

DHAKA TUESDAY NOVEMBER 10, 2015

Businesses complain of harassment by taxmen

The NBR chief vows zero-tolerance to revenue officials' misconduct

STAR BUSINESS REPORT

Businesses yesterday complained of harassment by revenue officials for tax collection, saying they want to pay tax with dignity and in a proper and transparent manner.

Some business leaders alleged that field-level officials sometimes misbehaved with taxpayers.

They also alleged that the officials continue to chase those who already pay taxes instead of putting in efforts to bring in the still untaxed population and businesses under the tax net.

"They suddenly raid our shops and take away documents. Some also threaten us, saying they can arrest us," said SA Quader Keron, chairman of Bangladesh Shop Owners Association.

"The NBR will not get tax by threatening us."

Keron's comments came at a dialogue on revenue matters, organised by the Federation of Bangladesh Chambers of Commerce and Industry at its headquarters.

Representatives of businesses from a wide range of sectors shared their views and experiences of dealing with the officials of the National Board of Revenue.

NBR Chairman Md Nojibur Rahman and three members of the revenue authority were present at the programme chaired by FBCCI President Abdul Matlub Ahmad.

Citing examples, Keron said some inspectors do not want to accept documents submitted by the firms' employees.

"Instead, they want the owners to visit the tax office. When the owners meet the

revenue officials, they are asked to pay extra money."

"We all want to pay tax but do not want to be harassed," said Md Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association.

"We humbly request you [NBR] not to harass or embarrass us. We want to do business with dignity."

He also urged the revenue authority to remove the discrepancies in decisions on tax, VAT and duty.

Matlub Ahmad of FBCCI said the businesses do not want to spend Tk 3 to pay Tk 1 in tax.

The field officials sometimes behave in a manner that suggests that businesses are thieves, according to FBCCI Director Abu Motaleb.

Khandaker Ruhul Amin, another FBCCI director, said the current VAT structure is high for restaurants, which forces many to go for illegal deals with field-level revenue officials.

"We have to build a relationship with tax officials to survive," he said, adding that a reduced rate of VAT at 4 percent would cut down this practice and allow the tax authority to get more revenues from restaurants.

On the issue, FBCCI Vice-President Md Shafiu Islam said: "We want to build a relationship from our heart, not through illegal means. We want to do business and pay tax in a transparent manner."

Former FBCCI director Mohabbat Ullah alleged that the NBR officials always target those who are already in the tax net.

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COASTAL SHIPPING DEAL WITH INDIA

Freight rates to remain same for both countries

Operating procedure may be finalised this month

REJAUL KARIM BYRON

The freight charge for the Bangladeshi and Indian ships plying each other's territories under the coastal shipping agreement will be the same for both the countries.

This was outlined in the draft Standard Operating Procedure (SOP) of the coastal shipping agreement, signed during Indian Prime Minister Narendra Modi's visit to Bangladesh last June.

The SOP will be finalised at the shipping secretary-level meeting of the two countries, which is due to take place later this month in New Delhi.

Once the SOP is finalised, the two countries' ships will ply each other's coastal waters to transport cargo, a move that will slash transport costs by two-thirds.

At present, trade between India and Bangladesh is conducted through Colombo or Singapore, due to which the cost goes up and so does the transit time.

For instance, the freight charge for carrying one tonne of rice to Bangladesh from India would be between \$30 and \$35, whereas it costs \$90 now.

Now, importers need to pay \$1,700-\$2,400 as freight charge per container with 4,000-5,000 tonnes of capacity and wait 30 to 40 days to get their consignment.

They would need to pay only \$400 for carrying the same amount of goods, which would reach Bangladesh in eight days, according to Bangladesh's shipping industry people.

The shipping charges will be fixed by the maritime authorities of both the countries, and a



joint shipping committee of the two countries will review the freight charges from time to time.

As per the draft SOP, 14 ports (seven in each country) have been named as ports of call.

In Bangladesh, the ports of call are Chittagong, Narayanganj, Khulna, Mongla, Sirajganj, Ashuganj and Pangaon.

In India, the ports are Kolkata, Haldia, Paradip, Kakinada, Visakhapatnam, Krishnapatnam and Chennai.

Besides, they can announce any port as port

of call from time to time through discussions.

Ports of call are ports where a ship docks in the course of its journey to load/unload cargo, obtain supplies, or to have repairs done.

Four routes have been identified for international trade.

Each country will maintain the river routes in its territory in navigable condition and provide all the essential pilotage and conservancy services, including hydrographic surveys and supply of charts.

Wheat imports rise for low global prices

SOHEL PARVEZ

Wheat imports rose 43 percent year-on-year to 10.46 lakh tonnes between July and mid-October, according to data from the food ministry.

Stakeholders said low prices in the international market have fuelled imports as it has allowed local businesses to sell the cereal cheaper than rice.

Better harvests in Ukraine, Russia, Canada, Australia and the US have brought down prices in the global market, said Ilahi Dad Khan, director (procurement) at the Directorate General of Food.

Low petroleum price is another reason behind the rise in imports as it reduces freight charges, he added.

Private imports accounted for 83 percent of the wheat that arrived till October, the rest was imported by the government to carry out various social safety net schemes, according to food ministry data.

"We see higher demand for wheat flour from industries that make bread, biscuits, and bakery and confectionery items," said Bishwajit Saha, general manager of City Group, a leading commodity importer and food processor.

Operators said rising health consciousness, population growth and higher consumption of wheat-based snacks have increased the demand for the grain; three-fourth of the annual demand is met through imports.

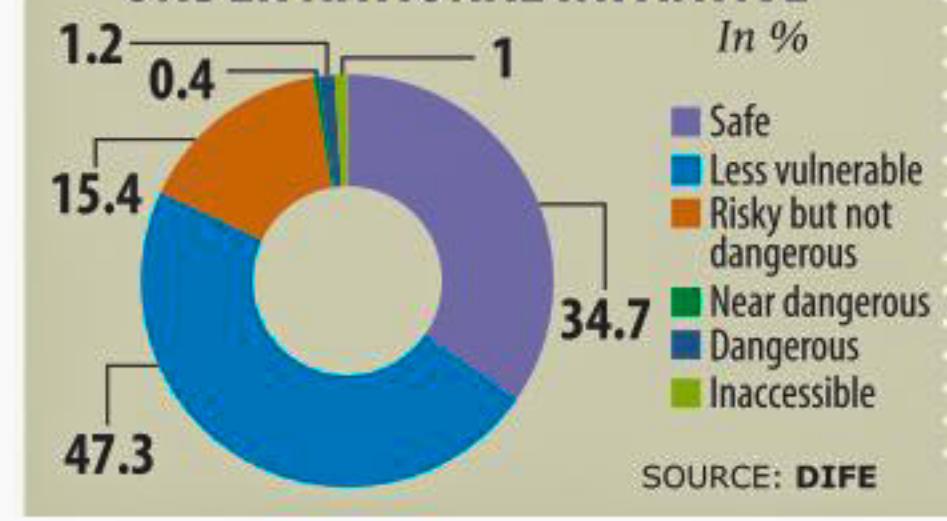
Wheat imports rose 41 percent to 37.84 lakh tonnes in fiscal 2014-15 compared to the previous year. Overall supply increased to more than 50 lakh tonnes in the same year because of local production standing at 13.48 lakh tonnes.

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Govt engineers find most factories fit

Only 3 units were shut out of 1,354 inspected

FINDINGS OF FACTORY INSPECTION UNDER NATIONAL INITIATIVE



FACTORY INSPECTION UPDATES by all three platforms

(by the numbers)	
Targeted factories	3,508
Assessment completed	3,496
Closed factories	37
Number of buildings	18
Workers affected for closure	16,938

SOURCE: DIFE

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reports of 121 of them.

A total of 846 workers were affected for the closure of three factories, said Syed Ahmed, inspector general of the Department of Inspection of Factories and Establishment, at a press conference at his office in Dhaka yesterday.

Some 471 of the factories were found to be not vulnerable at all, 640 not-too-vulnerable, 209 risky but not dangerous, and five were near danger, Ahmed said.

The engineers recommended detailed engineering assessment to 319 factories, and they were not allowed to inspect 13 factories.

Carrying out these inspections is a significant milestone, yet it is only the beginning, said Srinivas Reddy, country director of the ILO, at the press conference.

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Eight brick kilns rewarded for cutting carbon emission

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Eight brick kilns yesterday received \$440,000 from the carbon fund of the World Bank and the Danish government, as they reduced emission of 50,877 tonnes of carbon dioxide by following eco-friendly technology for making bricks.

M Matiul Islam, chairman of the Industrial and Infrastructure Development Finance Company (IIDFC), handed over cheques to the owners and representatives of the brick kilns for their share of the carbon revenue for the period of 2012-2014.

The brick kilns are: Diamond Auto-Bricks, Auto-Bricks, Haair Bricks, Universal Bricks, Banolata Refractory, Sunflower Bricks, Eeta & Tiles, and Bricks 2010.

The IIDFC is acting as the agent for brick kiln owners to sell the emission reductions to the World Bank and Denmark.

Under an agreement signed with the IIDFC, on average \$8 per tonne has been paid by the carbon fund as CER (Certified Emissions Reduction) revenue.

The local brick kilns, which use Hybrid Hoffman Kilns (HHK) technology, will receive \$1.6 million under the project that aims at helping the brick makers use efficient and clean energy.

The HHK technology allows a brick kiln to use 50 percent less coal than the regular brick kilns. The coal used in HHK reduces greenhouse gas emissions and other air pollutants.

The users of HHK technology, who received certificates from the IIDFC, have also implemented environmental and social safeguards in their respective kilns, ensuring a safe and better workplace for their workers.

Under a separate agreement with the IIDFC, the Asian Development Bank will step in to purchase the CERs generated from 11 brick manufacturing units for the next four years beginning in 2016.

The existing deal of the IIDFC with the World Bank and the Danish government will expire in December this year.

Moody's downgrades Toshiba's credit rating

AFP, Tokyo

Moody's downgraded the credit rating of embattled electronics giant Toshiba on Monday days after the conglomerate announced deep mid-year operating losses last week.

The agency slashed the Japanese company's rating from Baa2 to Baa3 and also changed Toshiba's outlook from stable to negative.

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