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"KILLER ROBOTS"

They pose threat to int'l stability, should be banned

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THIRD INSTALMENT

IMF approves \$136 million of \$1 billion loans

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REST IN PEACE

Indian filmmaker Rituparno Ghosh died yesterday at 49

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Business slows down

Hostile politics, high bank interest rate keep new investment away

SAJJADUR RAHMAN

High bank interest rates and ongoing political violence have caused a slowdown in private sector activities and pushed up business costs significantly.

In order to survive, a business now needs to make a whopping 30 percent profit that will cover bank interest rate of 18 percent and the operating costs, said a number of entrepreneurs.

The current situation has forced many businesses to refrain from making any new investments. And it has hit the banks hard with borrowers not even taking out their approved loans.

Average credit growth in private sector plummeted to 6.98 percent in nine months (from July to March) of the current fiscal year from 13.62 percent during the same period last year.

Banks' advance (loan) deposit ratio also went down to around 70 percent from more than 80 percent a year ago.

"High borrowing costs have become a big burden in

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CREDIT GROWTH

Mar 2013: **12.72** %

Mar 2012: **19.45** %

Bangladesh Bank sets growth target at

18.50 %

LOAN-DEPOSIT RATIO

May 2013: **72** %

Jan 2013: **77** %

June 2012: **81** %



Water gushing into villages through a breach in the flood protection embankment along the River Andhar Manik at Sudhirpur in Patuakhali's Kalapara upazila. Cyclone Mahasen on May 16 damaged the embankment.

PHOTO: STAR

BNP's demand illogical

Says PM about caretaker govt

STAFF CORRESPONDENT

Terming BNP's demand for restoration of the caretaker government system "illogical", Prime Minister Sheikh Hasina yesterday urged opposition leader Khaleda Zia to join parliament and discuss the poll-time government.

Speaking at a views-exchange meeting with the Madaripur district Awami League leaders at Gono Bhaban, she said her government wants to introduce a new era so that democracy continues to move unhindered and no unelected people could assume state power.

"From somewhere we will have to start a system to ensure the continuation of democracy. Thus polls in Bangladesh will

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EC sees no need to deploy army

AL favourites endorse it for city polls; opposition-backed candidates feel otherwise

PRABIR BARUA CHOWDHURY

The opposition-backed mayor candidates in four divisional city corporation polls want the army to maintain law and order during the elections but the Election Commission sees no need for army deployment.

The ruling party backed candidates also do not want the army to be there.

The opposition alliance backed candidates claimed that local police were biased towards their rivals backed by the ruling Awami League-led alliance.

However, Chief Election Commissioner Kazi Rakibuddin Ahmad yesterday defended the commission's position saying that law and order looked fine and there was no need for the army to be deployed.

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Go for safer model

Experts suggest choosing modern version of nuke reactor

STAFF CORRESPONDENT

Some Bangladeshi scientists want the model of the nuclear reactor, proposed for the Rooppur nuclear power plant project, to be changed to a newer one.

On the concluding day of a two-day international seminar in Dhaka on nuclear power, they said the VVER-

1000 reactor had fewer safety features than the newer VVER-1200, which is an advanced model.

They suggested that another international seminar be held to exclusively discuss the VVER-1000 with representatives of countries using the model.

The country's first nuclear power plant is supposed to be built in

Rooppur on the Padma river in Pabna. Over the years, several deals have been signed with Russia regarding the plant.

Yesterday at the "Nuclear Power: A Chance of Successful Economic, Social and Political Development" seminar, officials of the Russian state atomic corporation, Rosatom, claimed that

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Star-DHL business awards tonight

STAFF CORRESPONDENT

The Daily Star and DHL Express will host the 13th Bangladesh Business Awards tonight to crown the country's individuals and business houses for their extraordinary achievements.

This year, individuals and businesses are being awarded in four categories -- Best Financial

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FOREIGN CURRENCY CREDIT CARDS BB permits int'l online purchases

STAFF CORRESPONDENT

Bangladesh Bank yesterday allowed users of international credit cards to make overseas online purchases.

A cardholder can initially spend as much as the card's travel allowance and an additional \$1,000 for online purchases, with each deal not exceeding \$100.

Presently, a traveller is allowed to spend \$2,000 in Saarc countries and \$5,000 in non-Saarc countries annually.

The Bangladesh Bank issued a circular



in this regard yesterday.

"We have done this particularly for the young generation... They will benefit the most," Bangladesh Bank Governor Atiur Rahman told The Daily Star.

Professionals like journalists and online activists will also benefit from the move, he added.

"This is one step forward towards the digitalisation of financial transactions," said Atiur.

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Target tobacco, the rich

Tax office eyes higher revenue

REJAUL KARIM BYRON

The National Board of Revenue (NBR) may increase tax on tobacco products and on richer people in the next fiscal year.

The corporate tax rate on listed and non-listed cigarette companies may be hiked by 2.5 to 5 percentage points.

At present, the tax rate for publicly traded cigarette companies is 35 percent while that for non-publicly traded companies 42.5 percent.

Besides, the tax at source on *bidi* (handmade cigarettes) may also be increased from the current 6 percent to up to 10 percent.

An NBR official said the government would increase the tax rate and make anti-tobacco act stricter with a view to discouraging smoking.

On imposing more tax on richer people, he said the 10



Tax cuts? Maybe!

Tax-free income limit	Present	Probable
Women & over 65 years old	Tk 2.25 lakh	Tk 2.5 lakh
Disabled persons	Tk 2.75 lakh	Tk 3 lakh
Pensioner's Savings instrument	5% tax	0%
Family Savings instruments	5% tax	0% up to Tk 10 lakh

percent surcharge on net assets over Tk 2 crore would remain unchanged, but it might be increased to 15 percent for those having assets over Tk 10 crore.

Currently, anybody having net assets over Tk 2 crore paid 10 percent surcharge, added the NBR official.

The government had been considering collecting more tax from the wealthier section, he said, adding that the tax-free income limit in the individual category might be increased, as in the first-half of the next FY, would be the parliamentary elections.

At present, the tax-free income limit is Tk 2 lakh. This may be increased to Tk 2.20 lakh to Tk 2.25 lakh in the next budget.

For women and disabled people the tax-free income limit may be increased by Tk 25,000 to Tk 50,000.

The existing minimum tax of Tk 3,000 at municipal areas

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TONIGHT

We Honor our Business Leaders with the prestigious

DHL The Daily Star Bangladesh Business Award

13th Bangladesh Business Awards

DHL The Daily Star Awarding Excellence in Business

May 31, 2013

DHL & The Daily Star aim to create an environment of excellence and competitiveness which drives the members of our business community to achieve greater height.

Once again, on the 13th year of Bangladesh Business Awards, we will honor business leaders for their exceptional contribution to Bangladesh economy

Come join us as we celebrate their success.*

**Participation is by invitation only.*