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COMMODITIES

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## NBR targets Tk 4,000cr | Farmers shifting away from urea more from the rich

REJAUL KARIM BYRON

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The National Board of Revenue will collect an additional Tk 4,000 crore from the rich this fiscal year by applying some special measures.

In the current fiscal year, a new tax slab -- 30 percent -- has been introduced for individuals in 'superincome group', which tax officials say may bring in around Tk 500 crore. The number of income taxpayers

in the super-income group is around 5,000, while around 10 lakh people now submit tax returns, according to An NBR official said the number of

people in the group would be higher as many hide their real incomes.

The tax authority is taking various steps to identify more rich people. Those who earn more than Tk 44.20 lakh a year will have to pay 30 percent tax on incomes in the current fiscal year, compared to 25 percent in the just-concluded year.

Top executives in banks, multinational companies, mobile phone operators and large corporate firms will fall under the new slab of above Tk 44.20 lakh.

The new budget is also introducing two more slabs to impose higher to Tk 20 crore -- remain unchanged. surcharge on the wealthy people, which will earn the NBR an additional Tk 350 crore. In the last fiscal year, around Tk 160 crore was realised from this sector as wealth tax.

Under the scheme, people with net wealth of more than Tk 20 crore but lower than Tk 30 crore will have to pay

ADDITIONAL FROM THE RICH

Property transfer tax to fetch Tk **3,000** crore

Tk 500 crore to come from super income group

Surcharge on the wealthy to bring Tk **350** crore

Mandatory bank account for landlords to yield Tk 100 crore

Taxpayers in super income group stand at **5,000** 

tax. Those, who have net wealth of more than Tk 30 crore, will face 25 percent surcharge on their payable tax.

The previous two slabs -- 10 percent surcharge on people with net wealth of more than Tk 2 crore to Tk 10 crore, and 15 percent for those with net wealth from more than Tk 10 crore

The finance minister said in his budget speech that the proposal for increasing tax on high-income people was made to ensure equitable distribution of income and reduce economic disparity.

Also, the NBR raised the rate of tax on property transfers, including 20 percent surcharge on their payable buildings, in city corporations and

municipalities areas. As a result of the measures, NBR will get an additional tax of around Tk 3,000 crore. The revenue collector got tax of around Tk 1,000 crore from this sector last fiscal year.

The NBR hiked the rate of capital gains tax from 3 percent to 4 percent of the deed value in Rajuk and Chittagong Development Authority areas.

The rate of tax has been raised to 3 percent of the deed value from 2 percent for land transfers in Gazipur, Narayanganj, Munshiganj, Manikganj, Narsingdi, Dhaka, Chittagong districts and city corporations except for Dhaka North and South.

Ownership transfers of land in areas under municipalities at the district headquarters will face tax of 3 percent of the deed value in place of the existing 2 percent.

Landlords who charge more than Tk 25,000 as rent for a single living unit will now have to maintain a separate bank account for rent collection. The NBR took the step for the first time and hopes to collect around Tk 100 crore in the current fiscal year.

In the face of rampant tax-dodging by landlords, the tax authority identified 45,601 such homeowners in the country, with 30,000 in Dhaka alone, till April this year.

In the current fiscal year, the target for income tax collection has been increased by about 26.40 percent or Tk 11,716 crore to make it Tk 56,086 crore.

The NBR official said a big portion of the additional tax to be collected in the current fiscal year will come from

**RATIO OF FERTILISER SALES** 

SOHEL PARVEZ

**CURRENCIES** 

SHANGHAI

**1.23%** 

SINGAPORE

...... Farmers are gradually increasing their use of non-urea fertilisers due to readjustment in prices by the government, a development welcomed by agriculturists as the excessive use of urea over the years has reduced soil fertility.

"The rebalancing of fertiliser use is an important result that has been achieved by a combina-

tion of gradual increase in urea prices and reduction in prices of other fertilisers," the state-run Food Planning and Monitoring Unit said in its latest report. In recent years, fertiliser use has been characterised by the

excessive use of urea and inadequate use of other fertilisers,

STANDARD CHARTERED BANK

0.75

it said. Non-urea fertilisers such as triple super phosphate (TSP) tonnes in the recently concluded fiscal year. can now be bought for just Tk 22 per kilogram, which was

kg, down 78 percent from fiscal 2010-11. Diammonium phosphate UREA

(DAP), which sold at Tk 90 a kg in fiscal 2009-10, is now available to farmers for Tk 27. In contrast, the government

Tk 80 per kilogram in fiscal

2009-10. Similarly, muriate of

potash (MoP) now costs Tk 15 a

cut subsidies on urea, taking prices to Tk 16 from Tk 6 a kg five years ago. As a result, the sales of TSP, MoP and DAP soared,

reflecting increased use by growers, according to the agriculture ministry. The sales of TSP, which was 4.2 lakh tonnes in fiscal 2009-10, rose to 6.12 lakh tonnes in fiscal 2013-14. MoP

sales jumped 71 percent from fiscal 2009-10 to 4.51 lakh



## EU praises progress in safety, labour standards

More remains to be done, it says

REFAYET ULLAH MIRDHA

Bangladesh has made much progress in workplace safety and labour rights since the signing of the Sustainability Compact last year but more still remains to be done, the European Union said in its one-year review of the agreement. On July 8 last year, following the Rana Plaza disaster,

the country signed the time-bound agreement with the EU and the International Labour Organisation to improve labour, health and safety conditions for workers as well as to encourage responsible behaviour by businesses in the garment sector. Later, the US also joined in the Compact.

"We welcome the serious commitment to deliver marked progress today. We commend those foreign retailers who did stay engaged in Bangladesh," Karel De Gucht, European trade commissioner, and László Andor, European commissioner for employment, social affairs and inclusion, said in a joint statement.

The key achievements in the one year include amendments to the labour law to strengthen fundamental rights at work and registration of 187 new trade unions in the garment industry to take the total number of unions to 323.

"Overall, workers are more aware of their rights and are more ready to assert them," the EU said in the technical progress report, released on Tuesday.

The increased capacity and manpower of the ministry of labour and the upgraded directorate of inspection of factories and establishments as well as dedicated training on the amended labour law and the country's qualification for the ILO's Better Work Programme has also been highlighted.

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## 'politicisation of trade unions' STAR BUSINESS REPORT The apparel industry, which is the mainstay of the

**BGMEA** boss worried about

economy, will collapse if trade unions are politicised, the country's top garment leader warned yesterday.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said: "If the trade unions become politicised by the Awami League or BNP, the sector will be gone."

The \$22-billion industry has always been sceptical of the trade unions at factories, resisting formation of trade unions in the garment factories in the last three decades.

Things changed dramatically after the Tazreen Fire and Rana Plaza building collapse, as rights groups and development partners were unanimous that the deaths in the twin disasters could have been averted if there had been trade unions in those factories.

The global demand prompted the government to change the laws allowing workers to bargain for their rights in a major shift in the garment industry.

The number of registered trade unions stands at 323 today: many opened after the Rana Plaza disaster, according to the labour ministry.

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