

Engage with upazila representatives to boost tax collection

NBR chief urges its field offices

STAR BUSINESS REPORT

The National Board of Revenue yesterday asked its field offices to get engaged with the elected representatives at the upazila level to find new taxpayers and expand the tax net.

NBR Chairman Md Nojibur Rahman gave the instruction at a review meeting on tax collection, the tax administrator said in a statement.

The tax net will widen with proper support from the elected representatives at the upazila level, said Md Abdur Razzaka, a member of income tax at the NBR.

The field offices should hold dialogues with civil society members, businesses and well-off citizens at the upazila level with the support from the representatives, Rahman said.

The tax authority has recently begun holding such dialogues to get more people under the tax net.

Taxmen believe that many grassroots people who have taxable incomes still remain out of the tax net due to absence of tax offices in upazilas.

Of the tax circles in 86 upazilas, the NBR has so far set up offices in just 30 upazilas, officials said.

Stocks end flat on profit booking

STAR BUSINESS REPORT

Stocks closed almost flat as investors went for profit booking yesterday.

DSEX, the benchmark index of Dhaka Stock Exchange, rose only 4.47 points or 0.09 percent, finishing the day at 4,596.81 points.

"Profit taking may contribute to early weakness on the DSE as traders cashed in on the gains posted last week," commented LankaBangla Securities, a stockbroker.

IDLC Investments said overall economic sluggishness with low private investment and credit growth rendered pessimism among investors, ceasing their broader investment outlook.

"Resultantly, the market passed another dull session," the merchant bank said.

Turnover, another important indicator of the market, also declined 5.58 percent to Tk 390.23 crore, with 9.06 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 162 advanced, 127 declined and 34 closed unchanged on the premier bourse.

ACI dominated the turnover chart with 3.23 lakh shares worth Tk 18.22 crore

changing hands, followed by Beximco Pharma, Square Pharma, Emerald Oil Industries and Quasem Drycells.

Among the major sectors, non-bank financial institutions increased 1.26 percent in market capitalisation, followed by engineering that rose 0.98 percent and banks 0.39 percent.

Conversely, fuel and power sector declined 1.04 percent, followed by cement 0.79 percent, telecom 0.17 percent, textile 0.14 percent and food and allied 0.13 percent.

Monno Ceramic was the day's best performer with a 10 percent gain, while Samata Leather Complex was the worst loser with an 8.99 percent fall.

Chittagong stocks also rose slightly yesterday with the bourse's benchmark index, CSCX, increasing by only 1.24 points or 0.13 percent to finish the day at 8,533.48 points.

Losers beat gainers as 99 declined, 96 advanced while 48 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 67.86 lakh shares and mutual fund units worth Tk 21.84 crore in turnover.



MIDLAND BANK
Abul Kashem, Md Issa Badsha and Md Kamal Hossain, directors of Midland Bank, open the bank's 17th branch on CDA Avenue in Chittagong on Sunday. Md Ahsan-uz Zaman managing director, was also present.



MARCEL
Local electronics manufacturer Marcel organised distributor conference 2015, on its factory premises at Chandra, Gazipur on Saturday. SM Nurul Alam Rezvi, chairman of RB Group, and SM Shamsul Alam, managing director, attended the event.



CITI
Rashed Maqsood, Citi country officer, hands over one of the 1,000 blankets as donation to Matiur Rahman, managing trustee of Prothom Alo Trust. The blankets will be distributed among the poor in Rajshahi, Thakurgaon, Panchagarh, Chuadanga and Sherpur.

Farmers benefit from duty hike on rice imports

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The price is Tk 1 lower than the purchase price set last year, despite the fact that aman production costs increased from Tk 28 a kilogram last year to Tk 28.50 this year.

Nirod Boron Saha, a rice and paddy wholesaler and commission agent in Naogaon, said farmers would have got better prices had the government bought a higher quantity of rice.

Aman accounts for 38 percent of the annual rice output. The Department of Agricultural Extension targeted to ensure a production of 1.35 crore tonnes of rice during the current aman season, up from an actual production of 1.31 crore tonnes last year.

The government expects to meet the target for conducive weather, despite some early setbacks due to floods in the northern districts, according to a report by food planning and monitoring unit under the food ministry.



SCANIA
Obaidul Quader, road transport and bridges minister, launches Scania vehicles at Bangabandhu International Conference Centre in Dhaka on Sunday. Aslamul Haque, a lawmaker; Johan Frisell, ambassador of Sweden; Md Faruk Talukdar Sohel, managing director of Innovative Motors and Shohagh Group; and Mikhail Kiander, sales director of Scania Commercial Vehicle, were also present.

Facing TPP dairy deluge, Vietnam milk firms shift strategy to survive

REUTERS, Hanoi

Vietnam's fast-growing dairy companies are investing big in new markets as they brace for stepped-up competition at home from global giants on the prowl to take advantage of a Pacific trade pact.

Domestic milk demand is soaring as household spending power increases in the country of 90 million people, boosting profits for dairy firms that are expanding quickly, but can meet only a third of the milk needs.

That's leaving a void that giants like New Zealand's Fonterra and Canada's Saputo could fill with new products and lower prices once the US-led Trans Pacific Partnership (TPP) comes into play, eliminating tariffs among 12 markets worth 40 percent of the global economy, and nearly three-fourths of Vietnam's dairy imports.

It is the flip-side of the communist country's aggressive drive to outpace Southeast Asia in getting preferential access to the world's biggest markets for its swelling electronics, textiles, seafood and commodities output.

Trade liberalisation would strengthen a vibrant economy set to grow to \$200 billion this year, but foreign competition from the TPP could deal a heavy blow to local firms that lack capital and expertise and are unfit to join supply chains. According to private estimates TPP would add 15 percent to Vietnam's economy up to 2025, compared to less than 2.2 percent for Malaysia and Singapore.

That would further burnish an economy that has grown at a rapid 5 percent-plus clip over the past 15 years.

Vietnamese dairy firms, bracing for stiffer competition, are seeking to expand overseas and utilise non-TPP trade deals, or find niche markets at home to navigate the pitfalls of the biggest trade pact in a generation.

"TPP is definitely a challenge, from big investors entering the market, tariffs cuts ... but we've been preparing for five years," Hoang Cong Trang, vice president of unlisted dairy outfit TH Group, told Reuters.

On top of ploughing \$1.2 billion into domestic projects, TH recently announced \$2.7 billion of investment into cow farms, milk plants and distribution channels in Russia, which has a dairy shortage and is squeezed by European Union sanctions over its military intervention in Ukraine.

"The Vietnam market has much potential, and so too Russia," Trang added.

According to local VPBANK Securities, which cites Euromonitor, the Vietnam dairy industry was worth \$2.8 billion in 2013 and may have grown to \$4.1 billion this year.

TPP members New Zealand and the United States in 2014 exported a combined \$18.2 billion of dairy products globally and produced 115 million tonnes of raw milk, while Vietnam imported \$1.1 billion of dairy produce last year.

Vietnam's top listed company by capitalisation, Vinamilk VNM.HM is also looking abroad, though incrementally, with an initial \$30 million into the United States, New Zealand and Cambodia and \$3 million in Poland, aiming to eventually use it as a gateway to the EU, with which Hanoi has concluded a free-trade agreement.

A dismal year for stockmarket

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As a result, sentiment of both the domestic and foreign investors was severely dented and it continued in the later half of the year.

Corporate profitability was badly affected and commodity price decline, lower inflation, downward interest rate, and stable currency could not cheer up the depressed sentiment of investors toward equities, he said.

Despite the favourable macroeconomic outlook, Riyadh is not expecting a buoyant 2016 for the stockmarket. He said the extreme dearth of quality liquid stocks is the main challenge for 2016.

Still, the quality stocks that benefit from low commodity price and rising disposable income will offer excess returns in 2016, he added.

On the oversight level, the BSEC and the Bangladesh Bank were seen to be strengthened, empowered and independent.

The former regulated the capital market and the latter the money market, thus ensuring the development and smooth operation of both.

The BSEC's main focuses were on modernising the rules and regulations and strengthening the enforcement activities, said its Commissioner Arif Khan.

In line with this, the regulator took actions against the issuer companies, the issue managers and the auditors for their wrongdoings.

The BSEC undertook reforms of the book building process, public issue and mutual fund rules, with a view to bringing transparency and liquidity to the capital market and restoring investor confidence.

"We will continue our efforts in the coming year too," Khan said, adding that there are plans to set up a separate trading platform for small and medium enter-

prises, establish a clearing and settlement company and introduce a financial literacy programme.

Enhancing the surveillance and development of the market is a continuous process and the regulator will maintain it in the coming years such that investors get their confidence back, he said.

In a major development, the special tribunal for capital market cases gave its first verdict in August. The tribunal sentenced a man to two years in prison for illegally influencing the stockmarket through blogs and websites.

One month later, the tribunal, which was also dealing with the much-hyped 1996 share market scam, sentenced two directors of a textile company to four years in prison for their involvement in price manipulation.

It is the first verdict in one of the 15 cases filed regarding the scam nearly 20 years ago.

Although a new trading system, replacing the 16-year-old one, was introduced at the end of 2014 to ensure smooth trade, technical breakdowns halted the DSE for three days.

The incidents raised questions over the management's competency in running and maintaining the trading system, which was introduced at a cost of about Tk 35 crore.

In another major development, Waliul-Marooof Matin, managing director of Chittagong Stock Exchange, resigned from his post, two years ahead of his tenure's expiry.

Although he firstly mentioned "internal conflict" as the reason behind his resignation, he later cited "personal reason" after withdrawing the first resignation letter.

Adidas not facing shareholder pressure to sell Reebok: FT

REUTERS, Frankfurt

Adidas is not facing pressure from activist shareholders to offload more assets, like fitness brand Reebok, the German sporting goods group's finance chief told the Financial Times.

"I've never had a conversation where anyone has given me any pressure about anything," the FT quoted Robin Stalker as saying in an interview published on Tuesday.

A person familiar with the matter had told Reuters earlier this month that Egyptian tycoon Nassef Sawiris had formed a partnership with US investor Mason Hawkins and his colleagues at Southeastern Asset Management to drive change at companies they invest in, with Adidas at the top of the list. In addition, Belgium's richest man Albert Frere acquired a 3 percent stake in Adidas earlier this year.

Stalker told the FT he had "good discussions" with Southeastern Asset Management and Frere's GBL holding company, but had not yet spoken to Sawiris.

"What has been of interest to everybody is that we have said we are prepared to look at our portfolio. We've done a very good review of that," Stalker said.

Adidas said in August it was considering the possible sale of its golf brands, as demanded by some investors, but Hainer has rejected selling Reebok, saying the long-struggling business bought in 2005 is now on the mend.

Plastic fair begins in Dhaka from Jan 20

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The fair will also host the 25th council meeting of Asia Plastic Forum and 16th caucus meeting of Asean Federation of Plastic Industries.

Commerce Minister Tofail Ahmed will inaugurate the event, while Planning Minister AHM Mustafa Kamal will address the closing ceremony.

There will be more than 350 stalls at the show, which will display a wide range of plastic goods and machinery, including plastic household items, packaging materials, plastic mould, toys, furniture, melamine, and garment accessories, organisers said.

Banks can't take fees from job applicants

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Consumer consciousness is of utmost importance to protect their rights, he said. Rahman also stressed the need for financial literacy and demand-driven research.

The central bank firmly believes that financial knowledge is the key to protecting consumers' rights, he added.

A diverse financial education initiative has also been undertaken by BB across the country.

Mobile top-up capped at Tk 500 a day

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The daily cap does not apply to post-paid connections, said the directive signed by Mohammad Zulfikar, BTRC's director of systems and services. Post-paid subscribers can continue to pay their bills of any amount on the same day.



BANGLA TRAC
MA Haque, group chairman of Bangla Trac (BanglaCAT); Nazim A Haque, managing director of BanglaCAT, and Tarique E Haque, chairman, attend the company's annual town hall meeting at its corporate office in Banani, Dhaka.



ORION FOOTWEAR
Ruhul Amin Molla, chief executive of Orion Footwear, opens an outlet of the company on Court Road, Moulvibazar yesterday. Arefa Hossain, senior manager for merchandising, was also present.