholders about increase of Paid-up Capital from Tk. 100.00 (one hundred) crore to Tk. 200.00 (two hundred) crore as per recommendation of the ICB Board of Directors' Meeting held on 12 October, 2009 through issuance of 01 (one) bonus share for 01 (one) ordinary share of Tk. 100.00 each.

By Order of the Board of Directors  
**Md Moshir Rahman**  
Secretary

Dated:-12 October, 2009

### Notes:

1. Record Date is fixed on 04 November, 2009, Wednesday.
2. The instrument appointing a proxy shall be in writing and in the case of an individual shareholder under the hand of the shareholder or his/her attorney authorised in this behalf by a Power of Attorney and in case of an institution under its common seal or under the hand of its attorney authorised in this behalf.
3. A proxy shall not be valid unless it is dated and properly stamped and unless it is lodged with ICB, Head Office at least 72 (seventy-two) hours before the time fixed for the meeting.
4. No person shall be appointed as a proxy nor shall any person act as such, who is not a shareholder qualified to vote at the general meeting in respect of which the proxy is given.

GD-4691



Asian Paints (Bangladesh) Ltd hosts an annual foreign trip under its 'ashcharya prodip' scheme for 22 dealers in Australia recently.

## Temasek plans second issue of 10-year bonds

AFP, Singapore

State-linked Singapore investment firm Temasek Holdings said Monday it was planning a new 10-year bond offer as part of a capital-raising programme worth five billion US dollars.

The bonds to be issued by Temasek Financial, a wholly owned subsidiary, are "fully and unconditionally guaranteed" by its parent company, Temasek said in a statement.

"The issuer intends to provide the net proceeds from the offering to Temasek and its subsidiary companies to fund their ordinary course of business," the statements said.

Temasek did not provide details on the size of the offer but Dow Jones Newswires quoted an unnamed source familiar with the plans as saying it is likely to be one billion US dollars.

It will be the second such offer in Temasek's 35-year history. It first raised 1.75 billion dollars from a 10-year inaugural bond issue in September 2005.

Temasek Holdings, among the largest sovereign wealth funds globally, had an investment portfolio

worth 130 billion Singapore dollars (93 billion US) as of March 2009.

It announced in September that its net profit sank 67 percent to 6.0 billion Singapore dollars in the year to March as the global crisis took a toll on its investments.

Global risk evaluator Standard & Poor's assigned its "AAA" ratings on the new bond issue by Temasek, saying the top grading "reflects its very strong liquidity position, highly diversified and liquid investments."

"In addition, most of its major investments have strong business risk profiles, with steady and sustainable cash flows," it said.

Moody's Investors Service also assigned its top "Aaa" to the offering.

"The Aaa rating reflects Temasek's strong financial profile at the holding company level," said Moody's.

"Given that Temasek, with an objective to maximize long-term shareholder returns, has tremendous flexibility in its investment strategy and investment horizon, management's demonstration and commitment to strong financial discipline is an important rating driver."

## Earnings leap at Saudi Sabic

AFP, Riyadh

Saudi petrochemicals giant Sabic said Sunday it doubled earnings in the third quarter against the previous period as the global economy bottomed out and its product prices surged on higher oil prices.

Saudi Basic Industries Corp., the Gulf's largest listed company and one of the world's leading petrochemical producers, reported a 3.6 billion riyal (960 million dollars) net profit for the July-September period, exactly double the previous quarter.

Profits were 50 percent down on the year-earlier quarter, when the company enjoyed much higher oil prices and the financial crisis was just beginning to hit Sabic's markets, chief executive Mohammed al-Mady said at a media conference in Riyadh.



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