No cut in gold import duty on cards: India

REUTERS, New Delhi/Mumbai

India is not considering an immediate cut in gold import duties, Trade Minister Nirmala Sitharaman said on Wednesday, extending a policy that has helped narrow the country's trade deficit but is believed to have led to an increase in smuggling.

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India's trade and current account deficits have narrowed sharply since New Delhi raised the duty on gold gifts. imports to 10 percent from 2 percent through a series of steps last year, helping revive confidence in the country's economy.

But the duties have also fuelled a belief that smuggling has surged, causing some suspicions about distorted data and raising expectations the government will ease some of its restrictions.

"Yes, the current account deficit agencies to import the gold. has come down. But immediately, there is no plan to reduce import

duty," Trade Minister Nirmala reflects shipments. Recent data Sitharaman told reporters.

"I cannot say whether gold smuggling has increased because of hike in import duty," she added in reply to a question.

India will maintain the import duty just as the country is about to enter the key festival period, which traditionally leads to a surge in demand for gold that are given out as

Although the move at first caused gold prices to rise, they have fallen this year due to a decline in global markets and a stronger rupee.

Still, many suspect more gold is being imported illegally, even though the central bank has watered down some of the tough restrictions on gold shipments, including allowing more private

whether India's trade data accurately Mumbai.

showed gold imports more than halved to \$7 billion in the April-June quarter from \$16.5 billion in the same quarter a year ago.

As a result, India's current account deficit narrowed to 1.7 percent of the gross domestic product in the June quarter from a record 4.8 percent a year ago.

Investors have been overly concerned about whether smuggling is distorting the data.

Strong foreign buying helped send shares to record highs this month, while the rupee is up 13 percent since its record low in late August last year, fuelled in a large part by hopes the new government will usher a period of economic reforms.

"At this point, we don't foresee the cut in import duty happening in the ongoing fiscal year," said Shubhada That has led to some doubt over Rao, chief economist of Yes Bank in

Tannery owners advised to relocate by March

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The industries ministry has already allocated plots on the 200-acre leather estate to 155 tannery owners through BSCIC, a wing of the industries ministry that is implementing the project.

The government will provide Tk 250 crore as compensation money to the tannery owners.

At the meeting, it was decided that the first instalment of the compensation would be paid this month on a pro-rata basis to those tannery owners who began construction in full swing, the ministry said in a statement.

The leather industry

has set records for exports that rose 32.12 percent year-on-year to \$1.29 billion in fiscal 2013-14, according to data from the Export Promotion Bureau.

Cut non-tariff barriers, Tofail asks India

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Currently, Bangladesh enjoys a duty-free access to the European Union under the Everything But Arms (EBA) agreement, and many foreigners are interested in investing here for this reason, he added.

Ahmed was addressing the business community at a report launching ceremony at Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka.

Saarc-Trade Promotion Network Partners in Bangladesh, MCCI, Export Promotion Bureau and SME Foundation coorganised the event to launch the report --NTMs in South Asia: Assessment and Analysis -- at the MCCI office in Dhaka.

According to World Trade Organisation, there should not be any non-tariff measures (NTMs), but businesspeople in the Saarc (South Asian Association for Regional Cooperation) region have to face such barriers in regional trade.

The NTMs are of particular concern to exporters and importers in developing countries as they are a major impediment to international trade and can prevent market access.

Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and other business leaders and senior government officials also spoke on the occasion, with Rokia Afzal Rahman, president of the MCCI, in the chair.

While presenting his keynote, Selim Raihan, executive director of South Asian market access of these countries to their Network on Economic Modelling (Sanem),

said 49 out of 50 products originating from Bangladesh faced NTMs on export to India.

On the other hand, 34 out of 50 products originating from India faced NTMs on export to Bangladesh. "The non-tariff barriers are more than the tariff barriers in regional trade," Raihan said. Mutual recognition agreements

can be beneficial in reducing trade barriers. "The value of imported products may get assessed only on the basis of WTO Customs Valuation Agreement."

Saiful Islam, chairman of Western Marine, said most products accredited by Bangladesh Accreditation Board are not accepted by many countries. "So we need a regional accreditation board to certify the exportable goods."

The study also said para-tariffs, port restrictions, pre-shipment inspection requirements, sanitary and phyto-sanitary restrictions, technical barriers to trade, fluctuating standards and procedural steps are major NTMs in case of Bangladesh and India. Despite the fact that tariff rates in the

South Asian countries, especially in India, have been coming down in recent times, intra-regional trade has not been boosted, the study said. Non-tariff barriers among the South

Asian countries have long been pointed out as one of the major reasons behind low intra-regional trade between them. Reduction in the non-tariff barriers among

the South Asian countries is likely to have important implications in terms of improved neighbouring countries, the study added.



Ahmed Shafi Choudhury, director of Pubali Bank, and Helal Ahmed Chowdhury, managing director, attend the second conference of the branch managers of Khulna region, in Khulna recently.

New VAT law under fire from businesses

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"There were several meetings since. We were given hope after consensus on several issues with the prime minister's economic adviser and chairman of the parliamentary standing committee on finance ministry. But those issues were not reflected in the law," Ahmed said.

today if the issues sensitive to the private sector were taken into consideration."

Ahmed said the withdrawal of package VAT system has created resentment and fear among the business community.

"It would be impossible for businesses to comply with the provision of paying 15 percent VAT," he said, while citing China, Japan and India as examples where VAT determined on truncated base is still present. Annisul Huq, a former FBCCI presi-

dent, said there were 20 sittings with businessmen and various committees of the accounts in the new law." government on the draft VAT law.

apex trade body also sent nine letters to the mon man to understand.

government in 2012 raising its concerns about the VAT law.

"There was no need for today's meeting had the proposals of businesses were reflected in the law. The businessmen have not decided on a whim that they would not comply with the new law," Hug said.

Meanwhile, the commerce minister said "There would have been no need to sit the largely compliant industries may not be affected. "But the emerging businesses might fall into trouble. So, we should be careful in executing the new law," Ahmed said. In his speech, Muhith said he felt the

level of acceptance among the businessmen is very low, but then again there was opposition from businesses against the VAT Act 1991 as well. "The new law is a good one if you main-

tain accounts properly and with honesty -you will not get into problems with the state. You do not have to maintain two

Muhith turned down the FBCCI's pleas In addition, the FBCCI also raised its to continue with the existing law, as the views at consultative committee meetings present one had undergone a lot of reviahead of framing of national budget. The sions and has become difficult for a com-

Majority upbeat about economy FROM PAGE B1

All is not well for Bangladesh, as 77 percent respondents see inflation as a major problem. The sentiment is in line with worries expressed by respondents from the surveyed countries. For Bangladesh, inflation has been

more than 7 percent for a long period. It eased 0.13 percentage point to 6.91 percent in August compared to the previous month due mainly to a fall in food prices in the international markets.

A lack of job opportunities in the country worries 70 percent respondents. There is, however, low concern about income inequality as only 34 percent Bangladeshis saw the rich-poor gap as a major problem.

"Income inequality is a particular worry in Tanzania and Ghana, but a relatively low concern in Bangladesh," the report said.

Only 28 percent are concerned about

public debt. "It is again the least of Bangladeshi economic anxieties," it said. The report also said six years after the

beginning of the great recession, amid an uneven global economic recovery, publics around the world remain glum.

In most nations, people say their country is heading in the wrong direction and most voice the view that economic conditions are bad. Pew Research is a nonpartisan fact tank that informs the public about the issues, attitudes and trends shaping America and the world, according to its website.

It conducts public opinion polling, demographic research, media content analysis and other empirical social science research.

Results for the global survey are based on telephone and face-to-face interviews conducted under the direction of Princeton Survey Research Associates International. Survey results are based on national samples.

Setbacks still remain in factory safety: Alliance

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Uneven government capacity, limited presence and acceptance of trade union and a lack of modern safety equipment must all be navigated to achieve sustainable change, he said.

"Substantial challenges must be overcome in order to achieve our goals in the Bangladesh garment industry," said Rabin.

"As the hard work of remediation now begins, it is incumbent upon all stakeholders to do their part to ensure a safer industry for everyone."

Alliance has trained 1.1 million workers and managers on basic fire safety. This is a significant milestone, especially reflecting upon recent factory tragedies, which highlighted a lack of fire safety knowledge among factory owners, said Ina Spaulding, chief executive of Alliance.

Alliance surveyed 3,200 workers before developing a training programme in 2013.

The survey revealed that 2 percent of workers could correctly identify fire hazards and 39 percent knew what to do in case of fire.

"We have recently conducted another follow-up survey among trained workers. The result showed a dramatic increase in fire equipment on December 8.

fire safety knowledge," Spaulding said.

Workers who correctly identified the common sources of fire hazards were increased from 2 percent to 51 percent and those who could correctly identify what to do in case of fire increased from 39 percent to 97.8 percent, according to the follow-up survey.

"These results are significant but training alone is not enough. If a worker can identify safety concerns but does not feel empowered to report them, factory safely will not be improved," he said. Alliance has launched a worker

helpline, Amader Kotha, so that workers can anonymously report concerns without the fear of retaliation, Spaulding said. The work order from Alliance members

to Bangladesh has increased in the first quarter of this year, said Rabin. Alliance members have agreed to give

20 million bank guarantees for small factories to get low cost loans through International Finance Corporation, he "We will launch a social and environ-

mental excellence award on building, fire, electrical safety to recognise factory owners."

Alliance will also organise an expo on

Cheap flight tickets fail to curb SAS losses

AFP, Stockholm

Scandinavian airline SAS announced a further drop in profits for the third quarter on Wednesday, as fierce competition pushed down ticket prices just under two years into a lastditch recovery programme. The company's net profit fell by 44 percent to 494 mil-

lion Swedish kronor (\$69 million, 54 million euros) from May to July, with weaker sales -- down 8 percent to 10.7 billion kronor -- and cheaper tickets cutting into margins. On average, the company earned 7.1 percent less from each passenger, while the cost per passenger fell by only 5.6

percent. However, the proportion of seats filled reached a record 81.9 percent. "This result reflects a market under continued intense price

pressure. At the same time, the high passenger growth and productivity show that our strategy is generating effects," SAS chief executive Rickard Gustafson said in a statement.

House for Rent (a) Baridhara Triplex independent house situated in the

Zone. It is in Road # 03 (right opposite of AISD). The house consists of five bedrooms, six bathrooms two living spaces, two kitchens and one party hall with open terrace on the top floor. The house has a beautiful lawn in the front.

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Mob: 01755 649703, 01755 516590

Italy set for zero growth in 2014

Italy's Prime Minister has said that Europe's third largest economy will see growth of only "around zero" this year.

Matteo Renzi's forecast is lower than the government's previous prediction and comes as the economy tackles its third recession in a decade.

"I am not optimistic," Renzi said. It is the first time he has put a figure on likely growth.

Lacklustre growth will do little to help the eurozone's own economic woes. The Italian economy's slowdown over the first half of this year has raised questions over whether Renzi can meet his promise to cut spending, while also boosting growth.

BBC NEWS

Bangladesh Army

Re-Tender Notice

(Shipment of Logistic Re-Supply by Sea and Road)

Sealed quotations are invited from bonafide shipping agencies/freight forwarding agencies authorized by IATA/FIATA/ACAB for transportation of 50 (40'/20', 40'/20' Open Containers, Crane, Roller, Truck Dumper, Motor Grader, Excavator, Wheel Dozer, Wheel Loader, Water Trailer, Truck Dozer, APC/ARV/LAV, Fuel/Water Bowser, Freezer Van, Freezer Container, 3 Ton Truck and Tank Transporter/Low-Bed-Trailer) containers and other items of Bangladesh Army by sea and road for logistic re-supply to Bangladesh Military Contingents deployed in United Nations Missions in MINUSCA (Central African Republic) with details mentioned as below: Social Name of Destination Size and No of ISO containers other Tentative route

Seriai	UN Mission and Country	port/country	items	Tentative route	Remarks
1.	MINUSCA (Cen African Republic)	Douala Port, Cameroon	4x40', 10x20', 1x40' Open, 1x20' Open, 1xCrane, 1xRoller, 1xTruck Dumper, 1xMotor Grader, 1xExcavator, 1xWheel Dozer, 1xWheel Loader, 4xWater Trailer, 1xTruck Dozer, 10xAPC/ARV/LAV, 4xFuel/Water Bowser, 2xFreezer Van, 2xFreezer Container, 2x3 Ton Truck, 2xTank Transporter/Low-Bed-Trailer.	Cameroon. Then by road up to Central African Republic (Bouar, Yalloke, Boali,	General, Dangerous (DG) and other items. Size and other necessary information will be mentioned in tender schedule.

2. Aforementioned quantity and size of containers and other items (40'/20', 40'/20' Open Containers, Crane, Roller, Truck Dumper Motor Grader, Excavator, Wheel Dozer, Wheel Loader, Water Trailer, Truck Dozer, APC/ARV/LAV, Fuel/Water Bowser, Freezer Van, Freezer Container, 3 Ton Truck and Tank Transporter/Low-bed-trailer in Para 1 may very basing on the stock position of goods and requirements of the concerned mission.

3. Tender schedules (separately for abovementioned destination) are available in Movement & Quartering Directorate, Army Headquarters, Dhaka Cantonment, which can be collected during working hours (0800 to 1430 hours) from 11 September 2014 to 22 October 2014 on Pay Order of Tk. 1000/- (one thousand only) which is nonrefundable for schedule from following addressee:

DADMQ (Move External) AHQ, QMG's Branch M&Q Directorate **Dhaka Cantonment** Tel: 8750011-48 Extension-2650

E-Mail: mqdte2650@gmail.com

4. Offers to be submitted latest by 1000 hours on 23 October 2014 in the tender box available at Army Headquarters, Administrative Wing. The tender box will be opened in presence of representatives of tenderer by a Board of Officers at 1005 hours on the same day. Tender notice will also be available at www.army.mil.bd from 11 September 2014 to 23 October 2014.

5. Firms/agencies having similar work experience in the past will be considered as an added qualification. 6. The authority reserves the right to accept or reject any quotation without showing any reason whatsoever.

ISPR/Army/2014/2774 9/09/14 GD-3466

DADMQ (Move External) M&Q Directorate QMG's Branch AHQ, Dhaka Cantonment

Barkat hits out at Muhith

Janata Bank sends its budget including allocation for corporate social responsibility activities to the finance ministry every year for approval, he said.

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"Then how can the finance minister say that he did not know about the bank's CSR expenditure? It is his ignorance," Barkat said, while seeking apology from Muhith over his "false comments" about the state bank.

He went on to assert that the state minister for finance sent him a letter asking for money from the bank's CSR fund for a boat race in Sunamganj. "I have the letter to back up my words."

Barkat, then the chairman of Janata, did not entertain the request,

due to which, he says, the bank's CSR activities were suspended. Muhith earlier said Janata, along

with Agrani, Rupali and Bangladesh Development Bank, were found spending abnormal sums of money under the guise of CSR, which prompted the finance ministry's banking division to temporarily ban the activity.

Subsequently, Barkat requested the government to form a five-member panel to probe the allegations made by the finance minister about Janata's CSR expenditures.

"I request the finance minister to nominate three members as he is older than me and I will nominate the remaining two," he said, adding that the probe body must publish the report.

"Janata Bank is an independent company," he said, adding that the state-owned banks should be allowed to operate and perform independently.

About the ban on the four state

banks' CSR activities, Barkat said the

ministry cannot do it.

About his successor, Barkat said the finance minister is now searching for a 'giant economist', one who will be an agent of neo-liberalism or Muhith's personal agent or a bureaucrat who will follow the World Bank's and IMF's

prescription or a rent-seeker. The Daily Star tried to reach Muhith by phone several times for comment, but he did not answer or return the calls.