



Tax breaks for developers, investors of hi-tech parks

COMMODITIES

The National Board of Revenue has offered a

tax waiver for investors in hi-tech parks in ar effort to promote investment and youth iployment. Under the scheme, investors in the parks

Under the scheme, investors in the patss will get full tax breaks for the first three years of their operations, after which the benefit will gradually decline to be fully phased out in the 11 thyear.

The developers of the parka will also get full tax breaks for 10 years from the beginning of the operation of the hi-tech parks, an NPR official said.

The tax authority announced the incen-ves a month after Finance Minister AMA

tives a month after Finance Minister AMA Muhith in his budget speech shared the government's plan to provide special packages to encourage investment in developing conomic zones and hi-tech parks along with investment in these areas.

"Sincerely believe that the hi-tech park will play a pivotal role in further opening the door of opportunities for the IT Sector in Bangladesh," said Muhith while presenting his

budget proposal for fiscal 2015-16 last month. Bangladesh Hi-Tech Park Authority or BHPA has approved six parks, with work on Kaliakoir and Jessore projects already derway. There are plans to facilitate establishment

There are plans to facilitate establishment of 12 more patks in several districts to promote development of IT and information technology-enabled service (ITES) industries, both of which are still at their nascent stages. Stakeholders said Bangladesh's IT services industry, which employs more than 20,000 people, holds great potential owing to the vast pool of young, trained and English-speaking resources.

The workforce is available at costs almost 40 percent lower than in established destinations like India and the Philippines, according to a study by KPMG in 2012. With wages and operating costs rising in

With wages and operating costs rising in the traditional outsourcing destinations,

Bangladesh's prospects are rising, it said.
The country offers attractive business opportunities for multinationals interested

outsourcing or off-shoring, the KPMG study added BEAD MORE ON BI

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CEMENT



out of steam Over-staffed BIMC can't huv jute in time for fund dearth

State jute mills run

CURRENCIES

The survival of Bangladesh Jute Mills Corporation, which operates 26 mills and employs more than 60,000, is at stake as the mills are running at half of their capacity due to non-availability of raw jute and nds. The biggest problem the state-owned company has

the biggest problem the state-owned company has been facing for years is that it cannot buy raw jute in time. When the government disburses funds, the market price of jute increases 40-50 percent from the market price of jute increases 40-50 percent from the peak season of July-August. The jute harvesting season has already started, but Humayun Khaled, chairman of the BIMC, said the company would not be able to buy any of it now, whereas the private mills would be piling it on. "If I had the money in my hand, I would have bought as much jute as I can," he said. What costs I'k 500 crore now would cost at least I'k 700 crore in October-November. "We are running our mills at half of their 700 tonnesa-day capacity for want of raw jute. We are also missing out export opportunities in the Chinese market."

Chinese market."

This begs the question why the BJMC is unable to buy jute with its own funds, instead of relying on handouts from the government.

Data shows the state-owned company has earned

more than Tk 1.016 crore in the first 11 months of fiscal

2014-15.

As per BJMC's data, it has to spend Tk 14 crore per week as wages for workers, meaning the corporation has to spend Tk 728 crore a year or nearly 72 percent of its total earnings as wages. Now with the government's new pay commission, the wage bill would only

RR rewrites auideline for mobile banking STAD RUSINESS REPORT

Banks will have to form a separate subsidiary if they want to provide mobile financial services (MFS) as per a proposal by the cen-tral bank.

tral bank.
At present, banks run
MFS as a wing of the company, but the proposed
guideline stipulates that
they set up a separate platform with a minimum
paid-up capital of Tk 100

paid-up capua-crore.

It said the MFS plat-forms will be sponsored and led only by commer-cial banks, according to the Regulatory Guidelines for Mobile Financial Services in Bangladesh.

in Bangladesh.
The proposal also offers opportunities to mobile phone operators to be an active part in the system.
The scheduled commercial bank-led MFS platforms may have both banks and

non-bank entities, including mobile network operators as equity holders as equity holders.
In that case, banks will
hold the majority beneficial
ownership in total equity.
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Garment exports to US on the rise APPAREL SHIPMENTS TO US



Garment exports to the US, the country's single largest export destination, rose 7.09 percent year-on-year in the January-May period on the back of a rebound in the American economy.

Bangladesh exported \$5.32 billion worth of garment products to the US in the first five months of the year, according to data from the US Department of Commerce. The development will assuage the nerves of many, as garment exports to the US experienced negative growth almost all throughout 2014 as a repercussion of the Rana Plaza building collapse.

Garment exports to the US declined 3.17 percent year-on-year to \$4.64 billion during the January-November period of flast year.

But from March this year, it started picking up due to the retailers' reinstatement of confidence in Bangladeshi garment.

Govt didn't seek funds

Operating profits of state banks rise around Tk 100 crore less profits rescheduled. However, the bank managed its from the Chittagong region. Bang Ial de Sth Petro I e u m Corporation is mainly financed from Chittagong, and owing to low bumped up the profits slightly, the market this year, there was no market this year, there was no market this year, there was no end of or the state-owned organisation to cut in the cost of funds by about one percentage point to 7.9 percent for the exponential rise in profits. The bank has returned high-cost big deposits, which pushed down their cost of funds. From the start of the year, Janata distributed more small loans.

State-owned banks logged a 24 percent rise in operating profit during the first six months of the year on the back of cuts in the cost of funds. In January-June, Sonali, Agrani,

In January-June, Sonali, Agrani, Janata and Rupali registered II. 1,550 crore in profits, in contrast to Tk. 1,250 crore syear earlier. Individually, Janata's profits increased fourfold and Agrani's and Rupali's slightly. Sonali, the largest of the state banks, saw its profits fall about 25 percentyear-on-year. Janata logged in Tk 517 crore, in contrast to Tk 112 crore in the same period a year earlier.

period a year earlier. Md Abdus Salam, managing director of Janata Bank, credited the

From the start of the year, Janata distributed more small loans throughout the country. The branches with more deposits and less loans have been made profitable by encouraging them to give out more loans, Salam said.

out more loans, Salam said.
At the same time, a good number of big loans were restructured, which enhanced its income, he added.
Sonali logged in Tk 399 crore in operating profits for the period, down from Tk 533 crore a year earlier.
Pradip Kumar Dutta, MD of Sonali Bank, said the bank got

borrow from Sonali.

Besides, a number of large borrowers have defaulted, according to Dutta. Rupali made Tk 137 crore profits in the first half of 2015, crore profits in the first half of 2015, a slight increase from Tk 130 crore recorded a year earlier.

M Farid Uddin, MD of Rupali Bank, said he is not happy with the small increase in profits.

The bank has about Tk 11,000 crore in loans in their local offices, of which Tk 3,200 crore have been

borrow from Sonali.

year-on-year. Meanwhile, BB from this year has

started considering scam-hit BASIC as a state-owned commercial bank, and it counted a loss of Tk 169 crore and it counted a loss of Tk 169 crore in the first half. It logged in Tk 40 crore in profits a year earlier. However, a BASIC Bank official said the previous board showed artificial profits.

There is no scope to make profits given the state of the bank's loans a year earlier, he added.

from French banks for Rampal power plant Power Division gives clarification

during the visit they will see the real position, and after the visit, their views on STAR BUSINESS REPORT

The Power Division vesterday said neither

The Power Division yesterday said neither the government nor the company that is implementing the Rampal coal-based power plant has sought funds from any French bank for the project.

The government issued clarification following media reports that three French banks – Crédit Agricole, Société Cénerale and BNP Paribas – would not invest in the much-debated project due to environmentalrisks.

tal risks.

"The news of rejection by the French banks to finance the project is irrelevant," the Power Division said in a statement. The division also welcomed the decision of the Unesco to send its observers to the Sundarbans, a world heritage site.

"The Power Division firmly believes that

the Rampal project would change. They will surely get a positive impression about the On the alleged noncompliance with the

On the alleged noncompliance with the conditions stipulated by the Department of Environment for the project, the Power Division said the Department in August 2013 approved the Environmental Impact Assessment Report for the 1,320-MW power The project implementing agency would fulfil 59 conditions at different stages of the project, according to the report.

project, according to the report.

Among those conditions, some will be complied during the project implementation period, while the others will be fulfilled when required, the Power Division said.









topofmind.



Contraband chemical seized STAFF CORRESPONDENT, CO.

Customs officials in Chittagong yesterday seized one tonne of contraband sodium cyclamate from a container imported under false declaration.

Sodium cyclamate is an artificial sweetener, which is 50 times sweeter than sugar and used in making foods, including sweets, curd, ic-e-treams and piutes, said Moinul Khan, director general of Customs intelligents, and including sweets, curd, ic-e-treams and piutes, said Moinul Khan, director general of Customs intelligents, said food to the substance in foods may cause cancer. Khan said.

Port officials also detained the importer of the consignment—Omar Faruq, proprietor of Omar Trade—at Babubazar in Chittagong.

The chemical was imported in the name of citric acid monohydrate and sodium citrate from Shanghai in June, and Boney M Trades of Chittagong, a Caraing and forwarding agent, submitted a bill of entry on June 23.





