

New VAT law on course Cabinet okays final draft

STAR BUSINESS REPORT

The cabinet yesterday approved the final draft of Value Added Tax Act 2012 designed to expand tax collections. The new law will be more transparent and taxpayer-friendly.

It also approved in principle the draft of the National River Protection Commission Act 2012. A new commission will be formed to provide suggestions to the government for protecting the rivers and to check pollution.

The commission will be headed by a chairman and a maximum of five members who will be experts in river, water, environment and law.

Briefing reporters after a meeting, Cabinet Secretary M Musharraf Hossain Bhuiyan said the approved VAT Act will be placed in parliament shortly.

If the bill is signed into law, it will improve tax collection along with broad-

ening the area of taxation, he said, adding that the act will be implemented gradually in the next three years from the day of passing it as law.

"There will be more transparency in tax collection and functions to business organisations with the implementation of the law," said the cabinet secretary.

There is a maximum of one year imprisonment or fine or both for any sort of forgery to evade tax for institutions while six months of imprisonment or fine or both for individuals, Bhuiyan said.

To simplify the existing law, there are provisions in the proposed law to hold the trial of the VAT-related cases in judicial magistrate courts instead of the existing special judges courts, he said.

The cabinet meeting, chaired by Prime Minister Sheikh Hasina, also approved the Statistics Act-2012 and a proposal of mutual visa waiver between Bangladesh and Philippines.

Textile, garment fairs begin in Dhaka

STAR BUSINESS DESK

Three international exhibitions on textile and garments began at Bangabandhu International Conference Centre in the capital yesterday.

CEMS-Global USA in association CEMS Bangladesh organised the events: 13th Textech Bangladesh 2012 International Expo, 12th Dye+Chem Bangladesh Int'l Expo, and Sixth Dhaka Int'l Yarn and Fabric Show 2012.

The first show will showcase textile garment technology and machinery and the second one is on dyes and fine and specialty chemicals.

CEMS-Global, which was launched in 1992, has operations in seven countries and organises over 37 exhibitions annually on trade and economy.

The Dye+Chem Bangladesh 2012 Int'l Expo is targeted not only to the textile and apparel sector but also to the entire manufacturing sector of Bangladesh,

according to a statement of the organiser yesterday.

With the ever increasing competition in the world market, industries in Bangladesh can expand their share in international markets and could attract more foreign investment in the highly potential industry, specially the garment and textile industry, according to the organiser.

Ghulam Muhammed Quader, commerce minister, opened the shows in presence of Faruque Hassan, vice president of Bangladesh Garment Manufacturers and Exporters Association, and Mohammad Hatem, second vice president of Bangladesh Knitwear Manufacturers and Exporters Association.

Nearly 450 exhibitors from over 10 countries are participating in the exhibitions that will remain open only for trade/business visitors everyday from 10.30 am to 7.30 pm upon registration at the expo venue.



Shaju Hosein, chairman of Rob-bar Publications, inaugurates an ATM booth of Mutual Trust Bank at Ittefaq intersection on RK Mission Road in Dhaka recently. Md Hashem Chowdhury, deputy managing director of the bank, was also present.

Greece facing deeper-than-forecast recession: minister

AFP, Athens

Greece is facing a worse-than-expected recession, the new deputy finance minister warned on Tuesday as the debt-hit country prepared to bargain for easier terms on its EU-IMF loan bailout.

Christos Staikouras said the economy would contract by 6.7 percent in 2012 compared to previous forecasts of 4.5 percent, citing figures recently released by the state-run Centre of Planning and Economic Research (KEPE).

"The economic situation is critical," Staikouras said in a speech at a conference organised by the Economist magazine.

According to KEPE data, the contraction hit 6.5 percent in the first quarter of 2012 on a 12-month basis and will soar to 9.1 percent in the third quarter.

In April the Bank of Greece forecast that GDP would contract by "about 5.0 percent" in 2012, a recession far deeper than the 3.0 percent previously

FBCCI for export ban on six items during Ramadan

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Rashid said the wholesale prices of green chilli had been steady at Tk 20-Tk 25 each kilogram in the past couple of months.

But the prices climbed to Tk 70 a kg on the domestic market in the past four-five days due to the exports to India, which is seeing a shortage in supply because of floods, he said.

Yesterday, the prices of green chilli surged by 200 percent to Tk 80-Tk 100 a kg in the city markets from Tk 20-Tk 40 a month ago, according to Department of Agricultural Marketing.

A restriction on exports of other vegetables such as brinjal and cucumber will also ensure an increased supply in the market during Ramadan, said Rashid.

Bangladesh exports vegetables and fruits to the Middle East, the UK and other countries, targeting



Arif Dowla, managing director of ACI Ltd, and KS Tabrez, managing director of Dutch-Bangla Bank, exchange documents of a deal at the ACI head office in Dhaka recently. ACI employees will get their salaries in their DBBL mobile banking accounts.



Visitors take a look at a machine at one of the three exhibitions on textile and garment industry, at Bangabandhu International Conference Centre in the capital yesterday. The events end on Friday.

IMF cuts US growth forecast, warns against 'fiscal cliff'

AFP, Washington

The International Monetary Fund on Tuesday pared its growth forecast for the US economy and warned that the Obama administration could be slicing the deficit too fast for the weak economy.

It also said the economy was under threat from the pre-programmed "fiscal cliff" combination of sharp spending cuts and tax increases at the year-end, and a worsening of the eurozone crisis.

The IMF estimated 2012 US economic growth at 2.0 percent, down from April's forecast of 2.1 percent, and said even that outlook was at risk from both domestic and international threats.

"It is critical to remove the uncertainty created by the 'fiscal cliff' as well as promptly raise the debt ceiling, pursuing a pace of deficit reduction that does not sap the economic recovery," the fund said in its annual report on the US economy.

Stocks fall for second day

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Stocks continued to decline for the second day as investors offloaded shares expecting tight monetary policy in the first half of this fiscal year.

The benchmark General Index, DGEN, market-tracking index of Dhaka Stock Exchange, finished the day at 4,360.53 points, after falling 22.21 points or 0.51 percent. "Investors' confidence level further deteriorated amid depressed outlook of the market and expected tight money market situation," IDLC Investments said in its market research.

In the first half of 2012, DGEN lost 13 percent and turnover lost 38 percent, according to BRACEPL data.

Turnover on the DSE floor declined 37.3 percent, compared to the previous day, to Tk 139 crore.

A total of 0.55 lakh trades were executed with 3.28 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 259 issues that traded on the DSE, 89 advanced, 148 declined and 22 were unchanged.

Among the major sectors, power lost the most by 1.05 percent, followed by non-bank financial institutions 0.74 percent, pharma 0.35 percent, telecoms 0.26 percent and banks 0.16 percent.

Meghan Petroleum was the most traded stock of the day with 3.63 lakh shares worth Tk 7.5 crore changing hands. Unique Hotel and Resorts and Grameenphone were the next most popular stocks.

Legacy Footwear featured in the top ten gainers' chart, gained by 4.95 percent.

AIBL First Islamic Mutual Fund was the worst loser of the day, slumping by 9.52 percent.

The Selective Categories Index, CSEX, the indicator of Chittagong Stock Exchange closed the day at 8387 points, after falling 46.96 points or 0.55 percent.

A total of 56.64 lakh shares and mutual fund units worth Tk 21.50 crore changed hands on the port city bourse. Gainers beat losers 108 to 43, with 22 securities remaining unchanged.

SME products can offset export slowdown

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Rahman pointed out some key factors holding back the growth of SMEs in Bangladesh: lack of access to capital, high interest rates, lack of awareness of export opportunities and weak marketing.

Bangladesh Bank Governor Atiur Rahman, the chief guest at the seminar, echoed Mahabur Rahman's views regarding export diversification through SME products to achieve sustainable growth.

Apart from tangible goods, significant scope lies in export of IT-enabled services, he said.

Bangladesh Bank will launch e-commerce service in a few months' time, which would facilitate international trade, the governor said.

"It will create a new window of opportunity for local small enterprises to sell their products online to the international market, including non-resident Bangladeshis," he said.

He feels that non-resident Bangladeshi entrepreneurs would be able to promote e-commerce of local SME entrepreneurs as they are familiar with both the worlds.

Banks, too, can play a defining role in developing the online marketing platform.

Accounting and legal services from SMEs, too, can be served as exports thanks to the e-commerce platform, as Indian entrepreneurs' great success in this field shows, Rahman added.

Syed Rezwanul Kabir, managing director of SME Foundation, also stressed the need for export-led SME growth.

"Time has come to devise ways to upgrade the technology on hand as it will help local SMEs produce quality

products, and thus enabling them to gain competitive edge at the international market."

Masato Abe, ESCAP's economic affairs officer, said SMEs have played an important role in creating jobs in south Asian countries, including Bangladesh.

"Most countries are now focusing on export-led SME growth due to regional integration," said Abe, citing opportunities presented by the increasing tendency of Western firms to outsource their activities offshore.

Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry, stressed the need for developing a stable SME policy that entails removing administrative barriers.

He recommended employment of a 'clustering approach' to develop SMEs, with special attention shed on the engineering sector.

Syed Mahabur Rahman, managing director of BRAC Bank, said the prospects for SMEs are immense, thanks to the opportunity to export innovative products.

The local marketers, however, are not exploiting the opening presented by international markets due to lack of awareness, he said.

Later at a working session, Rokia Afzal Rahman, president of Bangladesh Federation of Women Entrepreneurs, said the plastic industry has a vast market abroad.

She cited increasing popularity of recycled plastic goods globally, giving example of recycled plastic bottles which are currently being exported to China.

Latifur Rahman, vice-president of ICCB, also spoke.



Esikander Ali Khan, chairman of the executive committee of Islami Bank Bangladesh, inaugurates the bank's 276th branch at Naria in Shariatpur yesterday. Md Habibur Rahman, deputy managing director, was also present.



Mudassir Murtaza Moin, managing director of Rahimafrooz Distribution, attends the fifth anniversary celebration of GE Lighting Products in Bangladesh recently. Bhanu Murti, representative of GE, was also present.



Ghulam Akbar Chowdhury, chairman of South Asia Insurance Co, attends the company's 12th annual general meeting at Radisson Blu Water Garden Hotel in Dhaka recently. A 10 percent dividend was approved for 2011. Md Monjurul Haque, managing director, was also present.