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# Star BUSINESS

DHAKA WEDNESDAY AUGUST 7, 2013, e-mail: business@thedailystar.net

### Textiles ministry seeks Tk 500cr from four banks

REJAUL KARIM BYRON

The textiles and jute ministry has sought Tk 500 crore from four state banks in the face of a cash crisis.

The ministry needs the amount to pay higher wages and arrears to workers of state-owned jute mills in line with the new labour law.

Also, Bangladesh Jute Mills Corporation (BJMC) will need money to pay bonus to their workers ahead of Eid and to purchase jute.

However, the banks have told the ministry that they were unable to give the amount without a guarantee from the finance ministry.

The textiles ministry sought Tk 150 crore each from Sonali and Janata banks and Tk 100 crore each from Agrani and Rupali.

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## ADP spend hits a 17-year high

REJAUL KARIM BYRON

The last fiscal year saw 96 percent implementation of the annual development programme (ADP), the highest in 17 years.

In fiscal 2012-13, some Tk 50,026 crore was spent off the allocation of Tk 52,366 crore for ADP. Of the amount, Tk 13,768 crore was expended in the month of June alone, the last month of the fiscal year.

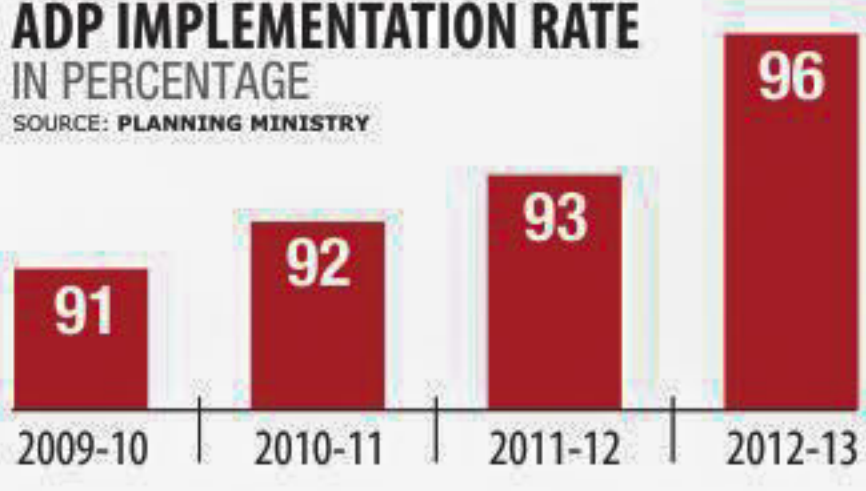
In contrast, the average spending in the first 11 months stood at Tk 3,296 crore, according to statistics from the Implementation, Monitoring and Evaluation Department.

M Hafizuddin Khan, adviser to a former caretaker government, however, feels the figures might flatter to deceive. "There may have been jugglery of figures to depict the high implementation rate," he told The Daily Star.

"The high spending by ministries and divisions for ADP looks good on paper, but what is to be seen is how much physical progress the projects have achieved."

The fact that a good part of the spending was left to the latter part of the fiscal year, however, does not bode well, he said.

"Typically, high spending at that time of



the year tends to be rushed and the quality of work not so good. In short, it leads to wastes."

The implementation of foreign-aided projects was higher in fiscal 2012-13, which, Zahid Hussain, lead economist of World Bank, credits for the better implementation record.

"The result was better simply because the Economic Relations Division continuously monitored the projects."

The foreign-aided project implementation stood at 91 percent last fiscal year, which was 84 percent in fiscal 2011-12.

Among the 10 large ministries and divisions, the power division spent 104 percent, which is more than its allocation. The roads division spent 100 percent and education ministry and water resources ministry both 98 percent of their allocations.

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### BTRC proposes to halve international incoming call rates

ABDULLAH MAMUN

The telecom regulator has proposed to slash international incoming call rates by 50 percent to 1.5 cents a minute to discourage such calls through illegal channels like the international gateways (IGWs).

Sunil Kanti Bose, chairman of Bangladesh Telecommunication Regulatory Commission, said some IGWs are now carrying these calls illegally at 1.5 cents or less against the government's rate at 3 cents.

However, IGW operators said the regulator plans the move as it has failed to check illegal call termination. The move will hurt the compliant operators, they said.

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### No VAT on revenue sharing under 3G licences

STAR BUSINESS REPORT

The government has waived a 15 percent VAT on the revenue mobile operators will share with the telecom regulator under 3G licences, according to a recent NBR notice.

It means Bangladesh Telecommunication Regulatory Commission will not deduct the VAT at source on the 5.5 percent revenue the operators will share with the regulator.

The waiver by the National Board of Revenue came amid repeated complaints from telecom operators of double taxation.

Currently, 15 percent VAT is imposed on the 2G service charges the operators collect from subscribers.

But when the operators deposit 5.5 percent of their revenue with the BTRC, the regulator again deducts 15 percent VAT.

The tax administrator in a notice said the VAT deduction by the telecom regulator leads to double taxation.

"So we have taken the decision to avoid double taxation," said NBR First Secretary on VAT Policy Md Shawkat Hossain.

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### GP clarifies

STAR BUSINESS REPORT

Grameenphone yesterday refuted claims by the Grameen Bank chairman that around Tk 10,000 crore in dividends was supposed to come to the microcredit organisation from the mobile operator.

"Firstly, Grameenphone Ltd is a listed company, and all dividends have been paid in line with the company's dividend policy and stock exchange regulations," Grameenphone said in a statement to The Daily Star.

The dividends from Grameenphone are paid to its shareholders, and Grameen Bank "is not, and has never been, a shareholder" of the mobile operator, according to the statement.

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