



GLOBAL ECONOMIST FORUM

Enayet Karim, president of Global Economic Forum, a special consultative status organisation of the United Nations, meets Lee Yun-young, the Korean ambassador to Bangladesh, at his office in Dhaka recently. Yun-young expressed Korean interest in investing in Bangladesh.

BBS moves for digitalisation

UNB, Dhaka

Bangladesh Bureau of Statistics (BBS) has initiated a move to digitalise its data collection system in preparing consumer price index (CPI).

Under the new system, the local level data collectors will send their data through an electronic device called "personal data assistant (PDA) tablet" from the fields during their survey works instead of present manual system.

The data will instantly reach at the central server at the BBS headquarters where data will automatically show the time, date and place of sending. The system will be operated using

the global positioning system (GPS), which the mobile phones operators use.

The BBS officials said that under the PDA system, the whole data collection activities would be easily monitored.

"Since the report of the data collectors will automatically show the time, date and place, so we can easily check whether they sent those data from the field or anywhere else", said Abul Kalam Azad, joint director of National Accounting Wing of the BBS.

"Even, we will be able to understand if the data is genuine or arbitrarily manufactured," he added.

He also informed that a private firm -Amader Cloud-is

engaged to operate the PDA system. The firm will make a demonstration on their pilot-operation at the BBS Headquarters today.

According to Azad, a team comprising the officials of the private firm, officials of the BBS field level offices and also officials from BBS headquarters have been working in Kurigram and Patuakhali district on the PDA pilot project.

He said during the demonstration, they will send data from local areas' markets and other field level places. The BBS officials at the headquarters will verify those data during the demonstration.

The BBS officials said if the

PDA system is proved to be effective, then the move will be undertaken to introduce the same system throughout the country. Because, it will not only save time, but also reduce workload and create scope for more data collection on a wider range.

At present, the BBS has two data collectors in each district and their total manpower for data collection is 128 in 64 districts. They visit the field and manually prepare the data and send those to the headquarters.

But under the present arrangement, the officials said, there is no mechanism for the BBS headquarters to verify the authenticity of the data collection activities.

Earlier, the BBS engaged the same firm for another survey in Bogra and got good results, which prompted it to go for digitalising the CPI preparation.

For the last several months, the BBS has been realising data on inflation every month under its latest initiative to become more transparent and people friendly.

"We want to get the BBS as a more reliable and transparent organisation. That's why we have been taking these steps," said Riti Ibrahim, secretary of statistics and informative division of the planning ministry, while inaugurating a training programme for journalists at BBS office yesterday.

Muhith against household use of gas

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"We failed in attracting investment and we have a lot of causes," said Muhith, while claiming substantial growth in other areas of the economy.

He said Bangladesh will receive electricity from India by June of next year, and the constriction of liquefied natural gas (LNG) station will be completed in the next nine months.

Meanwhile, AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the private sector entrepreneurs are not getting loans from the banking sector in the wake of the Hall-Mark Group scam.

He said the finance ministry did not take actions against the Hall-Mark Group despite central bank's recommendations.

In response to recent criticism over FBCCI's lack of action in the Hall-Mark Group scam, Azad said: "I cannot take the law in my own hands. I have been urging the government to take action against the group."

The government has selected 12 important sectors as priority areas for growth of business, said Shaikh Md Wahid-uz-Zaman, principal secretary to the Prime Minister.

Nihad Kabir, vice-president of Metropolitan Chamber of Commerce and Industry, and ABM Khorshed Alam, managing director of Small and Medium Enterprise (SME) Foundation, also spoke at the session.

A lack of business ethics leads to scams: Latifur Rahman

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"For example, if I can give my products to our grandchildren without any hesitation, it would be an ethically responsible business."

Bangladeshi companies should act more responsibly towards the society and adopt ethical business practices for longer term benefits and mental satisfaction, said Dr Akbar Ali Khan, a former caretaker government adviser and also a prominent economist.

"Ethics is a marketable product. A company can increase its brand loyalty to customers if it strictly pursues business ethics," said Khan.

He said socially responsible companies can grab better financing terms and talents, which will create more revenues and profits.

"Companies have to change their mindsets. It would create a win-win business and make every-

Online tax payment gets poor response

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The absence of online banking facility by all banks makes it unfeasible to pay such big amounts through the e-payment gateway.

Additionally, NBR's slow preparations in the lead-up to the launch of the portal have failed to get banks that have online banking service on board with the e-payment initiative.

The acceptance of only Q-Cash cards by the web portal explains the overall underwhelming response.

Another reason cited by the taxpayers and stakeholders is the unreliability of the online server as the 'verify challan' option of the web portal does not always show up.

The NBR is yet to address the shortcomings five months after Prime Minister Sheikh Hasina had inaugurated the portal in an effort to reduce the hassles taxpayers encounter with the manual

tax payment system.

Official of firms -- electronic payment processor Q-cash, Sonali Bank and software developers Datasoft and Technovista -- blamed the lack of coordination among the implementing and monitoring officials at NBR for these issues remaining unresolved to date.

"We are not comfortable with the system. It requires us to open accounts with Sonali Bank as not all banks have the online banking facility that allows bank transfers," said a senior official of a mobile network operator.

Apart from the problems, the NBR is yet to establish a central server for data hosting, and there is no help desk or call centre to answer to the taxpayers' queries and guide them through the system.

Currently, taxpayer's queries sent by e-mail remain unattended; the NBR's last response to taxpayers' queries was on June 9, according to the e-payment.

"I placed queries twice. But I did not get any feedback," said Md Abdur Rouf, a taxpayer who also gave his phone number for getting feedback.

"Later, I paid taxes manually," he said.

"As far as I know, no initiative has been taken from the NBR to encourage firms to pay VAT online," said a senior official of Q-cash who preferred to remain unnamed.

Roy, who coordinated the development and launch of the e-payment service, said the NBR is working to get all banks on board.

"We have issued pre-paid cards for those who do not own Q-Cash cards," said an official of Sonali Bank, preferring to remain unnamed.

"The pre-paid cards also allow taxpayers to pay tax as much as they want as there is no transaction limit for a single entry," he added.

Mahfuzul Alam, who manages the

software development for NBR in favour of Technovista Ltd, said the NBR has to speed up its efforts to bring all banks to the e-payment scheme so that all debit and credit cards can be used for tax payment.

Khandokar Khurshid Kamal, who now coordinates the monitoring of NBR's e-payment facility, said it takes time to stabilise any system.

"We will sit with the stakeholders to solve all problems by this month," he said.

Manjur Mahmud, chief operating officer of Datasoft Systems Bangladesh Ltd, said a central server has to be established, while all the software have to be brought under the same operating platform.

He called for dedicated help desk and supporting the professional groups -- tax lawyers, clearing and forwarding agents -- to popularise the service.



GM Quader, commerce minister, attends a dialogue on arbitration at Bangladesh International Arbitration Centre (BIAC) for settling commercial disputes, organised by the Chittagong Chamber of Commerce & Industry and BIAC in Chittagong yesterday. Murshed Murad Ibrahim, CCCI president, was also present.



Azim Uddin Ahmed, director of Southeast Bank and Shamol Kumar Dash, deputy general manager of Bangladesh Bank, inaugurate Southeast Bank's 88th branch on Sir Iqbal Road in Khulna recently.

Muhith's statement on foreign investment and Dr Yunus

In a statement, the finance minister said there are different reasons for poor inflow of foreign investment though Bangladesh has a good position in the credit rating assessments by Moody and Standard and Poor's.

Bureaucratic tangles and corruption are hampering foreign investment, it said. Moreover, non-availability of energy, especially power shortage, was a barrier to growth of investment but it is now under the control of the government and generation capacity of electricity will reach to 9000-megawatt by 2015, he added.

He said it has already been decided that Bangladesh would be a transit country in the region, which would turn the area into a central point of economic activities. Taking it into consideration, Bangladesh is a most attractive area for investment, he added.

He said it must be remembered that investment, export and employment were seriously affected due to economic recession in 2008. But Bangladesh has been able to maintain more than 6 percent growth and rate of investment at 24-25 percent, he added.

He said the negative position of Professor Yunus and publicity is contrary to Foreign Direct Investment (FDI) in Bangladesh and his publicity is not fully true. Professor Yunus has been expressing fears about the future of Grameen Bank over the last two years and carrying out publicity that the government wants to destroy this institution, the finance minister added.

There is no relation of this publicity with the reality and it is very much harmful for the country, he added.

"It is the personal remarks of the finance minister and he did not discuss it with any other. Amartya Sen did not make any comment about it. His comments were on rapid development of Bangladesh," the statement said.

"Understanding or without understating some of our media distorted it, mixing the two issues," he said.

The minister also said Prof Yunus believes that the Grameen Bank is his organisation and he will remain in the Bank by any means.

Prof Yunus has a strong publicity machinery and his international reputation has been playing a supportive role in favour of him, the statement said.

"Personally, I consider him as a friend and a respected person," said the finance minister.

Muhith said Amartya Sen is well-wisher of Bangladesh and he always highlights Bangladesh achievements internationally.

The finance minister said that Professor Yunus is respected person of the country and his contribution for poverty alleviation through expanding microcredit is highly appreciated.

"His sincerity and tireless efforts of 30 years has established Grameen Bank on a firm footing and the finance minister personally tried to expand it beyond the country. The finance minister played role to

expand Grameen model in Malaysia, Indonesia and Nepal," it added.

As per the Grameen Bank rules, Professor Yunus cannot hold the managing director post after reaching normal retirement age of 60 years and these rules and regulations were formulated and published by Prof Yunus. Bangladesh Bank raised this issue when Grameen Bank board of directors elected him as MD for an unlimited period in 1999.

The Grameen Bank came under the spotlight 2010 when a Norwegian television documentary alleged that aid money was wrongly transferred to another part of the bank in the mid-1990s.

But the Bangladeshi government set up a review committee in January to look into the bank's affairs.

"I have suggested Professor Yunus that if he resigns willingly, an arrangement can be made for keeping him involved in Grameen Bank," it added. "Professor Yunus told me that if he resigns now, the whole of Grameen will collapse," the statement said. After leaving Grameen Bank Professor Yunus is often saying that the government is trying to grab Grameen Bank, which is not true.

The statement said Grameen Bank has expanded its activities massively in 2011 and savings of its members are on rise. Grameen Bank and BRAC have taken microcredit to a strong position and the government is determined to consolidate this position.

In the statement the finance min-

ister said that the board of directors of the Grameen Bank formed a search committee to appoint a managing director of the Bank, but the job could not be done in the one and half years as the supporters of Prof Yunus demanded that Yunus should lead the committee.

The government did not consider the demand and tried to make the Yunus' supporters understand that they should change their mind to pave the way of appointing a managing director, which was urgently required to run the Bank effectively.

The government at one stage appointed the chairman of the Bank as the convener of the search committee and gave the committee full independence and authority to do its task.

"We hope, a managing director would be selected soon as per the proposal of the search committee," the statement said.

It said Prof Yunus initiated social business two decades ago, but it flourished in the past 10 years. Initially the social businesses used the resources and the goodwill of Grameen Bank though there was no stake of the Bank in the social businesses.

Even, Grameen Bank did not have any share in the Grameen Phone.

These social initiatives did not offer any dividend to any directors, instead used their earnings and profits for expansion.

But, these were not for the well-being of rural members, though the Grameen Kalyan often got assistance from different organisations of Yunus and works for the poor.

The statement said some questions had been raised about the network of social business, which vastly expanded by Prof Yunus. Already, some 20 such initiatives had lost their character as some of those turned into profitable organisations, some became losing concerns and some were closed. All of these organisations were established by using the goodwill of Grameen Bank. The Grameen Bank also appointed some directors for the social business, but their situation became very weak.

It said the government wants to resolve the crisis in the social business and formed a high powered commission to this effect, which also faced opposition from Yunus.

"In fact, Prof Yunus does not want to leave Grameen Bank at any cost. He wants that he will remain the managing director or the chairman of the Bank or only a person of his choice will get the position," the statement said.

It referred to the fact that Muhith in 1983 (when Muhith was the finance and planning minister) took the initiative to establish the Grameen Bank as a strong, sound and autonomous organisation.

In the statement, the finance minister said many microfinance institutions were born and died in the past hundred years, but Grameen Bank was established out of the phenomenon because it was he who offered Yunus the challenge of giving the Bank an institutional shape.

The statement said that the

finance minister currently initiated the final process of giving the Grameen Bank a firm institutional base so it could sustain without depending on an individual. "This is the point where Prof Yunus differs with Finance Minister," it said.

It said the finance minister in the past three years were asked by many heads of states, intellectuals and civil society members whether the inflow of foreign direct investment was hindered because of the difference between the government and Prof Yunus on the Grameen Bank issue. The finance minister, responding the query, categorically said the inflow of soft loan and grant was not hindered, instead the flow of official development assistance increased substantially in the past three years.

In the statement, the finance minister hoped that the foreign direct investment would increase further in future because of the recent development in the financial sector, which was highly appreciated across the globe (like the recent report in the Economist).

He, however, stated that the government expenditure in Bangladesh was still only 18.5 percent of the total national income when the rate of investment was 25 percent.

"The government spending should be increased to 20 percent and the rate of investment to 32 percent for achieving the expected development," the statement said and added that the finance minister was confident that it would happen in the next two years.

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