

Bangladesh should bank on its own resources to implement SDGs: experts

STAR BUSINESS REPORT

Bangladesh will have to rely on domestic resources to implement United Nation's sustainable development goals (SDGs), as the flow of development assistance from the rich nations is drying up, experts said yesterday.

"We have already assumed that the flow of development assistance will be in decline," said Shamsul Alam, member of the General Economics Division (GED) of the planning commission.

The country received \$1.78 billion against the promise of \$3 billion as development assistance aimed at implementing the millennium development goals (MDGs), he said.

Despite the low assistance, Bangladesh has been able to achieve most of the targets, Alam said.

His comments came at a time when the UN member nations are preparing to adopt a new set of SDGs in New York next week.

The tax-GDP ratio that now stands at 12 percent in Bangladesh is one of the lowest in the world, which needs to be increased to over 14 percent, he added.

"Besides, the country will have

to energise the private sector to invest more," he said, adding that the private sector accounts for 80 percent of all economic activity.

The developed countries can help the developing world through the transfer of technology and trade, apart from extending development assistance, he said.

Bangladesh would have to bank on national investment although some international assistance might be available, said Saleemul Huq, senior fellow of International Institute for Environment and Development, a policy and action research organisation based in the UK. "Bangladesh should not bother about development assistance too much."

However, there is still hope as Bangladesh can receive funds from the global climate financing initiative, he added.

Polluters have to provide \$100 billion a year from 2020 to the climate change fund, which will go to the victim countries, Huq said.

"Bangladesh can get money from this fund. The more we will be able to utilise the fund properly, the more we will get. There is no limit."

"However, we will have to spend

well and transparently. We have to demonstrate results," the climate change scientist said. "If we can show positive results, we will be able to get two to three times more funds than development assistance."

They spoke at a discussion on "Pathways for implementation of SDGs: Domestic resource mobilisation and retention of policy space" at the conference room of the National Economic Council in Dhaka.

The GED and ActionAid Bangladesh jointly organised the programme moderated by Farah Kabir, country director of ActionAid Bangladesh.

Economic inequality in society that has been growing in the last three decades has to be reduced, but the government is not taking it on, said MM Akash, a professor of economics at Dhaka University.

He called for providing more credit to small and medium enterprises as they create jobs and repay loans on time compared to large borrowers, who are more prone to defaults. "The government also needs to increase the budget allocation for education and health. Although we see an increase in allocation for the social safety nets,

but 30 percent leakage is there."

Bangladesh's capacity to finance projects has increased, said Prof Selim Raihan, also a professor of economics at Dhaka University.

"However, we have to look at how the public sector spends money hastily at the end of a fiscal year."

"As a result, investment efficiency has gone down, and we have to spend more for the same level of growth." Raihan said there has to be a 'second generation of reforms' in the areas of policy, institutions and infrastructure to attract investment as the first generation of reforms embraced in the 1980s has lost efficiency.

The tax base has to be expanded to generate more revenue from domestic sources, said Mohammad Abdul Quyyum, additional secretary of the disaster management and relief ministry. Jobs have to be generated for the thousands of educated youth that graduate each year, said Humayun Rashid, senior vice president of Dhaka Chamber of Commerce and Industry.

"We have to create jobs for them. To create jobs, businesses have to be given the right policy and fiscal incentives."



Syed Alamgir, executive director of ACI Consumer Brands, and Shah Md Anwar Kamal, executive director of Unnayan Shahojogy Team (UST), pose at the signing of a memorandum. ACI's sanitary napkin brand Freedom Popular and UST will organise different events to raise awareness on reproductive health and hygiene.



Selina Hossain, chairman of Shishu Academy, opens a school banking conference jointly organised by Bangladesh Bank and 32 other banks, at Zila Shilpakala Academy in Mymensingh. M Mahfuzur Rahman, executive director of BB, and Safiul Alam Khan Chowdhury, deputy managing director of Pubali Bank, were also present.



Rafael Correa, president of Ecuador, receives the MV Stella Atlantic exported by Western Marine Shipyard. The ship, which has been renamed MV Isla Bartolomé will transport cargo from Guayaquil to Galapagos Islands in Ecuador. The 88.6-metre-long Isla Bartolomé is a multipurpose tweendecker ship equipped with heavy lifting cranes.

Robi launches promotional Eid offer with Samsung

STAR BUSINESS DESK

Samsung and Robi have rolled out an exciting offer on the occasion of upcoming Eid festival for two Galaxy smartphone models: Samsung Galaxy Core Prime and Samsung Galaxy J1.

During purchase, customers will get a chance to win a Samsung fridge or receive a guaranteed cashback of Tk 1,000, Samsung said in a statement yesterday.

In addition, each buyer will get attractive bundle offer from Robi, according to the statement.

To get the offer, customers will have

to type a serial number and send it to 6969. They will then receive an SMS stating if they have won a free RT36 refrigerator or cash-back of Tk 1,000. On showing the confirmation SMS, the customer will receive the gift.

Buyers will get 18 GB internet, 4,500 minute (Robi-Robi), 1,800 minute (Robi-other operator) and 1,500 SMSs with every purchase of Samsung Galaxy Core Prime at Tk 12,990.

They will also get 12 GB internet, 3,600 minute (Robi-Robi), 1,500 minute (Robi-other operator), and 1,500 SMSs with every purchase of

Samsung Galaxy J1, which bears a price tag of Tk 10,990.

"We always see an upsurge in demand for fridge during Eid-ul-Azha. So we designed this campaign, where customers have the chance to win a Samsung fridge and get amazing cashback on the purchase the Galaxy handsets," said Hasan Mehdi, head of mobile at Samsung Mobile Bangladesh.

"People wish to remain connected with their families and friends, and the Robi bundle offer will ensure they are connected with loved ones during the Eid vacations."

Volkswagen shares plunge on US emissions scandal

REUTERS, Berlin

Volkswagen shares tumbled more than 20 percent on Monday, their biggest ever one-day fall, as the German carmaker was plunged into turmoil by accusations from US authorities that it falsified emissions data.

The US Environmental Protection Agency said on Friday Europe's biggest carmaker used software on Friday Europe's biggest carmaker used software to regulate VW and Audi branded cars that deceived regulators measuring toxic emissions and could face up to \$18 billion in penalties.

The scandal has emerged just as VW was hoping to move on from a damaging leadership battle, with a supervisory board meeting on Friday due to discuss a new company structure and management line-up.

Some analysts said Chief Executive Martin Winterkorn, who said on Sunday he was "deeply sorry" for the breach of US rules and ordered an external investigation, should quit.

"This disaster is beyond all expectations," said Ferdinand Dudenhofer, head of the Center of Automotive Research at the University of Duisburg-Essen.

Winterkorn, who recently saw off a challenge to his authority with the ousting of long-time chairman Ferdinand Piech, ran the VW brand between 2007 and 2015, including the six-year period when some of its models were found violating US clean air rules.

A VW spokesman was not immediately available to comment.

A source close to the company said any decision on emissions control mechanisms would have been taken at the group's Wolfsburg headquarters, and not by regional divisions.

Power trading a solution to South Asia crunch: ADB

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The ADB report said with a strongly interconnected power system in the India-Bangladesh-Bhutan-Nepal sub-region, the large hydropower potential in Bhutan and Nepal can be developed and transmitted to load centres to meet the exponentially increasing electricity demand in Bangladesh and India.

Bhutan's estimated hydropower stands at 11GW by 2020 and for Nepal it is 42GW.

There are large capacity interconnections between Bhutan and India already, and the annual power transfer between the two countries has grown considerably over the recent years, standing at around 6,000GWh in 2011-12.

However, the construction of the first large capacity interconnection between India and Nepal has only just started, limiting power transfer between them to about 400GWh, where Nepal is importing power from India, particularly during the dry season.

The first interconnection between India and Bangladesh of 500MW capacity was built with ADB's assistance and was commissioned in October 2013.

The interconnection allowed Bangladesh to access the power market in India for a capacity of 250MW

through a commercial agreement while the remaining 250MW is supplied through a set of government-owned power plants.

Bangladesh's installed power generation capacity now stands at 11,683MW with daily production hovering around 6,500MW, according to Bangladesh Power Development Board.

A development which enables the environment towards a regional power market is the introduction of power exchanges in India—such as the Indian Energy Exchange and Power Exchange India Ltd.

Such power exchanges would provide space for a market place allowing the transactions to be based on demand and supply between buyers and sellers.

"Extension of these exchanges to encompass the interconnected South Asia region would present a good market place for producers and buyers in neighbouring countries to sell and buy power anywhere in the region. Such exchanges would naturally improve investor confidence in the power sector in the region."

It said most countries in South Asia experience exponentially growing demand coupled with power shortages.

For instance, Bangladesh and Nepal have significant energy shortages at present and could have benefited

immensely if all the power systems were connected and operated through a regional power exchange where surplus power from other countries can be traded.

"Such operation through a power exchange will help the development of the Nepal hydropower sector in the long term since transactions under such operation will be equitable and transparent based on the power exchange operational rules."

"This will take away one of the major concerns of Nepal where there is doubt on equitable treatment of power traded when the trade occurs based on bilateral agreements."

Further, India has large power needs with rapidly increasing demand for its fast growing economy and increasing rural electrification.

In the case of Sri Lanka, in the future it is likely to face peak-load generation shortages while its base-load generation will be in excess. At the same time Bangladesh will also experience both peak and base-load generation shortages in the future.

"Therefore any interconnection with India will be able to ease this situation in Bangladesh and Sri Lanka with long term access to Indian power market."

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Tax fair logs in record number of visitors

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This may be redressed if the revenue authority ensures that taxes are paid by all foreign agencies working in the country, particularly those engaged in consultancy services.

At present, many take shelter of the tax immunity afforded by various bilateral and multilateral lending agencies.

Subsequently, he recommended the authorities to review the dual tax treaties and the measures that the other countries are adopting to safeguard their interests in this regard.

But tax compliance among individuals, from both the public and private formal sectors, is rising, partly because of the urge to conform to norms, said the ERG executive director.

The main reason is the growing realisation that engaging in other economic activities will be smooth if one is up-to-date on tax payment.

For instance, individuals now have to furnish their TINs to open bank accounts, take out trade licences and get car registration.

Improvements in sharing of data across agencies may have also contributed in this respect, Zohir added.

Towfiqul Islam Khan, research fellow of the Centre for Policy Dialogue, said the rising response reflects that the concept of tax fair has gained popularity among small and new individual taxpayers.

There is no doubt that the fair has contributed to awareness-building among taxpayers, he said, adding that there is also a huge demand to expand such events beyond cities and district headquarters to reach out to more eligible taxpayers.

This year, the NBR held the fair in all divisional cities for a week and 64 districts for four days. The authority has also taken the show to upazilas, one of the lowest levels of the local government. The fair was held in 24 districts and 12 upazilas yesterday.

He said the NBR can consider holding such tax fairs in phases instead of holding it everywhere at the same time.

He however said the medium-term objective of the NBR should be to minimise the number of face-to-face interactions with taxpayers.

The revenue authority should promote the use of information technology, including online submission of tax and returns, and make them popular among taxpayers, he added.

Meanwhile, the NBR held a meeting with editors of the print and electronic media. The editors said the quality of service offered at the tax fairs should be maintained all the year round.

WB pledges support for Bangladesh growth

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The WB vice-president met senior government officials, including the finance minister and Bangladesh Bank governor, and civil society leaders to discuss the framework.

The multilateral lender is the country's largest development partner. The current support of the International Development Association, the WB's concessional lending arm, consists of 36 projects, with a total commitment of around \$8.3 billion.



Rezwanul Hoque, senior director of Edison Group, and Khairul Anam, senior manager (sales and business development) for Hotel Ocean Paradise, pose at the signing of an agreement. Symphony users will get 30 percent discounts on room tariff at the hotel except during Eid holidays and long government holidays.



Ilias Kanchan, brand ambassador of Walton, opens an exclusive showrooom of the company at Mawna Chowrasta in Gazipur. Md Humayun Kabir, executive director for public relations and media, was also present.