

এসআইবিএল রিটেইল ব্যাংকিং
 জীবনের জন্য, জীবন যাপনের জন্য

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স
 এসআইবিএল হোম ফাইন্যান্স
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DHAKA THURSDAY MAY 5, 2016

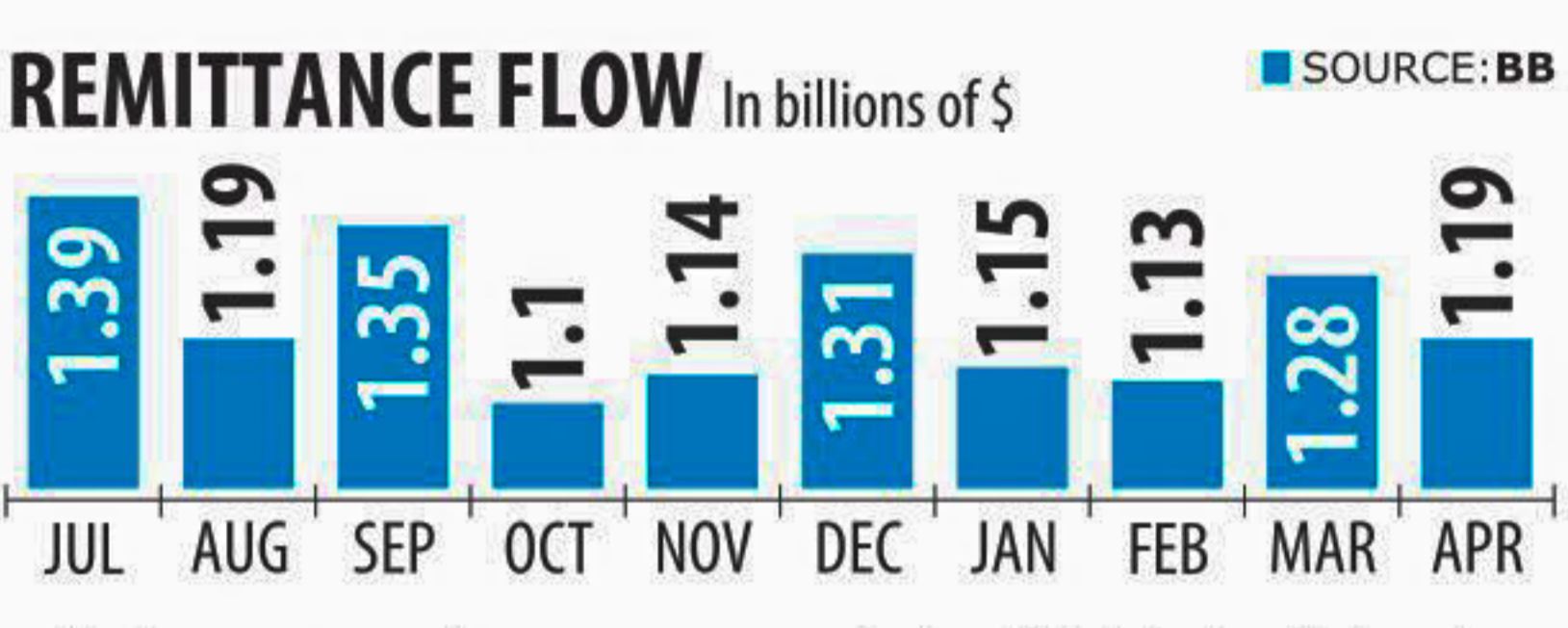
Remittance hit by low oil price

Receipts fall 7.75pc year-on-year in April

REJAUL KARIM BYRON

Inward remittances fell 7.75 percent year-on-year to \$1.19 billion in April as low oil prices continue to erode the incomes of the countries that host most of the Bangladeshi migrant workers.

In the first 10 months of this fiscal year, \$12.23 billion was received as remittance, down 2.39 percent year-on-year.



But in recent months, manpower exports went up significantly: some 311,642 Bangladeshis went abroad for jobs in the first six months of fiscal 2015-16, up 43.2 percent from a year earlier, according to the minister.

In Saudi Arabia, layoffs have been concentrated in the construction sector so far, which analysts estimate employs around 45 percent of foreigners.

"So, I hope the current stagnancy in remittance will go away very soon," he added.

Millions of foreigners from South and Southeast Asia and elsewhere flocked to the GCC countries during the economic boom of the past decade, filling relatively low-paid posts in the oil industry, construction and services as well as many middle-management and professional positions.

The majority of the migrant workers in GCC countries are low-skilled that include construction workers.

Hit by shrinking state contracts and delays in payments owed to construction firms by the Saudi government, the companies have been laying off tens of thousands of people since last year.

As the low oil prices have slowed the Saudi economy and put a strain on its budget, the government has decided to restrict employment opportunities for expatriates and push Saudis into jobs previously held by foreigners.

When employment opportunities are squeezed, it hurts migrant workers first and the most, said Zahid Hussain, lead economist of the WB Dhaka office.

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Stocks lie low on profit booking

STAR BUSINESS REPORT

Price corrections forced stocks to close lower yesterday as investors booked profits in most sectors.

DSEX, the benchmark index of the premier bourse, declined 13.97 points or 0.32 percent, finishing the day at 4,258.2 points.

The market was routed by price corrections after one of the biggest single-day gains on Tuesday, LankaBangla Securities said.

The major sectors showed mixed performances, and the stocks went for a natural correction after a big jump in the benchmark index, the stockbroker said.

However, bargain hunting offered support to the market despite the pullback by lukewarm earnings declaration and mixed industry news.

IDLC Investments, a merchant bank, in its regular analysis said mini-caps and large-caps faced some selling pressure.

Turnover, another important indicator of the market, declined by 1.3 percent to Tk 400.76 crore, with 10.44 crore shares and mutual fund units changing hands on the DSE.

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Reliance wins approval for Bangladesh power plant

MD FAZLUR RAHMAN

India's Reliance Power has won the approval to set up a 750-megawatt LNG-based power plant and an LNG terminal in Bangladesh, paving the way for \$1.3 billion in potential investment in the country.

Bangladesh has in principle approved the first phase of Reliance Power's 3,000MW power project, the company said in a statement yesterday.

The 750MW power plant will be set up on a government-owned land at Meghnaghat in Narayanganj, said Mohammad Hossain, director general of Power Cell.

The floating LNG terminal to be built on Maheshkhali Island in Cox's Bazar will have the capacity to re-gasify and store two million tonnes of gas a year, which will be supplied to Reliance's plant with the surplus offered to Petrobangla.

"This additional LNG will help Bangladesh until the other units of Reliance Power come into operation," said Hossain.

Reliance Power, India's leading private power generator, signed a preliminary agreement with Bangladesh to develop 3,000MW of capacity in phases during Indian Prime Minister Narendra Modi's visit last June.

It is now kicking off the project with 750MW as land for the remaining projects are not available yet.

"The government will not give any land to them. If Reliance can manage land, further contracts will be signed," Hossain said.

The first phase will be commissioned in 24 months, said Reliance.

The company will use the equipment it had contracted for its Samalkot project in Andhra Pradesh for setting up the plant.

Reliance was implementing a 2,400MW gas-based power project at Samalkot in Andhra Pradesh.

The project was to be allocated gas from Reliance Industries' KG-D6 block, but due to a drastic decline in production, the project has not got any gas so far.

Reliance zeroed in on Meghnaghat because it is already a developed site connected to the national grid and has all the facilities to quickly install a power plant.

Building a plant in Maheshkhali would have taken extra few years as it has no readymade infrastructure.

The equipment will be under appropriate warranties from General Electric, the USA and other global suppliers.

"This will help set up the project on a fast-track basis," said Reliance.

Meanwhile, Gujarat-based Adani Power, which is the largest private sector power producer in India, has also changed its plans for Bangladesh.

It had earlier said that it will invest \$2.5 billion to build a 1,600MW coal-fired power plant. Now, Adani will set up a 3,000MW power plant in India and sell its electricity to Bangladesh, according to Hossain.

However, if Adani can manage land and coal it can sign a joint venture with Bangladesh for any future project, he added.

Bangladesh now imports 600MW of power from India to meet its growing demand for electricity.

Bangladesh is looking for outside help to meet its growing demand for power amid dwindling reserves of natural gas.

The country now generates, on average, 7,500MW of electricity, catering to only two-thirds of the population. The government plans to generate 24,000MW by 2021.

Enforce new VAT law leniently: ICAB

STAR BUSINESS REPORT

Chartered accountants yesterday urged the government to enforce the new VAT law leniently in the first six months, so that businesses can get accustomed to it.

"We suggest implementing the law in a friendly manner instead of going hard from the beginning," said Mohammed Humayun Kabir, chairman of tax and law committee of the Institute of Chartered Accountants of Bangladesh or ICAB.

"Taxpayers need more time before transition from the existing law," he said, after a pre-budget meeting with revenue officials at the National Board of Revenue.

Framed at the prescription of the International Monetary Fund, the VAT and Supplementary Duty Act 2012 is expected to be effective from July, replacing the present VAT Act 1991.

The new law envisages a flat 15 percent value added tax rate, replacing different VAT rates now in force for goods and services.

The enforcement of the new law is likely to fuel the cost of living as prices of many goods and services such as food, electricity and edible oil may rise because of an abolition of VAT waiver for nearly 2,000 products and services as well as the privilege of reduced VAT rates.

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Yasir Azman, chief marketing officer of Grameenphone, along with the officials of Telenor, the parent company of the mobile operator, poses at the launch of a new version of its lifestyle app—WowBox 2.1—at Lakeshore Hotel in Dhaka yesterday. The app developed by Telenor gives GP users easy access to a wide range of products, discounts from popular outlets, news and lifestyle articles and games.

Muhith wants ADB to prepare high-growth plan for Bangladesh

SAJJADUR RAHMAN, from Frankfurt

Finance Minister AMA Muhith yesterday expressed his hope that the Asian Development Bank will emphasise high growth and inclusiveness in its country partnership strategy for Bangladesh.

Muhith also called upon the lender to carry out structural changes in its project financing, saying it takes too much time. He spoke at the first business session at the annual meeting of ADB's board of governors in Frankfurt.

"I hope the country strategy paper for

Bangladesh will focus on high and inclusive growth and poverty reduction," Muhith said.

Although Bangladesh has done quite well in poverty reduction, more than 24 percent of the population still lives in poverty; 70 percent people were poor 40 years ago, he said.

The finance minister also talked about Bangladesh's economic growth and women empowerment.

"I am happy to announce that our economy will probably grow at 7 percent this fiscal year, against a 6.8 percent forecast by international development partners."

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Of Bangladesh's total workforce, 30 percent are women, which he said would reach 50 percent in the next five years.

The finance minister hailed the ADB for its continued support in the development projects of Bangladesh; the ADB accounts for 38 percent of the finance that Bangladesh gets from international donors. On the issue of climate change, he said Bangladesh is an unfortunate victim. The government has so far undertaken projects worth \$400 million from its own sources to tackle the threats of climate change, he said.

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Graft is a major barrier to getting tax services: study

SOHEL PARVEZ

Corruption, a lack of transparency and complicated processes are the major barriers that prevent taxpayers from getting adequate services from the National Board of Revenue, according to a taxpayers' perception survey.

The study, conducted among 1,200 taxpayers, shows that more than half of the taxpayers find NBR services to be inadequate because of these reasons.

The most popular services received by the respondents were related to filling out tax return forms and the collection of TIN certificates, according to the survey.

An independent firm conducted the survey under the Tax Administration, Compliance and Taxpayer Services (TACTS) project, funded by the Department for International Development (DFID).

The findings of the study were shared in the annual review of TACTS posted on the DFID website.

The survey was carried out in all seven divisions and three commercially vibrant districts -- Bogra, Comilla and Jessore -- in August-September last year.

Data was collected from professionals, businessmen, corporate taxpayers and tax service providers.

A majority of the taxpayers found that the services provided by the NBR significantly improved in the last four to five years, according to the survey.

Some 66.4 percent respondents reported that tax related services were easier, 53 percent said they were more accessible, and 31 percent thought the services were more transparent.

"Taxpayer satisfaction surveys undertaken through an independent professional agency show signs of improved taxpayer satisfaction and incremental improvement in the overall image of the tax department," said the review.

The study said more than half of the taxpayers reported complete satisfaction with the services while nearly a third of them were partially satisfied.

However, views and opinions on satisfaction also varied with regional orientation, it said, adding that the percentage of taxpayers 'not satisfied' was significantly high in Bogra, Barisal and Dhaka.

Process complicity, reluctance and inefficiency of tax service providers, and longer queuing time are the most common causes of dissatisfaction.

The study also found that electronic filing of tax identification numbers (e-TIN) has been successful among taxpayers; almost 86 percent of the respondents have e-TINs.

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Stock regulator to upgrade merger rules

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission plans to upgrade its acquisition and takeover rules as the existing systems have become outdated.

The stockmarket regulator formed a four-member panel on merger and takeover and instructed it to come up with draft rules or recommendations

in the next 30 workdays.

The decisions were made at a meeting of the regulator with its chief M Khairul Hossain in the chair, according to a statement.

Merger seekers find it difficult to comply with the existing system. The Substantial Share Inheritance, Acquisition and Takeover Rules of 2002 are not appropriate for the cur-

rent market and need to be modernised, a BSEC official said.

Fixing share transfer price is one area of concern in the existing rules.

The transfer rate should be the historical high price of a company's stock on a bourse or the last six months' weighted average price, whichever is higher, according to the existing rules.

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