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DHAKA SUNDAY JUNE 3, 2012, e-mail:business@thedailystar.net

No fresh incentives for stock investors

SARWAR A CHOWDHURY

Stock investors may not receive any new incentives in the next fiscal year, but the existing ones will continue, according to an early indication from the finance ministry and the National Board of Reve-

Incentives currently enjoyed by the investors include the scope for investing undisclosed money in the stockmarket, but with a 10 percent tax, tax-exemption on mutual fund incomes and a reduced tax of 0.05 percent on brokerage commission.

"The incentives that are now in place are enough for the market. There is no need to give any further incentives to the market," said Faruq Ahmad Siddiqi, a former chairman of the Securities and Exchange Commission.

He said the market cannot achieve sustained growth or be stabilised if new incentives are given every year. "Leave it to the market forces,"

Siddiqi said. However, Akter Hossain Sannamat,

a chartered accountant and a market analyst, is of a different view. He said the government should

devise new incentives in the upcoming budget to address the downward trend of the market that has been continuing for the last one



Angry investors protest a fall in stock prices on the Chittagong Stock Exchange in the port city on May 10.

EYEON and hal years. Investments of

untaxed money in the market are to continue at a flat tax rate. However, the government should make it clear how long the investment of undisclosed money in the market

"Tax rebate for listed companies should be increased to encourage new companies to get listed on the bourses," he added, suggesting a tax gap of 10 percentage points between listed and unlisted companies.

will be allowed, he said.

Dhaka Stock Exchange in its budget proposal urged the government to keep dividend income of up to Tk 25,000 tax-free to appease retail investors who lost money from market downswings last year. Individual with yearly income of up to Tk 10 lakh is considered to be a retail investor.

Presently, dividend income is added to the main income of an individual and the tax is calculated on the total amount. At present, a 10 percent tax deducted at source is also set in the dividend income.

The DSE also called upon the government to give a 50 percent tax rebate if a retail investor invests a minimum of Tk 50,000 in the stockmarket.

Call to open closed power plants

STAR BUSINESS REPORT

The National Committee to Protect Oil, Gas, Mineral Resources, Power and Ports yesterday urged the government to allocate funds in the upcoming national budget for the renovation and reopening of all closed staterun power plants.

It will help the country to produce 2,400 megawatts of additional electricity from the existing structure, the leaders of the committee said at a press conference at the capital's Mukti Bhaban.

Prof Anu Mohammad, member secretary of the committee, stressed the need for increasing the power generation capacity through balancing, modernisation, renovation and expansion (BMRE).

"If the government repairs the closed power plants and increases the production capacity of the exiting ones through BMRE," he said.

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RTV

Realtors protest Sahara's entry

STAR BUSINESS REPORT

.............. The government's decision to allow Sahara India Pariwar to invest in the real estate sector has been met with vehement objections from the local realtors.

The government is set to provide Sahara with one lakh acres of land to develop a satellite township around Dhaka.

government failed to provide adequate pany to invest in the real estate sector, land and other civic amenities to the local real estate entrepreneurs for years. In a press conference organised by Real

Estate and Housing Association of Bangladesh (REHAB) and Bangladesh Land Developers Association (BLDA) yesterday, the local developers demanded the government enter a dialogue with them before going ahead with the Sahara's proposal.

Sahara's proposal should be approved only if the local realtors fail to come up with a suitable, if not better, model for the satellite township, they said.

"Now, if the government allows Sahara to acquire land at government rates, which is way lower than that of a developer offers, will create an imbalanced competition in the sector," said Nasrul Hamid, president of REHAB.

He also said the local developers feel hard done by as the government did not approach them for suggestions and insights before approaching the Indian conglomerate.

Ahmed Akbar Sobhan, chairman of

Bashundhara Group, and president of BLDA, said the local entrepreneurs are more than capable of developing satellite township in the vicinity of the capital.

"What Sahara wants to develop is very much possible for any local entrepreneur, if the government provides us land in easy terms like they are now affording to Sahara," he said. He said the government must think

The move comes at a time when the critically before allowing a foreign comwhen the local developers themselves are experiencing an acute crisis of land in Dhaka and its neighbourhood.

"We are yet to hand over thousands of flats due to gas and electricity supply. The government should give the equal facilities to the local companies for a level playing field," he added.

On April 23, Sahara Group's newly formed Bangladesh based company Sahara Matribhumi Unnayan Corporation Limited signed a memorandum of understanding (MoU) with the Ministry of Housing and Public Works to invest in the development of low-income housing schemes in Bangladesh.

Although the MoU is not legally binding, it does contain intent from the government to work with Sahara India Parivar.

Prior to that, the Sahara chairman said they have planned to initially invest \$120 million in Bangladesh, which will be the single largest investment by any Indian investor in the country.

Energy crisis dominates budget talks

STAR BUSINESS REPORT

Business leaders and economists have suggested extraordinary attention from the government to steer the country out of the current energy crunch for the greater interest of industrialisation.

Some of them also urged the political parties to reach a consensus on coal extraction method so that Bangladesh can set up coal-based power plants. The observations came at a discussion on

'Industrial Prospects in Budget 2012-13" at Ruposhi Bangla Hotel in the city on Friday.

Private television channel RTV organised the programme in association with Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA).

The discussion -- which came ahead of the upcoming budget the government is due to unveil on June 7 -- was aired live on the television channel.

Finance Minister AMA Muhith said the upcoming budget would target faster economic growth. "We need macroeconomic stability and social equity for achieving higher

focus on rural economies, agriculture, industries and infrastructure.

"Our energy sector, particularly power generation, is in a mess. We must pay atten-

GDP growth." He said the budget would simultaneously

tion to it," Muhith said. He said the electricity production has doubled in the last three years. "The crisis is

still acute because demand has gone up



Finance Minister AMA Muhith, middle, speaks at a budget discussion organised by private television station RTV at Ruposhi Bangla Hotel in Dhaka on Friday.

sharply amid the doubling of the size of the

economy." The minister said the rationing facility for garment workers would continue. "We will also allow duty-free imports of generators."

Muhith said the railway sector did not get any attention in the past. "This year we will allocate properly for the sector."

He said the upcoming budget would face major challenges in achieving higher economic growth and fixing infrastructure bottlenecks.

"The country's infrastructure is in a stage

where it can not help achieve higher growth. Inflation has also to be brought down."

The minister said the credit growth to the private sector has come down to 17 percent, which is acceptable.

Muhith said the country's export-oriented industries have to be kept bullish. "The private sector is the driving force of the economy. We have to see opportunities which give more scope to the private sector to contribute to the economy."

He said his government has not been achieving much in skill development. "We will attach proper priority to the issue this time."

Mobile phone operators oppose VAS licensing

ABDULLAH MAMUN

The government's plan to introduce the best interests of application (app) developers has been met with opposition from mobile phone operators.

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According to the draft of the valueadded service (VAS) guideline posted on the Bangladesh Telecommunication Regulatory Commission (BTRC) website in January, the content providers will set the price of VAS to be provided through mobile operators' network.

VAS is a term for all services beyond standard voice calls, SMS, MMS and data access provided by the mobile operators. In Bangladesh, examples of VAS include missed call alerts, call block, voice mail, music and ring tone downloads and so on.

Currently, local developers receive a modest percentage from the operators who set the price for the app. They stand to receive up to 90 percent if they sell the app to international operators.

"I am developing the content with my idea and investment but the operators are fixing the price. They can't do," said

Russell T Ahmed, chief executive of Champs21.com, an app developer.

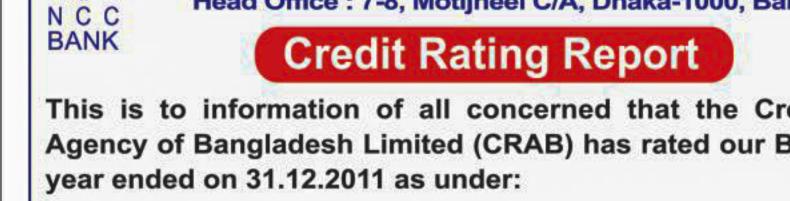
Fahim Mashroor, senior vice president licence for mobile phone applications for of Bangladesh Association of Software and Information Services (BASIS), alleged that operators lift local content developers' ideas and go on to provide the services after having developed the software in-

> Faisal Alim, secretary general of Content Providers and Aggregators Association of Bangladesh (CPAAB) proposed to the government to open foreign investment for VAS industry, while the draft excludes foreign firms. VAS should be provided collaboratively by the operators

> and locals, he added. As VAS providers will be connected through interconnection exchanges (ICX), the infrastructure cost will go down, which means subscribers would receive the service at a lower price, said Dr

> Shahadat Khan, CEO of Progoti System. Ahmedul Haque Bobby, president of the Call Centres Association of Bangladesh, believes the VAS licensing regime will create a level playing field.

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Ratings	Year	
	2011	2010
Long Term	AA 3 (Very Strong Capacity & Very High Quality)	A ₁ (Strong Capacity & High Quality)
Short Term	ST-2 (High Grade)	ST-2 (High Grade)
Date of Rating	May 24, 2012	June 23, 2011
Validity	June 30, 2013	June 30, 2012
		sd/-

Dated: Dhaka, June 02, 2012

A. K. M. Nurul Islam Company Secretary



Qubee laptop fair starts June 7

STAR BUSINESS REPORT

A three-day 'Qubee Summer Laptop Fair will be organised at Ruposhi Bangla Hotel in Dhaka from June 7.

The fair consists of six pavilions, seven mini-pavilions and 40 stalls comprising of Qubee, Acer, Asus, HP, Intel, Samsung, Gigabyte,

Toshiba, Apple, Fujitsu, Lenovo, Msi, Bijoy and many other brand

The evolving laptop trend is causing the laptop prices to come down to the purchasing capability of the middle class of the country.

The fair will be open from 10:00am to 8:00pm and has an entry fee of Tk 20.

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