

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
4,381.16	8,184.28	\$1,235.10 (per ounce)	\$41.03 (per barrel)	25,337.56	17,000.98	2,881.98	3,010.79	BUY TK 77.85	86.45	109.88	0.67
								SELL TK 78.85	89.85	113.28	0.71

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Star BUSINESS

DHAKA THURSDAY MARCH 24, 2016

Tax receipts rise as export, import get a boost

SOHEL PARVEZ
Tax collection rose 14 percent year-on-year to Tk 11,387 crore in February, on the back of increased exports and imports in recent months, according to provisional data of the National Board of Revenue.

Overall, the tax authority collected Tk 91,355 crore in July-February this fiscal year, registering 14.42 percent growth over the same period a year ago.

However, the amount fell Tk 12,810 crore short of the target at Tk 104,165.66 crore for the eight-month period.

So far, collection stood at 51 percent of the total target of Tk 176,370 crore for fiscal 2015-16. It means the NBR will have to collect the rest in four months, which some taxmen and analysts said would be a tough task.

In February, revenue collection from external trade-related activities soared 25 percent to Tk 3,722 crore year-on-year. Overall receipts rose 18 percent to Tk 28,259 crore in July-February, thanks to a recovery in imports and exports from a downtrend in October-December.

Imports grew 6.73 percent in July-January this fiscal year compared to the same period last year, while exports rose 9 percent in July-February.

However, the growth in direct and indirect tax collection from domestic sources slowed, according to NBR data.

In February, indirect tax collection, mainly VAT and supplementary duty from domestic businesses, edged up 10 percent to



Tk 4,343 crore year-on-year.

Total collection of indirect taxes from domestic economic activities rose 15 percent to Tk 35,217 crore in July-February.

"The slowdown in the growth of indirect tax collection from domestic sources is perhaps a sign that economic activities did not pick up as much as expected," said Towfiqul Islam Khan, research fellow of the Centre for Policy Dialogue.

"The NBR will need to intensify its efforts to plug the gaps," he added.

Slow growth in income tax collection is a matter of concern, said Khan.

"It appears a reduction in the tax rate and lower profits of large taxpayers, such as the commercial banks, were not compensated by bringing in new taxpayers."

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BANGLADESH CYBER HEIST

Rizal bank chief goes on leave amid dirty money probe

STAR BUSINESS REPORT

The head of Philippines' Rizal Commercial Banking Corporation, through which Bangladesh Bank's stolen money was laundered, has gone on an indefinite leave of absence as the investigation into the case goes on.

In a meeting yesterday, the RCBC board accepted Lorenzo Tan's second leave request, reported the Philippine Daily Inquirer. RCBC chair Helen Y Dee will take over the post of president in Tan's absence.

"Tan insisted on taking a leave to allow him to focus on clearing his name in the money laundering issue a board committee is investigating," RCBC said in a statement.

In a separate statement, Tan's lawyer Francis Lim said: "Earlier this week, my client asked again the RCBC board to let him go on leave."

This was to avoid any perception of undue influence on his part in the ongoing internal investigation on the matter, Lim said, adding that the leave would also give Tan more time to address personal attacks against him.

Proceeds from what was now touted as one of the biggest bank heists in history were wired from the account of the BB with the Federal Reserve Bank of New York to four bank accounts in RCBC's Jupiter Street branch on February 5.

The RCBC has pinned Jupiter branch manager Maia Santos-Deguito and her deputy Angela Torres, a senior customer relationship manager, for their alleged involvement in the money laundering scandal.

The two women -- who were both fired effective from Tuesday -- were accused of violating bank policies and procedures as well as falsifying commercial documents that facilitated the laundering of \$81 million of remittance.

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Development budget to be scaled down

Spending lowest in at least five years

REJAUL KARIM BYRON

The revised development budget for fiscal 2015-16 is likely to be Tk 90,000 crore, which is about 7 percent less than the original outlay.

But it is 20 percent higher than a year earlier, despite the low implementation in the first eight months of the year.

Between July last year and March this year, the ministries and divisions spent only Tk 33,209 crore of the Tk 97,000 crore annual development programme budget -- the lowest in at least five years.

Subsequently, at a meeting on Tuesday with Planning Minister AHM Mustafa Kamal in the chair, it was decided that a revised ADP budget of Tk 88,000 crore will be placed before the National Economic Council, said a planning ministry official.

As it tends to happen, the prime minister will add another Tk 2,000 crore, so the revised ADP budget for this fiscal year will be Tk 90,000 crore in the end.

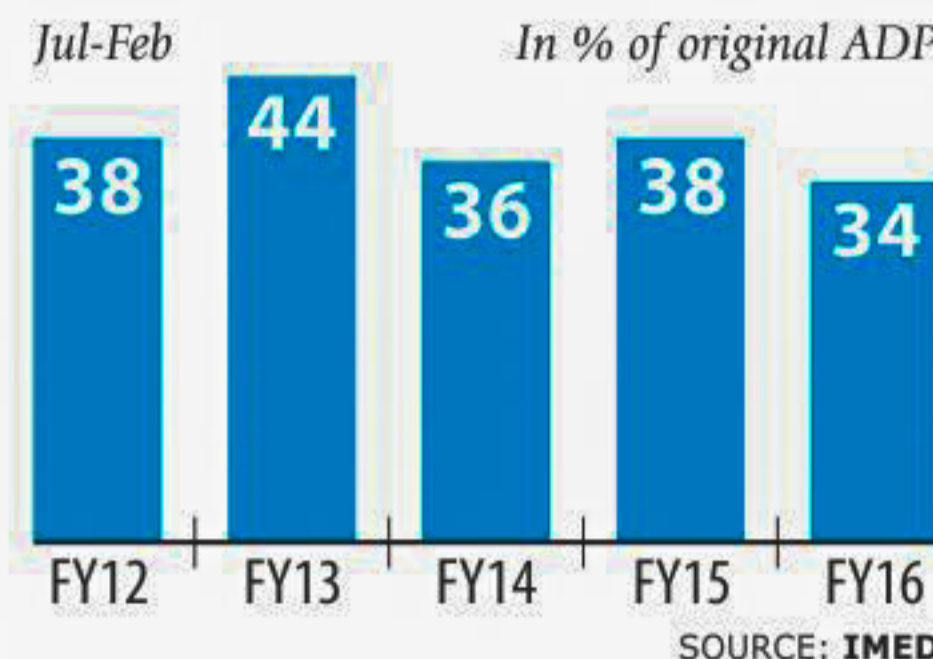
But the various ministries present at the meeting demanded an additional allocation of Tk 10,000 crore.

In response, the finance ministry said it is ready to allocate funds as per demand, but what is the point of increasing the allocation on paper if the ministries cannot spend the amount, according to the official.

In the next fiscal year, their allocation will be increased if they can bring in transformative projects such as the Padma bridge and the Matarbari deep-sea port, he said quoting the finance ministry.

Every year, during the preparation of the revised ADP, the Finance Division and the

ADP IMPLEMENTATION



different ministries and divisions invariably engage in a scuffle over the allocation. Eventually, they cannot implement their whole allocation.

For instance, in fiscal 2014-15, the ADP was originally set at Tk 80,315 crore, which was later revised down to Tk 75,000 crore.

In the end, only Tk 68,532 crore was spent, according to statistics from the Implementation Monitoring and Evaluation Division. But, as per the Finance Division, the actual spending was Tk 59,570 crore.

In the revised budget for this year, the government's own fund is likely to be cut by 3 percent to Tk 60,840 crore, and the foreign fund by 16 percent to Tk 29,160 crore.

Meanwhile, a Finance Division official quoting the finance minister said the government plans to prepare a separate budget for mega projects next year.

The ADP budget for the next fiscal year is likely to be around Tk 113,000 crore, he added.

Rod prices go up

Millers blame it on price hike of raw materials; construction sector suffers

ARUN BIKASH DEY, Chittagong

Prices of iron rods went up steadily in the last couple of weeks, putting the construction sector in an unstable situation.

Although millers say they are compelled to increase rod prices due to a hike in the prices of raw materials in the international markets, builders alleged that a "syndicate of millers" has a hand in the matter.

Builders and traders said iron rod prices rose by Tk 8,000 a tonne in the last few weeks. Prices are increasing by Tk 500 to Tk 1,000 a tonne almost every day, they said.

Millers began hiking the prices "all of a sudden" a couple of weeks ago, retailers said.

Prices may go up further in the days to come in line with the prices of raw materials in the international markets, according to millers.

Mosharraf Hossain, proprietor of Almas Trading, a retail and wholesale shop at Nasirabad in Chittagong, said he used to buy 40-grade rods at Tk 32,000 a tonne a couple of weeks ago, the price of which shot up to Tk 40,000 now.

He bought different brands of rods at between Tk 42,000 and Tk 45,000 a tonne a few weeks back, which is now between Tk 50,000 and Tk 52,000.

Denying the allegations of forming a syndicate, Tapan Sen Gupta, executive director of Bangladesh Steel Re-Rolling Mills (BSRM), said rod prices went up for many reasons.

Firstly, the price of billets (a raw material for making rods) increased in the international markets, he said.

Secondly, the price of scrap ships (a raw material of billet) also went up; thirdly, there are rumours that the government is going to increase the duty on billets.

The price of billets increased by 100 dollars a tonne in China a month ago, he said. As China increased the price of billets, other countries followed suit, he added.

Most of the billets Bangladesh needs come from China; the volume was around 1.5 million tonnes last year, Gupta said.

"BSRM produces billets in the country and we use scrap ships as raw materials, but prices of the scrap also shot up by Tk 7,000 a tonne," he said.

Shawkat Osman, marketing officer of Kabir Steel Re-Rolling Mills (KSRM), said they were compelled to increase rod prices to respond to the billet price hike.

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Bangladesh Bank Governor Fazle Kabir meets Finance Minister AMA Muhith at his ministry in Dhaka yesterday for the first time after Kabir took the reins of the central bank.

BGMEA's database yet to be complete after 5 years

REFAYET ULLAH MIRDHA

A central database of garment workers is yet to be prepared, almost five years after Bangladesh Garment Manufacturers and Exporters Association took the initiative.

Some garment makers say the total number of garment workers in Bangladesh is 4.4 million, while others say it is 3.5 million. The same confusion is there on the number of factories, which could either be 5,500 or 4,000, according to industry insiders.

Often, factory owners publish incorrect information on workers,

making it tougher to verify the identification of the victims in case of an accident.

With the view to putting the confusions at bay, the garment makers' trade body took up the project in 2012 only to put it on hold two or three years later.

Were the database in place, some outstanding issues like finding out the actual addresses of the missing workers of Tazreen Fashions and Rana Plaza disasters and compensation payment to the victims of the twin industrial accidents would not have dragged on.

The authorities of the two facto-

ries had to deal with several claimants demanding compensation for the same dead worker.

As there was no database, many workers of Tazreen and Rana Plaza could not be properly identified and were later buried in mass graves.

"Now we have restarted the process of making the central database of the garment workers," said BGMEA President Siddiqui Rahman.

"I hope the process will be completed very soon as we have put pressure on the member factories to provide information about their workers without further delay."

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iDE launches clean energy project for hatcheries

STAR BUSINESS REPORT

International Development Enterprises (iDE), a US-based nongovernmental organisation, has launched a project to provide clean energy to off-grid hatcheries and communities in southern Bangladesh.

The project -- Powering Aquaculture: Innovating Clean Energy Development for Off-Grid Hatcheries and Communities in Bangladesh -- will be implemented in one or several coastal districts until June 2018.

Powering Aquaculture is being funded by the Powering Agriculture Energy Grand Challenge for Development, managed by USAID, the Sweden International Development Agency, the German Agency for International Cooperation, US-based power firm Duke Energy, and the US government's Overseas Private Investment Corporation.

iDE is a non-profit, non-governmental organisation with over 30 years of experience in Bangladesh, working to improve the lives of low-income communities in collaboration with the private sector and supported by the Bangladesh government. iDE's partner in implementing the project is Renewable World, a UK-based clean energy, non-profit organisation.

In Bangladesh, the fisheries market is growing at about 5.6 percent a year, providing livelihoods for an estimated 12 million people, with 1.4 million relying on it exclusively.

Fish hatcheries throughout the country -- nearly 1,000 in total -- are typically surrounded by a dense community of 350 to 500 households.

Nearly all households around the hatcheries have a small fish pond and rear fish using fingerlings from the hatchery for some of the year. They cannot, but would like to, increase their productivity if they could cost-effectively mobilise water during the dry season.

Instead, they rely upon expensive, polluting diesel and kerosene consumption that threatens the food chain, the environment and human health, said Deepak Khadka, iDE's country director in Bangladesh, at the launch of the project in Dhaka on Monday.

Nick Virr, global programme manager at Renewable World, said the diesel-run pumps used by hatcheries are only 35 percent efficient, whereas renewable energy is as high as 90 percent efficient.

"For hatcheries, it is a huge loss. There is also an environmental cost. On the other hand, adjacent households have to rely on expensive kerosene."

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Stocks stay down for second day

STAR BUSINESS REPORT

Stocks continued to suffer for the second day with the benchmark index of Dhaka Stock Exchange falling past the 4,400-point level for the first time in four and a half months.

The DSEX declined 29.05 points or 0.65 percent, finishing the day at 4,381.16 points yesterday. The index

closed at 4,371.54 points on November 11 last year. Investors appeared to be evaluating the overall economic condition and earnings data released by the listed companies, LankaBangla Securities said.

"Heavy sell-offs of large-cap stocks continued to weigh on the market sentiment," the stockbroker said. "All major sectors closed in the red."

Turnover, however, jumped 28 percent to Tk 414.15 crore, with 12.78 crore shares and mutual fund units changing hands on the DSE.

"Market participation amplified riding on investors' enthusiasm toward the debutant Dragon Sweater and Spinning," said IDLC Investments, a merchant bank.

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