

NBR move makes refrigerators costlier

STAR BUSINESS REPORT

Refrigerator market in the country could be volatile ahead of the Eid-ul-Azha after the tax administration raised assessment value sharply, which could increase refrigerator prices between Tk 6,000 and Tk 12,000 per unit.

On August 29, the National Board of Revenue (NBR) hiked taxable assessment value of imported refrigerators to \$1-1.5 per litre from \$0.60 following allegations that there have been under-invoicing in case of imports for a long time.

The assessment value would increase the price of a refrigerator by 66.67 percent, said importers.

Bangladesh Electronics Merchants Association said already refrigerator sales face difficult times following depreciation of the local currency, debacle in stockmarket and economic crisis. So the sudden rise in tariff value has baffled the importers.

If the current situation continues, there could be a crisis of refrigerators in the market in the run-up to Eid-ul-Azha, which is now only less than a month away, said the association.

The importers said the NBR has decreed four orders since December last year, making the sector unstable.

They opened letters of credit to bring refrigerators ahead of

Eid-ul-Azha under the present tariff structure after the current budget imposed no new changes.

Sales during Eid-ul-Azha, the second biggest religious festival of the Muslims, account for one-third of about eight lakh units sold in the country every year. Imports at 107 percent duty make up about 90 percent of the total domestic demand.

The association said the NBR did not take into account international transaction value, brand, quality, standard and export zone of the product and bulk sales price. Rather they took into consideration retail prices at the sales centres in China and

Thailand, which is not logical, as local importers buy refrigerators from manufacturers.

A team of the NBR also recently visited China and Thailand to work out real prices of the refrigerators. The tax administration fixed the latest import duty on the basis of the retail prices at the sales centres in the two countries.

The importers said, depending on different models refrigerator prices would go up by Tk 6,000 to Tk 12,000 due to the rise in taxable assessment prices. As a result, there will be a negative impact on the market.

Some of the consignments have already reached the coun-

try's port, while others are in the pipeline. But the importers are not unloading their consignment from the Chittagong Port in fear of losses triggered by the sudden rise in import duty.

An importer said about 700 containers loaded with refrigerators are now stuck in the port. "We are not unloading the goods because we will not be able to make any profit under the amended tariff value," he said yesterday.

The importers have to pay \$72 a day for a container as fines.

The association has already written to the NBR to take urgent steps for addressing the current impasse.



MERCANTILE BANK
Md Abdul Jalil, chairman of Mercantile Bank, opens the bank's shifted Gulshan branch at Hosna Centre on Gulshan Avenue in Dhaka on Saturday. Md Abdul Jalil Chowdhury, managing director, was also present.

MCCI holds workshop on draft companies act

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) and Bangladesh Investment Climate Fund (BICF) jointly organised a stakeholders' consultation workshop on the draft companies act yesterday.

Speakers at the workshop discussed issues such as dividend payments, annual general meetings, return filing, object clause, reduction of capital, share premium and strengthening the Registrar of Joint Stock Companies. BICF Lead Consultant Barrister Tanjibul-Alam moderated the event at the MCCI office.

Alam made a presentation on reforms to the Companies Act 1994, referring to the latest situations in other countries, said a MCCI statement. He proposed allowing a single member company in the new laws.

The Companies Act 1994 does not allow formation of a single member company though it is present in many countries including Pakistan, the statement added.

Alam also made a series of recommendations, including no object clauses, codification of directors' duties, restrictions on the payment of dividends, appointment of alternate directors, minority protection and remedies, derivative action, electronic communications and easing registration of foreign companies.

MCCI Vice-president Nihad Kabir chaired the workshop where Murtoza Reza, additional secretary to the commerce ministry, and Ahmedur Rahim, registrar of the RJSC, were also present.

Proshika gets licence to run microcredit operations

STAR BUSINESS REPORT

Proshika, a leading non-government organisation, yesterday obtained certificate from the Microcredit Regulatory Authority to run microfinance activities in the country.

Mahbub-ul-Karim, chief executive of the NGO, received the certificate, said the organisation in a statement.

Proshika had been continuing microcredit operations after taking permission earlier from the

Analysts stress proper use of resources to reduce poverty

STAR BUSINESS REPORT

Bangladesh can reduce poverty to a great extent through proper utilisation of its own resources, said Uma Chowdhury, director of Sushasoner Jonno Procharavizan (Supro), yesterday.

Uma spoke at a press meet to launch the Mass Awareness against Global Poverty Week 2011 at Dhaka Reporters Unity.

Supro organised the week where various events, including discussions, human chain and mass gathering, will take place to make people aware about poverty and what the state should do to reduce poverty.

Sharifa Khatun, member of the executive committee of Supro, said the United Nations should pressurise the international money lenders to withdraw the interests while giving loans to the least developed countries.

She also stressed the need for stopping the donor's interference in the country's development planning. The government should provide subsidy to the agriculture sector instead of taking foreign



AL-ARAFAH ISLAMI BANK
Ekramul Hoque, managing director of Al-Arafah Islami Bank, and Syed Mahbubur Rahman, managing director of BRAC Bank, exchange documents after signing a deal on OMNIBUS, a countrywide platform of shared ATM and point of sales led by BRAC Bank, at a programme in Dhaka yesterday. Customers of Al-Arafah can now use shared network of OMNIBUS.



CITY BANK
Aziz Al Kaiser, chairman of City Bank, inaugurates an American Express Service Centre at Gulshan in Dhaka recently. K Mahmood Sattar, managing director, was also present.

No breakthrough at market revamp meet, stocks continue fall

STAR BUSINESS REPORT

The stockmarket regulator's meeting with the stakeholders ended with no new breakthrough yesterday, although it began with high notes to find out ways to rejuvenate the bearish market.

Stocks plunged by 0.26 percent yesterday and more than 3 percent on Sunday, maintaining the recent falling trend in share prices.

The only thing the discussants agreed that "a coordinated effort" is needed to stabilise the market -- a common dialogue that the Securities and Exchange Commission (SEC) and the market stakeholders said on many occasions.

"We discussed the present downward trend with the stakeholders and tried to identify the reasons behind the bearish trend," Prof M Khairul Hossain, chairman of the SEC, told journalists after the meeting at the SEC office in Dhaka.

"All parties related with the stockmarket want to see stability in the market, and we will take necessary steps to do it," Hossain said.

The bourses, merchant banks, asset managers, stockbrokers, dealers and bank brokerage houses also took part in the discussion.

Most of the participants said the stockmarket is passing through a crisis due to a lack of confidence among the investors and liquidity crunch.

Every stakeholder will have to take measures from their own position to rejuvenate the market, they said.

"The commission has received some advices from the stakeholders and it will take steps accordingly," said Saifur Rahman, the spokesman of the SEC.

Sheikh Mortuza Ahmed, president of Bangladesh Merchant Bankers' Association, said two issues were highlighted in the meeting -- a lack of confidence and liquidity crunch.

The key index of Dhaka Stock Exchange (DGEN) came down to 5,518 points after falling by 14 points yesterday.

A total of 81,847 transactions took place yesterday, generating a turnover of Tk 255 crore, a 30 percent fall from the previous day. Of the total 255 issues traded, 103 advanced, 136 declined and 15 remained unchanged.

The Chittagong Stock Exchange also declined yesterday with the Selective Categories Index, CSCX, going down 50 points or 0.5 percent, to end at 9,942.

Adviser stresses increased liquidity to beef up market

Bangladesh Fund subscription begins

STAR BUSINESS REPORT

An increased flow of liquidity can bring back confidence among the stockmarket investors, Mashiur Rahman, economic affairs adviser to the prime minister, said yesterday.

He also asked the investors to properly follow the rules of the capital market.

"If the investors are ready to take risk and face volatility, they should stay in the market," he said while speaking at the launch of Bangladesh Fund subscription at Hotel Radisson in the city.

The public subscription will be for Tk 3,500 crore, as Tk 1,500

crore has been contributed by the sponsors. Investment Corporation of Bangladesh (ICB) is the leading sponsor of the fund.

On behalf of AB Bank, Managing Director Khondker Fazle Rashid bought units worth Tk 20 crore and Deputy Managing Director Badrul H Khan bought units worth Tk 20 crore.

The adviser said investors have lost money as they ran after gossip instead of studying the capital market carefully. They should come up with long-term investment plan, he added.

Prof Khairul Hossain, chairman of the Securities and Exchange Commission, said the government has formed the

fund to contain the downward trend in the market.

"We should increase institutional investment in the market to encourage retail investors as the number of retailers is huge," he said.

The SEC is ready to give any waiver to the Bangladesh Fund to strengthen it, he said, adding that the government should do the same.

Fayekuzzaman, managing director of the ICB, said the main objective of the fund is to stabilise the market, supply liquidity and provide attractive dividend to the fund-holders by investing the proceeds in the capital and money market.

Automation begins in Chittagong Port

STAFF CORRESPONDENT, Ctg

Chittagong Port Authority (CPA) yesterday started using an automated container management system on two vessels at two jetties.

CPA Secretary Syed Farhad-uddin Ahmad said two vessels -- MV Northern Harmony from Singapore and MV Courier from Colombo -- berthed at the jetties under the Chittagong

Container Terminal.

CTMS Project Director Khairul Mostafa said: "We received all information on these two containers from before, in a computerised way. So we could make plans to store them before the containers arrived."

Booking for 50 percent of the export containers that the two vessels would carry has already been made in an automated manner, he said.

The CPA will also handle MV Ku Fu, which is scheduled to arrive from Malaysia at a jetty at the New Mooring Container Terminal today, under the automated system, he said.

However, the exports of Bangladesh Garment Manufacturers and Exporters Association will not come within the automation purview as the association has sought one more month to take preparations.



Mahbubul Alam Tara, chairman of the audit committee of NCC Bank, inaugurates the 83rd branch of the bank at Sonagazi in Feni on Sunday. Md Nurun Newaz Salim, chairman of the bank, and Mohammed Nurul Amin, managing director, were also present.

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