

2,500 industrial polluters to face green tax

SOHEL PARVEZ

The National Board of Revenue is set to impose green tax on about 2,500 polluting industrial units in a bid to compel them to cut back on their pollution.

The industrial units will have to deposit 1.0 percent of the receipts from their products to the state exchequer, a senior NBR official said yesterday.

"We will soon issue a notice with the names of these polluting units to collect the surcharge," he said, adding that the revenue authority has already gathered the list of polluting industrial units from the Department of Environment.

The surcharge, introduced this fiscal year, comes as part of the government's move to encourage industries to set up effluent treatment plants and make them aware of the harmful effects of their activities on the environment.

The Buriganga and other rivers around Dhaka, including the Turag, the Bangshi, Tongi Khal, the Balu and the Shitalakkhya, have become highly polluted due to dumping of wastes from tanneries, dyeing factories and other industries as well as households.

Among them, the Buriganga, the lifeline of Dhaka, is the most polluted, having zero oxygen level in its waters for nine months in a year, thanks to the tipping of toxic tannery wastes from Hazaribagh.

Insiders said brick kilns and industries in various sectors such as leather, dyeing, battery, ceramic, steel and re-rolling, rubber, sweater, food processing, rice, sugar, pesticides, fertiliser, printing, poultry, beverage, hospital and diagnostic centres are likely to face environment protection surcharge or green tax.

The DoE though has not given any breakdown of how many industries in a specific sector pollute the environment.

The number of polluting units is not final though, and the DoE will continue to forward names as and when reports from field inspections come. On the other hand, it will request the tax authority to exclude names if the industries stop pollution and comply with the environmental law.

So far, the DoE has found more than 1,200 polluting units in the Dhaka region including the capital city. Khulna and Chittagong have the second and the third highest numbers of polluting units, followed by Barisal, Rajshahi and Sylhet.

Non-payment of green tax will be treated as an offence and punitive measures will be taken, according to the rules on environment protection surcharge issued on June 30.

Current account surplus erodes

REJAUL KARIM BYRON

The current account surplus eroded 35 percent year-on-year in fiscal 2013-14 despite the narrowing of trade deficit.

Last fiscal year, the current account, which reflects the country's net income, stood at \$1.55 billion in the surplus in contrast to \$2.39 billion the previous year.

The trade deficit shrank 2.89 percent to \$6.8 billion on the back of a bigger increase in exports than imports: exports rose 12.04 percent whereas imports grew only 8.92 percent.

The drop in remittance inflow though has been blamed for the slide in current account surplus. Last fiscal year, remittance inflow declined 1.56 percent year-on-year, according to data from the central bank.

"Though the current account surplus decreased, it is still large," said Zahid Hussain, lead economist of the World Bank's Dhaka office.

While this may be considered positive in terms of having a comfortable external balance and adequate supply of foreign exchange relative to demand, it also reflects the weakness in the domestic investment climate, as a result of which the country is unable to redeploy all its national savings in the domestic economy, Hussain added.

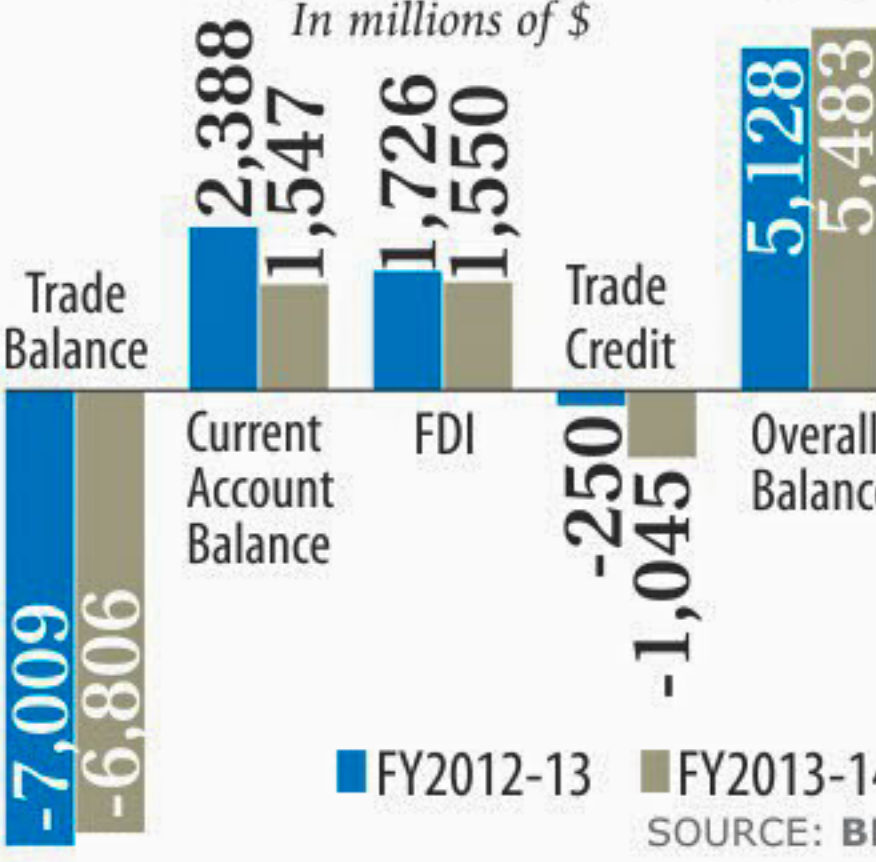
The WB economist further said an emerging economy like Bangladesh is expected to have a deficit in its current account, driven by strong imports of capital machinery and intermediate inputs.

While imports appear to have recovered relative to last year, the growth rate is still in single digit, a significant part of which came from the increase in food and other consumer goods imports, he added.

The impact of current account surplus on the overall balance of payments was reinforced by the surplus in financial account, despite a decline in inflows of foreign direct investment and a sharp increase in outflows on account of trade credit.

The financial account was \$2.79 billion in the surplus owing to the increase in net medium- and long-term official loans and the positive 'errors and omissions'.

BALANCE OF PAYMENTS



DSE official suspended on charges of illicit share trade

STAR BUSINESS REPORT

The Dhaka Stock Exchange yesterday temporarily suspended one of its general managers on charges of involvement in share business violating securities and service rules.

The premier bourse also formed a two-member panel to investigate the matter before it takes administrative action against Khandaker Asad Ullah, general manager of human resources and administration of the DSE.

"We took the decisions in line with a regulatory instruction," Swapan Kumar Bala, managing director of DSE, said after a board meeting.

It is learnt that Asad Ullah was engaged in share business through his wife's BO (beneficiary owner) account. But the DSE service rules do not allow any of its official and his or her close relatives to be involved in share business.

Asad Ullah went on to provide false information to a regulatory probe body, which did an investigation against him after an individual lodged allegation with the BSEC last year.

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From left, Mustafa K Mujeri, director general of BIDS; Salehuddin Ahmed, a former central bank governor; Atiur Rahman, governor of Bangladesh Bank; AB Mirza Azizul Islam, former caretaker government adviser; and Monzur Hossain, senior research fellow of BIDS, attend a seminar on monetary policy in Dhaka yesterday.

Foreign borrowing by private firms draws mixed responses

STAR BUSINESS REPORT

Economists were divided yesterday over allowing local firms to borrow from external sources amid the stubbornly high bank lending rates in the country.

Salehuddin Ahmed, a former central bank governor, raised the question as to why foreign borrowing by the private sector was encouraged suddenly.

In its monetary policy statement for July-December, the central bank set the private sector borrowing ceiling at 16.5 percent for the second half of the year, with 2.5 percent coming from foreign borrowing. "I am afraid this could go up to 5 percent."

Ahmed said foreign borrowing for the private sector should not be encouraged this much, as there is excess liquidity in the market.

"It would be difficult for borrowers to repay the loans if they don't earn. As a result, it might put strain on the foreign exchange reserves. Plus, there might be losses if the foreign exchange rates fluctuate."

Ahmed said the central bank should put more emphasis on why the lending rates are not going down -- the predominant reason behind the private sector's clamour for foreign loans.

AB Mirza Azizul Islam, a former finance adviser of caretaker government, said the foreign borrowing could cause currency and maturity mismatch.

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গত ১১ আগস্ট, ২০১৪ অনুষ্ঠিত বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিঃ (বিডিবিএল) এর পরিচালনা পর্ষদের ১২৩তম সভায় স্বাধীনতার স্থপতি হাজার বছরের শ্রেষ্ঠ বাঙালি, জাতির জনক বঙ্গবন্ধু শেখ মুজিবুর রহমান এবং তাঁর পরিবারের অধিকাংশ সদস্য মর্মান্তিকভাবে নিহত হবার ঘটনায় গভীর শোক প্রকাশ করা হয়। পরিচালনা পর্ষদের অন্যতম পরিচালক কাজী মোর্শেদ হোসেন কামাল কর্তৃক উত্থাপিত এবং পরিচালক এডভোকেট মো: আব্দুস সালাম এর সমর্থনে পরিচালনা পর্ষদ কর্তৃক গৃহীত শোক প্রস্তাবে বলা হয়, ১৯৭৫ সালের ১৫ আগস্ট বাঙালি জাতির জীবনে সবচেয়ে শোকারহ একটি দিন। সে দিন কতিপয় বিপথগামী সেনা সদস্যের হাতে জাতির জনক বঙ্গবন্ধু শেখ মুজিবুর রহমান ও তাঁর পরিবারের অধিকাংশ সদস্য নিহত হয়। বাংলাদেশ ও বাঙালি জাতি যতদিন টিকে থাকবে ততদিন বঙ্গবন্ধুর নাম শ্রদ্ধার সঙ্গে স্মরণ করবে।

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