

# India orders release of 'black money' names

AFP, New Delhi

India's top court on Tuesday ordered the government to within a day disclose the names of all people suspected of stashing money in foreign banks beyond reach of tax authorities.

The government said it would comply with the order and provide the names -- which could total many hundred -- to the court in a sealed envelope.

"The government shall place the list before the court because the government has already given it to the court-constituted Special Investigating Team," Finance Minister Arun Jaitley told reporters.

He did not say whether the government would make the list public.

The right-wing Bharatiya Janata Party, which took power in May, had accused the previous Congress government of failing to get tough on the issue that has become a political lightning rod.

On Monday, the government disclosed to the court names of seven people and one company it said were being prosecuted over accusations of concealing foreign assets from income-tax authorities.

But critics accused the government of "drip-feeding names" and seeking to shield powerful people prompting Tuesday's Supreme Court order.

"Why are you trying to protect people having bank accounts in foreign countries?" Supreme Court chief justice HL Dattu asked government lawyers on Tuesday.

Indian rumour mills have been in overdrive about who may be on the so-called "black money list", including corrupt politicians and major business tycoons.

"The truth about these names and also these accounts must come out so that penal action can be taken against the people and the money lying there can be brought back to India," Jaitley said.

Those named so far -- who include Pradip Burman, a former director of India's prominent Dabur food group -- have denied breaking the law. Jaitley said Monday the government wanted to only release the names of people against whom it had "prosecutable evidence".

Opponents of making the names public say some of the individuals may have legitimate accounts abroad and releasing their identities would unfairly tarnish reputations.

In 2011 French authorities informed India of around 700 Indians with Swiss accounts. The information came from a data leak by a bank employee.

Other people are believed to have bank accounts in tax havens such as Lichtenstein and the British Virgin Islands.

# Call for LDCs to adopt technology

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Finance Minister AMA Muhith said Bangladesh has come up with strategies and is following them to move out of the LDC group.

For smooth graduation, the Asia Pacific LDCs would have to attract external financing, expand domestic tax mobilisation, eradicate poverty and make the best use of modern technology for industrial purposes as well as government work.

The minister called for special measures for the LDCs so they can fully benefit from the globalisation process like Bangladesh did. "These economies must be integrated with the global economy."

Mustafa K Mujeri, director general of the Bangladesh Institute of Development Studies, urged the LDCs to make policies that support economic expansion and reduce inequality such that high disparity does not lead to social tension.

They also need support so they can bridge the infrastructure gap within the shortest possible time, he said, while calling for good governance in all areas of the LDC economies.

Shahriar Alam, state minister for foreign affairs, said technology would determine the development of the LDCs.

"It is heartening that the LDC Technology Bank at the UN is taking shape. Globally, at various levels, the LDCs would require facilitated access to lifesaving technologies in health, agriculture, food and climate change."

Alam said while demographic dividend offers prospects for most LDCs, creating necessary framework and access to contemporary knowledge and technology pose challenge for the countries.

In order to leapfrog, the LDCs need greater support in focusing on 'science-technology-innovation' compared to the existing national educational, skills development or human resources planning.

He said the Intellectual Property Rights restrictions must be addressed forthright. "The efforts in the LDCs to develop adaptive technologies also need to be fully supported."

The state minister also said that enabling global environment remains crucial for the LDCs to fully reap benefits of the globalised movement of goods, services, investment, finance, trade, knowledge and people.

"LDCs should be supported in their efforts on integration with the global value chains."

He also said the global economic and political institutions and platforms need to hear sincerely and more about the needs and challenges of the LDCs.

ERD Secretary Mohammad Mejbahuddin said LDCs would have to strengthen supply-side capacity for taking full advantage of preferential market access.

During a discussion on graduation criteria, Wahiduddin Mahmud, a noted economist, said the criterion is very complex for the most disad-

vantaged countries.

He said the LDCs are also becoming marginalised in the global economy in their share of global trade and are finding it difficult to improve.

The former caretaker government adviser urged the LDCs not to be afraid of graduation in fear of losing preferential market access.

"LDCs should look for other opportunities instead of cashing in on the benefits only available for them," Mahmud said.

Nuruzzaman, chief of Countries with Special Needs Section at the ESCAP's macroeconomic policy and development division, provided a list of development challenges the 12 LDCs in the Asia Pacific region face.

His list includes: poverty and inequality, lack of productive and decent jobs, low employment intensity of growth, hunger and food insecurity, infrastructural deficiencies, low level of human development and high vulnerability, economic insecurity and lack of social protection.

The list also consisted gaps such as inadequate financial inclusion, unsustainable pressure on natural resources and ecological imbalances, declining official development assistance (ODA) flows and weak institutional capacities.

The ESCAP senior official offered recommendations to solve those problems.

He called for fundamental restructuring of earlier approach for graduation, with more strategic

focus, comprehensive and sustained strategies based on country-specific situation, taking into account the individual constraints, vulnerabilities and potentials of each country.

"There should be more robust and sustained commitments by the international community," he said.

He said in view of the emerging instabilities and vulnerabilities of the global economy, there is a need to focus ODA on structural transformation. The UN official called for elimination of corruption and improvement of governance.

"The LDCs need to exploit all opportunities for increased regional and sub-regional cooperation," he said. While making a presentation, Oliver Paddison, an economist at ESCAP's macroeconomic and policy development division, said Bangladesh can raise its tax-GDP ratio to 18 percent from the current 10.5 percent if it can plug some loopholes.

"There are too many tax exemptions and concessions in the country. There might be some concessions but the list should not be too long," he told The Daily Star, adding that less than one percent of the population pay taxes. He said the region accounts for 60 percent of the total illicit outflows of \$5.9 trillion from developing countries.

The countries should introduce minimum taxes on companies and associations of persons and create special tax courts to tackle tax evasion and fraud, he said.



Shamim Ahmed Chaudhury, managing director of AB Bank, opens the bank's 90th branch at Seed Store Bazar in Bhaluka, Mymensingh yesterday.

# Bangladesh worst offender in ICT tax

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The government wants to put computers in the hands of students but it is not withdrawing the duties on the ICT sector, he said. "There should not be any VAT or tax on ICT. Rather, the government should subsidise the sector."

In contrast, the richer countries were found to impose lower taxes -- the US adds 2.4 percent and the European nations have even lower tax levels, it said. There is clear economic evidence that higher taxes and tariff on ICT goods and services reduce adoption, the report said. This is because the adoption of ICT depends on its price,

particularly in low-income countries.

As businesses spend less on computers and other information technologies, their productivity growth slows, it said. Similarly, consumers purchase fewer mobile phones and less broadband access limits e-commerce, which, in turn, slows economic growth. High levies can trim per capita income by as much as 2.3 percentage points a year, according to the report.

Atkinson, also the foundation's president, said that levies around the world were on the rise "as nations seek to grow their own domestic ICT industries and see tariffs as silver bullet".

# Janata Bank's new chief

STAR BUSINESS DESK

Md Abdus Salam joined Janata Bank as chief executive yesterday, the bank said in a statement.

Prior to his appointment, he was the managing director of Bangladesh Krishi Bank. He also worked for Agrani Bank and Janata Bank as deputy managing director. Salam holds an MCom degree in accounting from Dhaka University and is a chartered accountant of the Institute of Chartered Accountants of Bangladesh.



# Asian LDCs seek more donor funds for graduation

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The executive secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) spoke in a video message at the inaugural of the meeting on "Financing graduation gaps of Asia Pacific LDCs" at Sonargaon Hotel in Dhaka.

The UN official said LDCs would need significant level of financial resources to support their graduation, and this calls for exploiting all sources of financing and capital flows.

Three Bangladeshi ministers and a number of international speakers echoed the views of the UN official.

The continuous slow flow of ODA to the LDCs is sad, and developed countries have failed to honour their commitments on development assistance, said AMA Muhith, finance minister.

International financing institutions should come up with adequate support to help the LDCs meet their needs for funds, said MA Mannan, state minister for finance and planning.

"We must break the cycle of poor inflow of FDI and ODA because of low absorptive capacities in the LDCs," said Shahriar Alam, state minister for foreign affairs.

"This is crucial to fully realise the Istanbul Programme of Action as well as the upcoming Sustainable Development Goals."

ESCAP's Akhtar said the LDCs must broaden the tax base and woo foreign investors to graduate from the list of the most disadvantaged nations.

"The LDCs face a range of structural impediments, and lifting

these economies from the trap of low incomes and social deficit calls for holistic approaches to support their economic and social transformation," she said.

A number of speakers lamented the low level of official development assistance flowing to the LDCs as one of the key setbacks, as many countries rely on donors' money.

The 12 Asia Pacific LDCs received about \$12 billion in ODA in 2012, which was 9 percent of the total donors' money. And half of the money went to Afghanistan.

Akhtar said even if ODA commitments to LDCs rise, most of the growth impetus would need to come from the private sector.

"This calls for LDCs to create an enabling policy environment for private sector investment and implement broad-based structural reforms to address their wide-ranging structural impediments."

Although the Asia Pacific LDCs are home to 56 percent of the world's total poor population, they receive about 20 percent of the global ODA, said Syed Nuruzzaman, chief of Countries with Special Needs Section at the ESCAP's macroeconomic policy and development division.

The Economic Relations Division in association with ESCAP and the United Nations Department of Economic and Social Affairs (UNDESA) are organising the event.

The conference aims at giving LDCs a valuable opportunity to offer some practical guidance on how the countries can facilitate and accelerate the process of their grad-

uation. Fifty-five policymakers from Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Laos, Myanmar, Nepal, Solomon Islands, East Timor, Tuvalu and Vanuatu are taking part in the event.

At present, there are 12 LDCs in Asia and the Pacific region with half of them supposed to graduate by 2020. Samoa and the Maldives have successfully already moved out of the category.

Kiribati, Vanuatu and Tuvalu are moving forward on the path towards graduation, while several countries, including Bangladesh, Cambodia, Lao PDR and Nepal, have formally expressed their commitment to graduate in the next six years.

These LDCs face a number of challenges when it comes to their graduation. They have low levels of human capital and investment and some are landlocked while others having exposures to natural disasters and economic shocks.

The investment-GDP ratio stands at 26.7 percent in the Asia Pacific LDCs. Issues surrounding allocation and efficiency of investments have held back economic diversification and kept productivity low in these countries, Akhtar said. "Graduation from LDC status means overcoming these limitations."

"It means growing the economy above and beyond the status of a low income country, creating conditions for people to have access to health, education, and better nutrition, and reducing vulnerability for the natural and economic shocks which make growth within LDCs so

volatile and threaten hard-earned development gains."

ERD Secretary Mohammad Mejbahuddin, who chaired two sessions on the day, said ODA should go to areas that will bring in transformational change in an economy.

He said the LDCs have given more attention to appropriate policies, strategies and programmes for bringing about desired development and economic changes in the countries.

"There has not been much thinking, and measures have not been taken on how the funding for the programmes will be mobilised."

The secretary said the LDCs have been heavily dependent upon ODA flows, and hoped the assistance pledge of 0.15 percent to 0.20 percent by OECD countries would make all the difference.

"Unfortunately, resource flow to LDCs has remained much lower than promised, and is unlikely to be realised in the near future given the worldwide economic downturn."

Given the enormity of the development challenge these countries face, sources of financing for development has to be much varied comprising domestic as well as international and both through public and private channels, she said. A delegate from the Lao PDR said his country would not be able to move out of the list without international development support. Another delegate from Kiribati said support should be provided in developing infrastructure which will give the economy a major boost.

# Sales of skincare products rise on advent of winter

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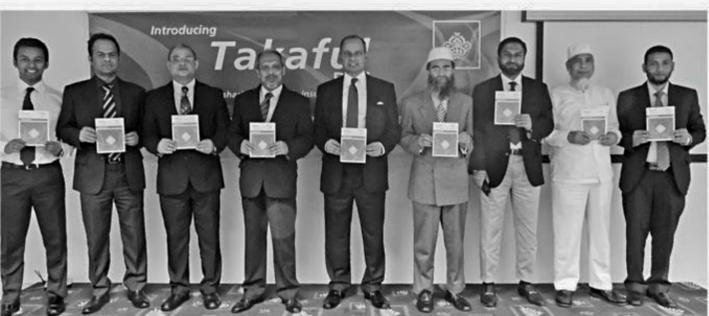
Temperature, particularly in the north, northwest and western regions, have been falling since the third week of this month. Fog is also seen in some parts, said an official of Bangladesh Meteorological Department.

"The presence of winter is already being felt in the suburban areas and consumers have already started visiting stores to buy skin care items," said a top official of MF Consumer Ltd that distributes Johnson & Johnson products in Bangladesh.

Market prospects seem bright for the upcoming season due to a stable political climate, he said.

Zafar Ahmed, executive vice president of sales and marketing of Kohinoor Chemical Co Ltd, said business shrank due to supply chain disruptions amid political unrest last year.

"We were in a disadvantaged position last year and business prospects are mixed this season because winter may not last for long."



M Nurul Islam, regional senior vice president and head of South Asia at MetLife Alico Bangladesh, launches the Takaful DPS products (gold, silver and bronze) at a ceremony on the company's office on Monday. Syed Hammadul Karim, deputy general manager, was also present.



Rakibul Hasan, general manager of MediaVest Bangladesh, and Mirza Salman Hossain Beg, head of sales and marketing of G&R, attend the signing of a contract at a programme yesterday for the use of G&R's ad manager tool to improve Mediavest's digital services.

# Twitter hammered on growth fears

AFP, San Francisco

Twitter saw its shares hammered Monday after reporting quarterly results that largely met expectations but failed to allay concerns about sluggish growth of the messaging platform.

The San Francisco-based firm service posted a net loss of \$175.5 million on \$361.3 million in revenue in the three months that ended on September 30.

Meanwhile, the number of monthly users grew 23 percent from a year earlier to 284 million, matching expectations of analysts. "We had another very strong financial quarter," Twitter chief executive Dick Costolo said in a release.

"I'm confident in our ability to build the largest daily audience in the world, over time, by strengthening the core, reducing barriers to consumption and building new apps and services."

# North France becomes social business region

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Daniel Percheron, president of the North Region of France, hosted a lunch in honor of Yunus on this occasion.

During the conference, Jean Bernou, CEO of European Division of Canadian French fry giant McCain, announced the launch of its social business programme.

McCain is currently partnering with Yunus Social Business in Colombia through Campo Vivo, a social business to transform farm workers into independent farm owners and producers.

McCain in cooperation with Professor Yunus will create a social business in Greece, where current youth unemployment rate is 70 percent.

The social business will create opportunities for young people in agricultural enterprises and will help to re-migrate and settle youth in that country.

"This would be an example of social business to tackle youth unemployment in Europe, which, if successful, could be replicated in other countries facing similar unemployment situation."

During Yunus's visit, the Catholic University of Lille announced the creation of a social business chair at that university.

The purpose of the chair is to teach young management students that a different economy based on social business is possible.

# Ecneec approves power supply project

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Ecneec gave a nod to another project allowing Bangladesh Small and Cottage Industries Corporation Industrial City in Rajshahi to be expanded at a cost of Tk 53 crore.

Under the project, 200 industrial units will be set up in three categories.

There are 10,338 industrial units in 74 BSCIC industrial cities, the planning ministry said in a statement.

Kamal said the industries ministry has been asked to place an in-depth report with ECNEC to explain why these plots are still vacant.

Ecneec approved five projects involving Tk 1,535 crore yesterday.