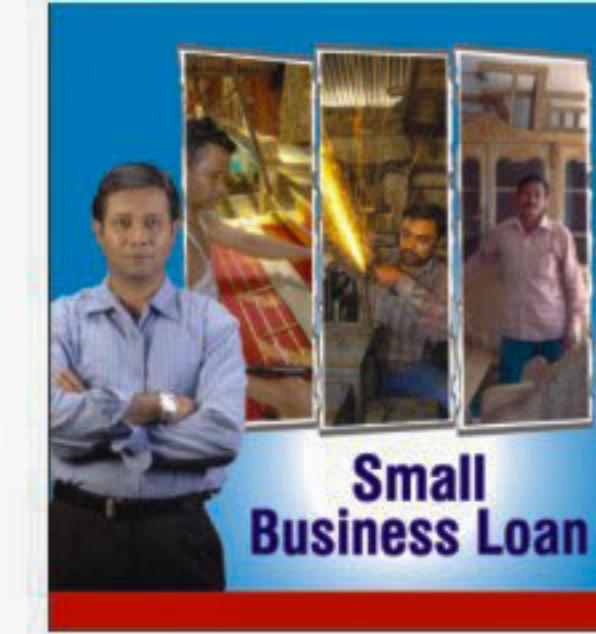


DHAKA WEDNESDAY JULY 6, 2011, e-mail:business@thecitizenstar.net



NBR earnings shoot past target

STAR BUSINESS REPORT

Revenue earnings of the National Board of Revenue increased by Tk 16,650 crore or 26.84 percent last fiscal year, beating the target for the year, said its Chairman Nasiruddin Ahmed yesterday.

He said the taxpayers' increasing trust in democratic government and intensified monitoring at the field level contributed to the high earnings.

Ahmed presented the last fiscal year's achievements of the tax administrator at a press meet in Dhaka.

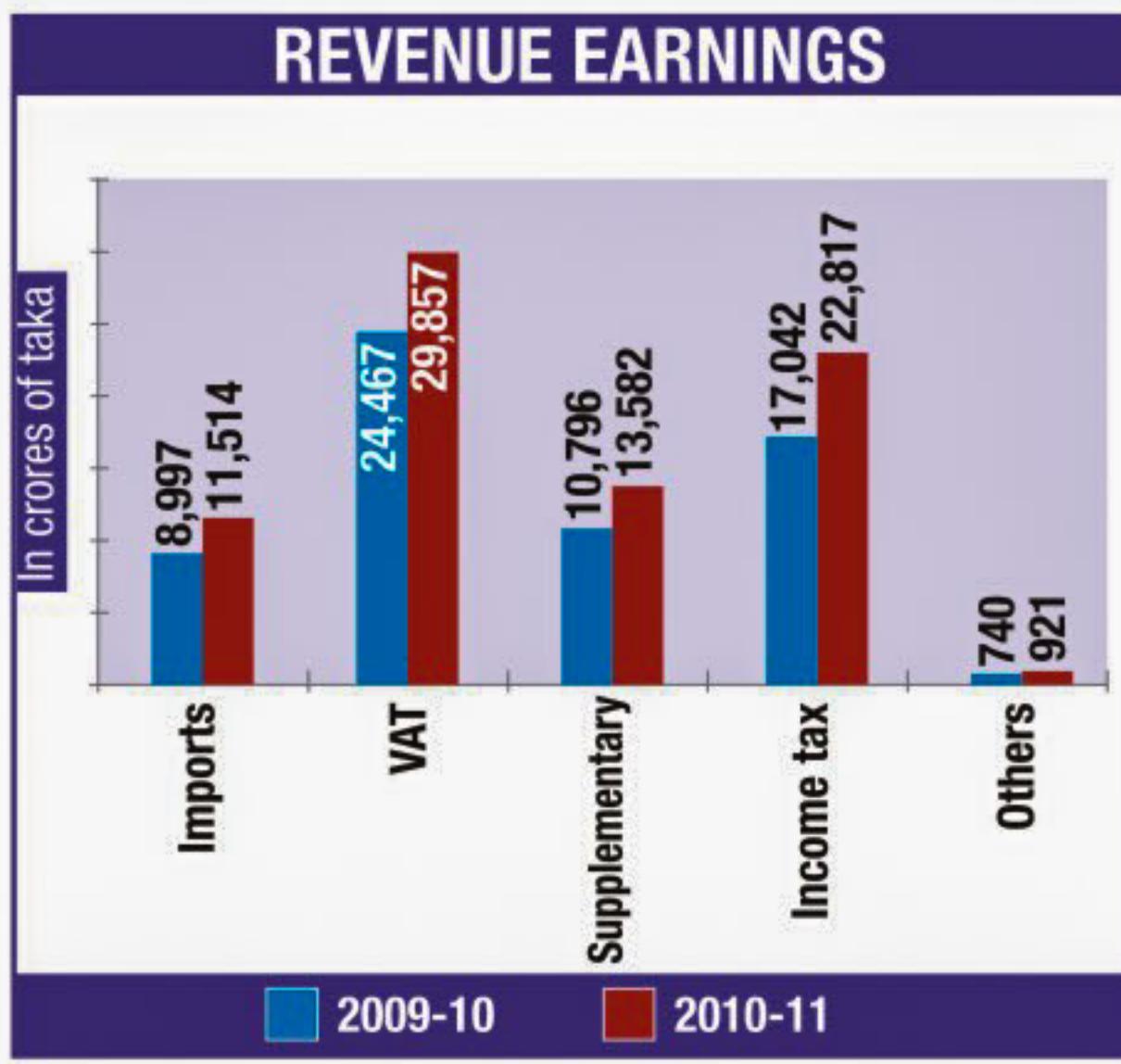
He said it was a record earning in the history of the NBR that shot past the target for the year.

In fiscal 2010-11, the total revenue earning was Tk 78,692 crore, up from Tk 62,042 crore in the previous fiscal year.

The original target for the last fiscal year was Tk 72,590 crore that was later increased to Tk 75,600 crore in the revised budget.

The NBR earned Tk 6,101 crore more than the target in the original budget and Tk 3,091 crore more than that in the revised budget.

The NBR chief said they have beaten the revenue col-



lection target in two consecutive years.

According to NBR statistics, revenue collection growth at import level is 22 percent and at local level it is 27 per-

cent, while the income tax growth is 34 percent.

He also said massive reform programmes, including more use of information technology in tax collection, were implemented in the NBR in the last few years. These also contributed to higher revenue collection, he added.

Ahmed said they plan to take several steps in the current fiscal year to boost tax collection and minimise harassment of the taxpayers.

The tax administrator will hold regular talks with businesspeople throughout the year to minimise the gap between the NBR and the taxpayers and to solve any tax-related complication instantly, he added.

The NBR chief also said, like the previous year they will organise income tax fairs in seven divisional cities this year.

Ahmed said they will introduce Alternative Dispute Resolution next year, which he hopes will increase revenue collection.

NBR members Jahanara Siddiqui, Abdul Mannan Patwari, Fariduddin Ahmed and Syed Aminul Karim were also present at the press meet.

New rules for black money investment

STAR BUSINESS REPORT

Black-money investors will have to keep the invested capital in the stockmarket for two years, said an official of the National Board of Revenue yesterday.

If anybody invests black money in the stockmarket from July 1, 2011 to June 30, 2012, he will get scope to whiten the money by paying a 10 percent flat tax, NBR First Secretary Apurba Kanti Das told reporters while highlighting the achievement of the tax administrator in the last fiscal year.

Investors can buy and sell shares of any company and take profits off, but will have to keep the invested capital in the market until June 2013, he said.

The NBR official said those willing to invest legally-earned money in initial public offerings will get a 10 percent tax rebate. The tax administrator had prepared a statutory regulatory order that may be issued in a couple of days, he said.

NBR Chairman Nasiruddin Ahmed said the scope given by the government will have a positive impact on the stockmarket, but that will not help increase revenue earnings.

Ahmed said they will take steps in line with income tax laws if any other government agency seeks information from the NBR about the black money holders who avail themselves of the scope for money whitening.

Das said they will monitor whether anybody is withdrawing the invested black money before the timeframe.

"Higher tax, including fine, will be realised from such investors," he said.

While taking or after being able to use the scope, a person has to deposit beneficiary account (BO) statement along with his income tax return every year, Das said.

In his budget speech on June 9, Finance Minister AMA Muhih had initially proposed scope for legalising undisclosed money through investment in treasury bonds and infrastructure fund, but not in the stockmarket. He has announced the offer in parliament before passage of the budget.

Spectrum fees likely to be set at Sunday meeting

STAR BUSINESS REPORT

The finance minister will sit on Sunday with four other ministers and an adviser to decide on the spectrum allocation fees of mobile phone operators.

Spectrum fees for the mobile operators will figure high on the agenda of talks at the meeting, said telecom ministry officials.

Finance Minister AMA Muhih would chair the meeting with Telecom Minister Rajiuddin Ahmed Raju, Local Government and Rural Development & Co-operatives Minister Syed Ashraful Islam, Information and Communication Technology State Minister Yeafesh Osman and Prime Minister's Economic Affairs Adviser Mashru Rahman.

The issues of renewal fees of four mobile operators -- Grameenphone, Banglalink, Robi and Citycell -- would get a shape at the meeting, the officials said.

After a meeting with the chief executives of the mobile operators in June, the finance minister told journalists that the spectrum fees would be finalised in July.

The meeting discussed issues such as licence renewal fees, revenue sharing, SIM tax and audit into the mobile phone companies.

Last year the Bangladesh Telecommunication Regulatory Commission released the 2G (second generation) licence renewal guidelines for mobile companies, including recommendations for their spectrum fees.

After a revision to the guidelines, the telecom ministry sent the recommendations for the fees to the finance ministry for approval.

The telecom ministry slashed the non-telecom issues from the guidelines and reduced the spectrum fees.

By November this year, all the four operators will have to renew their licences for the next 15 years.

Bicycle makers miss export target



A bicycle factory of Meghna Group in Gazipur. Bicycle makers say government incentives can boost their competitiveness as well as exports.

SAJJADUR RAHMAN

The bicycle industry missed the export target by a big margin in the just-concluded fiscal year because of unavailability of cash incentives and other factors.

Exporters blamed the dismal performance on weakening competitiveness and gas crisis. They also said they are not getting the government-declared cash incentives.

According to Export Promotion Bureau data, Bangladesh has exported bicycles worth \$91 million in the first 11 months against a full-year target of more than \$155 million for fiscal 2010-11.

Provisional figures indicate that the full-year exports will stand at \$103 million, down from the last year's \$111 million.

"We are yet to get any incentives from the government against our exports. Incentives can boost competitiveness as well as exports," said Mizanur Rahman, chairman of Meghna

Group that accounts for the country's 80 percent exports of bicycles.

According to Rahman, though the government has declared 15 percent cash incentives against bicycle exports a decade ago, none could take it due to rigid conditions.

A mandatory clause of payment through letter of credit (LC) against bicycle exports has barred the exporters from claiming the incentives, exporters said.

Most of the exports, including apparels, are now done through sales contract and payment is made by TT (telegraphic transfer) for convenience of both sellers and buyers.

"If apparel exporters can be entitled to the incentives without LC, why not bicycle exporters?" Rahman said.

Another exporter, German-Bangla Bicycles, a joint venture company set up in 2009, has also confirmed that they are yet to get any incentives, said its managing director SM Fakhruzzaman.

Bicycle is a big industry across the world. The US and Europe each imports three million bicycles a year. If the average cost is calculated at \$100 per piece then the market is worth \$6 billion.

Despite the huge potentials Bangladesh's share is only around \$100 million.

"Bicycle has a huge export potential. Value addition is also high here," said Fakhruzzaman.

The company's export is still confined to Germany only. "We are negotiating with some US buyers and hopefully we will be able to export there by the year end," he said.

Fazle Hasan, owner of North Bengal Bicycle, one of the oldest factories in Bangladesh, expressed high hopes about the export potential of bicycle. He mentioned the country's duty free access to many countries in this regard.

But Hasan said lack of technical hands is a major crisis for the industry to grow.

Benapole posts record earnings

OUR CORRESPONDENT, Benapole

The Benapole Customs House earned Tk 2,322 crore in revenue in fiscal 2010-2011, surpassing its target by Tk 72 crore.

That is the highest ever earning by the land port since its inception in 2000. The port posted Tk 1,248 crore

in revenue earnings in fiscal 2009-2010.

Azizur Rahman, joint commissioner of Benapole Customs House, said revenue generation increased mainly due to confirmation of HS code, price and quantity and strong monitoring system imposed by law enforcers to mini-

mise tax evasion and corruption at the land port.

Motiar Rahman, a C&F agent of Benapole, said the port is the largest land port in the country and most of the importers are using other ports of the country for import due to high rates of taxes here.

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