

Modi pledges big measures to boost India's entrepreneurs

AFP, New Delhi

Indian entrepreneurs will receive generous tax breaks and face dramatically reduced red tape when starting and closing a business, Prime Minister Narendra Modi said Saturday, as he launched a pet initiative to bolster India's fast-growing startup scene.

Speaking at a gathering of 2,000 entrepreneurs from India, Silicon Valley and elsewhere, Modi outlined a slew of measures under Start Up India including exempting startups from income tax for their first three years.

"We have a million problems but at the same time we have over a billion minds," Modi said, adding that the government will earmark 25 billion rupees (\$370 million) for the plan annually over four years.

"We want to start a system of hand-holding for startups. The government will be like a friend and a mentor," he said.

New Delhi views startups as key to providing jobs for aspirational young Indians and plans to offer easier access to bank loans through the "Start up India, Stand up India" campaigns first announced in August last year.

Under the measures outlined Saturday, startups will also be exempt from capital gains tax and will not face inspections for labour or environmental law compliance

for three years, while patent application fees will be slashed by 80 percent.

Entrepreneurs will be able to register their businesses in a day via a mobile app -- in sharp contrast to the current bureaucratic process -- and will be able to wind down failures in 90 days, Modi said.

The prime minister joked that had he possessed more entrepreneurial flair, the one-time tea-seller would have been able to open a hotel chain. "No matter what Narendra Modi can or cannot do, the youth of the country can," he said.

Finance Minister Arun Jaitley said earlier Saturday that simpler tax rules for startups would be introduced in the upcoming budget in February to unshackle them from the complex regime faced by large companies.

He promised an end to the "licence raj" -- bureaucratic controls dating from British colonial rule mandating endless permits that have stalled multi-billion dollar projects and small investors alike.

"The regime intended to be created is intended to give complete freedom from the state," Jaitley said.

"The more the sector becomes unregulated the better it will be," he said.

In September Modi visited Silicon Valley calling on deep-pocketed investors to turn their attention to India's thriving start-up ecosystem, with large tech hubs in the cities of Bangalore, Hyderabad and Mumbai.

Russia seeks Rosneft stake sale to ease budget woes

AFP, Moscow

The Russian government is looking to privatise a 19.5 percent stake in state oil giant Rosneft to ease a budget crunch as oil prices slide, Finance Minister Anton Siluanov said Saturday. "We must make a decision now where to get the money," Siluanov said in an interview to Rossiya-1 channel.

"Firstly, we are talking about a stake that should have been sold several years ago, it is a stake in Rosneft, 19.5 percent," Siluanov added.

Cutting ownership in Rosneft, a sprawling energy holding in which state ownership is now 69.5 percent, has been discussed by the government for years.

The 19.5 percent stake was set for sale in 2013 before the government decided to push the decision back.

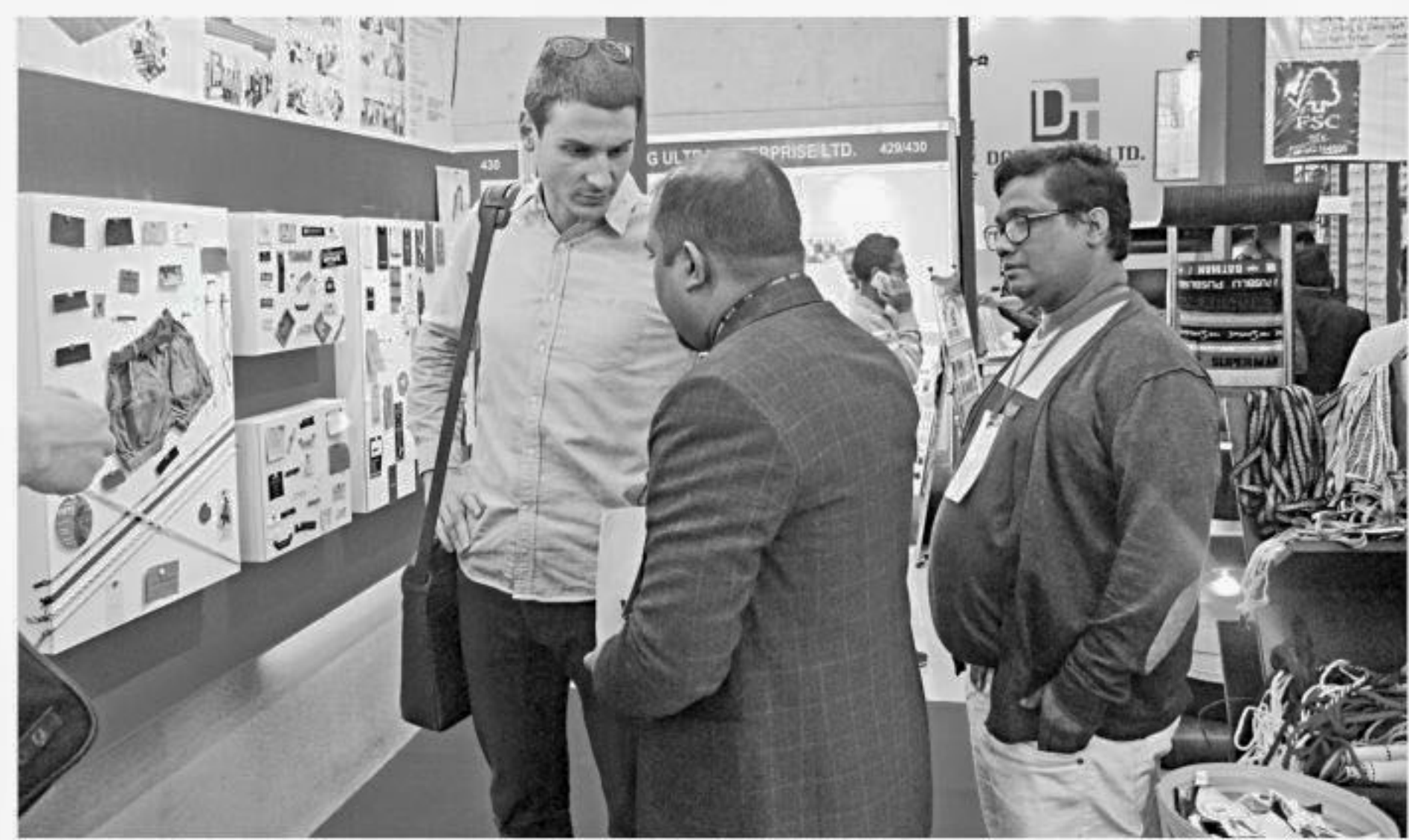
Privatisation has now been increasingly brought up by officials due to the economic slump, despite worries of unfavourable market conditions and a collapse of the Russian ruble which may complicate the deal.

Siluanov has said that the government seeks to raise around a trillion rubles (about \$12.9 billion at current rates) through a renewed privatisation drive. President Vladimir Putin said last month that both Rosneft and Russia's national carrier Aeroflot have been mentioned as possible privatisation targets but added that "it's hard to guess whether the state of the market is the right one."

Siluanov said that current oil trends are becoming a serious challenge: "The price of oil has dropped to one-fourth of what it was," he said. "We must build the state budget with new realities and shrinking means."

He said that VTB bank and Sberbank -- Russia's top banks -- could also be candidates for privatisation drive.

While Russia still has a sizeable "safety pillow" in form of massive reserves to balance its budget, Siluanov cautioned that the money may deplete quickly.



Sheikh Mohammad Khobir Uddin, managing director of RSS Thread and Accessories, attends to visitors at the company's stall at Gapexpo, an exhibition on the garment sector, at International Convention City in Bashundhara, Dhaka. The fair ended yesterday.



SM Nurul Hoque, president of Bangladesh-Myanmar Chamber of Commerce & Industry, leads a delegation of the chamber's new executive committee to meet Mohammed Sufiur Rahman, Bangladesh's ambassador to Myanmar, at the foreign ministry on Thursday.



Bjarke Mikkelsen, co-chief executive of Daraz Asia, and Dibendu Das Gupta, business head of International Brands, the authorised distributor of Procter and Gamble, pose at the signing of an agreement in Dhaka on Thursday. All P&G products like Gillette, Pantene, Olay, Head & Shoulders, Pampers and Whisper will now be available online on Daraz Bangladesh's website.

China launches infrastructure bank as power balance shifts

FROM PAGE B1

By not insisting on some free market economic policies recommended by the World Bank, the AIIB is likely to avoid the criticism levelled against its rivals, which some say impose unreasonable demands on borrowers.

It could also help Beijing stamp its mark on a bank regarded by some in the government as a political as much as an economic project.

Baikuntha Aryal, joint secretary at Nepal's Ministry of Finance, said the Himalayan country was hoping the AIIB would fund roads, hydropower and urban development projects.

"The AIIB is specifically for infrastructure so we see it as a supplement to projects in Nepal funded by the ADB (Asian Development Bank) and World Bank," he said.

China has an initial subscription of \$29.78 billion in authorised capital stock in the AIIB, out of a total of \$100 billion. It invested another \$50 million on Saturday.



Aminur Rashid, chairman of Edison Group, and Jakaria Shahid, managing director, distribute warm clothes among the poor in Srinagar, Munshiganj.

In climate battle, bold leadership is the way forward

FROM PAGE B1

"This is so despite the fact that the concrete mitigation commitments made by countries in Paris amount to only about a quarter of those needed by 2030."

In the longer-term, much more radical cuts will be needed, leading to complete elimination of carbon dioxide by 2070, and other greenhouse gases well before the end of the century.

Achieving the SDGs will require close integration of poverty, environmental and social action, well captured by the idea of zero poverty by 2030 and zero net emissions of carbon dioxide by about 2070.

He said there is no shortage of guidance on how to design a cap-and-trade regime, or an energy policy that favours renewables, or a package to strengthen resilience to climate shocks.

Quoting the Climate Action Tracker, Maxwell said it is clear that some countries like Bhutan, Costa Rica and Ethiopia have done their share while many others, including Australia, Canada and Japan, have not.

Future work on climate and development must be informed by the lessons of past development research and policymaking, and must build on the values held by those working in the field.

The energy expert hopes the private sector will participate even more enthusiastically in helping the country reach the targets on climate change and come up with new technologies to do so.

While talking about Bangladesh, he brought up the issue of agriculture, which is a major source of livelihood in the country but also a major emitter of carbon dioxide to the world. "So, how does Bangladesh get to

zero carbon agriculture by 2070?"

Presiding over the lecture, Rehman Sobhan, chairman of the CPD, talked about Prime Minister Sheikh Hasina's decision to start the construction of the Padma bridge with own funds after development partners withdrew promised assistance.

"The political challenge was met by the prime minister. They [the government] have now committed Tk 28,000 crore to construct this from our own resources."

He however wondered if Bangladesh would be able to marshal such amounts of funds if it does not receive development assistance to overcome climate change impacts.

The sliding oil price, which is now at a 12-year low, is emerging as a serious setback for the climate change process, the economist said. "There was a shift towards fuel-efficient smaller cars when the oil price was \$100 a barrel. But now many more SUVs are coming onto the markets. This issue has to be taken into account."

He also touched upon local pollution, particularly that of the Buriganga river by the tanneries in Hazaribagh over the last three decades. The situation begs the question of why there were no effluent treatment plants in Hazaribagh in the first place, Rehman added.

CPD Distinguished Fellow Debapriya Bhattacharya said tackling climate change will require innovations in financing.

CPD Executive Director Mustafizur Rahman also spoke, while BRAC Founder and Chairperson Sir Fazle Hasan Abed were present among other dignitaries, development activists, economists and experts.

TIB should be sued: Tofail

FROM PAGE B1

Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA), ASK Trade and Exhibition Private Ltd, India, and Zakaria Trade and Fair International co-organised the fair at the International Convention City, Bashundhara to showcase the latest products and collections of garment exporters and buying houses.

Ahmed said the TIB is carrying out the negative campaign intentionally and 'in a very planned way' so foreigners and foreign buyers form a negative perception about Bangladesh and its garment industry.

He said the Accord and Alliance regularly inspect the garment factories and the foreign diplomats stationed in Dhaka also expressed satisfaction over the progress made in the sector. "We've overcome the trust deficit and

challenges that had emerged after the Rana Plaza disaster," Ahmed said.

He said Bangladesh's garment industry is now fully compliant, and workers are now working in a safe environment.

The minister also said all the stakeholders in the industry are working in a planned way to reach the \$50-billion export target by 2021. He said Bangladesh's overall export to the US market is on the rise though the generalised system of preferences (GSP) remains suspended there.

Deputy Minister for Environment and Forests Abdullah Al Islam Jakob, President of the Federation of Bangladesh Chambers of Commerce and Industry Abdul Matlub Ahmad and former BGMEA president Anwar-ul-Alam Chowdhury Parvez also spoke at the programme with BGAPMEA President Rafiq Alam Chowdhury in the chair.

Merge weak banks with strong ones: analysts

FROM PAGE B1

"Politicisation of the boards of the state-owned banks is a mess," Islam said, adding that the state-owned banks should be listed on the stock exchanges with at least 49 percent stakes to increase their transparency and accountability.

The central bank should be given more autonomy and independence and its supervision should be separated from its monetary policy stance. The economist also warned the banks about the rising nonperforming loans, which can be dealt by appointing asset management companies.

Ahmed said the health of the banking sector would deteriorate without proper governance and accountability.

Political consideration should not be a factor in dealing with the banking industry, which is a highly technical domain, he said.

Toufic Ahmad Choudhury, director

general of Bangladesh Institute of Bank Management, said creating a banking and finance division within the finance ministry has weakened the central bank.

On the scams in the state banks, he said the banking division should be held responsible for those.

He also sees weakness in the political will to carry out reforms in the state banks.

"Without a strong political will, it is not possible to restructure the state banks," Choudhury added.

Biru Paksha Paul, chief economist of the central bank, said the private banks' average NPL is below 5 percent, whereas it is more than 20 percent for state banks.

He said the BB should have the power to regulate all kinds of banks in the country.

Syed Abu Naser Bukhtear Ahmed, a former managing director of a number of banks, presented a keynote paper.

BKMEA dismisses TIB report on apparel industry

FROM PAGE B1

In its report, the TIB mentioned that it had detected anomalies at 16 stages -- from order placement to shipment -- across the apparel supply chain.

According to the anti-corruption watchdog, irregularities and corruption at different stages of the chain have become almost a custom in some cases. And various stakeholders, including factory owners, buyers, auditors and inspectors, are involved in it, the TIB said.

"We are habituated to blaming our factory owners, exporters and government employees. But buyers, who are buying and making profits, are no less responsible for irregularities," TIB Executive Director Dr Iftekharuzzaman said at a press conference at the watchdog's head office in the capital on Thursday.

But the BKMEA rejected all the findings and sought the prime minister's guidance in this regard. "If we take into account the anomalies in the 16 stages detected by the TIB, the efforts of the Alliance and Accord on safety standards will become worthless," the BKMEA said in the statement.

The Alliance, Accord and the International Labour Organisation have so far inspected 3,496 factories, of which only 2 percent of them failed to meet the safety requirements.

"It shows that Bangladesh's garment industry has succeeded in resetting itself in line with the international standards."

Earlier on Friday, the BGMEA also rejected the TIB findings on garment supply chain and said the report is baseless and intends to damage the sector's image.

BTRC moves to build Telecom Tower

FROM PAGE B1

The BTRC expects to earn Tk 10 crore in rents from the new building, estimated with the rate of Tk 75 per square foot, according to the letter.

The Telecom Division plans to organise a meeting shortly, to make a final decision. In a recent meeting, the parliamentary standing committee on telecom ministry also advised the government to build an iconic Telecom Tower, to reflect the architecture of the city.



Sayed H Chowdhury, chairman of One Bank, and M Fakhru Alam, managing director, pose during a client reception programme organised by the bank at Bogra Convention Centre in Bogra on Thursday.



M Shah Nowaz Ali, chairman of Rajshahi Krishi Unnayan Bank, speaks at a meeting for the bank's zonal managers in Rajshahi yesterday. Manjur Ahmed, managing director, also attended the event.



Nurjahan Begum, managing director of Grameen Shakti (GS), and Shahadat Khan, chief executive of Sure Cash, pose at the signing of an agreement, under which 1.6 million customers of GS in remote areas can use Sure Cash's mobile based payment platform to pay instalments for their solar home systems.