

Gulf tourist influx to Bosnia fuels luxury developments

AFP, Sarajevo

With 360 villas and apartments around an artificial lake, swimming pools, a halal supermarket and a Muslim prayer area, the 'Sarajevo resort' is one of Bosnia's most ambitious residential projects to date.

It is one of dozens of real estate ventures in the picturesque hills surrounding the capital of the Balkan country that are specifically targeting visitors from Gulf states.

The lush greenery of the country has in recent years become a magnet for wealthy Arabs looking to escape the Middle Eastern summer heat. The result has been a massive boost to tourism in what is one of Europe's poorest countries.

"People from the Gulf are attracted by the natural beauty, the presence of Islam and the warmth of Bosnians," said Tarek Al Khaja, Emirati co-owner of tourist and real estate agency Al Suwaidi and Al Khaja. "They feel welcome here."

Al Khaja, who opened his business three years ago in a Sarajevo suburb, said the housing and real estate market was in "constant growth".

Prices, he said, had increased "up to 100 percent in three years" in the Sarajevo region of Bosnia, a nation still rebuilding after its devastating 1990s inter-ethnic war.

In 2010 Bosnia began phasing out visas for nationals of most Gulf countries and the number of tourists from the region has since steadily increased to 24,500 out of 360,000 visitors to the Sarajevo area last year, according to official figures.

"They are not the most numerous, but these Gulf tourists spend much more than others, about 150 euros per day per person in addition to hotel costs," said Asja Hadziefendic Mesic, spokeswoman for the Sarajevo tourist board.

At the October opening of the Sarajevo resort, a 25-million-euro (\$27-million) Kuwaiti investment, local schoolchildren waved the flags of both Bosnia and Kuwait as Bosnian Muslim political leader Bakir Izetbegovic hailed the country's rivers and greenery.

"Bosnia is a European country... it has water, forestry, mining, and energy and tourism potential. Our brothers

(from the Gulf) spotted this," he said.

About 20 kilometres (12 miles) away in Blazuj village, another residential area is being built by the Kuwaiti company Al-Diyar, which sold almost all of its luxury apartments in advance to Gulf nationals.

"So far we have invested 14 million euros. The customers are different, there is no profile," said director Abdullah Al-Kulaib.

"We had those who knew nothing about Bosnia, who never set a foot here, even some who do not like nature, but they are buying," he said, adding that the company was preparing another six similar projects.

The grandest of the proposed ventures comes from Emirati company Buroj Property Development, which in October announced a 930-million-euro investment to build an entire "tourist city" on a plot of 137 hectares (338 acres).

Work is set to begin in April on the complex at the foot of Bjelasnica, one of four mountains surrounding Sarajevo. The design includes thousands of homes, several hotels, a shopping mall and a hospital.



Exim Bank Chairman Md Nazrul Islam Mazumder and Managing Director Mohammed Haider Ali Miah attend the bank's annual business development conference 2016 at Radisson Blu hotel in Dhaka on Saturday.

Shippers' council re-elects chairman

STAR BUSINESS DESK

Md Rezaul Karim, proprietor of SN Jute International, has been re-elected as the chairman of the Shippers' Council of Bangladesh, the council said in a statement.

The election took place at the 34th annual general meeting of the council at Dhaka Club on Saturday, according to the statement.

The association also elected Ariful Ahsan, chairman of Silk Container Lines Ltd, as senior vice chairman and Afsaruddin Sawpan, proprietor of Joty Enterprise, as vice chairman for 2016 and 2017.



Md Rezaul Karim

Bangladesh Malaysia Chamber gets new officer bearers

STAR BUSINESS DESK

Md Alamgir Jalil, managing director of Design Vision Associates Ltd, has recently been elected as the president of Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) for 2016 and 2017.

The chamber also elected Shabbir Ahmed Khan, owner of Khan & Deen Traders, as secretary general at its 14th annual general meeting on Saturday, the chamber said in a statement yesterday.



Md Alamgir Jalil



SM Oniket Selim, chief operating officer of Anwar Ispat Ltd, and Pradip Nag, director for operations of Mediacom Ltd, sign a deal at Anwar Ispat's head office on Saturday. Mediacom will be the official creative agency for Anwar Ispat.

AAMS Arefin Siddique, vice chancellor of Dhaka University; Shibli Rubayat-Ul-Islam, dean of Faculty of Business Studies; and Benazir Ahmed, director general of Rapid Action Battalion, cut a cake at the first annual general meeting of the Faculty of Business Studies-Doctor of Business Administration Association, Dhaka University, on Saturday. The association elected Ahmed as president and Syed Md Aminul Karim, former member for tax policy of the NBR, as vice president.



FBS-DBAA

Nokia-Samsung patent verdict expected within days

REUTERS, Helsinki

Nokia and Samsung are expected to settle their two-year patent dispute within days, with analysts forecasting a one-time payment of hundreds of millions of euros for the Finnish company.

Nokia entered into a binding arbitration with South Korea's Samsung in 2013 to settle additional compensations for a five-year period starting from early 2014.

The International Chamber of Commerce's arbitration court is due to make its ruling on the issue imminently.

Nordea analyst Sami Sarkamies, one of few analysts to give a precise estimate, said the verdict could boost Nokia's operating profit by about 700 million euros (\$758 mln) this year, forecasting the court will stipulate an annual patent fee of 300 million euros.

"Samsung has been paying Nokia probably 100 million per year, and the rate could now come up to around 300 million euros (per year). The settled rate will also be paid retrospectively for the last two years," Sarkamies said.

"But they have already booked perhaps 100 million a year from Samsung to their income statement, so the EBIT impact for this year could be around 700 million euros."

Sarkamies has a "hold" rating on Nokia shares, which have fallen 9 percent since last April when it announced a 15.6 billion euro takeover of French network gear rival Alcatel-Lucent, due to be completed this quarter.

Investors have worried about the integration process and special terms negotiated by the French government, but the share price could get a boost if the settlement with Samsung is much bigger than analysts forecasts.

Last month, Sweden's Ericsson said that a patent license deal with Apple Inc would help lift its intellectual property rights revenue by up to 40 percent in 2015, sending its shares up sharply.

Nokia, which once dominated the global mobile phones market, is now focused on telecom network equipment but still holds on to a portfolio of phone patents.

NBR to open five offices to monitor source tax

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But in recent times, it has become tough to ensure compliance with the rules to deduct and deposit source tax by agencies.

It has also become difficult to conduct audit to see whether the 250,000 agencies are properly discharging their responsibility to deduct tax during payment, according to taxmen.

If they do not deposit correctly, the state loses a huge amount of revenue, they said.

"Scaling up monitoring by opening the specialised zones will not only allow us to curb revenue dodging but also enable the other zones to carry out their duties better," the official added.

In his budget proposal, Finance Minister AMA Muhith unveiled the plan to set up separate zones to streamline the collection of withholding or source tax.

Govt trying to speed up spectrum auction

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Last year, the BTRC had even declared a date for the spectrum auction but mobile operators attached three conditions to participating in the auction -- tech-neutrality was one of them.

The two other issues have already been addressed: updating the telecom policy and resolving the disputes with the National Board of Revenue on SIM replacement taxes.

The telecom policy is close to being finalised and the SIM replacement tax issue is now in court.

The prime minister approved the base price for the auction at \$25 million for each megahertz of spectrum for 15 years, the telecom division official said.

Finance Minister AMA Muhith is also interested in holding the auction within this fiscal year and has instructed the revenue board to take steps to clear the barriers to the spectrum auction.

The NBR at a recent meeting requested the telecom regulator to organise the spectrum auction as early as possible.

Also, State Minister for Telecom Tarana Halim said they will hold the auction within this fiscal year. "We will try to break all barriers to holding the auction."

Tarana had also said earlier that they will arrange the auction before the completion of the proposed merger between mobile operators Robi and Airtel.

At present, Robi and Airtel jointly have 39.8 MHz in three bands, which may combine once the merger is complete.

Market leader Grameenphone has 32 MHz spectrum, while Banglalink has 20 MHz in three different bands.

In the guideline, the government also makes a provision to allow a new operator to take part in the auction to make it competitive.

In the 2,100 band, 15MHz will be divided into three slots with 5 MHz spectrum each; in the 2G spectrum, every slot will be of 5.6 MHz, according to the guideline.

If any operator does not have any spectrum in the 2,100 band, it can buy all the three slots. And if any operator has 5 MHz, it can at best buy two slots. An operator having two slots can buy only one.

DITF ends with record export orders

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Walton Hi-Tech Industries paid the highest value-added tax of Tk 17.17 lakh, followed by Hatil Complex and Rangs Electronics, which paid Tk 16.21 lakh and Tk 12.6 lakh in VAT respectively.

Some 27 other service providing agencies, including police, RAB, Dhaka Power Distribution Company, Dhaka North City Corporation and Novo Nordisk were also awarded crests for their services during the fair.

Large crowds of people flocked to the fair on the last day to buy products at huge discounts. Most companies had offered attractive discounts to clear their stocks.

Reduced tax for garment makers on the cards

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Muhith too assured the leaders of BGMEA, Bangladesh Knitwear Manufacturers and Exporters Association and Bangladesh Textile Mills Association of reviving the reduced tax rate from the current fiscal year.

The tax assessment for fiscal 2014-15 has been already completed by the National Board of Revenue, so the facility cannot be revived from July 1, 2014.

"But it would be possible to do it from July 1, 2015," he added.

At the meeting, the BGMEA leaders also presented a number of demands, including cash incentives.

About 61 percent of the garment exports go to the European Union and in the last five years, the euro has eroded 21.35 percent against the dollar.

In the last one year, the taka appreciated 3.27 percent against the euro, which also

affected garment exports.

Subsequently, they demanded that the exports to the Eurozone be given a cash incentive at the rate of 3 percent.

They also demanded that the government scrap the practice of conducting an audit before handing out the cash incentive as they are subjected to harassments in the name of auditing.

Ahmed said a separate meeting would be called in to discuss these issues. Mahub Ahmed, senior secretary of the finance ministry, will examine the demands for cash incentives and recommend an acceptable solution.

At the meeting, NBR Chairman Md Nojibur Rahman said the tax watchdog will introduce a scheme under which the consignments of those who are tax-compliant will not be checked during shipment.

The tax regulator is now examining the level of tax compliance of all businesses.

\$7b projects under way in Ctg region

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Salahuddin Kasem Khan, managing director of AK Khan and Company, said around two million people enter the labour market each year, and that is the country's strength.

Khan emphasised developing a tourism hub in Cox's Bazar and the Chittagong Hill Tracts, and introducing high-speed rail link in

the Dhaka-Chittagong economic corridor.

Abbar A Anwar, chief executive of Standard Chartered Bangladesh, and Shafiqul Islam Mohiuddin, first vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, were also present at the conference chaired by Mahbubul Alam, president of the Chittagong chamber.



SM Amzad Hossain, chairman of South Bangla Agriculture and Commerce Bank Ltd, and Md Rafiqul Islam, managing director, attend the bank's annual business conference 2016 at its head office yesterday.



Md Sirajul Islam Varosha, chairman of Jamuna Bank, attends the annual business conference 2016 of the bank in Dhaka. Shafiqul Alam, managing director, was also present.