

Thai delegation arrives in Dhaka today

The 13-member team will work on signing a coastal shipping deal

DIPLOMATIC CORRESPONDENT

A high-profile 13-member Thai delegation is scheduled to arrive in Dhaka today to hold discussion to sign a coastal shipping deal to facilitate faster and cheaper cargo movement between the two nations.

The arrival of the delegation is considered to be a major development towards establishing direct shipping connectivity with an Asean country, which will increase Bangladesh's bilateral trade with Thailand and lower down cargo transportation cost.

The delegation comprises Suriyan Kanjanasilp, governor of Ranong province in Thailand, vice governor, top officials of the port authority and customs and business leaders of the country, Saida Muna Tasneem, Bangladesh's ambassador in Thailand, told The Daily Star yesterday.

The team will hold meetings in Dhaka and

Chittagong to explore the feasibility of the coastal shipping deal, she said.

Tasneem who has already reached Dhaka to facilitate the meetings has been playing a vital role in exploring the coastal shipping potential with Thailand.

Thailand has 17 seaports, including eight deep-sea ports.

In June 2015, Dhaka and New Delhi signed the first ever coastal shipping agreement during the visit of Indian Prime Minister Narendra Modi to Dhaka.

Bangladesh has also initiated talks with neighbouring Myanmar to sign similar kind of deal.

The Bangladesh envoy said direct shipping links between Chittagong port and Ranong port could cut down bilateral shipping cost by at least a third and save shipment time compared with the cost in the present route via Singapore.

During the visit, the Thai delegation will first

hold an official meeting with the shipping ministry tomorrow when Ashoke Madhab Roy, acting shipping secretary, will lead the Bangladesh delegation.

The Thai team will also hold meeting with Bangladesh-Thai Chamber of Commerce and Industry and is expected to meet with Shajahan Khan, shipping minister, and other high officials of different ministries.

They will also visit Chittagong and hold meeting with the Chittagong Port Authority and witness how the Chittagong port is operating and handling cargoes.

The issue of coastal shipping links between Bangladesh and Thailand was first discussed in June 2015 during the first foreign office consultations between the two countries.

Bangladesh and Thailand have bilateral trade worth \$780 million. In 2013-14, Bangladesh's import from Thailand was \$741 million against export of goods worth \$39 million.



Md Rezaul Haque, chairman of Social Islami Bank, opens the refurbished Agrabad branch of the bank at World Trade Centre in Chittagong. Md Shafiqur Rahman, managing director, was also present.

Air Arabia profit slips 6pc in 2015

AFP, Dubai

Sharjah-based budget carrier Air Arabia said on Sunday its 2015 net profit fell six percent to 531 million dirhams (\$144.69 million) although turnover rose slightly.

The Middle East's first and largest low-cost airline said its turnover was 3.8 billion dirhams (\$1.04 billion) in 2015, three percent up on the previous year, while passenger numbers rose 12 percent to 7.6 mil-

lion. In the fourth quarter, net profit was 13 percent lower than in 2014, standing at 59 million dirhams (\$16.08 million).

"The impact of low oil prices continues to have its effect on the wider global economy, while pressure on yields and geo-political uncertainty continued to weigh on the aviation industry," Air Arabia chairman Sheikh Abdullah bin Mohammad al-Thani said in a statement.



Nizam Chowdhury, chairman of NRB Global Bank, attends the Town Hall meeting of the bank at Lakeshore hotel in Dhaka on Saturday. Proshanta Kumar Halder, managing director, was also present.



Aminul Islam, chairman of the Metal (Pvt) Ltd, and G Hari, president of TAFE, attend the annual conference of the Metal at BIAM auditorium in Dhaka on Saturday.

Boost renewable energy to get rid of fossil fuel

FROM PAGE B1

"We should be a bit more aggressive in our expectations." Bangladesh Energy Regulatory Commission should form a "carbon reduction fund" with the profits from the sales of oil to incentivise the renewable energy sector, the governor said.

Md Anwarul Islam Sikder, chairman of the Sustainable and Renewable Energy Development Authority (SREDA), also backed the idea of the carbon reduction fund.

Thomas Prinz, German ambassador to Bangladesh, said his country's experience in renewable energy shows that massive investment is possible only if incentives are provided.

Now, Germany produces 26 percent of its total electricity requirement from renewable energy sources.

The ambassador thanked the central bank governor for spearheading green banking initiatives in Bangladesh and introducing 50 green products.

Prinz said his country is providing technical and financial assistance to Bangladesh in the areas of renewable energy and energy efficiency through development cooperation.

Germany can share its experience with Bangladesh on how the country has shifted towards renewable energy from fossil fuel-based power plants, said the ambassador at the launch of a project -- Green Banking for Energy Sustainable Economy.

The project, funded by Germany's international cooperation agency GIZ and jointly implemented by SREDA and BIBM, will work to strengthen the overall framework of green financing in Bangladesh.

Renewable energy sources, largely driven by solar homes systems and hydropower, account for 2.5 percent of more than 7,000 megawatts of electricity produced in Bangladesh, according to the Power Division.

BIBM Director General Toufic Ahmad Choudhury and Director Shah Md Ahsan Habib also spoke.

BTRC to hear unsettled complaints

FROM PAGE B1

Officials said Devnet and Windmill Info Tech, Synesis, Impel Service and Solutions, Super Tel, Digicon Technologies, Soft Call, SSL and Cognet Bangladesh have applied for the job.

The total solution package will cost around Tk 1 crore for a three-year service period, said an official of the engineering and operation division of BTRC.

BTRC would take daily, weekly and monthly reports from the call centre about the customer complaints and address those accordingly, said the official.

"This will mainly operate as a secondary call centre. If the customer fails to get a solution from the related operator's call centre, then we will address the matter. The call centre will be open for eight hours every day," he said.

Every operator has its own complaints management system.

Meanwhile, the BTRC taskforce to tackle customer complaints is performing poorly as its members, who were assigned as part-timers, remain busy with other official work.

BTRC formed an eight-member taskforce in June last year, which was scheduled to submit a report every month.

As all the members of the committee were performing the task as a secondary task, there was not much progress in resolving customers' complaints, said BTRC officials.

The regulator received 314 complaints in the first month: 90 complaints were filed online and its hotline received 224, according to BTRC data.

Last year, the regulator published a mobile number to receive complaints but the service was dropped soon after it was launched. In another move, the telecom watchdog issued a directive to operators, asking them to compensate every call drop with one minute of talk time.

At present, there are 13.37 crore active SIMs in the market and more than 5.41 crore active internet connections.

Brazil inflation hits 12-year high

AFP, Rio De Janeiro

Brazil's inflation rate rose to a 12-year high, officials said Friday, as the world's seventh-largest economy continued to struggle through a protracted recession.

Driven by rising food prices, the annual inflation rate hit 10.71 percent, the highest since November 2003 and well beyond the central bank's target ceiling of 6.5 percent, said national statistics institute IBGE.

Meanwhile the monthly inflation rate was 1.27 percent, the highest recorded for the month of January since 2003, it said.

The combination of spiraling prices and a contracting economy has put Brazilian policymakers in a jam.

Credit growth up in Dec

FROM PAGE B1

The central bank wants quality credit growth, which will support actual economic growth, according to Kashem.

In the latest monetary policy statement, the BB said a provision of 14.8 percent private credit growth appears to be adequate to support 7 percent growth for the current fiscal year. "A new focus on credit quality is on the rise," it said.

The MPS, released last month, said 2016 enters a new era of lower interest rates.

The average lending rate fell from 12.48 percent in July 2014 to 11.27 percent in November 2015, which also increased credit growth, according to central bank data.

Credit growth slowed since mid-2013, according to the International Monetary Fund.

Rising corporate borrowing from abroad has reduced reliance on domestic credit, said the IMF. Finally, the 2010-12 stockmarket crash had some impact on private credit demand, which also hit the banks that were significantly exposed to the stockmarket, potentially affecting credit, it added.

Between 2010 and mid-2013, private sector credit grew rapidly and reached the highest level, at 26 percent, according to BB statistics.

At that time, the BASIC Bank and Hall-Mark scams took place. Banks had also made excessive investment in the stockmarket at that time.

A new tax law in the works

FROM PAGE B1

"Our tax base has expanded and our objective is to increase the base, not to cut it. From that context, there is a need to make an act in place of existing the income tax ordinance. This improvement should be for people," Huq said at the meeting.

The tax authority prepared the first draft of the Direct Tax law in 2010-11 with support from the International Finance Corporation.

Later, the draft was posted on the NBR's website for opinion from stakeholders. Since the feedback was not positive, the NBR revised the draft as 'Direct Tax Code 2013' and started internal consultations and sought expert opinions.

Later, the NBR formed a committee involving taxmen, after Finance Minister AMA Muhith pledged in his budget speech for the current fiscal year to introduce a new income tax law by 2016.

Huq said the new tax law should be framed in a way so that it becomes acceptable and easy to understand for all. The law should be such that a

businessman in a rural area can pay the minimum tax himself, he said.

"It should be easy," he said, while calling for both rigidity and flexibility. It should be framed addressing the changes in attitudes of people. "It is also necessary to change the attitudes of tax collectors."

Mohammed Humayun Kabir, representative of the Federation of Bangladesh Chambers of Commerce and Industry, said a lot of legal complexity arises due to weakness in enforcement/implementation.

He suggested reducing the stages of appeal against tax claims and cut in the discretionary powers of tax officials.

Md Farid Uddin, member of NBR for customs policy, said it is necessary to adopt the international best practices, while appreciating the proposal to limit tax exemption areas.

Md Aminur Rahman, former NBR member of tax policy, however, suggested taking into consideration the local reality before adopting the international best practices fast.

Most of the transactions take place here out of the banking channel, and

accounts are also not maintained properly, he said.

"It will be wise to follow the evolutionary route than a revolutionary one," said Syed Md Aminul Karim, another former member of tax policy of NBR. He said the revenue flow will be affected if the corporate tax rate is kept identical for all firms.

Currently, the NBR maintains five rates of corporate tax depending on sectors, with the cigarette makers and mobile phone operators taxed the highest of 45 percent.

"We should consider the revenue impact. It should be taken into account how far the sudden change will be logical," Karim recommended more consultations with stakeholders before finalising the draft law.

Md Nojibur Rahman, chairman of NBR, said the tax authority aims to frame a taxpayer and business-friendly law. "We also want to make the law easy so that everyone can understand it."

Md Shabbir Ahmed, first secretary for income tax policy of NBR, made a presentation on the draft law at the meeting.

Fund research on muslin: analysts

FROM PAGE B1

Dhaka was the main production hub for muslin fabrics, although the same product was made in other places as well, she said.

"We need regular photo exhibitions of muslin products so that people can understand its potential. We also need to recognise the challenges and reasons that forced weavers to leave the profession," she said.

Md Farid Uddin, executive director of Bangladesh Cotton Development

Board, called for collection, identification and preservation of muslin for its revival.

"There are 520 kinds of germplasm of cotton, and the cotton development board has set up a germplasm centre for identification of the genetic resources of cotton from which muslin was made," Farid Uddin said.

During her visit to the textiles and jute ministry, Prime Minister Sheikh Hasina directed officials to revive muslin as it has a commercial value,

said Jamal Abdul Naser Chowdhury, an additional secretary to the industries ministry.

Rosemary Crill, senior curator of South Asian textiles and dresses at the Victoria and Albert Museum in London, presented a keynote at the seminar.

Drik, Bangladesh National Museum, and Aarong are co-organising a month-long muslin exhibition on the national museum premises.



M Aslam Alam, secretary of Bank and Financial Institutions Division, attends the annual business conference of Bangladesh Development Bank Ltd (BDBL) at the bank's head office yesterday. Md Yeasin Ali, chairman of BDBL, and Md Zillur Rahman, managing director, were also present.

M Ahsan Ullah Khan, head of human resource department at Standard Bank, and Mohammed Irad Ali, director of Hotel Agrabad, pose at the signing of an agreement. The bank's Visa cardholders and employees will enjoy up to 60 percent discounts on room rent, 15 percent discounts at AI-a-carte restaurant, and 10 percent discounts on buffet and Thai spa.

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