

# Businesses call for political stability

STAR BUSINESS REPORT

Businesses yesterday called for reassurances of political stability for the foreseeable future as they mull over making long-term investments.

“Relative calm today is not the guarantee for lasting peace and stability,” Aftab ul Islam, president of the American Chamber of Commerce in Bangladesh (AmCham), said the association's monthly luncheon meeting at Ruposhi Bangla Hotel in Dhaka yesterday.

He called for “creative national efforts” to maintain political stability in the country, adding that businesspeople are still reeling from the aftermath of last year's volatile political situation, which resulted in loss of property, business and confidence and brought about uncertainty and unpredictability.

“It is the fear, threat, mistrust, intervention, interference, hatred, suspicion that has really slowed down trade and commerce activities -- the business community has lost confidence.”

The AmCham chief went on to urge “national reconciliation in some basic areas of the economy”, so that business functions remain uninterrupted and undisturbed.

“The business community wants genu-

ine and credible assurance from the government that what they are seeing today in terms of stability will not be a short lived. Otherwise, businesses will continue to remain slow, fragile and uncomfortable.”

Islam suggested the government four areas where it can work on to assure the business community, which include: continued support and cooperation in running businesses without obstruction, creating the right kind of business environment, promoting a powerful reforms agenda and ensuring quick decision.

In response to the business leaders' call, Commerce Minister Tofail Ahmed said: “Bangladesh is now back in business. We should not mix politics and economy together.”

He said businesses remained “unhurt” during the political crisis for “separation of politics from the economy”.

The country is on way to hitting the fiscal year's export target of \$30.5 billion, according to the minister. “All economic indicators are positive now—Bangladesh has a very bright prospect.”

Ahmed said the country will enjoy duty-free access of all products to Chile from 1st January next year. In fiscal 2012-13, the country exported \$30.37 million worth of goods to the South American nation, while

# Govt targets mobile apps development

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The government aims to develop 2,000 mobile applications at the national level in a bid to connect the country's youth to the international mobile market.

“We will provide all sorts of support to the IT professionals for developing them,” Zunaïd Ahmed Palak, state minister for posts, telecommunication and ICT, said at the inauguration of the BCS City IT Fair at IDB Bhaban in Dhaka yesterday.

In October last year, the information and communication technology division undertook the mobile apps development project involving Tk 8 crore, to be implemented within 15 months.

The project will provide technical training for mobile apps developers at the university and grassroots level.

The state minister said the government also plans to set up e-centres in 8,500 post offices across the country to take ICT services to the rural population.

The coverage of 3G network will reach all over the country within a year, said Palak, adding that the government also plans to install a second submarine cable through a consortium that will increase internet bandwidth seven-fold.

At the event, Communications Minister Obaidul Quader urged IT professionals to step up their measures against cyber crime. “Bangladesh is gradually moving towards digitisation, so IT experts must be more vigilant against cyber crime.”

Fair organisers also urged the communication minister to bring the BCS Computer City under the proposed metro-rail routes and also set up an overhead foot-bridge in front of the main road of the market, to which Quader responded in the affirmative.

Bangladesh has made significant progress in digitisation over the last five years, said Mustafa Jabbar, president of Bangladesh Computer Samity.

“Once it was a dream to make payment through mobile phones in the country, but now it is a reality,” he said, adding that the country's mobile transactions a month now stand upwards of Tk 6,600 crore.

Mojibur Rahman Swapan, president of BCS Computer City, said the fair was organised targeting the upcoming ICC Twenty20 World Cup in Bangladesh. The slogan “Game of World Cup - Fair of Technology” has been adopted for the fair to lure in tech buyers.

All sorts of ICT products such as computer, laptop, modems, multimedia projector and internet security software would be displayed at the ten-day fair that will remain open from 10am to 8pm everyday and have an entry fee of Tk 10. A total of 160 companies are participating in the fair on a permanent two-lakh square feet area of IDB Bhaban at Sher-e-Bangla Nagar, which is the



BRAC BANK

**Fazle Hasan Abed, chairman of Brac Bank, inaugurates a branch of the bank in Baniachong, Habiganj on Monday. Syed Mahbubur Rahman, managing director, was also present.**

## Leading Indian endocrinologist to arrive in Dhaka today

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Samit Ghosal, a leading Indian endocrinologist, is scheduled to arrive in Dhaka for a short visit today, Novo Nordisk said in a statement yesterday.

Ghosal is the consultant endocrinologist of Nightingale Hospital of Kolkata, honorary lecturer of Cardiff University and tutor at Leicester University in the UK.

He will attend a number of scientific programmes and the Bangladesh Endocrine Conference 2014 and deliver keynote lecture during the Novo Nordisk Diabetes Update on Friday.

The lecture will highlight Insulin Degludec, a new once-daily and ultra-long acting basal insulin, discovered and developed by Novo Nordisk.



## Jeonju Paper's chief in town

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Woosik Chu, president and chief executive officer of Jeonju Paper of South Korea, is in Dhaka for an official visit.

This is the first visit of any chief of Jeonju Paper to the country to meet senior officials of its exclusive local agent, Zeeshan International.

Chu joined Jeonju Paper in 2013 and has previously worked for the South Korean ministry of finance, Office of the President of the Korean Government, International Monetary Fund, Samsung Electronics and Securities.

Jeonju Paper is currently one of the biggest newsprint manufacturers in the world.



# NBR to tackle tax evasion by multinationals

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As per the NBR order, the cell will suggest and coordinate training of taxmen to help build capacity on TP issues so that they can audit transactions by foreign companies with related firms and determine the 'arm's length prices' in relation to any international transaction.

Firms will need to provide proof that transactions have been done on the basis of 'arm's length price'—a price at which two independent or unrelated entities trade with each other.

The arm's length price reflects the price of a genuine negotiation in a market and it is usually considered to be acceptable for tax purposes, according to Tax Justice Network (TJN), a UK-based independent organisation.

But when two related companies trade with each other, they may wish to artificially distort the price at which the trade is recorded, to minimise overall tax bills. This might, for example, help it record as much of its profit as possible in a tax haven with low or zero taxes, adds the TJN.

The NBR official said companies in

Bangladesh related with other firms abroad will have to pay more taxes if the value of its transactions is above the arm's length price of a particular product or service.

TP officers (TPOs) will be appointed to audit and determine arm's length prices, said the official.

The cell will also coordinate efforts to build awareness and train stakeholders on TP, a mechanism practiced in around 70 countries, including India and Sri Lanka in South Asia.

It will also assist the tax policy wing of NBR to make TP administrative guidelines for taxmen, and establish contacts with tax authorities in other countries to exchange information on TP.

The cell will also collect data and build database on the issue, according to the NBR order.

Under the rules, which became effective from July 1, 2012 international transactions above Tk 3 crore a year by a multinational or its associated entities from Bangladesh will come under scrutiny of taxmen.

## Foreign aid spending continues to stagger

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Disbursement is directly related to the implementation of projects and the political unrest delayed many projects, he said, adding that fiscal 2013-14's target is unlikely to be met even if implementation is accelerated in the second half.

Subsequently, the target is set to be trimmed by \$400-500 million in the revised budget, the official added.

Foreign aid disbursement stood at \$2.79 billion last fiscal year, the highest

in the nation's history.

Meanwhile, the development partners committed \$1.55 billion during the period, down 45 percent year-on-year.

The ERD official said the government is set to sign more agreements with development partners in February and March, which will boost the foreign aid commitment figure.

The government had expected \$6 billion in aid commitments this fiscal year.



AIRTEL

**Chris Tobit, chief executive of Airtel Bangladesh, and Mujibur Rahman, managing director of Teletalk, shake hands after signing an agreement to share infrastructure between the companies, at Airtel's corporate office in Banani, Dhaka recently.**

## Grameenphone wins GSMA climate award

ABDULLAH MAMUN, from Barcelona

Grameenphone has won the Green Mobile Award at the 19th Annual Global Mobile Awards during the GSMA Mobile World Congress in Barcelona, Spain on Tuesday.

GSMA has declared 32 awards in different categories this year.

This is the result of extensive efforts to utilise energy more effectively to reduce negative environmental effects, primarily from CO2 emissions, said Vivek Sood, chief executive of GP, while receiving the award.

“This is not the end of our journey, but recognition of the continuous effort. We also acknowledge support from Telenor Group in these efforts,” he said.

The climate change programme was initiated by GP in 2010 to minimise the negative environmental impact of CO2

emissions and fossil fuel.

Telenor Pakistan also won two awards; one in 'Best NFC/Mobile Money Product or Service' category and another in 'Best Mobile Product or Service for Women in Emerging Markets' category jointly with Tameer Micro Finance Bank for Easypaisa.

This year, some other highlighted awards are 'Best Low-Cost Smartphone (sub-\$150 wholesale price)' went to Nokia Lumia 520. They also won the 'Best Entry-Level or Featurephone' award. 'Most Innovative Device Manufacturer of the Year' went to LG while 'Best Mobile Tablet Apple' award was given to the iPad Air.

Grameenphone is a joint venture enterprise where Telenor owns 55.8 percent and Grameen Telecom Corporation, a non-profit organisation of Bangladesh, owns 34.2 percent. The other 10 percent shares belong to general retail and institutional investors.



ACI

**Arif Dowla, managing director of ACI, attends the annual conference of ACI Agribusiness at Bangabandhu International Conference Centre in Dhaka recently. FH Ansarey, executive director of ACI Agribusiness, was also present.**



SINGER

**AM Hamim Rahmatullah, managing director of Singer Bangladesh, poses with the best dealers who achieved business targets for 2013, at a programme in Dhaka recently.**



NBL

**Md Badiul Alam, acting managing director of National Bank, inaugurates the bank's branch at Joina Bazar, Gazipur recently. AKM Shafiqur Rahman, additional managing director, was also present.**



BASIC BANK

**Kazi Faqurul Islam, managing director of BASIC Bank, and Saikat Poddar, managing director of Bangladesh Rating Agency Ltd, exchange document of a deal at a programme at the head office of the bank in the capital recently.**

## Asia: next top export destination

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Recently, HSBC expanded its network with a new business development office in Uttara Export Processing Zone in Nilphamari, becoming the only international bank to be present in all the eight export processing zones in Bangladesh. It also opened a full-fledged branch in Mymensingh.

“Our focus is to make sure we have full

coverage, so we can help our clients with new products that can help them remain competitive in the global economy.”

With assets of \$2,645 billion as of June 2013, the HSBC Group is one of the world's largest banking and financial services organisations.

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EMIRATES

**Ravishankar Mirla, Emirates SkyCargo vice-president commercial for Asia and Australia, and Khalid Ali J Hassan, Emirates area manager for Bangladesh, cut a cake to inaugurate the state-of-the-art SkyCargo office at Hazrat Shahjalal International Airport, in Dhaka recently.**



PRIME BANK

**Salma Huq, director of Prime Bank, inaugurates the bank's 135th branch in Magura yesterday. Md Ehsan Khasru, managing director, was also present.**