

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.38%	0.27%	\$1,183.55	\$55.06	28,260.14	19,034.84	Flat	1.66%	77.10	81.38	113.05	0.64
4,513.10	8,407.13	(per ounce)	(per barrel)					BUY TK			
								SELL TK			

সমৃদ্ধির খোপান
 স্থানারূপে বৃদ্ধি ডিপোজিট ফিড
 সর্বাধুনিক প্রযুক্তি ও সমৃদ্ধ ব্যাংকিং সেবায়
 আমানত রাখুন স্বল্পসময়ে

ইসলামী শরী'আহ মূদারাবা নীতির ভিত্তিতে পরিচালিত
 যে কোন প্রয়োজনে ০৯৬১২০০১১২২

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Business

DHAKA THURSDAY APRIL 2, 2015, e-mail:business@thedailystar.net

Trade bodies call for fair treatment from NBR

STAR BUSINESS REPORT
 A number of trade bodies yesterday asked the National Board of Revenue to strengthen surveillance and monitoring to ensure a level-playing field as many businesses continue to evade taxes and undercut their compliant competitors' prices.

"Many security service providers do not have VAT and tax registrations. These firms offer lower service charge to customers than those of us who have such registrations. As a result, our businesses suffer," said Zahangir Alam, vice-president of Bangladesh Security Services Companies Owners Association.

There are around 700 security providers and many of these firms do not have VAT registrations, he said, adding that measures should be taken to force the non-compliant firms to get one.

A section of firms offer security services through trade licences that do not require mandatory VAT registration, Shah Alam Sarker, secretary general of BSSCOA, said.

The comments came on the first day of a pre-budget meeting

between higher ups of the National Board of Revenue and representatives of various trade bodies at the tax authority's headquarters.

The revenue authority organised the meet in the run-up to the preparation of budget for fiscal 2015-16.

Shaheed Serniabat, chairman of Bangladesh Mudran Shilpa Samity, an association of printers, said that 1,000-1500 printing firms out of 7,000 might have VAT registration.

The rest also have to pay but the money never makes it to the state coffer, he said.

He said printing firms cannot post more than 20 percent profit, but they still have to pay VAT at the time of purchasing the raw materials such as paper, inks, chemicals and other inputs.

Subsequently, Serniabat went on to demand a 4 percent VAT on total value for the printing industry.

The printers also demanded the hiking of duty on textbook imports to 25 percent from the existing 12 percent to safeguard the interests of the local printing sector.

In response, NBR Chairman Md Nojibur Rahman said his office

TRADE BODIES' DEMANDS

- Stricter surveillance and monitoring to curb tax dodging
- VAT cuts
- Hiking of duty on textbook imports
- Tax holiday of up to 7 years for four operators

would look into the accounts of both the compliant and non-compliant firms. "We will see who are compliant and how much VAT you all are paying," he said.

Placing proposals for the next budget, Md Zakir Hossain, general secretary of Bangladesh Supermarket Owners Association, said a 2 percent VAT is applicable for superstores, whereas many departmental stores and shops do not require collecting equal percentage of VAT from customers.

As a result, customers feel dis-

couraged to shop from superstores, he said.

Hossain also called for reduction of duty on import of refrigerated vans, which are needed to carry the perishables such as vegetables and protect the produces from decaying.

The use of regular trucks and other vehicles causes up to 30 percent losses in the quality of vegetables, he said.

SA Quader Keron, chairman of Bangladesh Shop Owners Association, however, said many departmental stores have to pay package VAT on their total sales in absence of electronic cash registers.

As a result, these stores have to count taxes for products, including the VAT-exempted commodities, he said.

Package VAT is an indirect tax that groceries and shops have to pay depending on their annual turnover.

But the field level officials are now reluctant to collect package VAT, alleged Keron, adding that they demand a flat 15 percent VAT from shop owners.

CPA to allot a jetty exclusively to Singaporean feeder operator

The move draws ire from other shipping liners, berth operators

DWAIPIYAN BARUA, Chittagong
 The Chittagong Port Authority (CPA) is set to allot one of its jetties exclusively to a foreign container feeder operator for berthing its vessels, in a departure from the port's 128-year practice.

But other shipping liners, local shipping agents and berth operators have strongly opposed the decision, saying it would be 'detrimental' and 'discriminatory' to other feeder operators who have been operating in the port for long.

A CPA official said the jetty would be allotted on a trial basis and it would take much time for the deal to be effective.

On Tuesday, the port authority signed a deal with Singapore-based container feeder vessel operator firm Orient Express Lines (OEL) for dedicating one of its deep draft berths - Jetty No. 1 of New Mooring Container Terminal - to the firm for three months.

Currently, shipping agents need to complete the registration procedure of berthing at least five days ahead of the arrival of its vessel, according to the procedures of Chittagong port.

The vessels have to wait at the outer anchorage of the port after entering into the Chittagong port area for getting schedule of berthing in any jetty.

The berth is allotted to a vessel following the 'first come, first served' principle, which has been followed by the port in its 128 years of operations, said Ahsanul Huq Chowdhury, senior vice-chairman of Bangladesh Shipping Agents Association or BSAA.

According to the deal, the port will have to give preferences to the vessels of OEL for berthing at the particular jetty, denying

other vessels that have entered the outer anchorage earlier.

"If the deal is effective, the particular operator's vessels would be able to berth at the particular jetty overtaking other operator's vessels, which is a straight violation of the existing procedure," Chowdhury said.

Currently, 12 container feeder operators run their 44 vessels between Chittagong and Singapore, Colombo and Malaysia, he said.

The port authority arranged only two of its jetties in the NCT - Jetty No. 1 and 2 - for berthing vessels with 9.5-metre draft couple of months ago, port users said.

Ten out of 14 container jetties of the port are now operational, while only two jetties of NCT are capable to berth vessels with up to 9.5-metre draft. The other jetties can berth vessels ranging from 8.5 metres to 9.2 metres draft.

Many big vessels have been coming to the port with lower volumes of containers due to the constraint at the port, Chowdhury said.

Moreover, vessels can ply between the port jetties and the outer anchorage, a distance of nine nautical miles, for only four hours in a day especially during the high tide.

Vessels at the outer anchorage have to wait for the high tide to be able to berth at a jetty, the users said.

If the new move is introduced, the particular feeder operator would be able to maintain berthing schedule with around 3,000 tonnes of additional loading in a month, while other operators would be deprived of one, the BSAA said in a letter to the CPA chairman.

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Bangladesh is a top destination for producers leaving China: HSBC

STAR BUSINESS REPORT
 Bangladesh is one among the three countries that China-based factories are planning to shift their production facilities to, as the manufacture of low-cost products is increasingly becoming pricier in the world's second largest economy, according to an HSBC analysis.

As China loses its edge in the lower end of the product scale, factories are moving to countries like Bangladesh, HSBC's recent look into Asian Economies revealed.

HSBC's find is contrary to the popular belief that many Chinese factories are moving to India and Indonesia, as those are the next biggest markets in Asia where

labour is still cheap.

"Well, not quite -- and neither is the Philippines taking market share. Rather, it is Vietnam, Bangladesh and Sri Lanka that are starting to cut into China's traditional stronghold," the analysis said.

HSBC said Chinese firms are making sufficient inroads into pricier areas, like smartphones and solar panels, to keep exports humming, opening up room for others to step in.

"The door has now been opened for China's neighbours to take market share and build sizeable light manufacturing industries of their own. That leaves the frontier markets of Bangladesh, Sri Lanka and Vietnam to pick up the slack."



Customers flock to a refurbished outlet of ACI's retail chain store brand Shwapno that relaunched its operations in Wari, Dhaka yesterday.

Stocks still slow amid gloomy market outlook

STAR BUSINESS REPORT
 Following a gain of just one day, stocks returned to the red yesterday with investor confidence remaining shaky over the market outlook.

DSEX, the benchmark index of Dhaka Stock Exchange, fell 17.37 points or 0.38 percent, before finishing the day at 4,513.1 points.

Although the market began with a robust gain, the scenario reversed in the second half of the trading session, said IDLC Investments.

"Impatience and uncertainty could be the main catalysts behind the current zigzag movement in the index," the merchant bank said.

In its regular market analysis, LankaBangla Securities said the market ended in the red again amid low participation of investors.

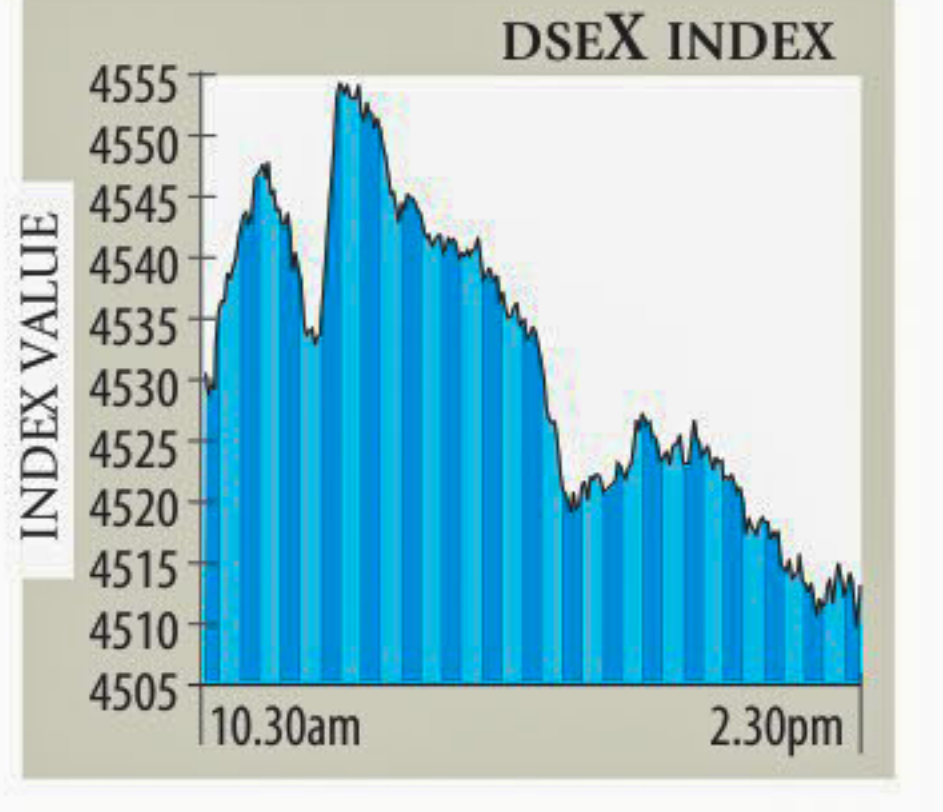
On the economic front, the stockbroker said the country's foreign currency reserves crossed \$23 billion for the second time in a month.

The low participation also pulled the day's turnover 20.5 percent down to Tk 359.72 crore with transactions of 7.54 crore shares and mutual fund units.

Losers beat gainers 151 to 108, with 45 securities unchanged on the DSE.

Almost all the major sectors declined, except pharmaceuticals and banking whose stocks went up marginally.

Engineering took the highest hit of 2.19 percent, followed by food and allied dropping 1.42 percent, telecom 1.21 percent,



fuel and power 1 percent, non-bank financial institutions 0.73 percent and cement 0.63 percent.

MJL Bangladesh continued to dominate the turnover chart with 16.65 lakh shares worth Tk 22.31 crore changing hands, followed by Square Pharma, Grameenphone, ACI and Shasha Denims.

AB Bank 1st Mutual Fund was the day's best performer, advancing by 9.09 percent, while Jute Spinners was the worst loser, slumping by 9.62 percent.

Chittagong stocks also declined yesterday with the bourse's benchmark index, CSCX, sliding 28.82 points to 8,405.5.

Losers beat gainers, as 134 scrips declined and 73 advanced, with 25 securities unchanged on the Chittagong Stock Exchange.

The port city bourse traded 69.53 lakh shares and mutual fund units, generating a turnover of Tk 26.18 crore.

Govt to take \$44m loan from IDB for second submarine cable links

REJAUL KARIM BYRON
 The government is set to take \$44 million loans from the Islamic Development Bank under slightly harder terms to connect the nation to a second submarine cable.

The development comes after the cabinet committee on economic affairs yesterday approved the proposal from the Post and Telecommunication Division.

Once connected to the second submarine cable, SEA-ME-WE-5, the coun-

try's internet bandwidth will increase sevenfold from the existing 200 Gbps.

SEA-ME-WE-5 is a consortium of 17 nations, where Bangladesh's share will be \$72.5 million.

Of the amount, Bangladesh will pay \$44 million by taking the loan from IDB, payable in ten years after a three-year grace period. The rate of interest on the loan would come to 4.15 percent.

The break-up of the interest is: the rate of interest for the loan will be six-month LIBOR+1.35 percent, which

may amount to approximately 1.67 percent. LIBOR (London Inter-Bank Offer Rate) is the global benchmark for short-term loan.

On top of that, there will be a service charge of 2.8 percent.

The loan from IDB is slightly more expensive than the ones the country normally takes from the World Bank and Asian Development Bank. The rate of interest on those loans are typically 1 percent or below and they are repayable in more than 30 years.

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এখন থেকে এমটিবি তেজগাঁও শাখায় বিআরটিএ-এর সব ধরনের ফিসহ অগ্রীম আয়কর (এআইটি) এবং মূল্য সংযোজন কর (ভ্যাট) জমা নেয়া হচ্ছে।

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Fast-track special zone for Japanese businesses

REFAYET ULLAH MIRDHA
 A group of investors urged the government to expedite efforts to set up the proposed exclusive economic zone in Bangladesh for Japanese investors, as investment proposals from Japan are increasing.

Many Japanese investors expressed their interest in investing in Bangladesh as they think the country is an important destination for them for having duty benefits and cheap labour, said Tareq Rafi Bhuiyan, a director of Japan Bangladesh Chamber of Commerce and Industry or JBCCI.

"The Japanese entrepreneurs are waiting with investment proposals, but the government has not yet finalised any specific place for the zone," Bhuiyan told The Daily Star. The issue was discussed at the trade body's annual general meeting in Dhaka on March 22.

A high-powered Japanese team comprising businessmen and government officials visited Bangladesh last month to see progress in the efforts, he said.

They want the zone to be sited near Dhaka for its proximity to the international airport and to easily communicate with the government for administrative purposes, he added.