TOKYO

0.11%

0.83%

ASIAN MARKETS

MUMBAI

\$100.48

V 0.22%



COMMODITIES

\$1,293.35

Businesses call for investment friendly climate

STAR BUSINESS REPORT

STOCKS

V 0.04%

DSEX

CSCX

V 0.27%

Business leaders yesterday urged the government to create an investment-friendly environment for creating more jobs.

They made the call at the first meeting of a 'business consultative committee' with Commerce Minister Tofail Ahmed at the office of the Export Promotion Bureau in the capital.

The commerce ministry formed the committee in January comprising the members of the business community to accommodate their recommendations in formulating policies to boost trade and commerce. Tapan Chowdhury, president of Bangladesh Employers'

Federation, demanded steps to stop harassment of businesses at the hands of government officials. Officials of the environment department often harass

businesspeople for using diesel-run generators as those create noise, said Chowdhury, also the managing director of Square Pharmaceuticals Ltd. Businesses under the revenue board's large tax payers

units (LTUs) also face harassment, he said. "We need investment as we have potential. We have great

potential in the pharmaceuticals sector as well. But at the same time, we have a scarcity of lands for setting up new factories," Chowdhury said. More than 100 proposals for joint venture investment are

pending with the Board of Investment, said Apex Group Chairman Syed Manzur Elahi.

"But new industrial units cannot be set up due to a dearth of lands," he said. He advised the commerce minister to form several sub-committees for different sectors for effective consultation.

"We need to increase exports and identify the barriers to attract investment. Reforms in trade facilitation are also very urgent," said Yusuf Abdullah Haroon, a lawmaker and president of Asia Insurance Limited.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said businesses need adequate supply of gas and power to their factories and credit at low interest.

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CURRENCIES

BUY TK 77.25

SHANGHAI

0.30%

STANDARD CHARTERED BANK

Rohan Samarajiva, chairman of Colombo-based think tank LIRNEasia, speaks at a programme to unveil the findings of a study on 'improving CRM practices in electricity sector' at the Westin hotel in Dhaka yesterday.

Dismal customer service for electricity users

LIRNEasia, pi Strategy Consulting survey micro-entrepreneurs

STAR BUSINESS REPORT

About 80 percent of were too scared to com- Bangladesh and 986 in micro-entrepreneurs plain. find no point in register- Titled 'Improving services providers were

and Dhaka-based pi Bangladesh, India and improve the quality of Strategy Consulting said Sri Lanka.

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a small percentage of The survey, which ran by embracing experimicro-entrepreneurs between October 2012 ences of telecom operasaid they do not know and January 2013, cov-tors.

how to contact the util- ered 3,180 micro-Sri Lanka. Additionally,

their customer services

SURVEY FINDINGS

915 Bangladeshi micro-enterprises take part in survey

78% of respondents see no use in complaining

10% don't know how to contact utilities

Complaint management: key to improving customer services

Formalin abusers must be jailed for life: minister

STAR BUSINESS REPORT

Law Minister Anisul Huq yesterday recommended lifetime imprisonment for those who sell and use formalin in foodstuff. "Those people are endangering people's health and

deserve the highest form of punishment," Huq said at a discussion on the Formalin Control Act 2013, organised by the Federation of Bangladesh Chambers of Commerce and Industry at its headquarters. The health hazards for such food adulteration are:

cancer, neurological and reproductive problems, kidney and liver failure and abnormality among children, according to analysts.

At present, the country has no specific law to award punishment to formalin abusers.

The commerce ministry has already prepared the draft, which is now sitting with the law ministry. The draft, however, recommends a maximum of 10

years in jail and a minimum of three as punishment if one violates the conditions on sales of formalin. Huq also recommended putting the cases for food

adulteration under the Special Powers Act to speed up the trials, and empowering the mobile court to slap punishment of two years' imprisonment on the spot.

He is hopeful that the parliament would pass the landmark act by June.

In November last year, the government passed a stringent food safety law, replacing the Pure Food Ordinance of 1958. Despite the new law, which stipulates a maximum

punishment of 14 years' jail sentence, food adulteration continues unabated. Banned pesticides have been found in fruits, vegeta-

bles, milk and milk products and dry fish, according to a FAO-sponsored test at a government laboratory. The presence of toxic substances in food samples was three to 20 times the limits set by the European Union,

show test results of the National Food Safety Laboratory (NFSL). The test shows 40 percent of the 82 samples contained

pesticides that had been banned more than one and a half decades ago for high toxicity.

READ MORE ON B3

Owner of a closed factory sends legal notices to inspection agencies

REFAYET ULLAH MIRDHA

The management of Softex Cotton Ltd, a garment maker that had to close its plant in the face of recent inspections, yesterday sent legal notices to factory inspection agencies seeking damages worth \$100 million, its lawyer said.

"We sent the legal notices to Accord, Alliance, the labour department of the government, the inspection team of Buet, and BGMEA, as they are responsible for the closure of the factory," said Mohammed Asaduzzaman, an advocate of Syed Ishtiaq Ahmed & Associates.

"In the labour law, there is no provision of a review panel to suggest closure of factories," Asaduzzaman told The Daily Star by phone.

The Softex factory in Mirpur was closed at the suggestion of the review panel when engineers of Accord on March 7 found the building was unsafe. Around 3,500 workers were employed in the factory.

"I went for the legal procedure as the way the Accord started inspections is not acceptable. The Accord people are not even following their own rules," said Rezwan Selim, managing director of Softex Cotton.

According to Accord articles, lead buyers of a factory will have to be present during inspection and would contribute to payments of workers if the factory remains closed for renovation purposes.

"I think the Accord did not even inform the lead buyers of the inspection. The buyers are not paying workers of my factory," Selim said.

READ MORE ON B3

New banks seek more urban presence

BB may ease rules on branch opening



Atiur Rahman, governor of Bangladesh Bank, attends a meeting with the chairmen and chief executives of nine new banks at the BB headquarters in Dhaka yesterday.

STAR BUSINESS REPORT

....... Bangladesh Bank plans to water down its rules on branch opening for new banks, which seek to open more outlets in major cities to accelerate business.

The number of rural bank branches will have to be a minimum of 50 percent of the total branches approved in a year, according to BB guidelines.

But the nine new banks urged the BB to allow them to open more branches in cities such as Dhaka and Chittagong.

"We will consider their proposal on a case-by-case basis," said SK Sur Chowdhury, deputy governor of BB, after a meeting with chairmen and chief executives of nine new banks at the central bank. Governor Atiur Rahman chaired the meeting.

Chowdhury said the banks have been asked to properly manage risks and not lend aggressively, and also follow the regulator's rules on the single borrower exposure limit and the responsibilities of the board and management.

But new banks urged the BB to allow them to open branches first in the cities, which are the country's business hubs.

"As a new bank, we want the BB to allow us to open at least two branches in urban areas against one in rural for the sake of business," Mizanur Rahman, managing director of Modhumoti Bank, told The Daily Star.

Abdul Quddus, managing director of NRB Global Bank, said banks' profits come from the urban branches.

NBR set to get tough on land and homeowners

STAR BUSINESS REPORT

..... The National Board of Revenue is set to determine the value of land in Dhaka and Chittagong to ensure fair value of properties and taxes for the government, its Chairman Md Ghulam Hussain said yesterday.

"We have already got clearance from the prime minister and finance minister in this regard. It is possible to determine the value under income tax rules. We are working on it in the coming budget," he said at a meeting with the Economic Reporters' Forum at NBR headquarters.

Each katha of land in Gulshan and Banani area is sold at Tk 10 crore, but when it comes to land registration the officially fixed value of Tk 52 lakh is quoted to evade tax and stamp duty, he said.

Subsequently, the state is deprived of due taxes from property transfer.

"Irregularities in valuation of land and flat are high," he said, adding that the real estate sector did not make any significant contribution to the national exchequer although the government extended many facilities to it.

He said the NBR detected some 162,000 homeowners from major cities such as Dhaka and Chittagong were not submitting their tax returns.

"We have asked them for it but they are yet to respond. It appears that we will have to be hard on them."

The tax collector also plans on ensuring taxes from rented properties. Homeowners will have to rent out land by signing a deed and take rent through cheques, with tax to be deducted at source by the bank.

He also criticised professionals-doctors, lawyers and engi-

neers-for not paying taxes against their actual incomes. Some 90 percent of them do not pay proper amount of tax, he said.

Hussain said there is potential for increasing revenue collection from

professionals, which NBR is unable to exploit at present due to shortage of tax inspectors. The NBR chairman hinted that there will be massive change in income tax in the coming budget, and

the reason being that the true potential of income tax is yet to be tapped properly. Direct tax will be the main source

of revenue from next fiscal year, he added The gap between corporate and

individual income tax would be rationalised, and wealthy people may face higher taxes for buying more than one apartment and cars, he said.

Products that are risky for public health will face higher tax.

Hussain said Bangladesh will have to gradually reduce import duty to liberalise trade in line with World Trade Organisation rules.

The list of items that face supplementary duty would be trimmed from 1,362 to 170 by 2015, he said, adding that the tax collector will lose Tk 600-700 crore as a result.

He also said NBR's modernisation and automation efforts-VAT, income and Customs automation-will take

shape next fiscal year. The NBR chairman is also in favour of giving scope to legalise undisclosed or black money to discourage capital

The revised revenue collection target of Tk 125,000 crore is likely to be met, he said.

Telecom: major driver of growth

Analysts speak on Bangladesh telecom policy STAR BUSINESS REPORT banking, said Rohan Samarajiva, the followed by content or applications,

value chains, including tourism and structure is the first requirement,

.....

Telecom is a driver of economic growth and a major taxpayer in countries where reforms have occurred, a leading ICT expert said yesterday. It is an important element in all

founder and chairman of Colombobased think-tank LIRNEasia.

No-one asks about voice penetration ITU, Pakistan is at the bottom with

For the internet ecosystem, infra-

nowadays, rather how to realise value or job creation through ICT, he said.

users and devices, Samarajiva said. In the ICT Development Index of

3.27 points, but Bangladesh is lagging behind other South Asian countries with 4.1 points.

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