

Happy New Year
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Star BUSINESS

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Hopes and fears ring in 2013

SOHEL PARVEZ

Bangladesh rings in the New Year on a cautious note shaped by a mix of hope and uncertainty.

A positive outlook on the economic front may fizzle out in the face of sluggish exports and risks of a further fall in demand in Europe and the US.

The most disturbing sign for the economy originates from the domestic front: political uncertainty. The feud between the ruling Awami League and opposition BNP over the next general election is likely to deepen uncertainty and cause the economy to suffer.

"The major challenge for the economy will be the political uncertainty," Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies (BIDS), said on the economic outlook for 2013.

The political situation will be the main factor to set the course of the



Customers visit a flower shop on New Year's Eve in Dhaka yesterday.

economy, he added. The economy fared well in many fronts in 2012. Inflation came down to a single-digit level, supported by the falling prices of rice amid increased production and the central bank's tight

monetary policy. Remittance inflows were also faster compared to the preceding year, facilitating a refill in the foreign exchange reserves.

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Banks see mixed profit pictures

REJAUL KARIM BYRON

Commercial banks see mixed profit pictures at the end of 2012 due to a rise in their defaulted loans and a stiff competition amid high rates of deposits.

Profit growth of many banks increased, but slowly, while others saw a decline in earnings compared to the previous year.

An official of United Commercial Bank said the new loan provisioning rules caused their defaulted loans to rise.

An NCC Bank official said the deposit rate of the banks has gone up much and so their profit has fallen.

Bad loans increased by Tk 7,282 crore or 1.58 percentage points in the third quarter of 2012 as a significant amount of the loans related to the recent banking scams was classified.

The central bank is putting pressure on the banks to get the real picture of their classified loans.

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Base price for 3G auction: \$20m

Auction by March; operators to pay 15pc additional VAT

ABDULLAH MAMUN

The finance ministry has set \$20 million for per megahertz spectrum as the base or starting price for 2100 MHz band auction to roll out 3G or 4G service in Bangladesh.

Sunil Kanti Bose, chairman of Bangladesh Telecommunication Regulatory Commission, said the finance ministry has approved the base price recently.

But the winners of the bid will have to pay an additional 15 percent value added tax on the final price of the spectrum, he said.

According to the current finance bill, all the operators will have to pay the VAT to the telecom regulator, while earlier they used to deposit 85 percent to the BTRC and the rest to the tax regulator, he said.

He also said some cases are pending with the apex court on whether the operators would get a tax rebate.

"That is not the BTRC's concern," he said.

Bose said the telecom ministry would send him a final guideline on 3G licensing within seven days and then the BTRC would start the process.

"The regulator will initiate the auction for 2100 MHz band in three months after getting the final guideline from telecom ministry," he said.

A total of four licences will be given to the mobile operators to roll out 3G, 4G or LTE (long-term evolution) technology. LTE is a wireless broadband internet technology and more upgraded than 3G.

However, the bid winners will have to pay 60 percent of the spectrum fees in the first three months and the rest in the next six months.

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20 top taxpayers awarded

Govt gives away tax cards for the first time



Seated in the middle, Finance Minister AMA Muhith poses with the recipients of tax cards, at a ceremony organised by the National Board of Revenue at the Officers' Club in Dhaka yesterday.

STAR BUSINESS REPORT

The government for the first time awarded special cards to 10 companies and 10 individuals for being the highest taxpayers in fiscal 2009-10.

Finance Minister AMA Muhith gave away the certificates, Tax Card, to the recipients at a ceremony organised by the National Board of Revenue at Officers' Club in Dhaka yesterday.

The recipients are entitled to some privileges for a year from the issuing of the card. They will be invited to national programmes and functions in municipalities and city corporations.

They will also get priority in ticket booking from Biman, the national flag carrier, for overseas travel, and reservation of seats in government transports in rail and river transports.

The cardholders with their spouses and children will also get priority in getting cabins in public hospitals.

The government has introduced the tax cards to recognise the highest taxpayers at national level, Muhith said. "The objective was to change the mindset

of the common people who has negative thoughts about tax," he added.

"The government uses your tax for the country's development," he said, adding that the revenue income from taxes is only 10-11 percent of the country's total gross domestic product, compared to 20-30 percent in other countries.

It showed there is ample scope for revenue income from taxes, he said. "Instead of duty, income tax, value added tax and service tax will be main source of government revenue in future," he said.

NBR Chairman Ghulam Hossain said Bangladesh should have six million taxpayers as per its population base. "But we have only 1.3 million taxpayers," he said.

The tax cards will encourage others to pay taxes. "It will also create a competitive environment among the taxpayers -- individuals and companies," Hossain said.

The honour was delayed somewhat due to being the first time ever, he said. "We will try to award the highest taxpayers for fiscal 2010-11 and 2011-12 this fiscal year."

COMPANIES	INDIVIDUALS
Chevron Bangladesh (Block 12)	Motazzerul Islam (Rangpur)
Sylhet Gas Field	Iqbal Haider Chowdhury (Dhaka)
Citibank NA	Md Kaus Mia (Dhaka)
American Life Insurance	MM Amjad Hossain (Dhaka)
Trust Bank	Mohammad Yusuf (Dhaka)
Security Printing Corp	MA Haider Hossain (Dhaka)
BEPZA	Md Motahar Hossain (Dhaka)
Jamuna Bank	Salahuddin Kasem Khan (Chittagong)
AK Khan and Company	AM Ziauddin Khan (Chittagong)
Bapex	Laila Hossain (Dhaka)

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