ASIAN MARKETS

TOKYO

2.07%

MUMBAI

4.12%

\$83.57



DHAKA FRIDAY SEPTEMBER 23, 2011, e-mail:business@thedailystar.net

COMMODITIES

\$1,765.40

Tax fair ends on a happy note

STOCKS

DGEN

CSCX

0.07%

STAR BUSINESS REPORT

The government collected Tk 414.39 crore in income taxes at the 'Income Tax Fair 2011' that ended yesterday.

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As of yesterday, 62,272 people submitted their income tax returns, while 10,041 people obtained tax identification numbers at the six-day event, said MA Kader Sarker, president of the fair organising committee, at a press meet in Officer's Club, Dhaka.

The National Board of Revenue (NBR) organised the fair to encourage people to voluntarily pay income taxes, plug the gap between tax officials and general people and create a an environment of trust. The fair took place simultaneously in seven divisional cities.

Sarker said they are overwhelmed by the response. "We are now planning to organise such fairs at district levels and in tax circles from July to September next year so that people can enjoy the services without any hassles."

Last year, when NBR organised the fair for the first time on a test basis, the tax administration collected Tk 113 crore in income taxes and 52,544 people submitted their tax returns.

Local Government Division Secretary Abu Alam Md Shahid Khan, Information Secretary Hedayet Ullah Al Mamun, Liberation War Affairs Secretary Mizanur Rahman, Cultural Affairs Secretary Suraiya Begum and NBR Member Syed Md Aminul Karim were also present.

Sleeping bag exports to US face hurdles

Duty waiver is likely to discontinue

REFAYET ULLAH MIRDHA

Hopes for duty-free exports of sleeping bags to the US market slip away from Bangladesh as the revival of the generalised system of preferences seems far off, said exporters yesterday.

The Obama administration is now refusing to give foreigners the facility as Exxel Outdoors Inc, a sleeping bag maker in the US, objected to allowing duty-free import of the item.

tial access to goods from least developed countries (LDCs) in January. The facility had been in place since 1974.

The US government blocked preferen-

The tenure of the old GSP scheme expired on December 31 and the US plans to announce a comprehensive new GSP later, said an official of the commerce ministry in Dhaka.

the US government, the official said.

Sleeping bags were included on the proposed comprehensive GSP list, but later it was dropped when Senator Jeff Sessions of Alabama lodged an objection in December to its duty-free import.

Sessions argued that sleeping bags should be subject to tariff, like other textiles, because the item competes with American manufacturers.

The Bangladesh ministry official said, "I submitted the petition in March, but I am not hopeful about getting the dutyfree facility as the senator recommended imposing duties on the import of sleeping bags from Bangladesh."

Sessions said he was looking out for Exxel Outdoors Inc, which makes more than two million pieces of sleeping bags a year. The company has been pressing the Obama administration to lift an exemption that lets Bangladesh export sleeping bags without paying a 9 percent tariff.

Shamima Parvin, a manager of Northpole Bd Ltd, a sleeping bag manufacturing factory in Chittagong Export Processing Zone, said they have already urged the Bangladeshi government to negotiate with the US about the issue of duty-free access.

CURRENCIES

BUY TK

SHANGHAI

2.78%

STANDARD CHARTERED BANK

《EUR **Æ**GBP **¥**JPY

99.23 113.74 0.96

She said Bangladeshi sleeping bags enjoyed the duty waiver previously, but with the objection from the senator, Bangladesh was removed from the list.

Duties on the export of sleeping bags to the US vary between 10 percent and 40 percent, while the average duty for the item is 12 percent, Parvin said.

"The sleeping bags manufacturing industry in Bangladesh is still new and only two or three companies are making the item. It is growing, but imposing duties will hamper growth," she said. "We want the US to renew the GSP and

The issue is now being negotiated with include Bangladeshi sleeping bags," she added. The trade programme allows about 4,800 different products from 131 countries to be imported duty-free.

The US government agreed to grant a 97 percent duty-free facility to the LDCs at the Hong Kong Ministerial meeting of the World Trade Organisation in 2005. But major export items, such as garments, leather goods and footwear, were not included on the list.

As a result, the country is doing business with the US by paying a 17 percent duty on an average and the highest duty of 32 percent on manmade fibre clothes.

In fiscal 2010-11, Bangladesh exported knitwear items worth \$1.12 billion and woven garments worth \$3.50 billion to the US, according to data from Export Promotion Bureau.

In 2010, Bangladesh paid \$630 million in duty to export goods to the US, data showed.

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AMRAN HOSSAIN

Vendors at Karwan Bazar in Dhaka sleep away idle time as the main opposition BNP and its allies enforced a countrywide hartal yesterday. The hartal stalled business activities and transportation.

Hartal frustrates businesses

STAR BUSINESS REPORT

Businesses see hartals as damaging to the economy as the production and movement of goods are hampered.

Business bodies yesterday suggested political leaders pursue alternative programmes so that trade activities are not impeded.

Ahmed Jamal, acting president of Federation of Bangladesh Chambers of Commerce and Industry, said general strikes hinder the inflow of investment, both from home and abroad.

"Many foreign investors are discouraged from investing in Bangladesh for hartals," he said. "We need foreign direct investment to create more employment, but if the hartals coninvestment." Asif Ibrahim, president of

Dhaka Chamber of Commerce and Industry, also agreed. He said the strikes take a toll on the econ-

The economies of the EU and US, two main export destinations for Bangladesh, are also facing troubled times. "We may suffer for the eco-

nomic crisis in the west. Hartals

during this time are just damaging

for the economy," he said. Many export orders may also be cancelled for the strikes, he added.

Nasir Uddin Chowdhury, acting president of Bangladesh Garment Manufacturers and Exporters Association, said they oppose the strikes as they face production losses and are

tinue, we might lose such unable to meet shipping deadlines for disruptions in transportation.

> "Hartals are unwanted as we face problems in shipping our goods. We have to air ship our goods for such political programmes."

> Mohammad Hatem, acting president of Bangladesh Knitwear Manufacturers and Exporters Association, said all export activities come to a standstill for the "A running economy is slowed down for hartals. We oppose the hartals."

> > NOTICE

We bring out today four pages instead of our

Govt revenue from stocks marks a fall

GAZI TOWHID AHMED

A bearish trend in the capital market has pulled down the government's earnings from stocks, as the trading volume is on the decline.

The government earned tax worth Tk 17.73 crore in August, down from Tk 59.63 crore in July.

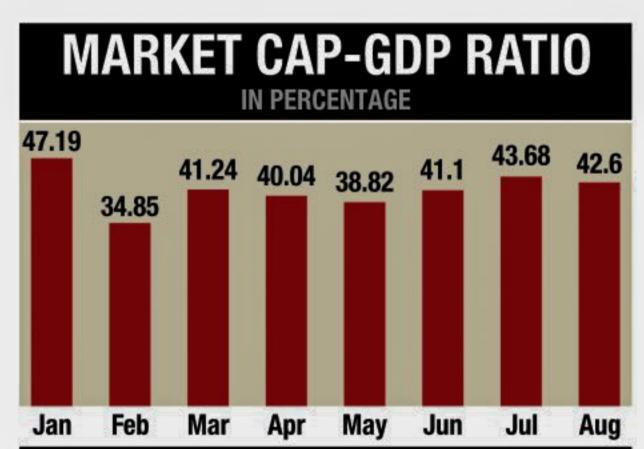
In the last fiscal year's budget, Finance Minister AMA Muhith doubled tax deductible at source for brokerage commission of the stockbrokers to 0.1 percent from Tk

The government received Tk 326 crore as tax on brokerage commission last fiscal year, a 154 percent rise in tax collection over the previous year.

The government also bagged Tk 121 crore as tax from share sales by sponsor shareholders and placement holders in fiscal 2010-11.

The ratio of GDP (gross domestic product) to market capitalisation was 42.60 percent in August, down from 43.68 percent in July.

Former finance adviser to the caretaker government AB Mirza Azizul Islam said: "Tax is related to turnover; so



tax declined as the turnover marked a fall following a low participation by investors."

Islam, also a former chairman of the Securities and Exchange Commission, said there is no logic behind such a fall as necessary steps were taken by the government, the SEC and the Bangladesh Bank to stabilise the market.

The regulator should investigate the issue of the declining turnover as early as possible to bring back normalcy into the market, he said.

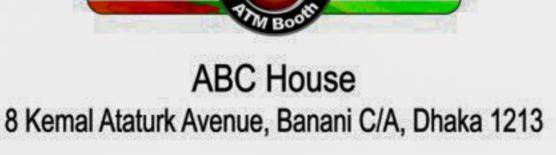
He also stressed the need for bringing new scripts into the market through initial public offering which he said will help augment the index to some extent and boost investors' confidence.

"It's not true that an increase in the tax rate on brokerage commission will raise the government's revenue," said Ahasanul Islam, senior vice president of the Dhaka Stock Exchange.

Rather, increased tax will create an extra burden on the brokers as they lost profits and some brokers have already decided to shut down branches and started trimming down the number of employees, said Islam.

Meanwhile, Dhaka stocks yesterday passed a topsy•]turvy trading session and finally ended flat as the benchmark general index of the DSE closed at 5,652 points after declining by 2 points or 0.05 percent.

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WFP to start \$340m project to help the poor

STAR BUSINESS REPORT

The World Food Programme (WFP) will start a new Bangladesh programme in January to assist 4 million hungry, vulnerable and malnourished people at a cost of

nearly \$340 million. The UN agency's last project operated between 2007 and 2010. It was later extended by a year to the

end of 2011. "We are about to commence the new five-year country programme for Bangladesh," said Christa Rader, representative and country director

ofWFP Bangladesh. The upcoming programme (2012-16) aims to achieve sustainable improvements in long-term food security and nutrition for the ultra-poor households through strategic intervention, Rader added.



Rader spoke at a press briefing in Dhaka to share the outcome of a visit of six WFP executive board members to Bangladesh. The executive board, consisting of 36 members, oversees WFP's humanitarian and development food aid activities.

Berengere Quincy, permanent representative of France at the United Nations in Rome, said over the past five years, WFP has supported the Bangladesh government in implementing different projects.

"The key focus of WFP in Bangladesh is to support the government in its efforts to reduce undernutrition of vulnerable groups, strengthen resilience to disasters and climate change, and improve education outcomes for children," she said.

ATTENTION! EBL CARDHOLDERS



To enhance our technical capacity, our Card Management Software will go through a scheduled maintenance from 12.01 am to 6.00 am on Saturday, 24th September 2011.

During this period all our ATMs, Debit, Credit, & Prepaid Cards will remain inactive. We apologize for the inconvenience.

Please call for more information: 09604 325 325

Berengere Quincy, permanent representative of France at the United Nations in Rome, speaks to the media in Dhaka yesterday on a visit by a WFP delegation. Christa Rader, country director of WFP Bangladesh, is also seen.