Star Business

DHAKA SUNDAY APRIL 18, 2010

Stocks

DGEN	▼ 1.44%	5,489.67
CSCX	▼ 1.22%	10,386.38

(Week- on-week)

Asian Markets

MUMBAI	▼ 0.27%	17,591.18
TOKYO	▼ 1.52%	11,102.18
SINGAPORE	▼ 0.32%	3,007.19
SHANGHAI	▼ 1.11%	3,130.30

(Friday closings)

Commodities

Gold	▲	$1,155.90 (per ounce)
Oil	▼	$83.24 (per barrel)

SOURCE: AFP (As of Friday)

HSBC set to award exporters

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HSBC is set to award exporters on Wednesday to recognise the ingenuity of Bangladesh businesses.

The award is meant for exporters from emerging entrepreneurs to established names continuously striving to position the country's products in international markets, the bank said yesterday.

HSBC Export Excellence Awards 2009, as it is known, will be given to the best performers in five categories, Md Mahbub-ur-Rahman, head of HSBC corporate banking, told The Daily Star.

HSBC
The world's local bank

"While determining the award categories, we wanted to cover both established and emerging export sectors across all possible exportable products," he said.

HSBC handles 9 percent of total exports out of Bangladesh.

The five award categories are: RMG and textiles exporters (Group A and Group B), EPZ enterprises, traditional and emerging sectors and SMEs.

Rahman said RMG and textiles have been divided into two awards categories as they take up over 75 percent of the country's exports.

The exporters whose annual export turnover is $50 million or more are in Group A. Group B covers those with less than $50 million in annual export turnover.

Similarly, SME exporters have many "unique successes" to share and a category has been set aside for them, Rahman said.

Companies in export processing zones will be awarded under the EPZ enterprises category.

The non-RMG or textiles companies whose annual export turnover is $3 million or more will be awarded under the traditional and emerging sectors category.

The SME category is for the non-RMG or textiles companies whose annual export turnover is less than $3 million.

Finance Minister AMA Muhith will be the chief guest on the occasion to be joined by HSBC Group Corporate Banking Co-Head John Coverdale as well.

Tax tribunal on cards: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith said yesterday the government would form a tax tribunal in the next fiscal year.

The demand for such a tribunal was raised at a pre-budget discussion, which also suggested allowing Bangladeshi nationals to invest abroad and setting the tax-free income limit at Tk 2 lakh, up from Tk 1.65 lakh.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) organised the discussion with the finance minister at Purbani Hotel.

Commerce Minister Faruk Khan urged the government to consider if the Bangladeshi businessmen can be allowed to invest abroad.

He said the finance minister might give a direction in this regard in the next fiscal year's budget.

Khan also suggested that the government consider whether the fiscal year can start from Pahela Baishakh, the first day of Bangla New Year. He said if it is done, the ministries will complete their primary work by October and start implementation from November.

Development works are sometimes hampered by rains that usually ensue in April and last till August, he said. Bangla New Year usually begins from April.

The finance minister said the government will take steps in the next budget to increase revenue, make taxation easier and enable taxpayers to pay tax online.

The government will also amend the VAT (value added tax) act, he said, adding that tax return form will be made simpler to fill in.

He urged the people concerned to send in by May 7 their suggestions on how to make the submission of tax return easier.

The finance minister said the fiscal year used to begin on Pahela Baishakh until 1959, but the system was changed to the present one upon demand from the people of the then East Pakistan.

The FBCCI also recommended cuts in the present tax rates for some sectors and called upon the government to stretch the tax net across the country, bringing upazilas under the net.

The chamber said the move would increase the number of taxpayers by around five lakh.

FBCCI President Annisul Huq said shopping centres, commercial areas and big business houses at the upazila headquarters should be brought under the tax net.

Huq said only seven lakh people submitted income tax returns last year against 22.38 lakh TIN (taxpayer identification number) holders.

He suggested raising the tax-free income limit from Tk 1.65 lakh to Tk 2 lakh and cutting the corporate tax rate by 2.5-7.5 percentage points.

Former finance adviser to caretaker government AB Mirza Azizul Islam suggested equitable government expenditure. He said public expenditure has been low in the areas where poverty rate is high and expenditure has been high in the areas with low poverty rate.

He said the government can set tax-free income limit at Tk 1.75 lakh and cut corporate tax by 2-2.5 percentage points.

About the government's plan to prepare over Tk 38,000 crore worth annual development programme for the next fiscal year, Mirza Aziz said the amount could be Tk 35,000 crore.

Chairman of the Parliamentary Standing Committee on Finance Ministry AHM Mostafa Kamal said the decisions on power generation should be made fast.

AK Azad, former president of Bangladesh Chamber of Industry, suggested bringing down interest rate for lending to single digit in the next budget.

Pleasure of Seniority

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CPD suggests green tax

Think-tank opposes whitening black money

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Mustafizur Rahman, executive director of Centre for Policy Dialogue, speaks at a pre-budget press briefing in Dhaka yesterday. Uttam Kumar Deb, additional director and head of research of the think-tank, is also seen.

CPD BUDGET PROPOSALS

- Green tax on polluting industries
- Highest priority for power generation
- Continuation of zero-tariff for import of essential foods
- Continuation of incentives to industries to combat effects of global recession
- Deferring implementation of increased power tariff for industrial and commercial units
- Subsidised insurance scheme for crops, poultry and livestock
- Incentive for establishment of cold stores

STAR BUSINESS REPORT

The Centre for Policy Dialogue has suggested the government impose green tax on all polluting industries to encourage establishment of effluent treatment plants (ETPs) to check environment hazards.

"Industries may also be provided with soft loans for pollution control and prevention measures. This may be done through support from Equity and Entrepreneurship Fund (EEF)," Mustafizur Rahman, executive director of CPD, told a press briefing at its office in Dhaka yesterday.

The private think-tank put forward a set of proposals for the 2010-11 budget.

CPD said the next national budget is "very important" from the perspective of recovering from the impact of global recession, curbing inflation, and above all -- increasing power and energy supplies to support faster growth in medium and long terms.

"It's also important for the government to deliver on its promises it made earlier," said Mustafiz. "If FY 2009-10 has been the year of preparation, FY 2010-11 will be the year of delivery."

He said the government made many promises and drafted different policies, including public private partnership (PPP), to reach the targets for advancing the economy.

CPD proposed that investment in energy generation should be prioritised with special emphasis on implementation of the power and infrastructure projects in the annual development programme (ADP).

Stressing the need for realisation of objectives under PPP, it recommended preparing a list of top 100 projects with action plans for ensuring timely completion of all the on-going projects.

The support to different industrial sectors to help them combat the recession fallout should be continued, CPD said.

To check inflation, it favoured continuation of zero tariffs for imports of essential commodities.

The CPD predicted that the next budget would be of Tk 132,000 crore with a deficit expecting to be 5 percent of GDP in the backdrop of the need for increased public expenditure to accelerate growth, higher allocation for subsidy to offset the negative effects of soaring prices of commodities, including fuel, on the global market.

Besides arranging foreign grants, funds from non-banking sources can be mobilised to meet such deficit, it suggested.

It also proposed a rise in income tax collection, popularising online submission of tax returns with tax form having an in-built tax calculator to facilitate self-assessment.

It stressed enforcement of the use of electronic cash registrars (ECR) at medium and large commercial entities and maintenance of import duties on finished products at 25 percent.

CPD however opposed any provision for legalising undisclosed income in the coming budget.

"This type of facility has been given in the present budget. But, in reality, this facility has not become effective," said Mustafiz.

CPD recommended fund for refurbishing the existing power plants, establishing liquefied natural gas (LNG) terminals and providing soft loans to the commercial entities seeking green energy.

The research organisation also suggested floatation of bonds and sector-wise mutual funds to develop infrastructure.

It also proposed introduction of insurance scheme for agriculture and livestock and incentives for establishment of cold storages for potato, vegetables and fruits. A temperature-controlled storage facility should be created in the country's all international airports to preserve life-saving drugs and vaccines, CPD suggested.

Pointing to the increased cost of doing business by entrepreneurs for running generators, CPD proposed that the government defer charging the raised tariffs for power to industrial and commercial units.

"This decision should be deferred considering the cost for generating power from alternative sources," said Mustafiz.

Labour-intensive light engineering, plastic, melamine and electronics industrial units should come under EEF coverage, CPD recommended.

Utam Kumar Deb, CPD's additional director and head of research, also spoke.

Russian billionaires double

AFP, *Moscow*

The number of billionaires in Russia has doubled over the last year, with the country's super rich defying sluggish post-crisis growth to substantially boost their fortunes, a report said Friday.

The annual rich list published by the Russian edition of Forbes magazine showed the Russia's moneyed elite have staged a comeback after the financial crisis slashed their fortunes.

Forbes said that the number of billionaires on its 2010 rich list had almost doubled to 62 from 32 in crisis-hit 2009.

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