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 যে কোন প্রয়োজনে ০৯৬৯২০০৯২২



# Star BUSINESS

DHAKA WEDNESDAY MAY 11, 2016

## Rod prices to soar on new VAT law

Budget of govt infrastructure projects will bloat, say steelmakers

STAR BUSINESS REPORT

Steelemakers yesterday warned of price hike of rod, a key construction material, because of the imposition of 15 percent VAT under a new law that is going to be effective from July.

The value-added tax under the new law will also bloat the government's public works budget, they said.

The government is the main user of rod, accounting for 70 percent of their outputs.

At present, the manufacturers pay Tk 825 as VAT for each tonne of rod based on a tariff value system. But once the VAT and Supplementary Duty Act 2012 comes into force the amount will multiply.

Framed at the prescription of the International Monetary Fund, the law, which will replace the present VAT Act 1991, stipulates a universal 15 percent VAT rate.

"The ongoing development activities by the government will seriously be affected if the 15 percent VAT is imposed on rod," said Abul Kashem Mojumder, secretary general of Bangladesh Auto Re-rolling and Steel Mills Association (BARSMA), at a press conference at Dhaka Reporters' Unity.

The event was co-organised by BARSMA, Bangladesh Re-rolling Mills Association, Bangladesh Steel Mill Owners Association, and Bangladesh Ship Breakers Association to urge the government to continue with the present tariff



**ROD MARKET SCENARIO**

- Manufacturers now pay Tk 825 as VAT for each tonne of rod
- Govt projects will be affected if rod prices go up
- Public works consume 70% of the total rod used in the country
- Bangladesh annually uses 40 lakh tonnes of steel
- Demand rises 7-8% per year

value or administered value of rod. The industry operators said they can provide rod to final users at between Tk 45,000 and Tk 50,000 per tonne by paying VAT at Tk 825.

But once the new law comes into effect, customers will have to pay Tk 57,500 for a tonne of rod, Mojumder said, adding that the amount of VAT would go up in case of a rise in prices of melting scrap and billet, the raw materials of rod, in the international market.

Bangladesh consumes 40 lakh tonnes of steel annually, with the demand rising 7-8 percent a year, according to industry insiders.

The steel millers' warning comes after the National Board of Revenue in a paper to the high-ups of the govern-

ment last month said the cost of government's priority programmes such as Padma bridge and metro rail will escalate once the new law takes effect.

"It will require re-fixation of project costs and increases in budget allocation," the paper said.

The steel industry operators yesterday urged the government to continue with the tariff value system when it comes to fixing VAT for rods in the forthcoming fiscal year.

"If the government remains stuck to its position and slap a 15 percent VAT, we will have no way but to take to the streets to realise our demand," said BARSMA Chairman Sheikh Masadul Alam Masud.

## Italian city confers citizenship on Yunus

STAR BUSINESS DESK

Nobel laureate Professor Muhammad Yunus has been conferred honorary citizenship of Pistoia, a city in the Tuscany region of Italy.

He was honoured at a programme in the Town Hall yesterday, Yunus Centre said in a statement.

The event was attended by 300 dignitaries of Pistoia, including government officials, business leaders, heads of foundations, university representatives and social entrepreneurs.

Samuele Bertinelli, the mayor of Pistoia, said the city was conferring the honorary citizenship for the Nobel laureate's services to humanity through the creation of microcredit and social business.

Professor Yunus thanked the mayor and the city for conferring on him the honorary citizenship.

He said people had the capability of changing their own lives given the opportunity.

Young people should be provided with a chance to become entrepreneurs, not to chase after jobs, Yunus said.

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Samuele Bertinelli, mayor of Italian city Pistoia, confers honorary citizenship on the Nobel Peace Laureate Professor Muhammad Yunus, at a ceremony at the Town Hall of the city yesterday.

## 17 new passport offices on way

STAR BUSINESS REPORT

The government will set up 17 regional passport offices so that expatriates and other foreign-bound Bangladeshis can get the vital travel document promptly and with any hassle.

The Executive Committee of the National Economic Council yesterday approved Tk 107.61 crore for the project, which will be completed by December 2019.

"We want to take passport service to people's doorsteps so that they can get it very easily," said Planning Minister AHM Mustafa Kamal.

The passport offices will be set up at: Laxmipur, Gazipur, Narayanganj, Jamalpur, Netrokona, Madaripur, Shariatpur, Rajbari, Chapainawabganj, Naogaon, Sunamganj, Magura, Jhenidah,

Satkhira, Bagerhat, Bhola and Barguna. In due course, passport offices will be set up in all districts, Kamal said.

The government intends to set up 67 regional passport offices. Of them, 34 are under construction or have already been completed, and Ecnc yesterday gave the go-ahead for building 17 of the 33 remaining passport offices.

At yesterday's meeting, a total of seven projects involving Tk 5,727 crore got the green light.

One of the projects, which will cost Tk 1,417 crore, will provide 3.2 lakh new rural power connections in Sylhet region.

The project involves developing physical facilities at the Rural Electrification Board headquarters and expanding rural electrification operations in the Sylhet division.

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## Govt employees face deadline to sign up online for salary

STAR BUSINESS REPORT

The government will suspend the disbursement of the July salaries of civil servants, due on August 1, if they fail to register online to update the new salary structure.

The finance ministry has made it mandatory for all government employees to register online by July 20. Salary disbursement will resume as normal once they complete registrations.

The government has introduced an online system for the simultaneous and seamless implementation and updating of the government's salary database after the new pay-scale.

Each employee has to submit individual information to update their profiles as well as the government's database with the new salary structure and amount. Salaries will go to their accounts after that.

For those public servants who do not have national ID cards yet and it is not possible for them to get the cards from their workplace, the authorities will ensure that they get leave from work to collect their IDs for registration.

The move is intended to prepare a correct and up-to-date database of government salaries.

It will also ensure smoother payments of the workers' monthly salaries, as well as quick settlement of their retirement proposals.

Most civil servants have already completed salary updates online since the system's introduction on December 15 last year, but some still remain, for various reasons including the lack of national ID cards.



Analysts attend a seminar on the cyber security of financial services organised by Rahman and Rahman Huq (a member of KPMG in Bangladesh), at Lakeshore Hotel in Dhaka on Monday.

## Cyber heist is a wakeup call for banks: analysts

STAR BUSINESS REPORT

The recent heist of Bangladesh Bank's funds with the Federal Reserve of New York is a wakeup call for the financial sector of the country, said a senior official of the central bank.

The financial sector as a whole is taking lessons from the heist to strengthen security, Abu Hena Mohd Razeeq Hassan, deputy governor of Bangladesh Bank, said at a seminar on Monday.

Speaking at the seminar -- Cyber Security, Perspective of Financial Services -- organised by Rahman and Rahman Huq (a member of KPMG in Bangladesh), at Lakeshore Hotel

in Dhaka, he also called upon the banking institutions to revisit their IT systems to protect against emerging threats.

The banks need to take the necessary technical assistance to secure depositors' money, especially to preserve the interest of the depositors and stakeholders of the bank, he suggested.

The government, along with the ICT ministry, is preparing a manual to ensure cyber security, he said.

Adeeb H Khan, senior partner of KPMG Bangladesh, highlighted the significant increase in cyber-attacks globally, discussing the nature of such attacks.

Referring to technical experts,

he said everyday more than 50,000 cyber attack attempts happen around the globe, and they originate from all over the world, including China.

The seminar featured three presentations on cyber governance, analysis and experience of cyber risk and assessment of cyber risk exposure -- presented by Atul Gupta and Kunal Pande from KPMG India and Md Shahedur Rahman of KPMG Bangladesh.

Half of the chief executives of different banks and financial institutions surveyed said their organisations are not being fully protected against cyber attacks, Pande said.

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## Bangladesh seeks duty-free access of 56 items to Nepal

REFAYET ULLAH MIRDHA

Bangladesh yesterday demanded duty-free access of 56 items to Nepal to boost bilateral trade, at the third commerce-secretary level meeting that began in Dhaka yesterday.

Bangladesh has sought the benefit for the products that have export potential, said Monoj Kumar Roy, additional secretary to the commerce ministry, who was also a member of the Bangladesh delegation at the meeting.

The products include fish, potato chips, wafers, construction materials, refrigerators, lead acid battery, garments, plastic goods, cement, tobacco, tomato sauce and biscuits.

Roy, speaking to The Daily Star after the meeting at the secretariat in Dhaka, also said Nepal demanded duty-free import of machine-processed writing papers, but Bangladesh agreed to export handmade papers to Nepal.

On the other hand, Bangladesh offered duty-free benefits to 108 products of Nepal, Roy said.

The commerce ministry of Bangladesh has been preparing the modalities on how to allow the duty-benefit to Nepal and on how many products, said Roy.

Nepal's demands were placed at the second commerce-secretary level meeting in Nepal in 2012, he added.

"However, nothing has been finalised yet as the discussions are ongoing," he said.

On the implementation of the Motor Vehicle Agreement that was signed among four nations -- Bangladesh, Bhutan, India

and Nepal (BBIN) -- in June last year, Roy said three countries, except Bhutan, have approved the deal for seamless movement of passengers and vehicles among the four nations.

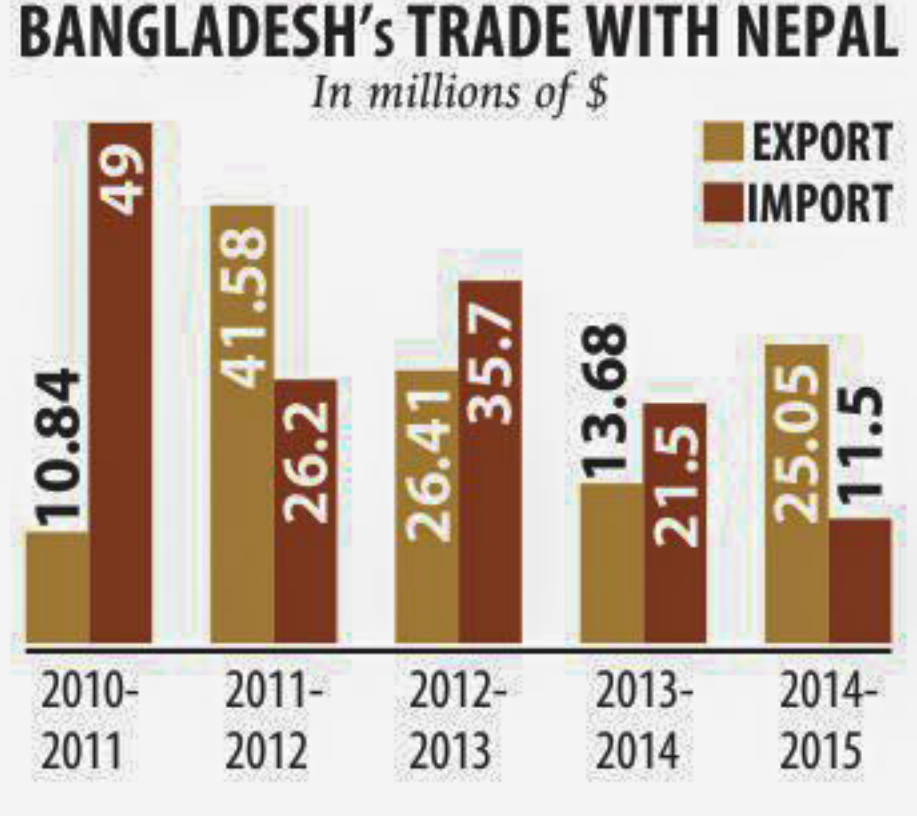
"We hope Bhutan will ratify the BBIN deal soon and everybody is expecting the practical implementation of the deal by December," Roy said.

In a major push towards sub-regional cooperation, four South Asian countries signed the deal last year, which would allow the movement of vehicles through their borders just like in the 27 European Union countries.

"We are also expecting a higher volume of trade among the four nations due to better connectivity among the four nations," said Commerce Minister Tofail Ahmed after the meeting.

Ahmed is scheduled to brief journalists on the outcomes of the discussion at the end of the meeting today between the commerce secretaries of the two countries.

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## Trade facilitation under WTO to cut cost of doing business: ICCB

STAR BUSINESS DESK

Trade facilitation has emerged as the key issue for the world trading system in recent years, especially with WTO members adopting a Protocol of Amendment, making Trade Facilitation Agreement (TFA) an integral part of WTO agreements.

The move was successfully negotiated at the Bali Ministerial Conference

in December 2013, as part of a wider set of ministerial decisions, the editorial of International Chamber of Commerce-Bangladesh (ICCB) said on Monday.

One of the major commitments of the TFA is the introduction of paperless business worldwide, which is expected to slash the cost of doing business by 10-15 percent, according to ICCB.

The cost of doing business, particularly in the least-developed countries

like Bangladesh, is higher as importers and exporters have to pay extra money to avoid bureaucratic hassles at customs point. Higher cost of transportation also increases the cost of doing business in such countries, the chamber said.

TFA will enter into force with the ratification by at least two-third of WTO members, and so far about 72 countries have ratified it, ICCB said.

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**Downtime for MTB ATMs and Card Transactions**

Due to MTB system up-gradation, ATM & Card transactions will be unavailable during the following times:

**ATM Services:** From 12-16 May, 2016 (6pm to 6pm)  
**All Card Transactions:** From 13-16 May, 2016 (4pm to 6pm)

MTB apologizes for the temporary inconvenience caused.

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