

Foreign Investors' Chamber of Commerce and Industry



Dr Nasiruddin Ahmed, chairman of National Board of Revenue, speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (Ficci) at Sonargaon Hotel in Dhaka yesterday. AM Hamim Rahmatullah (2-R), Ficci president, MA Matin (extreme right), secretary general, and Steve Wilson (extreme left), vice president, are also seen.

NBR to re-examine SIM tax

STAR BUSINESS REPORT

The National Board of Revenue (NBR) will examine the tax on cell phone subscriber identification modules (SIM) to rationalise it in the upcoming national budget for fiscal year 2010-11.

NBR Chairman Dr Nasiruddin Ahmed said this yesterday at the regular luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (Ficci) as the guest of honour at Sonargaon Hotel in Dhaka.

At present, mobile phone operating companies have to pay Tk 800 SIM tax for each connection.

In response to a query placed by a senior official of Banglalink, the second largest mobile operator, the NBR chief said he will incorporate the SIM tax issue in the next finance bill so that it is passed in the parliament during the budget session.

"We will try to simplify the tax laws

as we need more foreign direct investment," Nasiruddin said.

He said the NBR will slightly reduce the discretionary power of the deputy commissioner of tax to ease businessmen's harassment.

The NBR boss also agreed that there are some problems of basic definitions of some products, which delays the release of these goods from the port customs.

"We are working on such definitions to simplify matters," he said.

He asked the apex trade body Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) for nominating two people to work with the NBR to redraft the customs and tariff rules.

He rationalised the view of widening the tax net by saying that more revenue means more resource mobilisation, more value addition, more income and more development.

At present, the total number of VAT

paying units is 6.5 lakh, although the government's target is 30 lakh, to generate revenue, he added.

He argued in favour of continuing the operations of Pre-shipment Inspection (PSI) companies by saying that at present, NBR and its related government agencies and departments do not have the capacity to conduct such inspection.

"This is why we allowed the PSI companies to continue operations," the NBR chief said.

The immediate past Ficci president Waliur Rahman Bhuiyan asked NBR to nominate the required people from Ficci to work with them to simplify the customs rules.

Ficci President AM Hamim Rahmatullah asked the government to deduct 15 percent VAT at source.

"We guess that the cost of goods or services will increase by 5-10 percent if the VAT is imposed on floor/space rent," Rahmatullah said.

Japanese mobile firm Willcom goes bankrupt

AFP, Tokyo

Japanese low-cost mobile telephone operator Willcom Inc. went bust Thursday with debts of about 2.3 billion dollars -- the country's second high-profile bankruptcy in less than a month.

Willcom, which offers no-frills, low-cost mobile telephones but has never really posed a serious challenge to its bigger rivals, filed for protection with the Tokyo District Court under the corporate rehabilitation law.

The company said it aimed to revive its business under the supervision of a state-backed agency that is also overseeing the bank-

ruptcy proceedings of Japan Airlines, which went bankrupt on January 19 with 26 billion dollars of debt.

"We will continue our existing services," company president Yukio Kubota told reporters. "There will be no effects on our customers and business partners."

The firm is asking for emergency financial support from the state-backed body along with Softbank, Japan's number three mobile telephone operator, as well as investment fund Advantage Partners LLP, he said.

Willcom is a leading provider of a type of basic cellphone known as a personal handy system (PHS).

But it has seen customers steadily defect to its three bigger rivals, NTT DoCoMo, KDDI and Softbank, which offer more high-tech handsets and faster Internet services.

Willcom had a 3.7-percent share of Japan's mobile market as of the end of January with 4.24 million subscribers, according to industry figures.

Shareholders in Willcom, shouldering debt of 206 billion yen (2.28 billion dollars), will lose their investment, Kubota said.

"We will have our shareholders take their responsibility by reducing capital by 100 percent," he said.

Ctg trade fair begins today

UNB, Chittagong

Month-long Chittagong International Trade Fair begins today at the port city's Railway Polo Ground.

Chittagong Chamber of Commerce and Industry organises the event that is expected to be inaugurated by Textiles and Jute Minister Abdul Latif Siddiqui.

"Thailand participates in the fair as a partner country," said SM Abu Toyob, president of the fair committee, at a press meet at the chamber auditorium yesterday.

Enterprises from Bangladesh, India, Pakistan, Turkey and China are taking part in the fair with 36 pavilions and 263 stalls.

People can visit the fair from 10am to 9pm on a Tk 10 ticket.

CPD trustee meet held

STAR BUSINESS DESK

The 33rd meeting of the board of trustees of Centre for Policy Dialogue (CPD) was held at its 'dialogue room' yesterday, CPD said in a statement.

CPD's research, publication and dialogue activities at national, regional and international levels during August 2009 to February 2010 were reviewed at the meeting that were hailed by the trustees.

The board approved the centre's half yearly account for 2009, budget for 2010 and strategic plan of activities for the 2010-2014 period.

At the meeting, they also endorsed CPD's plan for research, dialogue and publication for this year.

Prof Rehman Sobhan, chairman of CPD, chaired the meeting.

Euro drops

AFP, London

The euro slipped against the dollar Thursday on concerns the Greek debt crisis could affect other eurozone nations and expectations the Federal Reserve may tighten monetary policy sooner than thought, analysts said.

The European single currency fell to 1.3571 dollars from 1.3598 dollars late in New York on Wednesday.

Moriarty pushes for TIFA

US trade show kicks off

STAR BUSINESS REPORT

Foreign Minister Dipu Moni said yesterday Bangladesh may further discuss the US proposal to sign a Trade and Investment Framework Agreement (TIFA) or establish a US-Bangladesh Economic and Trade Cooperation Forum (UBETCF).

She said these while responding to US Ambassador to Bangladesh James F Moriarty's proposal on TIFA or UBETCF at the opening ceremony of a three-day US trade show at Dhaka Sheraton Hotel.

The foreign minister urged the US government to continue the Generalised System of Preference (GSP) facility for Bangladeshi products.

The government focuses on expansion of trade as the engine of growth and devel-

opment rather than dependency on aid, Dipu Moni said, adding that GSP is playing a vital role in this process.

She said GSP is also vital for Bangladesh's efforts in women empowerment as hundreds of thousands of women workers are involved in export-oriented factories dependent on US market.

The minister also urged the US government to increase Bangladeshi products' market access to its market.

She lauded the US government's duty-free and quota-free facility given to Bangladeshi exporters, which makes the US the single largest trade partner of the country.

Dipu Moni also called upon the US entrepreneurs to invest more in Bangladesh, and said US companies' interest in Bangladesh is growing as 13 investment

proposals were placed by such companies to the Board of Investment last year.

Ambassador Moriarty reiterated his government intention to sign TIFA with Bangladesh or establish a UBETCF to broaden US and Bangladesh economic relationship.

"We remain interested in the proposal of signing TIFA. One alternative would be to establish a US-Bangladesh Economic and Trade Cooperation Forum," Moriarty added.

He said both options would create a mechanism for regular, high-level dialogue where each side could raise issues related to bilateral trade and investment.

"We also look forward to closely collaborating with Bangladesh on food security," he added.

"There is great potential for the US and Bangladesh to

partner in initiatives that increase productivity, technical innovation, trade, agribusiness and value-addition. All of these will lead to improved food security."

Aftab Ul Islam, president of American Chamber of Commerce in Bangladesh, chaired the function.

He urged the US government to extend the business visa period from five years to ten years to strengthen cooperation between the businessmen of the two countries.

A total of 72 US companies are participating in the trade show, which will remain open from 10am to 8pm every day.

Many business contracts and agreements are expected to be signed between the Bangladeshi and US entrepreneurs during the show.



Dr Chittabrata Palit, middle, professor (emeritus) of history at Jadavpur University in Kolkata, presides over a three-day international seminar on 'the history heritage and urban issues of capital Dhaka' at Dhaka University yesterday. Asiatic Society of Bangladesh organised the event as part of celebrating the completion of 400 years of Dhaka. (Story on B1)

Wal-Mart profit rises 22pc

AP, New York

Wal-Mart Stores Inc. earned \$4.63 billion, or \$1.21 per share, in the quarter ended Jan 31. That compares with \$3.8 billion, or 96 cents per share, in the same quarter last year.

The company says that total sales rose 4.4 percent to \$113.6 billion. However, sales at stores open at least a year fell 1.6 percent. That's considered an important measure of a retailer's health.

Analysts surveyed by Thomson Reuters expected a profit of \$1.12 per share on revenue of \$114.4 billion.

Mike Duke, Wal-Mart's president and chief executive, said in a statement that he expects continued strong growth from its international business this year but that US sales will be more challenging in the first quarter.

"We remain focused on growing top line sales and expect improvement in the US as the year progresses," he said.

Wal-Mart's US division had a 0.5 percent decline in total sales to \$70.97 billion in the quarter; Sam's Club sales increased 3.8 percent to \$12.28 billion. The company's international business enjoyed a 19.5 percent gain to \$29.57 billion.

Tom Schoewe, Wal-Mart's chief financial officer, told journalists in a conference call that he doesn't remember the last time the US division showed a decline in total sales.

Wal-Mart's US division dragged down the company's sales at stores open at least a year. The namesake US

division suffered a 2 percent drop in the measurement, while Sam's Club had a 0.7 percent increase. That excludes sales from fuel. Analysts had expected sales at stores opened at least a year to be unchanged from a year ago.

Wal-Mart has been able to grab wealthier consumers trading down from higher-priced stores. But the discounter has also seen continued signs of financial strain among its core customers, noticing pronounced swings in spending between paycheque cycles even as the economy has shown some improvements.

Schoewe told journalists that the company's core consumer continued to be "under pressure."

Renovations at its namesake US stores also hurt business because of disruptions. Wal-Mart has been on a campaign to renovate its stores, making sweeping changes like decluttering its aisles and is on a campaign to renovate its stores.

The discounter doesn't expect that sales at stores opened at least a year to get much better, estimating that sales at stores open at least a year will be anywhere from down 1 percent to up 1 percent at US Walmart stores.

The company stopped reporting sales at stores open at least a year on a monthly basis last year.

Wal-Mart also said earnings for the first quarter would be in a range of 81 cents to 85 cents, on the light side of 85 cents expected by analysts surveyed by Thomson Reuters.



Winners of RFL King Offer campaign pose with officials of the company at a function yesterday. Mahtabuddin Ahamad, chairman of PRAN-RFL Group, gave the awards.

Societe Generale to pay traders 250m euros

AP, Paris

Societe Generale, hit by a big trading fraud scandal two years ago, on Thursday defended the payment of at least 250 million euros (340 million dollars) in bonuses to traders this year as it reported a two thirds cut in profits.

The bank announced 2009 net earnings of 678 million euros (920 million dollars), a third of the figure the previous year.

But Societe Generale chairman Frederic Oudea rejected criticism of bonuses, while announcing that he was foregoing his own bonus and stock benefits.

"Societe Generale has paid for the crisis and its past errors and we have learned

our lessons," Oudea said on BFM radio.

Shares in Societe Generale had fallen 4.4 percent to 40.26 euros in early trade on a Paris market that was slightly weaker overall.

Oudea highlighted the role the bank plays in the French economy. Sixty percent of its international finance and investment workforce are in Paris, which he said amounted to 6,000 direct jobs.

"It is a chance for France, it is a chance for Paris and it contributes to the state budget," he insisted.

"When we give one euro to one of our traders in 2010 there will be a parallel payment of about 2.8 that will go to finance our schools, our health systems and our

social payments," Oudea said.

The 250 million euros will be the 2009 bonus paid this year, according to the chairman, from which any taxes would be taken. The French government has ordered a 50-percent tax on any bank bonus above 27,500 euros.

Societe Generale also said that about 55 percent of the total bonus payments would in effect be spread over the three following years and could be cancelled if traders did not meet performance targets. Some would receive their bonuses as shares.

Oudea said the board had accepted a proposal he had made to forego his bonus for 2009, along with stock options and free shares this year.



MA Samad Sheikh, managing director of Al-Arafah Islami Bank Ltd, attends the bank's training programme on induction course on banking for newly recruited female officers at its training and research academy on Sunday.