



BUSINESS

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New measures to bring Tk 8,380cr in additional tax

Govt sends IMF an estimate

REJAUL KARIM BYRON

The new measures taken for some sectors to boost income tax collection in the current fiscal year will bring in an additional Tk 8,380 crore, according to the National Board of Revenue.

The government has sent the estimate to the International Monetary Fund as the global lender wanted to know about the fresh tax measures.

However, the NBR's income from some sectors will fall by Tk 204 crore, compared to the previous year, due to the new measures. Of the amount, cuts in corporate tax from 37.5 percent to 35 percent will cause a loss of Tk 100 crore.

An IMF mission will be in Dhaka on a two-week visit from September 16 to review Bangladesh's progress under the lender's Extended Credit Facility programme.

Finance ministry officials said the mission's main focus will be on the reform programmes taken by the NBR as the tax collector saw a big deficit of Tk 4,500 crore from its target last year.

However, the tax collection target rises 25 percent year-on-year to Tk 149,720 crore this fiscal year.

An utmost priority has been given to income tax from where around 38 percent of the total NBR revenue would come.

The lion's share, Tk 3,000 crore, of the additional tax would come from the hike in the advanced income tax (AIT) rate for sales of lands and buildings, and the imposition of 1 percent AIT on sales of

agricultural lands.

The NBR has for the first time brought the transfer of agricultural lands under its tax net in an attempt to boost receipts and curb tax-dodging.

The measure came amid allegations that non-farm lands outside the municipality areas are handed over in the name of agricultural lands to evade tax.

Sellers of farmlands in rural and suburban areas will have to deposit 1 percent of the deed value of the property to the statecoffice as tax.

From the imposition of tax on farmlands, the NBR raised the rate of tax on property transfers, including buildings, in city corporations and municipalities.

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 hiked 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.

The tax rate for municipalities situated in other areas such as the upazila level will be 2 percent of the quoted prices in place of the existing 1 percent.

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New unsolicited deal tabled for Sirajganj power project

SHARIER KHAN

Two years back, Indian company Lanco had won a tender to build a 370 megawatt dual-fuel power plant in Sirajganj.

The government had issued a letter of intent to the company so that Lanco deposits \$13 million as performance security deposit (PSD) with a deadline and signs the contract.

As the single bidder, Lanco had offered a power tariff of 3.99 cents per kilowatt-hour.

However, the company, instead of submitting the PSD, extended the deadline for four times, saying the bank formalities were almost completed.

Meanwhile, Lanco initiated various contract documents, giving the impression that it was all set to implement the project.

But in reality, Lanco had gone bankrupt and could never come up with the PSD money. The company that was also awarded a contract to build a 220 megawatt gas-based power plant in Bhola in 2012, declined to carry out the project last year.

Realising that the company was wasting the government's time and disrupting its plans in the power sector, the Power Cell under the power ministry which is implementing the scheme, finally terminated its deal with Lanco on September 1.

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Noi Solutions hand-holds garment makers to global domination

Saima Chowdhury's New York-based venture generated \$22.8m revenue last year

SUMAN SAHA

Saima Chowdhury, a Bangladeshi expatriate who built up an impressive curriculum vitae working for large US corporations such as Nike and Victoria's Secret, always wished to contribute to her motherland.

She identified that Bangladesh, despite being the second largest garment exporter after China, is yet to explore the high-end segment of the market.

Considering the immense potential, she founded an integrated sourcing company called Noi Solutions in New York in 2009.

Noi connects American retailers with Bangladeshi manufacturers, designs products for retailers, helps build capacity of local suppliers and facilitates shipments.

"Global retailers are coming to Bangladesh mainly for buying basic apparel items, but the country has tremendous potential in high-end products as well due to improvements in capacity over the last couple of decades," Chowdhury told The Daily Star in an interview in Dhaka.

The sector is unable to utilise its new-improved competence due to poor marketing. So, Noi helps American retailers manufacture goods in Bangladesh and Bangladeshi factories market their capabilities to American retailers.

"There is a huge perception gap between global retailers and local



Saima Chowdhury

manufacturers and Noi is trying to narrow the gap," said Chowdhury, who holds a MBA degree from the prestigious Wharton School of Business in the US.

Sample designing is a key part to grabbing orders and Bangladeshi garment factories often fall short when it comes to that, said Chowdhury, also the chief executive of the company.

So, Noi has a team of ten employees that researches trends and brand aesthetics to handhold factories through the process. In other words, it advises factories on what sorts of samples to send to ensure they get the business.

Currently, the company is working with ten Bangladeshi factories and seven American clothing retailers.

Noi last year generated \$22.8 million in revenue, up about 75 percent year-on-year. Its outstanding performance did not go unnoticed though: it has been listed among the 500 fast-growing private companies in the US by the New York based Inc. magazine this year.

Chowdhury, who started her career at Ernst & Young, also aims to expand the business as she plans to generate \$100 million in revenue a year in ten years.

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Batexpo to walk the runway in Paris

REFAYET ULLAH MIRDHA

Bangladesh Garment Manufacturers and Exporters Association will host its annual mega-event, Batexpo, for the first time in Paris this year.

The 25th Bangladesh Apparel and Textile Exposition will take place on September 16-18, mainly to showcase the country's diversified garment items to western customers.

The garment makers' platform has been hosting the annual event over the last 24 years to showcase Bangladeshi garment items to international retailers and buyers.

The objective of hosting the event in Paris is to let international retailers know that Bangladesh is back in business and it has improved tremendously in safety and compliance, said Reaz-Bin-Mahmood Sumon, vice-president of BGMEA.

"During the event, we will also hold seminars with the international retailers and leaders of Organisation for Economic Co-operation and Development to illustrate Bangladesh's progress in workplace safety."

Moreover, Paris is famous for fashion and designs, he said, adding the Bangladeshi garment makers will be able to bag more work orders there.

The exhibition will help revive the country's image as the sector faced criticism after the twin industrial disasters --- Tazreen Fashions fire and Rana Plaza building collapse.

Both Bangladeshi and foreign garment retailers will showcase their products in 60 stalls at Batexpo in Paris.



Rashed Khan Menon, civil aviation and tourism minister, visits a stall at the Asian Tourism Fair, co-organised by Parjatan Bichitra, Bangladesh Tourism Board and Bangladesh Parjatan Corporation at Bangabandhu International Conference Centre in Dhaka yesterday.

Diplomats propose joint tourism packages for South Asia

STAR BUSINESS REPORT

South Asian countries should focus on joint tourism packages to attract more visitors to the region, diplomats said yesterday.

It is time to focus on promoting inter-regional tourism, Hari Kumar Shrestha, ambassador of Nepal to Bangladesh, said at the inauguration of the third Asian Tourism Fair.

Parjatan Bichitra, Bangladesh Tourism Board and Bangladesh Parjatan Corporation co-organised the event at the capital's Bangabandhu International Conference Centre.

"Nepal has Mount Everest, the highest mountain, whereas Bangladesh has Cox's Bazar, the world's longest natural sandy sea beach," he said, while suggesting a tourist package featuring the two spots.

Tourists generally make plans to visit multiple destinations, so Bangladesh, India, Nepal and Sri Lanka can integrate their tour packages to lure in more tourists, said Norlin Binti Othman, Malaysia's high commissioner to Bangladesh.

She went on to advise the government to take necessary steps to promote tourism. "You have lots of

beautiful places, but if you do not share it, how will the tourists know?"

Khurshed Alam Chowdhury, secretary of the civil aviation and tourism ministry, recommended tourists to visit rural Bangladesh to get a taste of the unique hospitality and cultural diversity.

Asia is being considered as an important sightseeing destination due to its rich variety of tourist spots and the rapid economic growth the region is going through, said Aparup Chowdhury, chairman of Bangladesh Parjatan Corporation.

Hüseyin Müftüoglu, ambassador of Turkey to Bangladesh, called for more cooperation between Bangladesh and Turkey for development of the tourism sector.

Turkey is one of the highest tourist receiving countries in the world, with the total number of foreign tourist arrivals hitting the 36 million mark last year, he said.

Akhtaruzz Zaman Kabir, chief executive of Bangladesh Tourism Board, urged the foreign diplomats to persuade their compatriots to visit Bangladesh. "Please speak about Bangladesh to your people," he said.

AG Abeysekara, acting high commissioner of Sri Lanka in Dhaka, called upon the Bangladesh government to improve road connectivity for attracting more foreign tourists to the country.

A total of 120 organisations such as national tourism organisations, airlines, tour operators, hotels, resorts and foreign embassies from eight countries, including Malaysia, Philippines, Bhutan, Nepal, Sri Lanka, India and Bangladesh, are participating in the three-day event.

The purpose of the fair is to develop a link between the outbound and inbound tour operators and other stakeholders in Asia, said Mohiuddin Helal, chief organiser of the fair which will remain open from 11am to 8pm. Entry fee is Tk 20 but it is free for students.

At its stall at the fair, Biman Bangladesh Airlines is offering a 15 percent discount on business class tickets and 10 percent on economy ones for all international routes.

Rashed Khan Menon, minister for civil aviation and tourism, and Lee Yun-young, Korean ambassador to Bangladesh, also spoke.

Next development plan targets growth, empowering citizens

STAR BUSINESS REPORT

The next five-year plan aims to boost economic growth and empower citizens as part of the government's long-term vision of eliminating poverty and making Bangladesh a middle-income country.

The theme -- Accelerating Growth: Empowering Every Citizen -- will be the cornerstone of the Seventh Five-Year Plan, said Prof Shamsul Alam, member of general economics division of the planning commission and key planner of the development strategy.

"We will pay utmost attention to taking the GDP growth higher than the level achieved in the sixth plan and efforts will be made to improve income distribution."

The economist, who prepared the Sixth Five-Year Plan, presented an outline of the upcoming plan for 2016-2020 at a meeting with economists at the National Economic Council in Dhaka yesterday.

AHM Mustafa Kamal, planning minister, said the document would act as a bridge between the present and the future, helping the country achieve its goals set out for 2021, 2030 and 2041.

About 80 percent of the draft has already been completed, he added.

Alam also said the sixth plan was fully consistent with the targets of the Millennium Development Goals set for Bangladesh, enabling the country to receive applause.

The seventh plan will be in line with the Post-2015 Sustainable Development Agenda, he said.

Alam said providing higher income employment opportunities to the expand-

ECONOMISTS URGE GOVERNMENT TO

Reform civil administration

Decentralise administration

Improve governance

Go for expansionary monetary policy

Focus on equity, social protection

Create quality jobs for youth

Spell out plans on exploring natural resources in Bay

Digitise land management

Invest in tertiary education

Raise public expenditure for health, education

Stop waste in social protection projects

ing labour force will be the foremost development challenge for the next plan.

Transforming the production structure of Bangladesh towards manufacturing and industrialisation will remain as a core objective of the plan, he added.

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Shahjalal bank gives out Tk 1.1cr in scholarship

STAR BUSINESS REPORT

Rakibul Islam yearns for the day he graduates from a reputed institution, although it once seemed like a far-cry as the costs of education were a burden to his family.

He recalled his past struggle, at a scholarship-award giving ceremony by a Shahjalal Islami Bank yesterday, standing in front of hundreds of students like him, policymakers and bankers.

It was uncertain whether he could even complete his schooling as his father passed away early and his mother struggled to make

ends meet. But his mother never compromised on her son's education. He is now a first-year student at Government Edward College in Pabna. Rakibul Islam was awarded a scholarship of Tk 25,000 by the bank.

"The scholarship is motivation for the needy but talented students," he said. "It is a great initiative by the bank."

The bank awarded scholarships worth Tk 1.1 crore to 500 meritorious and financially-insolvent students, who passed SSC and HSC in 2013 across the country, at yesterday's programme.

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