

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | | |
|----------|----------|-------------|--------------|---------------|----------|-----------|----------|-------------------------|--------|--------|--------|------|
| DGEN | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY | |
| 0.73% | 0.85% | \$1,558.71 | \$94.83 | 0.47% | 0.81% | 0.58% | 0.25% | 81.25 | 103.67 | 128.96 | 0.99 | |
| 5,020.21 | 9,472.14 | (per ounce) | (per barrel) | 16,328.25 | 8,900.74 | 2,880.85 | 2,374.84 | BUY TK | 82.25 | 107.62 | 132.97 | 1.06 |
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star BUSINESS

DHAKA WEDNESDAY MAY 16, 2012, e-mail:business@thedailystar.net

Sovereign bonds set for launch next fiscal year

Govt will increase interest rate on wage earners development bonds

REJAUL KARIM BYRON

The government is going to release sovereign bonds worth at least \$500 million in the next fiscal year. The government will also increase the rate of interest on existing wage earners development bonds by 0.20 percentage point.

"Not less than \$500 million and up to \$1 billion sovereign bonds will be released," the finance minister told The Daily Star yesterday after a meeting on sovereign bonds and other foreign currency bonds.

In the meeting at his secretariat office, Muhith said, "We will go for sovereign bonds," adding: "The economy is quite mature to undertake the operation now."

However, the finance minister did not give any specific timeframe for releasing the bonds but said the government will set an appropriate time after considering macroeconomic features and stability.

"Then we will go for it."

However, an official of the finance ministry said the government may release sovereign bonds next fiscal year.

At present the rate of interest on wage earners' bonds is 11.80 percent. The finance minister said the rate will be increased to 12 percent from next year.

Now the foreign currency bonds are issued only in the US dollar. Decision has been taken to release the bonds in the pound sterling and euro also.

A technical committee has been formed with Additional Secretary of the finance ministry Syed Manjurul Islam as the head for releasing the sovereign bonds and making the existing bonds more attractive.

Yesterday's meeting discussed the recommendations of the committee, while officials of the central bank, various commercial banks and savings directorate were present.

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From left, Latifur Rahman, former president of Metropolitan Chamber of Commerce and Industry (MCCI); AMA Muhith, finance minister; Nihad Kabir, vice president of MCCI; and Amir Khasru Mahmud Chowdhury, a BNP leader and former commerce minister, attend a budget discussion at Radisson Hotel in Dhaka yesterday. MCCI and Maasranga Television co-organised the event.

Amnesty for black money in stocks to continue

Muhith says the existing provision will remain, but opposes it in principle

STAR BUSINESS REPORT

Investments of black money in the stockmarket will continue through the next fiscal year, Finance Minister AMA Muhith said yesterday.

"I always oppose black money in principle. It doesn't benefit the country," said Muhith at a pre-budget discussion.

"But, as the stockmarket is a very sensitive market, we wouldn't touch it in the upcoming budget," he said.

Currently, investors are allowed to park black money in stocks by paying tax at 10 percent.

The Metropolitan Chamber of Commerce and Industry and Maasranga TV co-organised the discussion on the upcoming budget for fiscal 2012-13 at Radisson Hotel in Dhaka.

The minister also said the country will keep the upward growth trend and inflation will fall further.

The inflation rate has crossed double digits due to a hike in oil prices on the international market and the government's heavy borrowing from the banking sector in the current fiscal year, he said.

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No plan to cut corporate tax: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith has said corporate tax is high in Bangladesh, but ruled out any possibility of lowering it in the next budget.

"In some cases, corporate tax is very high. But I'm sorry nothing can be done about it this year," Muhith said yesterday at a pre-budget discussion with the leaders of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at his office yesterday.

Corporate tax rates range between 32.5 percent and 42.5 percent.

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