

Bhutan's minister for more bilateral trade

STAR BUSINESS REPORT

Bangladesh and Bhutan have immense potential to expand bilateral trade between the two countries, especially in the agro-based industry.

"We can work together as a partner to ensure adequate supply of agricultural commodity round the year between the two countries," said Pema Gyamtsho, minister of agriculture and forests of Bhutan.

Peak season for agricultural production starts in Bangladesh, when off-season begins in Bhutan, he told The Daily Star during his visit to a factory of Golden Harvest Agro Industries in Gazipur, one of the leading agro-based companies in the country.

The Bhutanese minister said the two countries can establish joint-venture companies to expand the bilateral trade.

"There is huge potential to set up food processing industry in Bangladesh as the country now uses modern technology in the sector," said Gyamtsho.



GOLDEN HARVEST

Pema Gyamtsho, agriculture and forests minister of Bhutan, visits the factory of Golden Harvest Agro Industries Ltd in Gazipur on Wednesday. Rajeeb Samdani, managing director of Golden Harvest, and Mohius Samad Choudhury, chief operating officer, were also present.

He said Bangladesh and Bhutan want to strengthen the bilateral relationship. "So we have signed a memorandum of understanding on agriculture cooperation between the two on Tuesday to strengthen bilateral

relationship further."

According to data from the commerce ministry, trade volume between Bhutan and Bangladesh was \$22.12 million in 2010-11 where Bhutan exported goods worth \$19 million.

While visiting the factory, Gyamtsho and his team showed keen interest on Bangladeshi agricultural frozen food products.

"It is time to focus on regional trade as several markets in South Asian countries, such as the

Bhutanese market, still remain untapped," said Rajeeb Samdani, managing director of Golden Harvest.

So, the government should provide policy support to the private sector businesses to help them explore the markets, said Samdani.

Local agro-processing industry has already developed its capacity significantly and it can now compete globally with innovative products at competitive prices, said Mohius Samad Choudhury, chief operating officer of Golden Harvest.

Frozen products have huge demands in the globe as well as in the local market as many people now prefer readymade foods to save time, said Choudhury.

He said Golden Harvest currently produces over 70 different items, including French fries, chicken nuggets, paratha, chicken burger, spring roll and fish fingers, and exports those -- commonly known as 'ready to eat' foods -- to Europe, North America, Australia and Middle East.

CanCham gets new president

STAR BUSINESS DESK

KM Khaled has been elected as the president of Canada Bangladesh Chamber of Commerce and Industry for 2012-2013, the chamber said in a statement yesterday.

Khaled was elected at CanCham's annual general meeting held at Dhaka Club on Monday. Khaled, chairman of Getco Ltd, had served as vice-president of CanCham in 2010-2011.

Zulfikar Rahman, managing director of Greenland Garments, has been elected as the vice president of CanCham, according to the statement.



StanChart Asia's CEO in Dhaka

STAR BUSINESS DESK

Jaspal Singh Bindra, chief executive officer for Asia of Standard Chartered, is in Dhaka on an official visit to Bangladesh, the bank said in a statement yesterday.

Bindra will be reviewing StanChart's business and strategies in Bangladesh, meet senior officials of government and interact with staff and clients.

Bindra joined StanChart in 1998 and was appointed director in August 2007. He is also a member of the group management committee.

His responsibilities include developing strategy, drive stronger regulatory and government relations,



Salim Osman's panel wins BKMEA polls

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Mohammad Ayub, chairman of the election board, announced the final results of the election at Narayanganj Club Community Centre at Narayanganj in the presence of candidates and other people.

The election was held in Dhaka and Narayanganj.

The elected directors will choose the president and four vice-presidents of BKMEA today for 2012-14.

Twenty-seven candidates under the Parishad banner contested for as many posts of directors while 25 candidates contested from Hoque's panel.

A total of 217 voters out of 249 cast their votes in Dhaka while 381 voters out of 403 in Narayanganj, Ayub said.

Of the total votes cast in Dhaka, five were cancelled as those were not sealed properly, Ayub said. "I cannot exactly say immediately how many votes were cancelled at the Narayanganj polling centre."

The polls held from 9:00am to 4:00pm without any break in two polling

BB finds a tiny sum in Destiny's frozen accounts

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Import value payment worth \$1.85 crore was paid against the LCs. The report said the beneficiary of a big part of these LCs was a Hong Kong based-firm -- Softalk Online (HK) Ltd. Against 53 LCs in favour of the firm, \$78.73 lakh was paid.

The report said Rafiqul Amin, chairman of Destiny Group, and Noel G Kerry, overseas director of Destiny 2000 Ltd, hold equal shares in the Hong Kong-based company. The central bank said it seems that money may have been laundered in the guise of import through Softalk Online.

A BB official said the Anti-Corruption Commission (ACC) is investigating the allegations of swindling money from the public and has requested the central bank to provide information about the companies of the Group.

The BB has already provided the information to the anti-graft body and the government.

360 taxpayers honoured

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Alam, owner of MS Enterprise in Mymensingh, said the recognition has earned him social dignity.

"In a society where all want to evade tax, such recognition is something that people respect," said Alam who paid Tk 62 lakh in tax in fiscal 2011-12.

He said tax officials put more pressure on the regular taxpayers than those who do not pay tax.

AK Azad, who got the recognition in the long-time taxpayer category from Jamalpur district, also complained of rent-seeking by tax officials.

"If tax can be paid without hassles, tax collection will definitely go up," said Azad, a physician.

Amir Hossain Noorani, who received the top taxpayer award from Gazipur district, suggested the NBR should widen its tax network instead of increasing the tax slab.

"The authority should expand the tax network beyond towns."

At the event, Food Minister Muhammad Abdur Razzaque said many people in villages have the ability to pay tax.

He advised taxmen to pay attention to this.

Razzaque also suggested steps

CITY CORPORATION	LONGEST-TERM TAXPAYERS	HIGHEST TAXPAYERS FOR 2011-2012
Dhaka City Corporation	MK Anwar	M Haider Hossain
	Mofizur Rahman	Khwaja Tajmahal
Chittagong City Corporation	Nazrul Islam Siddiqi	MM Amjad Hossain
	Md Idris Sawdagor	Salahuddin Kasem Khan
Rajshahi City Corporation	Nirmal Karmakar	AM Ziauddin Khan
	Md Habibur Rahman	Sadaruddin Khan
Khulna City Corporation	Suraiya Begum	Farid Uddin
	Sheikh Abdul Quddus	Md Rafiqul Islam
Barisal City Corporation	Md Jalal Ahmed	Md Toufiqul Islam
	Md Anwar Ali	Md Abdul Hamid Sardar
Sylhet City Corporation	Abdul Mannan Khan	Md Kamrul Ahsan
	Md Afroz	Kazi Hafizur Rahman
Comilla City Corporation	Sachindra Kumar Dey	Md Mujibur Rahman Khan
	Md Wahidur Rahman	Md Shawkat Hossain Hiron
Narayanganj City Corporation	Arif Ahmed	Md Jamil Iqbal
	GM Taleb Hossain	Monayem Khan Babul

to prevent tax evasion by strict enforcement of tax rules.

"Income of many people has increased. But 80 percent of people do not have TINs (taxpayer identification numbers), he said.

"People do not abide by laws if they do not have fear," he said.

He said many people in urban areas have more than one car and have apartments, but they

do not pay tax.

"Thousands of people go abroad to celebrate Eid. There should be a mechanism to know how much tax these people pay," he said.

Citing the alleged fraudster Hall-Mark, which has siphoned nearly Tk 2,700 crore by showing fake documents, he said there is an allegation that the

company does not pay tax.

A total of 65 taxpayers from 13 districts and city corporation areas under Chittagong division were honoured yesterday, our Chittagong correspondent reports.

Primary and Mass Education Minister Afsarul Ameen handed over crests and certificates to the taxpayers at a ceremony at the Gymnasium building.

The minister emphasised efforts to drive more people into the tax net.

He said the initiatives such as honouring the taxpayers and income tax fairs would be able to remove the general people's fear about paying tax.

Local entrepreneur Salahuddin Kasem Khan and his brothers AM Ziauddin Khan and Sadaruddin Khan were honoured as the highest taxpayers in the Chittagong City Corporation area for fiscal 2011-2012.

Three highest taxpayers and two long-time taxpayers from each city corporation and district were awarded at the ceremony.

Md Shahjahan, NBR member, said the number of registered taxpayers is now three million, while the number of real taxpayers will be more.

Stopping the plunder of public resources

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The reform options for eliminating the downside risk presented by state-owned banks remain unchanged now as nine years ago. In that report we had provided detailed analysis based on international experience why public ownership of banks is not a viable long-term option in an environment of poor national governance. I do not wish to repeat that analysis as it is rather detailed to fit the space here, but I will be happy to put a soft-copy of the report on the PRI website for interested readers.

The first best option is to privatise the state-owned banks. Yet we are mindful that privatisation is not a politically palatable option. There are also other practical

problems, including union pressure against privatisation and, additionally, finding sound buyers who are untainted by political favours is a major challenge.

In a political environment where privatisation is not imminent, there is a second-best approach that might work. Public banks tend to have an unfair advantage in mobilising deposits because of the perception of state guarantees and a de facto immunity from effective supervision. Because of these privileges, state-owned banks are able to stay float even with very poor loan portfolios. The adverse implications of these improper privileges for efficient lending decisions could be tackled by taking away the lend-

ing functions of these banks.

If such banks are allowed to only hold government paper, their deposit growth would be indirectly limited and sounder banks would intermediate more flows. Importantly, the deposits mobilised will be safe and not exposed to risks of the type presented by the recent Sonali bank lendingscam.

Such lending restrictions are akin to a "dual banking system" with "narrow banks" that are likely to remain state-owned (and only allowed to gather deposits to invest in government paper) and conventional private sector banks. No new laws are required because the government as owners of the state bank could take this decision.

The idea of narrow bank is not a new one and merits serious attention. At the least the government might ask Bangladesh Bank to review this option carefully and provide a technical proposal.

In the meanwhile the government must adopt the minimum reform of putting immediately all state-banks under the direct supervision of the Bangladesh Bank and require the full compliance by these banks of all prudential regulations, including certification of quality of board and senior management within a tightly stipulated time frame.

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Apple fend off Samsung challenge

AFP, Washington

Apple prevailed Friday at a US trade panel in a patent infringement complaint filed by South Korea's Samsung over wireless communication technology for the iPhone and other Apple devices.

A judge at the US International Trade Commission, a quasi-judicial agency which investigates trade complaints, found "no violation" by Apple of the patents for wireless communication devices and tablet computers, said a statement on the preliminary ruling.

The ruling by administrative judge James Gildea is subject to review by the full commission.

It was the latest victory for Silicon Valley-based Apple, which last month won a massive patent lawsuit against Samsung in a California court, which ordered Samsung to pay more than \$1 billion for patent infringement.



AGORA

Madurapochana Ittarong, Thai ambassador in Dhaka, and Niaz Rahim, managing director of Rahimafrooz Superstores, inaugurate a month-long Thai festival at Agora's Gulshan outlet in the capital yesterday.

Most operators go by 10-sec pulse

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Second largest operator Banglalink has almost completed its work to launch the service.

Its officials said they have implemented the regulation in some packages, and the rest will take a few more days.

In a statement Grameenphone said, "We have already started the process and re-launched one of our existing packages with 10 second pulse and flat tariff."

"Given the size of our customer base and the number of products, we need more time to satisfactorily complete this transition," said Grameenphone, which sought six more weeks from the regulator.