ASIAN MARKETS

TOKYO

Flat

MUMBAI

\$96.73

1.10%



DHAKA TUESDAY AUGUST 19, 2014, e-mail:business@thedailystar.net

COMMODITIES

Mobile talk to become costlier

1pc surcharge from next month

ABDULLAH MAMUN

STOCKS

V 0.01%

DSEX

CSCX

V 0.64%

The use of mobile phones is set to become dearer with the tax authority's intent to introduce a 1 percent surcharge from September.

"We are trying our best to implement the surcharge as soon as possible. It will probably be from September 1, as almost all the preparations are complete," said Ghulam Hussain, chairman of the National Board of Revenue yesterday. To implement the surcharge, the NBR

does not need to take the matter through parliament as it was already discussed in the budget session, he said, adding that only approvals from the finance and law ministries are needed. The latest surcharge, which follows

the 1 percent surcharge slapped at the beginning of the year on mobile handset sales, will be an add-on to the 15 percent value-added tax that mobile subscribers currently pay, and will be applicable on voice calls, text and multimedia messages and data.

For instance, currently, when a user puts Tk 100 into his/her account, he/she gets credit for Tk 85 and not Tk 100; Tk 15 is deducted as VAT.

Now, with the introduction of surcharge, another Tk 1 would be taken off the recharge amount. In other words, he/she would get credit of Tk 84.

"The impact of the 1 percent surcharge would be negligible for the consumers --Tk 1 of Tk 100 is too little," Hussain said.

But the benefits from the surcharge are "huge", as Tk 500-700 crore will go to the state coffers a year, to be used for educa-



tional purpose, according to Hussain. He said an educational fund will be

created with a different economic code and a separate rule drafted for it.

Analysts and mobile operators, though, opposed the NBR move, as it will reduce mobile phone use for all economic activities and undermine the growth of broader economy.

Earlier, Ahsan H Mansur, executive director of Policy Research Institute, said: "It is a bad idea. They are already charging VAT, so why should they impose another surcharge?"

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Conspiracy against garment sector must fail: Tofail

SINGAPORE

V 0.06%

STAR BUSINESS REPORT

Commerce Minister Tofail Ahmed yesterday urged the owners and workers of garment industries to work together to achieve the export target for fiscal 2014-

The minister said some quarters have been trying to defame Bangladesh's garment sector but they will not be successful and the country will be able to reach the export target.

Ahmed's comments came at the concluding session of a three-day training workshop for business reporters at the Press Institute of Bangladesh. PIB and Economic Reporters' Forum coorganised the event.

"Despite the political turmoil, Bangladesh achieved its export target last fiscal year. This year's target will also be met."

The government has set an export target of \$33.2 billion for fiscal 2014-15, up 10.02 percent from last fiscal year. Exports grew 11.65 percent year-on-year to \$30.18 billion in 2013-14.

The minister said exports to the US market rose 3 percent last fiscal year despite the cancellation of generalised system of preferences (GSP) facilities.

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Bank deposits mount despite rate cuts

REJAUL KARIM BYRON

CURRENCIES

BUY TK 77.00

SHANGHAI

0.57%

Bank deposits rose 15.81 percent year-on-year in fiscal 2013-14 despite the cuts in interests on savings in the past one year.

On June 30, the total deposit in the banking sector stood at Tk 668,358 crore, with private banks accounting for 63.88 percent of the sum, according to data from the central bank.

The private banks saw their deposits grow 17.56 percent, the state-owned commercial banks 13.68 percent, foreign banks 7.18 percent and the government-run specialised banks 14.81 percent. But it was Islamic banking that saw its deposits increase

the most -- by 23.03 percent -- between June 30 last year and Khondker Ibrahim Khaled, a former deputy governor of

the Bangladesh Bank, said the GDP grew more than 6 percent, which brought about an increase in people's income and eventually the banks' deposits. Zaid Bakht, research director of the Bangladesh Institute of Development Studies, said the sluggish phase of the share

market is tempting people to put their money in savings instruments or banks. "But with savings instruments, there are some limitations. So it is the banks who are the biggest beneficiaries of the stock market's depressed phase. They still provide 9 to 10 percent

interest rates." The average interest rate on savings stood at 8.01 percent in May, down 0.60 percentage points from July last year. A high official of the central bank said the figure dipped below 8 percent in June.

Nurul Amin, managing director of Meghna Bank, echoed the same, adding that many people in rural areas have opened Tk 10 accounts taking advantage of the financial inclusion wave taking place right now.

The poor are saving in those accounts, he said, adding that banks have been opening branches in rural areas of late, which is also helping the cause.

The Meghna Bank MD said another reason for the rise in deposit is the sluggish investment scenario: many businessmen are keeping their investable fund in fixed deposits in banks.

6.49 BASIC 12.12 Brac 27.85 Jamuna 13.58 Bank Asia 25.96 Premier First Security 42.12 23.56 **Mutual Trust** 7.08 14.99Standard 13.17 Mercantile Dutch-Bangla 13.9 Social Islami 19.66 26.17 Al Arafah 7.97 Dhaka 15.63 Southeast 4.19 Prime

DEPOSIT GROWTH, JUNE 2014 IN %

4.31 5.35 15.84 22.3 Islami The City 15.97 14.91 22.04 4.28 Uttara 16.54 Pubali

9.42

Rupali 39.9 11.87 Janata Agrani 9.89 Sonali 10.53 20

Deeper relations to unlock more business for Bangladesh, India: analyst

STAR BUSINESS REPORT

Relations between Bangladesh and India need to be considered in view of current realities and shared historical, geographical and cultural bonds to realise latent business opportunities, an Indian analyst said yesterday.

Efforts to improve bilateral relations by major political parties of both countries over the past couple of years are a major positive development, said Sri Sitaram Sharma, chairman of Kolkatabased research organisation Maulana Abul Kalam Azad Institute of Asian Studies (MAKIAS).

Sharma spoke at a daylong semi-

nar on 'contemporary thoughts on Bangladesh-India relations: challenges and opportunities', organised by the Bangladesh Institute of channels every year. International and Strategic Studies (BIISS) at its auditorium in Dhaka.

Senior civil and military officials

including former ambassadors, academics, businessmen, scholars, and policy makers participated in the seminar. The relationship between the

two countries has been lagging for the lack of reciprocity from the Indian side and trade balance is heavily tilted in its favour, Sharma

India formally exports goods by Bangladeshi businesses. worth nearly \$5 billion to

believed that Indian goods worth another \$5 billion also make way into Bangladesh through informal

Bangladesh's exports to India did not increase significantly, although the Indian government allowed duty-free access to almost all Bangladeshi goods except 25 alcoholic and beverage items in November 2011.

Bangladesh's exports to India remained the same at \$500 million a year, mainly due to imposition of tariff, non-tariff and para-tariff barriers on Bangladeshi goods and for lack of product diversification

Bangladesh's garment exporters Bangladesh annually, and it is have been facing an uneven compe-

tition due to 12.5 percent countervailing duty on exports to India since April 2013, although the Indian government said it has allowed duty-free access to all garment exports to the Indian markets.

"Now is the moment in the history of bilateral relations, taking political realities into account on both sides, for grand visions and grander actions," Sharma said.

Shahab Enam Khan, research director of Bangladesh Enterprise Institute (BEI) said Bangladesh has a natural market access to India's north-eastern states. "Bangladesh needs to be given access to the northeastern states for entering Nepal and Bhutan markets," he said.

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CSE suggests IPOs on merit

NCCBL

STAR BUSINESS REPORT

The Chittagong Stock Exchange yesterday urged the regulator to introduce meritbased initial public offering (IPO), as weak companies can enter the market through the existing disclosure-based method.

Merit-based IPO means the company will receive regulatory approval after physi- port city bourse. cal verification of the statements submitted.

The IPO process at present is on a disclosure basis, meaning the Bangladesh Securities and Exchange Commission only examines the statements submitted by a company.

"No physical verification is done before approving an IPO and so, internal inconsistency of a company cannot be found," said Muhammad Abdul Mazid, chairman of the

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গমেন্টস ভবন সহ

ঢাকা সিলেট প্রধান সড়কের সাথে, মৌজা টাটকি, পৌরসভা তারাবো, থানা রূপগঞ্জ, জেলা নারায়ণগঞ্জ (ক্যান সিমেন্ট এর উল্টো দিকে) ৬২ শতাংশ (প্রায় ২বিঘা) জমি ৩ তলা চালু গার্মেন্টস সহ জরুরী ভিত্তিতে বিক্রয় হবে। উল্লেখ্য মেশিন ছাড়া গার্মেন্টস এর বন্ড লাইসেন্স, বিদ্যুৎ সহ সকল ব্যবস্থা বিদ্যমান রয়েছে। প্রতি ফ্লোর ১৫,৫০০ ক্ষয়ার ফুট হিসাবে মোট ৪৫,৫০০ ক্ষয়ার ফুট ভবনের আয়তন। গার্মেন্টস এর সাথে ৮৮ শতাংশ (প্রায় ৩ বিঘা) জমি ও বিক্রয় হবে, অর্থাৎ সর্বমোট আনুমানিক ৫ বিঘা জমি বিক্রয় হবে। প্রয়োজনে পুরো জমি অথবা একাধিক ভাগে বিক্রয় সম্ভব। আগ্রহী প্রার্থীগণকে নিম্নের মোবাইল নম্বরে যোগাযোগের জন্য অনুরোধ করা হচ্ছে।

মোবাইল নম্বর : ০১৭১১৫২৫৬৩০

Focus on proper enforcement of jute packaging law

STAR BUSINESS REPORT

............. More than 50 percent of domestic production of jute will be consumed locally if the mandatory jute packaging act is implemented properly, according to an estimate of local think-thank Centre for Policy Dialogue.

"The jute industry is highly dependent on exports, which can be reduced substantially by ensuring full implementation of the compulsory jute packaging act," CPD Additional Research Director Khondaker Golam

Moazzem said yesterday. He spoke at a discussion organised by the Jute Protection Committee in association with Action Aid at the National Press Club in the city.

www.mutualtrustbank.com

The event focused on polices and planning for the development of the jute industry, which employs around 40 lakh farmers and 150,000 workers.

Around 5.39 lakh tonnes of raw jute out of the 9.56 lakh tonnes produced in Bangladesh in 2009-10 would be required to pack food grains, cement and sugar to be fully compliant with the packaging law, CPD estimated in a study in 2010.

Currently, three-fourths of the domestically-produced jute are exported either in raw or processed forms due to low domestic use.

The government passed the mandatory jute packaging law in 2010 to help the jute millers and growers come out of losses due to its falling

demand in the global market.

However, traders and millers continued ignoring the law in the absence of enforcement.

The Department of Jute has recently started a mobile court drive to compel the millers and traders to use jute sacks to pack rice for marketing domestically.

Moazzem said the government has to take strict measures to ensure full implementation of the law.

"It is very important considering the present situation of the industry," he said, stressing the need for reducing jute production cost to provide local buyers with jute bags at low prices to increase its use.

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