

Textile millers ask for zero export tax

STAR BUSINESS REPORT
Textile millers yesterday urged the government to withdraw tax at source on exports of all products.

The demand comes on the back of deteriorating figures of country's garment exports over the past several months due to global economic crisis. "This is not the right time to increase the tax at source of exportable products, which will only put a liquidity pressure on export-oriented enterprises. We actually do not want any tax on exports," said Jahangir Alamin, president of Bangladesh Textile Mills Association (BTMA), at a press conference on the proposed budget for 2012-13.

Finance Minister AMA Muhith proposed raising tax at source to 1.2 percent from the 0.5 percent currently enjoyed by the garments sector.

Exports fell by 8 percent during the July-May period of the current fiscal year

from 42 percent in the corresponding period last fiscal year.

The millers also said the higher bank borrowing by the government will create a liquidity crunch in the banking system, which will ultimately put pressure on private investment.

The BTMA boss also urged the government to not tax the 5 percent cash incentives bestowed to the millers, which they feel is assistance from the government and hence not taxable income.

The millers, however, welcomed the proposal of duty reduction on import of effluent treatment plant (ETP) materials and zero duty on import of capital machinery.

He cited three reasons -- liquidity crisis in banking system, higher bank interest rate and weak infrastructures -- for the poor investment scenario in the country.

He suggested the government increase power generation so that the mills can operate in full capacity, to facilitate meeting the targeted 7.2 percent GDP growth.

Volatile week for stocks

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Dhaka stocks witnessed the year's lowest average daily turnover last week as investors wanted to observe the final outcome of the ongoing legal battle between the company directors and the Securities and Exchange Commission.

The hearing will resume today on the rule issued over the legality of a section of the SEC law, which empowers the regulator to impose conditions on the stockmarket.

The benchmark general index of the Dhaka Stock Exchange, DGEN, went down by 148.68 points or 3.12 percent to finish the week at 4,620.71 points.

This was the first week after the announcement of the budget for 2012-13.

The market did not behave positively, declining in the first session of trading after budget, as investors were not optimistic about the new budget and incentives for the stockmarket.

The slight optimism that had showed up in the previous week got muddled after seeing the hugely ballooning budget announced for the next fiscal year, said LankaBangla Securities in its market analysis.

Moreover, the unsettled writs filed challenging the SEC's power in exercising Section 2CC hindered spontaneous participation, it said.

Small investors staged a demonstration last week and urged government high-ups to refrain from making imprudent comments on the stockmarket.

Muhith castigated the share market saying, "The whole market is evil."

"I am 'ekdom' [totally] fed up... The market is not performing well," he told reporters at the secretariat on Wednesday.

The average daily turnover declined 46.20 percent to Tk 151.48 crore, compared to the previous week. Out of 275 issues traded, only 31 advanced, 235 declined and nine remained unchanged.

All the major sectors went down with fuel and power losing the most, declining by 5.21 percent. Bangladesh Submarine Cable Company, which made debut Thursday, topped the turnover chart with shares worth Tk 54.41 crore changing hands on the Dhaka bourse.

Delta Spinners was the week's top gainer, posting a rise of 15.44 percent, while Padma Oil was the worst loser, plunging by 36.08 percent.



MA Mannan, managing director of Butterfly Marketing, inaugurates an LG brand shop at Gulshan 2 in Dhaka yesterday. Carlos Song, managing director of LG electronics for Bangladesh branch office, was also present.

Shipping agents' body elects new chief

OUR CORRESPONDENT, Chittagong

K M Mahmudur Rahman has recently been elected as chairman of Bangladesh Shipping Agent Agency (BSAA) Chittagong yesterday for 2012-13 and 2013-14, according to a statement of BSAA.



KM Mahmudur Rahman

The agency also elected 17 other members for its Board of Directors where Mostafa Kamal Hayat was elected as senior



Md Motahar Hossain Mollah, chairman of Upazila Parishad of Kapasia, inaugurates a branch and a "green ATM booth" of Mutual Trust Bank (MTB), at Kapasia in Gazipur recently. Quamrul Islam Chowdhury and Md Hashem Chowdhury, deputy managing directors of MTB, were also present.



Saifuzzaman Chowdhury, chairman of Aramit Ltd, attends the 41st annual general meeting of the company in Chittagong yesterday. The company announced 50 percent cash dividends for 2011. Md Ibrahim Khalil, company secretary, was also present.

UNDP to focus more on development goals

STAR BUSINESS REPORT

The United Nations Development Programme (UNDP) will further tailor its schemes towards the attainment of Millennium Development Goals (MDG) for Bangladesh, said the UN body.

"The next UNDP country programme will provide a last push to achieve the MDG by 2015 -- an important milestone towards Bangladesh's Vision 2021," said UNDP Country Director Stefan Priesner at a function on Thursday at Ruposhi Bangla Hotel in Dhaka.

For the period of 2012-16, the UNDP has resolved to work collaboratively with Bangladesh government on poverty reduction, promoting a more inclusive economic growth, fostering democratic governance and supporting Bangladesh to address climate and environment issues, Priesner said.

The programme was jointly organised by Economic Relations Division of the government and the UNDP to high-

light the UN body's last six years' performances in Bangladesh.

During its last country programme (2006-11), the UNDP worked with more than 20 government ministries as well as the private sector on brick kiln projects, climate change mitigation, and access to information.

The programme delivery rose from \$24 million in 2006 -- evenly split between the UNDP itself and donors -- to \$82 million in 2011 with over 80 percent from donor funding.

Finance Minister AMA Muhith was the chief guest at the event, where he delivered a speech acknowledging the role the UN body played in introducing voter ID cards, in poverty reduction and securing access to information and in environmental issues.

"I would like to pay tribute to the UNDP for all the achievements," Muhith said.

ERD Senior Secretary Iqbal Mahmood and UNDP Resident Representative Neal Walker also spoke on the occasion.

Govt implements 70pc of ADP in 11 months

UNB, Dhaka

The implementation progress of the revised annual development programme (RADP) during the first 11 months (July-May) of the current fiscal year was 70 percent, 2 percent short of the rate achieved during the corresponding period of the previous fiscal year.

According to the Implementation, Monitoring and Evaluation Division (IMED), the expenditure during the 11-month was, however, Tk 28,553 crore, up from Tk 25,848 crore during the corresponding period of 2010-11.

Of the total expenditure, the share of the project assistance was Tk 9,042 crore (60 percent) as

against Tk 7,326 crore (61 percent) during the same period of the previous fiscal year.

The share of the local funding was Tk 19,511 crore (75 percent). About Tk 23,165 crore, 89 percent of the allocation, was released during the July-May period of 2011-12. The size of the revised ADP allocation in the current fiscal year is Tk 41,080 crore while the original outlay was Tk 46,000 crore.

The IMED figures showed that the Power Division achieved the highest implementation rate of 87 percent while the civil aviation ministry posted the lowest implementation rate of 11 percent.

The utilisation rate of top 10 ministries and divisions during

the 11-month period of 2011-12 were 72 percent or Tk 22,816.17 crore in expenditure.

Among the top ministries and divisions, the Local Government Division made the highest expenditure of Tk 6,689.93 crore (75 percent) followed by the Power Division Tk 6,273.46 crore (87 percent).

Primary and mass education ministry's progress was 83 percent (Tk 2,043.89 crore), while that of education ministry 67 percent (Tk 1,325.86 crore), health and family welfare ministry 53 percent (Tk 1,621.89 crore) and agriculture ministry 76 percent (Tk 775.94 crore).

Investors leaving market

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When trading of the stocks of these two firms starts on the bourses, many investors could sell their stocks as the bearish trend in the market continues, meaning many more empty accounts on the horizon.

Faruq Ahmad Siddiqi, a former chairman of Securities and Exchange Commission, said it is natural that the number of BO accounts would come down, as the number of trading and the amount of turnover have been declining for a long time.

"It is logical that investors will not want to spend extra money to keep their BO accounts operative," he said.

He said operating a number of accounts during the bullish period mainly to participate in IPO or primary market is a common phenomenon. "But the primary market is no longer lucrative than even a year ago."

If the investors cannot make expected profit from the IPO then more investors will just leave the market, Siddiqi added.

Tofail Ahmed, a stockbroker

and also a director of Global Securities, said many investors are not renewing their accounts by submitting the annual fee.

"If an investor does not renew or deposit the annual fee with the DP (depository participant), the account will be closed automatically," he said.

At present, an investor has to pay Tk 500 per annum to keep the account active. Of the Tk 500, the DP gets Tk 200, the CDBL Tk 200 and the SEC Tk 100.

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Atiur Rahman, Bangladesh Bank governor, attends the launch of the services of Western Union at NCC Bank, at a programme at Ruposhi Bangla Hotel in Dhaka recently. Md Nurun Newaz Salim, chairman of NCC bank, was also present.



Mohammad Mohashin Miah, deputy managing director of Social Islami Bank, presents a computer for the use of students to Commodore Kazi Emdadul Haq, managing director of Dockyard & Engineering Works Ltd High School, at a ceremony recently.

Tk 375 crore development works done in Sylhet: Muhith

STAFF CORRESPONDENT, Sylhet

Finance Minister AMA Muhith, also a lawmaker from Sylhet-1, yesterday said huge development works, on a scale that was unseen before, were undertaken in the Sylhet-1 constituency in the past three and a half years.

Giving a detail description of the development works in his constituency, he said Tk 300 crore worth of projects were carried out in the city areas and another Tk 75 crore in sadar upazila.

The major works include a much-desired water supply project worth Tk 110 crore, which is nearing completion; reconstruction of city corporation building and other structures costing Tk 236 crore; construction of Surma bridge at Kazirbazar at Tk 189 crore; and an indoor stadium and swimming pool costing Tk 24 crore.

Furthermore, a park will be made on the site of the century-old Sylhet central jail which is to be relocated to a new site in Badaghat by 2014, and a zoo stretching 112 acres of land will be set up at Tilagarh, Muhith said in a press conference.

He also said a 50-bed hospital at Khadimnagar and a Shishu Hospital (a hospital for children) on the site of Shahid Dr Shamsuddin Hospital have

Akij Food to produce mango pulp

STAR BUSINESS DESK

Akij Food and Beverages Ltd has recently opened a new factory in Chapainababganj to start producing mango pulp in the country.

Monowara Begum, widow of the founder of Akij Group Sk Akij Uddin, inaugurated the plant, Akij Agro Processing Factory. Sheikh Bashir Uddin, man-

Dr Kamal slams govt for not punishing stock manipulators

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Lawmakers, members of civil society, representatives from trade and workers rights bodies, attended the discussion chaired by member of CPD Board of Trustees M Syeduzzaman.

Kamal requested Planning Minister AK Khandker, who was present at the programme, to take steps to bring the stockmarket manipulators to justice by December 16 in the spirit of the Victory Day.

"I would like to see action by December 16," he said. He also showed willingness to volunteer the case as a lawyer. "Please consider our genuine concern. An economy can be pushed to the verge of destruction because of continuous protection of these criminals," said Kamal.

The lawyer also wanted the government to make public the names of those involved in the stockmarket manipulations.

Kamal also said the manipulators are not beyond the reach, as noted by the finance minister that scamsters are very powerful.

"None is beyond reach in Bangladesh. People of Bangladesh are the source of power. Tell us their names. The finance minister may be powerless, we are not powerless," he said.

BNP leader Amir Khasru Mahmud Chowdhury also questioned the role of regulatory authority Securities and Exchange Commission. "If such a big scam occurs under the nose of the regulatory body, how can people keep confidence upon it?"

He also criticised Muhith for branding stockmarket as 'evil'. "The market is not evil. Evil are those people who are doing manipulation. It is being done under the auspices of the government."

"A group of people creates hype in the market and later you (SEC) issue directives. It should not be," he said, adding that a section of people are playing with the stockmarket.

On quick rental power plants, he said the government has created scope for a group of people to make money. Former adviser to the caretaker government Mirza Azizul Islam and lawmaker Rashed