

Joy calls for extending tax break for ICT to 2025

STAR BUSINESS REPORT

Prime Minister's ICT Adviser Sajeeb Wazed Joy yesterday urged Finance Minister AMA Muhith to extend the tax break for the ICT sector by another 10 years to help the sector move forward smoothly. The tax holiday for the sector ends this year, Joy said.

He made the call while delivering his speech at a ministerial conference at Digital World 2015, a technology fair, at Bangabandhu International Conference Centre in Dhaka.

The government aims to ensure that the ICT sector contributes 1 percent to the country's gross domestic product, he said.

The government plans to build 12 high technology parks in several districts—including the one in Kaliakoir near Dhaka—and a special ICT zone to attract foreign investors, Joy said.

Any decision on tax holiday is tied to the budget, Muhith said. "It cannot be announced in this session of the fair." The government will take a decision on the facility in the next budget, said the minister, who presided over the session.

Shameem Ahmed, president of Bangladesh Association of Software and Information Services, urged the minister to exempt e-commerce services from value-

added tax, which the United States had practised for 10 years to boost the sector.

Lyonpo DN Dhungyel, information and communication minister of Bhutan, invited Bangladeshis to invest in the ICT sector in his country.

He said 195 out of 205 administrative areas of Bhutan are now connected with optical fibre cable infrastructure.

Atiur Rahman, governor of Bangladesh Bank, who moderated the session, said the central bank will help the Bangladeshis who want to invest in Bhutan.

Bangladesh wants to share its experience of digitisation process with the neighbouring countries and wants to learn from them as well, Rahman said.

Houlin Zhao, secretary-general of International Telecommunication Union, stressed building ICT infrastructure in Bangladesh to develop the sector.

He also suggested the Bangladesh government support small and medium enterprises so that the young entrepreneurs can come forward with new business ideas.

On the second day of the fair, seminars and conferences on mobile application development, global sourcing, hybrid game development, IT project management, digital marketing and e-commerce policy were organised. The fair ends tomorrow.

Russian business woos Japan despite sanctions

AFP, Tokyo

A Russian business lobby group made a push Tuesday for Japanese investment as its economy struggles under Western sanctions linked to its role in the Ukraine crisis.

Even as the United States and Europe delayed another round of measures while they push a peace plan, Moscow is looking for cash to replace money that has fled, hoping to tempt resource-poor Japan with oil and gas.

"Now is the time for Japanese and Russian businesses to see a sunrise -- rather than a sunset -- of a day of victory for us," Alexey Repik, president of the Russian-Japanese Business Council, told a news conference ahead of a business meeting.

"What we've been working together (on) in recent years... will bear fruit a few years later because both of us share a long-term viewpoint," he said.

The comments came as EU foreign ministers postponed new sanctions against Russia for a week to boost the chances of success at a four-way summit Wednesday aimed at brokering peace in eastern Ukraine, where Russian-backed separatists are fighting Kiev's forces.

US President Barack Obama on Monday agreed to hold off a controversial decision on sending arms to Ukraine until German-led efforts to broker a ceasefire with Russia are given a chance as he hosted German Chancellor Angela Merkel at the White House.

Japan's position with Moscow is a delicate one; while it must stand behind Washington, its chief ally, it is keen to tap much-needed commodities from Russia's far east.

Japanese Prime Minister Shinzo Abe would also like to resolve a decades-long territorial row that has prevented the signing of a peace treaty between Tokyo and Moscow.



Renowned cook Tommy Miah opens the second outlet of Tommy Miah's Fried Chicken Corner in Uttara near Dhaka on Sunday.

bKash offers 10pc cash back on book purchase at Ekushey book fair

STAR BUSINESS DESK

People planning to purchase books at the month-long 'Ekushey book fair' will get 10 percent cash back if they purchase their books through bKash.

Payment through bKash will be accepted by 124 publishing houses at the book fair, which began on February 1, said a statement.

The offer will remain valid till February 28, the last day of the book fair. Even if a customer has some shortage of

money he or she would be able to receive from others through his/her bKash wallet and pay for the books.

Making payment through bKash is free of charge. Once the transaction is done, customers will receive the eligible cash back amount in their bKash wallets within the next working day.

The bKash wallet users need to dial *247# to access the bKash menu, then select '3' for the 'Payment' option and then follow the simple interactive steps to take the service.



Momin Ud Dowlah, chairman and managing director of bbq Bangladesh, attends the first anniversary celebration programme of bbq (Best of the Best Quality) at Gulshan 2 in the capital recently.



MS Siddiqui, president of Bangladesh Indenting Agents Association (BIAA), along with a five-member delegation of the association meets with Gowher Rizvi, prime minister's adviser on international affairs, at the Prime Minister's Office in Dhaka yesterday. The adviser was informed about a seminar on "Relocation of labour and intellectual intensive industries from China to Bangladesh" to be organised jointly by BIAA and the China Council for Promotion of International Trade, Kunming.

Facebook launches free mobile internet service in India

REUTERS, Mumbai

Facebook has tied up with Reliance Communications to provide basic internet services on mobile phones for free, making India the first country in Asia to get Facebook's Internet.org service.

The companies will first offer the app in seven of India's 22 regions, or zones and it will then go nationwide in the next 90 days, Gurdeep Singh, chief executive of Reliance's consumer business told reporters.

BB to get names of Bangladeshis in HSBC leaks

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"HSBC's Swiss Private Bank began a radical transformation in 2008 to prevent its services from being used to evade taxes or launder money. New senior management have comprehensively overhauled the business, including closing the accounts of clients who did not meet our high standards and ensuring we have strong compliance controls in place," Morra said.

"We have no appetite for business with clients or potential clients who do not meet our financial crime compliance standards. These disclosures about historical business practices are a reminder that the old business model of Swiss private banking is no longer acceptable."

The leaks have created a lot of hue and cry across the globe, as a host of prominent personalities kept their money with the super-secret Swiss banking system to dodge taxes in their respective countries. Among the South Asian nations, India topped the list with \$4.1 billion deposited with HSBC's Swiss arm. India ranked 16th on the list in terms of balance, with the maximum amount associated with a client connected to India being \$876.3 million.

The Swiss Leaks report say Pakistan is ranked 48 with \$859.7 million against 314 client accounts. Nepal came in 116 with \$54 million, Myanmar (Burma) 133 with \$26.5 million and Sri Lanka 112th with over \$58 million.

Switzerland itself tops the list with over \$31 billion, followed by the UK with over \$21 billion.

Garment exporters meet today as crisis deepens

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"Retailers are placing short-term orders as they are unsure whether those orders can be executed timely or not," he said. "Although the retailers have confidence on the companies, they are worried about the overall situation."

Retailers are refusing to come to the country for the unrest and opting to meet abroad in countries like Hong Kong, China, India, Thailand or European nations for negotiations, said Bakhtiar Uddin Ahmed, general manager at Fakir Apparels Ltd, a Narayanganj-based garment maker.

Truckers have doubled fares from Tk 20,000 to Tk 40,000 between Dhaka and Chittagong, he said. "The garment business is facing multifaceted challenges."

"The prolonged crisis will only multiply the sufferings and losses of the sector," he added.

Disruptions in raw materials supply will bring factories to a standstill as owners are facing difficulties in transporting imported goods from ports to their factories, he said.

Fazlul Hoque, former BKMEA president, said future losses will be much higher. "The negative impact of the current political crisis can be seen from July onwards."

According to an assessment by BGMEA, 23 garment factories have lost business worth \$19.02 million between January 14 and February 1 due to the crisis.

Representatives of 65 international retailers and brands like Walmart, Gap, JC Penney, C&A, Tesco, G-Star, H&M, Target, Inditex and Carrefour have demanded an immediate solution to the crisis at the regular buyers' forum meeting on February 2 in Dhaka. They said the ongoing blockade is interrupting their supply chain.

Apparel maker Tosrifa wins approval for IPO

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Its net asset value per share stood at Tk 10.93 at the end of June 2014, up from Tk 10.19 a year ago.

As per the demutualisation scheme, 60 percent shares of the bourse have been kept in a block account for strategic and institutional investors and the general public. The rest 40 percent was allotted to existing shareholders.

After demutualisation, which converted the bourse from a mutual organisation to a corporate entity owned by shareholders, the DSE's paid-up capital stood at Tk 180.38 crore.

India aims to amend arbitration law to lure foreign investors

REUTERS, New Delhi

India plans to amend its arbitration law, setting time limits for courts and easing judicial rules to decide corporate disputes, as it seeks to attract more foreign investment, Indian Law Minister Sadananda Gowda said on Tuesday.

Many domestic and foreign companies, such as British telecoms major Vodafone, prefer Singapore, Hong Kong and London as arbitration venues, since winning final settlements from Indian courts can take years.

The World Bank rates India 186th out of 189 countries for its enforcement of contracts. Indian Prime Minister Narendra Modi has promised judicial reforms and other steps to lift India up the World Bank's Doing Business Index.

"Billions of dollars are blocked in legal disputes in India," Gowda told an industry event. "There is a need to establish a speedy, cost-effective and efficient disputes resolution mechanism."

Parliament was expected to approve amendments to the arbitration law in the coming session, he added, which would help attract more investment and settle disputes.

The next parliament session begins on

Feb. 23, with Finance Minister Arun Jaitley due to present his budget for the fiscal year ending in March 2016.

The government also plans to set up separate commercial courts to speed the resolution of corporate disputes, a move that could unlock billions of dollars in investments, Gowda said.

A government panel has suggested limiting courts' authority to overrule arbitration awards and fixing time limits and fees to settle legal cases.

The government earlier deferred plans to issue an executive order to amend the law, as it wanted parliamentary approval, Gowda said.

Sums ranging in the billions of dollars are leaving India every year in arbitration costs headed overseas, industry chamber ASSOCHAM said in a report, with Singapore the most popular site for arbitration cases filed by Indians.

Scores of projects worth more than 4 trillion rupees (\$64 billion) are under litigation in different courts and tribunals, the report said.

"Delay in the timely disposal of high-value cases is leading to a drop in GDP," said D.S. Rawat, secretary general of ASSOCHAM. "If it could be tackled, it would expand economic activity and provide more avenues for jobs."

Turmoil takes steam off solar power project

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Most partner organisations cannot bring components of the units to remote areas amid fear of arson and vandalism of delivery vans, he said.

Besides, people in rural areas are now less interested in buying such units as the prolonged political unrest has eroded their earnings, said Munawar Misbah Moin, managing director of Rahimafrooz Renewable Energy Ltd.

The company takes the solar home systems to rural areas under the Idcol programme through Rural Services Foundation, a non-profit organisation of Rahimafrooz Group.

"The worst thing is that the installment overdue is substantially increasing -- this will have a negative impact going forward."

The ongoing political instability has already drained consumer confidence, said Ruhul Quddus, a renewable energy analyst.

"People, especially in rural areas, are struggling to meet their basic necessities. So, they are reluctant to spend money on non-basic items like solar power."

The import of low-quality and cheap Chinese products by traders in old Dhaka is another reason for the decline in installation of Idcol's home systems in recent times, he said.

"Many people are now buying solar home systems from Nawabpur-based traders in old Dhaka as they are offering much lower prices," Quddus added.

As of January, more than 3.49 million units have been installed with support from the World Bank and other development partners, according to Idcol, the

implementing agency.

As a result, around 20 million people are benefiting from solar electricity for lighting, watching TV, charging mobile phones and using other low-load appliances.

The programme for installing solar home systems in Bangladesh has the fastest penetration rate in the world, according to WB.

Idcol started financing the home systems in January 2003 with support from WB and Global Environment Facility.

The initial target was to finance 50,000 units by June 2008, which was achieved three years ahead of schedule and with \$2 million less than the projected cost, it said.

The next target too was met ahead of schedule, in June 2011, owing much to the easy credit facility, subsidies, technical support and quality equipment.

Idcol, the state-owned non-bank financial institution, has now set a target of financing six million such systems by 2017.

Presently, 68 percent of the total population (including renewable energy) has access to electricity.

The per capita electricity generation is 348 kilowatt per hour, which is very low compared to other developing countries, according to the website of the Power Division.

To make electricity available for all by 2021, the government wants to enhance electricity generation to 24,000MW, 10 percent of which would come from renewable energy.

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Md Abul Hossain, managing director of Lockpur Group and director of SBAC Bank, and Md Rafiqul Islam, managing director of SBAC Bank, hand over a cheque for Tk 50 lakh as donation on behalf of the group and the bank to Prof Samanta Lal Sen, adviser of the burn unit of Dhaka Medical College, at a programme recently.



Atiur Rahman, Bangladesh Bank governor, poses while Shamim Ahmed Chaudhury, president and managing director of AB Bank, hands a cheque for Tk 50 lakh as donation to Md Abul Kalam, head of the plastic and reconstructive surgery department of Dhaka Medical College, at the head office of Bangladesh Bank recently.