

এসআইবিএল রিটেইল ব্যাংকিং
জীবনের জন্য, জীবন যাপনের জন্য

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স
এসআইবিএল হোম ফাইন্যান্স
এসআইবিএল অটো ফাইন্যান্স

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star BUSINESS

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Exporters oppose new tax move

STAR BUSINESS REPORT
The Exporters Association of Bangladesh or EAB yesterday urged the government not to impose 1.5 percent tax at source on exports, which was proposed for the new fiscal year.

The exporters are currently paying 0.6 percent tax, and any increase will hurt the export-oriented industries and reduce their competitiveness in the international market, EAB President Abdus Salam Murshedy said in a statement.

"Economic development and employment generation will be hampered and investments will be discouraged," he said.

In his budget proposals, Finance Minister AMA Muhith slashed the corporate tax rate for the garment sector to 20 percent from 35 percent, but apparel exporters demanded a 10 percent corporate tax.

"Reducing the corporate tax to 10 percent will encourage investments in the apparel industry and thus help employment generation in the country," Murshedy said.

BPC profits to treble this year

REJAUL KARIM BYRON
Bangladesh Petroleum Corporation is set to log in profit of Tk 12,186 crore for fiscal 2015-16, which is three times more than in the previous year, in spite of the recent price cuts, according to the finance ministry's provisional estimate.

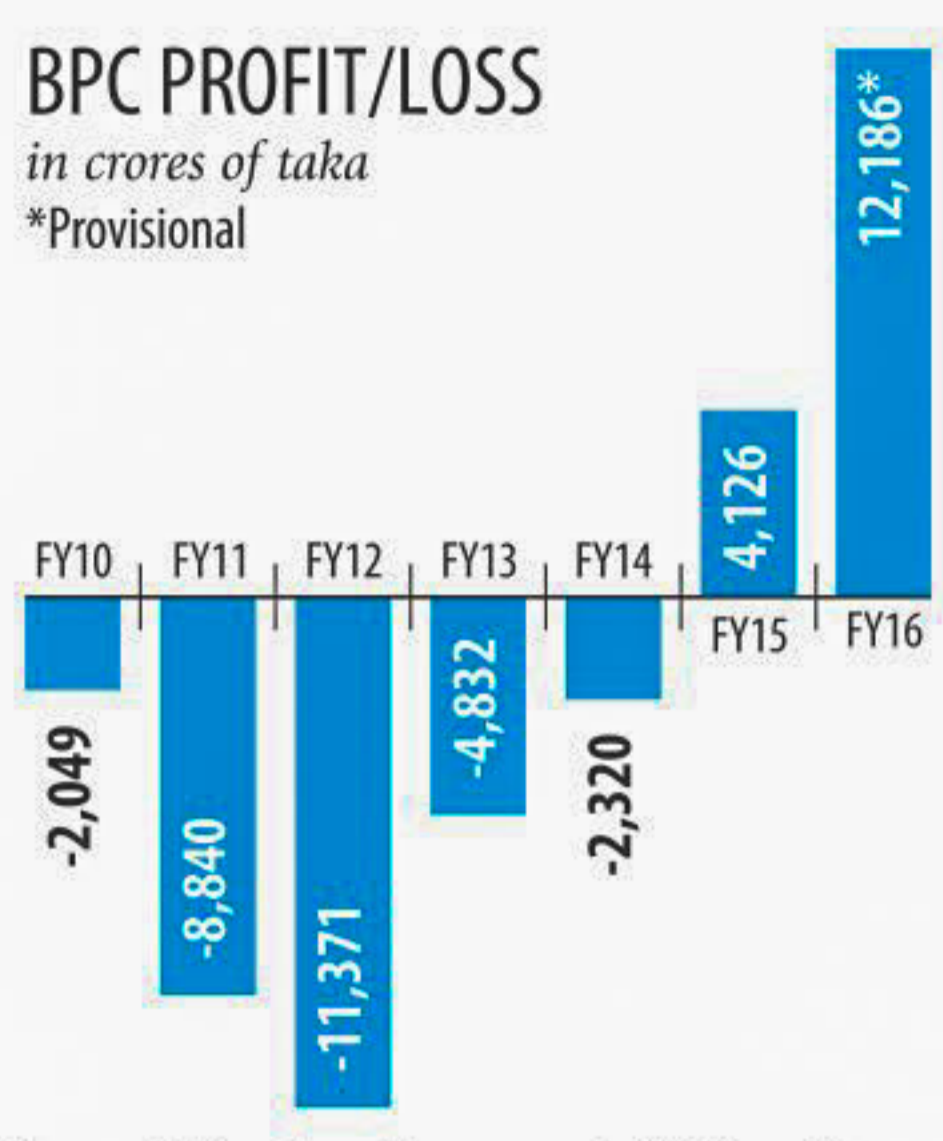
After five consecutive years of losses, BPC last year made a profit of Tk 4,126 crore.

The fuel price has been on a slide since June 2014 in the international market but Bangladesh did not adjust it domestically, which contributed to the profit.

The government made some price adjustments recently in response to the demand of economists and businesses, but there is still a big discrepancy between the international and local prices.

On March 31, the government cut the price of furnace oil, mostly used by industries and power plants, by more than 30 percent to Tk 42 a litre.

Then on April 24, the government brought down the prices of octane and petrol by Tk 10 a



litre and diesel and kerosene by Tk 3 per litre. Despite the cuts, the BPC will still make profit of Tk 23 to Tk 28 per litre of petrol and octane and about Tk 16 in diesel and kerosene. However, Finance Minister AMA Muhith

hinted at another round of price cuts. "Reduction in fuel prices is an ongoing process," he told reporters during his post-budget briefing on Friday.

He has already consulted the issue with the prime minister as she is in charge of the energy ministry. "It should be taken into consideration that the crude oil price is rebounding," Muhith added.

Alongside BPC, another state-owned enterprise Bangladesh Road Transport Corporation will make a handsome profit of Tk 4,044 crore this fiscal year.

However, the amount is slightly lower than last fiscal year's Tk 4,176 crore.

On the basis of information up to April, it appears that 34 of the 46 state-owned enterprises are on course to logging in profits for the fiscal year, according to Bangladesh Economic Review 2016.

Another enterprise that will make big profit is Bangladesh Oil, Gas & Minerals Corporation, which is also known as Petrobangla, -- of about Tk 926 crore.

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Wartsila to supply power equipment to United

STAR BUSINESS REPORT
Wartsila will supply equipment to a 310-megawatt power plant of United Group of Bangladesh, the Finland-based company said.

The company will supply 17 engines, which will run on heavy fuel oil, and provide spare parts for five years among other services, according to a contract.

The equipment is scheduled to be delivered in early 2017 and the plant will be operational in March 2018.

"Engine-based power plants are the best technical solution for Bangladesh because of fluctuating demand," said Moinuddin Hasan Rashid, managing director at United Anwara Power Ltd.

The combined cycle plant will be connected to the national grid in Anwara and will supply power to local industries and population centres, according to a statement.

"We are happy to further strengthen our good relationship with United," said Goran Richardsson, regional director at Wartsila.

"The power plant will increase our installed capacity with United to about 850MW in Bangladesh."

With the project, Wartsila will provide roughly a fifth of the grid capacity in Bangladesh with an installed base capacity of 2,800MW.

Last month, the company said it would supply equipment to two power plants owned by Meghna Group of Industries, each for producing 30MW of electricity.

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New measures to cut hassles of businesses

PwC analyses the impact of VAT steps

STAR BUSINESS REPORT
Businesses will benefit from the withdrawal of a requirement to get price approval from the VAT authority prior to sales of goods, PwC Bangladesh said yesterday.

At present, businesses need to get the prices of goods approved by the VAT authority before they can put them up on the shop floor.

In his budget speech for fiscal 2016-17, Finance Minister AMA Muhith abolished the provision.

The move is part of Muhith's attempts to run some of the provisions of the VAT and Supplementary Duty Act 2012, whose implementation has been postponed for the second time, from the new fiscal year.

The full implementation of the law has been deferred by one year to July 2017.

"It would reduce the hassles of dealers as well as litigation on the valuation of goods," Prabir Mitra, manager for indirect tax of Tax & Regulatory Services at PwC, said at a media briefing in Dhaka.

PwC, a tax and consulting service provider, with its presence in 158 countries, organised the briefing at its office in Dhaka to share its analysis on the budget for fiscal 2016-17.

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