

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DXEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
1.22%	0.94%	\$1,248.88	\$82.65	0.80%	2.64%	Closed	0.56%	76.85	95.95	122.25	0.71	
5,170.15	9,714.62	(per ounce)	(per barrel)	20,787.23	15,195.77		2,326.55	BUY TK	77.85	99.94	126.23	0.75

Star BUSINESS

জীবনে প্রয়োজন আরো বেশি স্বাচ্ছন্দ্য
 সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুসমৃদ্ধ।

যে কোন প্রয়োজনে ০৯৬১২০০১১২২
 ইসলামী শরীয়াহ'র মূদারাবা নীতির ভিত্তিতে পরিচালিত



DHAKA THURSDAY OCTOBER 23, 2014, e-mail:business@thedailystar.net

IMF holds back loans over delay in VAT law

REJAUL KARIM BYRON

The IMF has deferred the release of the sixth instalment of the \$1 billion loan to next year after the government failed to lay out a fresh roadmap for implementing the new VAT law.

The sixth instalment -- around \$140 million -- had been scheduled for release in November, following a successful review by the visiting International Monetary Fund mission last month.

The decision on deferral was conveyed to Finance Minister AMA Muhith when he met IMF high officials at the US capital in the second week of this month, according to finance ministry officials.

On the sidelines of the World Bank-IMF annual conference, Muhith held meetings with higher-ups of the multilateral lenders, where the issue of revenue reforms, especially the implementation of the VAT law, was discussed at length.

It was then agreed that the sixth and last instalments would be released together in April next year, by which time concrete political commitment about the implementation of the new VAT law has to be given.

The government had earlier committed to the IMF that the new VAT law would come into effect in July 2015, but due to opposition by influential ministers and the business community, the government had pushed it back to July 2016.

The IMF agreed to it but tagged a condition that the government would have to issue a formal notice announcing the roll-

out of VAT law in July 2016.

Muhith, however, did not agree to make such announcements at this point of time, the officials said.

In Washington, IMF officials categorically told Muhith that if a roadmap including a timeframe was not prepared they would not be able to place a review to the IMF Board for releasing the instalment.

The reason for so much emphasis on VAT reforms is the persistent revenue shortfall relative to budget expectations, which have been hampering development spending, the IMF mission said on September 30 at the conclusion of its visit.

Meanwhile, Zahid Hussain, lead economist at WB's Dhaka office, at the launch of Bangladesh Development Update on Tuesday, said structural reforms by various government institutions have been progressing at a slow pace.

Subsequently, the review for release of the sixth instalment of the loan known as Extended Credit Facility has been shifted to April this year from November, he said at the press briefing.

The VAT law was prepared after a series of discussions and processes. "It is a little late in the day now to be debating the necessity of the VAT law -- it has already been passed in parliament."

Hussain further said the government has already bowed to pressure from various quarters once and has deferred the implementation of the law.

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Shrimp exports in slow lane

SOHEL PARVEZ

Shrimp exports are facing a slowdown in the wake of reduced demand for locally-grown black tiger shrimps in major markets.

An increased supply of vannamei or white shrimps from other exporting countries and their reduced prices account for the slowdown.

Buyers are more interested in low-priced vannamei than in expensive black tiger shrimps, said Khan Habibur Rahman, deputy managing director of Lockpur Group, a leading seafood exporter.

Shrimp exports rose 3.59 percent year-on-year to \$180.3 million between July and September this year. In contrast, 52 percent growth was recorded in the same period of last fiscal year, according to Export Promotion Bureau.

The sector, which has 8.33 lakh shrimp farmers, logged in 21 percent year-on-year growth to \$550 million in fiscal 2013-14.

Export growth has been slowing since the beginning of current fiscal year: processors see falling demand for shrimps farmed on 2.75 lakh hectares of land mainly in southwest coastal areas.

Despite price reductions during the March-June period, demand for shrimp in the EU market has not improved much this year, Food and Agriculture Organisation of the United Nations said in its quarterly publication Globefish.

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Second from left, Ghulam Hussain, chairman of NBR, and Ali Reza Iftekhar, managing director of EBL, pose with a pocket tax guide unveiled by the bank in Dhaka yesterday.

NBR zooms in on homeowners abroad

STAR BUSINESS REPORT

The National Board of Revenue is set to gather information on Bangladeshis who have bought properties abroad, its Chairman Md Ghulam Hussain said yesterday.

The decision was taken to check whether the individuals have paid an appropriate

amount of taxes to the state coffers, Hussain said during a programme organised by Eastern Bank Ltd to unveil a pocket tax guide published by the bank.

He said there is nothing wrong with buying houses abroad, but the tax has to be paid if the money was sent from here to acquire the properties.

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Better roads, sufficient energy to propel growth: ICCB

STAR BUSINESS REPORT

The government must prioritise the development of road networks and other infrastructure for higher economic growth, a leading international chamber said yesterday.

"Proper infrastructure is a must to accelerate higher GDP growth. Good roads, power supply and sufficient energy sources generally lure investments," said Mahbubur Rahman, president of International Chamber of Commerce Bangladesh.

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Wise up to online share trade

GAZI TOWHID AHMED

Afiya Khanum, a business graduate from Dhaka University, wants to buy and sell shares from home through her smartphone, thanks to the time-saving benefits and growing popularity of internet.

The 35-year-old housewife, who lives in Dhanmondi, attended Chittagong Stock Exchange's internet trade fair to know the process of online share trade using devices such as smartphones, tabs, laptops and desktop computers.

"I don't want to visit a brokerage house to trade in the stockmarket in the age of internet," she said. "As I have to drop off and

pick up my two sons from school every day, I figure this is the best option for me."

"I am happy I learnt the ways to trade in the capital market from any part of the world through internet."

Khanum invested in the stockmarket after taking a small amount of money from her husband and brother in 2011.

Like Khanum, 45-year-old businessman Abu Sayed, who spends four months a year abroad for work, also attended the fair, as he is interested in investing in the stockmarket.

"It is very convenient for me as I can buy or sell shares even when I am out of the country," said Sayed.

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ILO hands Tk 12.7cr in Rana Plaza compensation

REFAYET ULLAH MIRDHA

The International Labour Organisation has so far disbursed Tk 12.7 crore in compensation to 1,496 victims of the Rana Plaza disaster.

The money was disbursed in two batches from the ILO-managed Rana Plaza Trust Fund in September, said Srinivasa Reddy, country director of the ILO in Bangladesh. The committee of the fund has identified 2,848 victims for compensations.

"ILO will disburse compensation to 858 victims in the third batch next week," Reddy told The Daily Star.

"The fourth and last batch will be paid next month. I hope sufficient funds will be received from the donors to pay the victims." ILO aims to complete all the compensation process by the end of December.

British retailer Primark has compensated 581 workers of its garment sourcing firm New Wave Bottoms Ltd, the factory of which was housed on the fourth floor of Rana Plaza.

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