

Biman gets another aircraft

STAR BUSINESS DESK

Biman Bangladesh Airlines' sixth Boeing, named Mayurpankhi, arrived in Dhaka on Friday to join its fleet. This is Biman's 14th aircraft, the flag carrier said in a statement. Mayurpankhi, a Boeing 737-800 with 162 seats, is one of the ten aircraft that Biman is buying from Boeing as per a deal signed in 2008. Biman will get four 777-300ERs, two 737-800 and four 787 Dreamliners from Boeing by 2019-20. Currently Biman flies to 15 destinations in the Middle East, Europe and Asia.

No tax on verified SIM cards: Tarana

BSS, Dhaka

The telecom division has requested the National Board of Revenue to avoid double taxation and VAT on verified SIM cards. Officials of the telecom division said no further tax would be imposed on the mobile connections which have been activated already. "If we consider the SIM cards as commodity, tax has already been paid against those. So, the NBR could impose transfer fee, but not any tax if those SIMs were activated earlier," said Tarana Halim, the state minister for posts and telecommunication. Her remark came against the backdrop of NBR's claims to tax and VAT on mobile connections during the ongoing biometric SIM registration process. All the cellphone users of Bangladesh have to verify their connections using the biometric system, which was launched on December 16. The NBR had wanted to impose VAT for changing the ownership of mobile connections during a recent meeting with the

telecom division.

Tarana said they have found 60,000 SIM cards registered against a single user. "When the SIM cards would be verified using the biometric system, new ownership must come against the 60,000 SIM cards... so, no tax or VAT during the change of ownership if the number is activated earlier," she said. As the SIM verification is being done for national security, there would be huge change of ownership, which was earlier registered haphazardly, she said. "I will request the finance minister and NBR officials to avoid double taxation and VAT, as the process is being done in the greater interest," she said. "We want to be fair for operators and at the same time careful about government revenue." Operators must pay tax for new connections, Tarana added. The state minister said she has already directed the Association of Mobile Telecom Operators of Bangladesh to submit the actual number of mobile users to the regulator and the telecom division.

Dhaka bourse fires general manager

STAR BUSINESS REPORT

The Dhaka Stock Exchange has terminated one of its general managers without showing any reason. Jiban Chandra Das, general manager of finance and accounts, was let go by the premier bourse without giving him the chance to defend himself. "I was in the office until 7pm on Thursday. But I got the termination letter that night when I was at home," Das told The Daily Star yesterday. "The management did not mention any reason in the letter why I have been terminated," he said, adding that it is a violation of labour law. DSE Managing Director Swapan Kumar Bala could not be reached by phone for his comments.



From left, AK Azad, managing director of Ha-Meem Group; Amir Hossain Amu, industries minister, and Mahburur Rahman, president of ICC Bangladesh, attend a discussion at the office of Metropolitan Chamber of Commerce and Industry in Dhaka yesterday. Story on B1

Amu rules out leasing of govt lands

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"If you want, we can go for such partnership for other mills," he said, while citing the closed Khulna Newsprint Mills as a candidate for such tie-ups. "We are open to such proposals." Earlier, Mahburur Rahman, president of ICCB, said the government-owned companies have huge unutilised lands with the necessary infrastructure. He advised Amu to include a proposal in the upcoming industrial policy to sell off the surplus lands of these industrial units to the private sector. Rahman said Bangladesh has been deprived of foreign direct investment and large domestic investment for factors such as the limited capacity to supply adequate electricity and gas to industrial units.

The shortage of appropriate land with access to infrastructure and communication is a major constraint to industrialisation, he said, adding that many are using agricultural lands for industrial purposes. "It is an ominous sign. We have very limited land and if we allow the agricultural lands for industries, a day may come when we will have to import rice." Rahman cited the bureaucratic complexities for starting a business, the differences in policy implementation with the change in government, the absence of administrative coordination among different government agencies and delayed services from support organisations as bottlenecks to faster industrialisation. Subsequently, he called for a functional one-stop investment-friendly service centre. Without a solid industrial base, adequate infrastructure, uninterrupted power supply, exploration of natural resources, skilled workforce, it will be difficult to sustain the present growth momentum or even achieve higher growth, according to Rahman. AK Azad, managing director of Ha-Meem Group, said the draft industrial policy aims to increase the industrial sector's contribution to GDP to 40 percent by 2021 from 29 percent now. He also urged the government to transfer the land of the closed and loss-making state mills to the private sector to set up factories. "Give us gas, electricity and land and we will make these areas profitable. It is our responsibility." Citing the government initiative to set up special economic zones, he said there is no tentative deadline by which the SEZs will be

ready for use. At the dialogue, it was told that the government had taken up schemes to develop 17 SEZs. "There should be a timeframe for completion of each of the SEZs and the schedule for land allocation so that we can prepare ourselves," said Azad, who is also a former president of the Federation of Bangladesh Chambers of Commerce and Industry. Mir Nasir Hossain, managing director of Mir Akhter Hossain Ltd, said SEZs should be developed in a full-fledged manner such that industries get all the requisite utilities and facilities. "These should be done properly so that we get lands. There should not be any discrimination," said Hossain, also a former FBCCI president. Citing the losses of the state enterprises and the subsidy pressure on the state coffers for them, he said: "These are bleeding the economy." He also called for developing human resources in line with the need of the various industrial sectors. Hossain also cited the lack of information in Bangladesh regarding the industries operating in various sectors. "As a result, we saw a mushrooming growth of factories in certain sectors and many of those have become sick due to the overcapacity of the sector." Subsequently, Hossain suggested the industries ministry develop a database of factories, production capacities and demand. The database would then serve as a guide for entrepreneurs when making investment decisions. Matiur Rahman, president of the Newspaper Owners' Association of Bangladesh, said the government tried to run some state mills by taking them back from the private sector. The government lost hundreds of crores as a result. "It was a totally wrong decision then and it will not be a right one in future either," said Rahman, also the editor of the Prothom Alo. Asif Ibrahim, chairman of the Business Initiative Leading Development, said there should be a one-stop service at the industries ministry to provide assistance to entrepreneurs. Citing the various definitions for small and medium enterprises maintained by the government agencies, he called for a uniform definition.



Mojib Uddin Ahmed, chairman of Investment Corporation of Bangladesh, and Md Iftikhar-uz-zaman, managing director (additional charge), attend the 25th branch managers' conference of the ICB at FARS Hotel & Resorts in Dhaka.



Syed Shahjahan, an alternate director of NRB Commercial Bank, opens the 38th branch of the bank at Indurhat in Pirojpur yesterday. Dewan Mujibur Rahman, managing director, was also present.

Ukraine approves 2016 budget to unlock Western aid

AFP, Kiev

The Ukrainian parliament on Friday adopted a budget for next year with a deficit of 3.7 percent of GDP, crucial for unlocking much needed aid from the IMF and Western countries. The 2016 budget was passed after an acrimonious all-night debate and was finally approved by 263 lawmakers, about 40 more than the minimum required. The cash-strapped and war-scarred country badly needs aid and the adoption of the budget is a key condition to secure the release of a delayed \$1.7 billion (1.6 billion euro) tranche from the International Monetary Fund and other Western aid. "The process was long and painful," Finance Minister Natalie Jaresko said on Facebook, adding that lawmakers had proposed more than 600 amendments to the text. The next IMF tranche depends on whether the budget is "balanced and responsible", she said. There was no immediate comment from the Washington-based IMF. Many Ukrainian lawmakers had vehemently opposed a budget based on a new tax code, saying it was too austere, but reached a last minute compromise. On Wednesday Prime Minister Arseniy Yatsenyuk warned that Ukraine would face "economic catastrophe" if parliament failed to comply with the IMF requirements. At a government meeting on Friday evening, Yatsenyuk hailed the adoption of a budget and said "all plans to destabilize the country, to dismiss the government, to disrupt the plan of reforms have failed..." "Of course, we'll have to carry out difficult negotiations with our international partners to continue receiving financial support," he added. According to the document, Ukraine's gross domestic product next year is expected to expand by 2.0 percent, compared with an 11-percent decline estimated this year.

Local app developers awarded

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The duo got Tk 5 lakh in prize money. Bangladesh has made considerable progress since the launch of the Digital Bangladesh campaign, but some inherent challenges are holding back growth, said Finance Minister AMA Muhith, adding that the government is addressing the issues. App development has garnered huge interests among people, according to Zunaid Ahmed Palak, state minister for ICT. Everyone is now waiting for a breakthrough app from Bangladesh to bring the country's ICT sector to global attention, he added. Jamilur Reza Choudhury, vice-chancellor of Asia Pacific University, said ICT has the potential to bring home higher export earnings than the garment sector. To further his point, he cited the case of WhatsApp, a messaging app that was sold for \$19 billion last year. In contrast, the country's garment export earnings hover around the \$26 billion-mark every year. "Just one great app can get Bangladesh a huge payday." Mobile apps have become a part of everyday life, said Matiur Rahman, editor of Prothom Alo. Mohammad Kaykobad, chairman of the competition's jury board; Yasir Ajman, chief commercial officer of Grameenphone; and MA Mubin Khan, managing director of EATL, the country's first mobile apps store, also spoke.

China industrial profits fall for sixth straight month

REUTERS, Beijing

Profits earned by Chinese industrial companies in November fell 1.4 percent from a year earlier, marking a sixth consecutive month of decline, statistics bureau data showed on Sunday. Industrial profits - which cover large enterprises with annual revenue of more than 20 million yuan (2 million pounds) from their main operations - fell 1.9 percent in the first 11 months of the year compared with the same period a year earlier, the National Bureau of Statistics (NBS) said on its website. The November profits of industrial firms have seen some improvement from the previous month. In October, profits fell 4.6 percent from a year earlier. "The November industrial profit data matched earlier out-

put data and they showed some signs of stabilising, which are in line with recent data from other Asian countries," said Zhou Hao, China economist at Commerzbank in Singapore, adding the figures were slightly better than market expectations. The NBS said investment returns for industrial companies in November increased from a year earlier by 9.25 billion yuan. The jump in November profits from the auto manufacturing and electricity sectors, up 35 percent and 51 percent from a year earlier, respectively, helped narrow overall declines, the statistics bureau said. "Declines in industrial profits narrowed in November, but uncertainties still exist," said He Ping, an official of the Industry Department at NBS. He added that inventory of finished goods grew at a faster pace last month.

WB provides \$177m for power plant

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"This financing will contribute to the World Bank's current support to the energy sector, raising it to over \$1.5 billion," Sharif said. "In the last few years, the country has increased its power generation capacity significantly. But, at the same time, the demand for electricity has gone up," said Azam. The combined cycle technology allows the plant to produce higher energy with lower gas consumption, and reduces carbon emission. The plant will start commercial

operation in 2016. In 2008, the World Bank provided \$350 million to build a 300 megawatt gas turbine power plant in Siddhirganj. In the face of increasing power demand and gas shortage, the government decided to convert it to an energy-efficient 335 megawatt combined cycle power plant. The credit, with 38-year maturity and a six-year grace period, and a 0.75 percent service charge, is coming from the International Development Association, the World Bank's concessional lending window.



Md Sirajul Islam Varosha, chairman of Jamuna Bank, opens the 102nd branch of the bank in Bhawaniganj, Rajshahi yesterday. Shafiqul Alam, managing director, was also present.



Md Yeasin Ali, chairman of Bangladesh Development Bank, opens the 36th branch of the bank in Keraniganj, Dhaka yesterday. Md Zillur Rahman, managing director, was also present.



M Shamsul Alam, president of Baridhara Cosmopolitan Club, attends the fourth annual general meeting of the club on Wednesday.