

Ctg housing fair logs Tk 300cr in sales

UDAY SANKAR DAS, from Chittagong

PLOTS and flats worth more than Tk 300 crore were sold at a recent housing fair in the port city, organisers said.

Although the turnout fell far below expectations initially, it gradually gained a momentum and was termed a success, both in terms of attendance and sales, they said.

There were 68 stalls of housing institutions from both Dhaka and Chittagong at the show, said Mizanur Rahman, the convener of four-day Chittagong REHAB Fair-2013.

Only the plots and flats approved by the appropriate authorities were sold, he said, adding that they are happy with the sales figure and expect to attract additional booking.

Speakers at the closing ceremony of the Real Estate and Housing Association of Bangladesh (REHAB) fair on Sunday urged the central bank to provide financial assistance to the middle-income group.

Mayor of Chittagong City Corporation M Manjur Alam said it is not possible for the government alone to provide adequate housing for all, and REHAB is working as the government's development partner in this respect.

The mayor also said, under the prevailing economic depression, the housing industry is facing a deep crisis, and the government should also keep a watchful eye to ensure that the industry flourishes.

Abdul Kauam Chowdhury, chairman of Chittagong REHAB Standing Committee, said although the costs of building materials soared during the last five years, the increase in the prices of apartments has not kept the same pace.

Chowdhury said they would urge the Bangladesh Bank to allocate Tk 1,000 crore to the housing sector to enable the middle-income earners to get home loans at 9 percent interest.

He also proposed the facility should be limited to people who would purchase flats not exceeding 1,200 square feet.

About the housing problem in the port city, Chowdhury said, if the Chittagong Development Authority allocates land to REHAB at reasonable prices, more people would be benefited.

Co-chairman of REHAB SM Abu Sufiyan said the government's public private partnership policy is not being implemented in the housing sector.

He said urgent action is required to put this policy in practice to revitalise the sector.



Potato farmers in Nilphamari are frustrated by falling prices.

Potato prices halve on higher yields

SOHEL PARVEZ

FAVOURABLE weather conditions and higher acreage are likely to boost potato yield in the ongoing harvesting season and have already pulled down the tuber's prices, agriculture officials and cold storage operators said yesterday.

In the current season, farmers planted potatoes on 4.6 lakh hectares of land, up from 4.3 lakh hectares last season, said Rafiqul Hasan, deputy director (monitoring) of the Department of Agricultural Extension, citing preliminary estimates.

Potato prices have already

halved to Tk 14-15 a kilogram in the city markets, compared to the prices a month ago, according to Trading Corporation of Bangladesh.

Bangladesh produced 82.05 lakh tonnes in 2011-12, down from 83.26 lakh tonnes in the previous year, according to Bangladesh Bureau of Statistics.

"Harvesting is going on and production is good so far. We expect potato output to rise this season, as the weather was favourable and the extent of pest attack was very low," said Hasan.

"Farmers have grown potatoes in more of their lands, encouraged by better prices in the last one year,"

said Jasim Uddin, chairman of Bangladesh Cold Storage Association, which preserves potatoes to help farmers sell the produce during the off-season.

The rainfall in the last couple of days is also a boon for a good harvest, he said.

However, the association has hiked rents by 12.5 percent to Tk 4.5 per kg this season from Tk 4 a year ago due to the rising power tariff and interest rates of bank loans, Jasim Uddin said.

In the current year, nearly 41 lakh tonnes of potatoes, including the seed ones, are likely to be preserved in cold storages, up from 40 lakh tonnes last year.

India gets tough on taxation of transfers within foreign firms

REUTERS, Mumbai

INDIA is aggressively pursuing tax claims against multinational firms operating in the country as the government seeks to rein in its budget deficit, taking particular aim at IT and back-office functions, tax officials say.

It has targeted several multinational companies in recent years for tax audits on transfer-pricing, but over the past 12 months has widened the scope of the investigations, tax officials said.

Authorities are now checking deals involving more than three dozen companies, focusing on transactions worth at least 250 million rupees, officials said. Having just issued claims for the financial year to March 2009, it has shifted focus to 2009/2010.

Transfer pricing is the value at which companies trade products, services or assets between units across borders, a regular part of doing business for a multinational.

Revenue authorities in many countries including Britain, France, Germany and the United States are increasingly challenging efforts of companies to minimise tax liabilities by moving taxable income from higher-taxing jurisdictions to lower-tax ones.

In India's case, critics worry overly aggressive tax authorities could undermine foreign investment although tax officials say they have been working overtime as Finance Minister P Chidambaram looks to make up a revenue shortfall and head off the threat of a credit rating downgrade.

"On some days we had to work through the night to meet the deadline," said one official. "There are so many cases that are coming to us but we don't have an adequate number of people."

At least 1,500 transfer pricing disputes were in litigation in India as of February 2011, compared with fewer than six in the United States and none in Taiwan or Singapore, an Ernst & Young survey showed in August 2012. Still, Western campaigners say BRIC countries - Brazil, Russia, India and China - are tougher on corporate tax avoidance than developed countries.

One company in the cross hairs, Anglo-Dutch oil major Royal Dutch Shell, said earlier this month it would challenge a claim its local unit underpriced shares transferred to the parent by \$2.8 billion. Shell said the claim is based on an "incorrect interpretation" of tax rules and "bad in law".

Shell said its India unit issued 870 million shares to parent Shell Gas BV at 10 rupees apiece in 2009 but that tax authorities valued them at 183 rupees each.

British PM in trade offensive amid India graft scandal

AFP, Mumbai

BBRITISH Prime Minister David Cameron arrived in India on Monday with what he called Britain's biggest ever overseas business delegation for a three-day visit clouded by a corruption scandal.

His trip, starting in Mumbai, comes amid a raging controversy over India's procurement in 2010 of 12 helicopters from Anglo-Italian firm AgustaWestland in a \$748 million (560 million euros) deal.

After an investigation in Italy suggested kickbacks were paid via middlemen to secure the deal, India has taken steps to cancel the contract and started its own police inquiry.

The British prime minister is likely to face further questions about the probe -- the helicopters are being manufactured in southwest England -- with the Indian government keen to be seen to be acting tough on its latest problem.

The affair has taken the gloss off Cameron's second trip to India to press for deeper economic ties between the two countries and greater access for British companies in one of the world's most dynamic economies.

"India's rise is going to be one of the great phenomena of this century," he said at a factory of part-British consumer products group Hindustan Unilever.

"Britain wants to be your partner of choice".

The British leader has targeted a doubling of annual bilateral trade from 11.5 billion pounds (\$17.8 billion, 13.4 billion euros) in 2010 to 23 billion pounds by the time he faces re-election in 2015.

Among his 100-plus delegation are executives eyeing moves by the Indian government to open up the retail, airline, banking and insurance sectors to foreign investors.

It also includes heads of six British universities aiming to attract students to



David Cameron

Britain and seek partnerships in India's vast higher education market.

"We want to make sure that just as we welcome Indian investment into the UK, so it's easier for British firms, including insurance, banking, retail, to invest in this vibrant and fast-growing economy," Cameron later told business leaders.

Amid concerns about a drive to slash immigration numbers and fears that young Indians could be deterred from applying to study in Britain, Cameron stressed there was no limit on the number of Indians who could study there.

He also announced a new same-day visa service for Indian business people,

and said Britain would be "rewriting our rules on the high-level technology that we're prepared to share with our Indian partners".

Britain would like to play a key role in developing towns along a 1,000-kilometre (600 mile) corridor between the key business cities of Mumbai and Bangalore, Cameron added.

"We have architects, planners, designers here to help discuss it with you and if this idea takes off we'd like to be part of it," he told NDTV news.

After his business meetings in the financial capital on Monday, Cameron will fly to New Delhi for talks with Prime Minister Manmohan Singh and President Pranab Mukherjee on Tuesday.

His pitch for deeper ties with New Delhi echoes similar statements from fellow Western leaders seeking to hitch their stagnant economies to one of the world's fastest-growing regions.

India's economy has slowed sharply recently, with a government agency forecasting a growth rate of five percent in the fiscal year ending March, but the country is hoping to recapture higher growth in the next couple of years.

Cameron was also expected to remind the government of the merits of the part-British Eurofighter jet, which was competing for a \$12 billion contract until last year.

India chose France's Dassault Aviation for exclusive negotiations but the deal has still not been signed.

Indian investigators will travel to Italy as early as this week as part of an inquiry into the alleged helicopter kickbacks, the Delhi-based Central Bureau of Investigation said on Sunday.

On his last trip to India in 2010, Cameron issued an unexpectedly blunt warning to India's arch-rival Pakistan about promoting "the export of terror", in comments which played well in New Delhi but provoked a furious response in Islamabad.

Germany to escape recession and return to growth: Bundesbank

AFP, Frankfurt

GERMANY, Europe's biggest economy, will avoid the recession that has engulfed many of its partners in the region and return to growth in the first quarter of 2013, the Bundesbank said on Monday.

"As it currently looks, a plus in economic output can be expected in the first quarter of this year," the German central bank said in its February monthly report.

German gross domestic product (GDP) shrank by 0.6 percent in the last quarter of 2012, as weak demand in other eurozone countries hurt exports.

Were its economy to decline again in the current quarter, Germany would technically be in recession, defined as two quarters running of economic contraction.

But the Bundesbank joins other economic experts and observers who believe last year's dip in growth will prove short-lived.

"For the rest of this year, the economy is expected to pick up gradually, even if the external economic environment will provide no trigger for a sharp surge in demand," it wrote.

Although Germany has fared much better than its eurozone partners in the long-running debt crisis, it has not been able to escape completely unscathed and growth slowed throughout 2012.

German GDP grew by 0.5 percent in the first quarter of 2012 and then by 0.3 percent in the second quarter and 0.2 percent in the third quarter.

With the contraction of 0.6 percent in the fourth quarter, the economy expanded by just 0.7 percent across the whole of 2012, compared with 3.0 percent in 2011, according to the latest data compiled by federal statistics office Destatis.

At the same time, the 17-nation eurozone slid deeper into recession in the fourth quarter of 2012, when the region's economy shrank by 0.6 percent after already contracting by 0.1 percent in the preceding quarter.

But in Germany, at least, experts believe the economy is already back on the growth path.

Economy Minister Philipp Roesler said last week he believed that the current weakness would be "only temporary."

The minister forecast: "During the course of the year, the German economy will find its way back to growth. Current indicators, such as business surveys, confirm this."