

Give incentive to private sector to develop cold chain: analysts

STAR BUSINESS REPORT

The government should give incentives to private sector players to develop the cold chain for storage, transportation and proper packaging of perishables, experts said yesterday.

The cold chain will help farmers get better prices and consumers quality items, they said.

"There should be special financial package for value-chain development of the vegetables sector," said Anwar Faruque, a former agriculture secretary.

Support should be given to develop proper post-harvest management infrastructure and encourage research and development in the private sector for introducing good seeds.

He shared the view at a seminar on inclusive market development in the agriculture sector, held at the capital's Sonargaon Hotel.

Bangladesh Institute of Development Studies and Agri-business for Trade Competitiveness Project (ATC-TP), branded as Katalyst, organised the event.

Vegetable production in Bangladesh

stood at 1.38 tonnes in fiscal 2013-14 and production is growing, said Mohammad Harunur Rashid Bhuiyan, BIDS research fellow, while presenting a paper.

However, various factors such as high production costs, inadequate marketing and post-harvest infrastructure restrain the sector.

He said a separate policy needs to be developed for the vegetables sector that will cover all the players in the vegetable value chain.

The policy should support private entrepreneurs in the marketing of green or processed vegetables.

"The government can encourage private companies to establish standard cold storage and vegetable packaging industries at local level by providing policy support and developing an incentive structure."

Ensuring quality seed, pesticide and fertiliser through proper monitoring is also important. "This is a big problem in vegetables. There are complaints of over-usage of pesticides and fertilisers."

Citing fertilisers, he said the dealers'

appointment process has to go beyond the hands of the elite and the powerful. Adulteration of fertilisers also needs to be controlled, he added.

In another paper, BIDS Senior Research Fellow Nazneen Ahmed stressed regulation and monitoring to ensure that only quality fish fries are produced in hatcheries.

Monitoring the quality of fish feed supplied by private companies is very important as adulteration is a common phenomenon, she added.

Hedayetullah Al Mamooun, senior secretary of the commerce ministry, said the government wants to include every citizen in its macro development planning to ensure inclusive development.

But the inclusion of the poorer section in the market mechanism is very difficult because of the presence and dominance of big players, he said.

"This is very difficult in any country, even for the US," he said, citing the hoarding of all sugar produced in the US by some mafia as a case in point.

"So, some people in the US are controlling the whole world market."

Osborne warns of UK tax hikes, spending cuts if voters shun EU

REUTERS, London

British Finance Minister George Osborne, battling to keep the country in the EU, warned voters that he will take new austerity measures if they decide to leave the bloc in next week's referendum.

With opinion polls showing momentum swinging to the "Out" camp, Osborne intensified the tone of his warnings about the consequences of a so-called Brexit, saying he would respond by increasing taxes and cutting spending. "Quitting the EU would hit investment, hurt families and harm the British economy," he was due to say in a speech on Wednesday.

"I would have a responsibility to try to restore stability to the public finances and that would mean an emergency budget where we would have to increase taxes and cut spending," he said, according to excerpts of the speech which were sent to media by the Britain Stronger in Europe campaign.

An opinion poll published late on Tuesday showed the once double-digit lead of the "In" campaign had narrowed to just 1 percentage point. Other polls have shown the "Out" camp ahead, reducing the value of sterling and wiping billions of dollars off global stock markets.



Syed Asaduzzaman, managing director of Best Electronics, hands over a Dhaka-Thailand-Dhaka air ticket to Jahurul Islam, winner of Eid Utshob 2016, a campaign of the company. Customers are offered with discounts on over 600 models of electronic appliances and an additional 5 percent discount for purchases with credit cards of 13 banks.

Withdraw all taxes on e-commerce: FBCCI

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The government should also give a cluster allocation of Tk 100 crore so that the entrepreneurs can get easy loans for starting or running their businesses.

The global e-commerce market size is \$500 billion and in such a big market, Bangladesh is only a starter, he said. "So, the government should nurture the sector."

Bangladesh's e-commerce sector might face serious challenges for the possible arrival of global giants Amazon and Alibaba in 2017.

"We don't know what would be the situation of e-commerce in our country once such giants come to Bangladesh for online trade," he added.

Shameem Ahsan, president of the Bangladesh Software and Information Services Association, also said the entrepreneurs in e-commerce are worried as the government has withdrawn all financial incentives for them in the proposed budget.

Almost all the sectors are now linked to e-commerce, he said.

"So it is our view that the country's businesses would be hampered if the growth of e-commerce is held back."

He called for exemption of all kinds of taxes and VAT from e-commerce.

TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh, said the total

investment in the country's mobile sector is more than Tk 80,000 crore.

"This sector's contribution to the society and economy is immense, but it is burdened with taxes and VAT."

Bangladeshi mobile companies are the second highest taxpayers globally, he said.

"If any company earns Tk 100, it has to pay Tk 55 as corporate tax. Our demand is that the government withdraws 15 percent VAT on the usage of internet," he added.

M Shueb Chowdhury, a director of the FBCCI, said previously the government used to incorporate 75 percent of the proposals of the businessmen in the budget.

But this time, less than 25 percent of the proposals were incorporated, he said, adding that the proposed budget lacks subsidies for different sectors.

Shafiul Islam, vice-president of the FBCCI, said many things were not considered in the budget this year.

If the budgetary proposals fail to attract more investment, the expected development would not take place, he said.

Citing an example, he said Bangladesh was once very weak in backward linkage industries of garment sector.

But now, the primary textile sector can supply 95 percent of the raw materials for knitwear and more than 40 percent for the woven sector.

Similarly, the IT and e-commerce sectors would also grow big if the government patrons the entrepreneurs, he added.



Zahurul Islam, chief operating officer of Rakeen Development Company, and Musa Kamal Mahmud, general manager of Rangs Electronics, attend a deal signing ceremony at Mirpur in Dhaka on Tuesday. Rangs will display its products in Bijoy Rakeen City and give discounts to existing clients at every outlet.

London traders brace for biggest night since 'Black Wednesday'

REUTERS, London

The world's biggest banks including Citi and Goldman Sachs will draft in senior traders to work through the night following Britain's referendum on EU membership, set to be among the most volatile 24 hours for markets in a quarter of a century.

A vote to leave the European Union on June 23 would spook investors by undermining post-World War Two attempts at European integration and placing a question mark over the future of the United Kingdom and its \$2.9 trillion economy.

Citi, Deutsche Bank, JPMorgan, Goldman Sachs, HSBC, Barclays, Royal Bank of Scotland and Lloyds are among those banks planning to have senior staff and traders working or on call in London as results start to dribble in after polls close at 2100 GMT, according to the sources.

Jamie Dimon, chief executive officer of JPMorgan Chase & Co, told employees on a visit to Britain this month that if the vote was to leave the EU, the bank would have to have "teams of people thrown on what that means".

"We won't know what it means: there is a wide range of outcomes," Dimon, a supporter of Britain's membership who has warned of job cuts at JPMorgan in Britain if there is an Out vote, said in the broadcast speech.

A vote to leave could unleash turmoil on foreign exchange, equity and bond markets, spoiling bets across asset classes and potentially testing the infrastructure of

Western markets such as computer systems, stock exchanges and clearing houses.

Federal Reserve Chair Janet Yellen has cautioned that a Brexit vote could shake financial markets and potentially push back the timing of the next rise in US interest rates.

Bank of England Governor Mark Carney has said sterling could depreciate, "perhaps sharply" and some major banks have forecast an unprecedented fall to parity with the euro and as low as \$1.20 in the days following any vote to leave the bloc.

The Bank of England will be staffed overnight, with senior policymakers on call if markets go into meltdown. The finance ministry would not comment on its staffing plans.

The official Vote Leave campaign argues there is no evidence that leaving the EU would weaken sterling long term, while Nigel Farage, leader of the UK Independence Party has said that even if the currency did fall, it would simply boost British exports.

Sterling - the world's fourth most traded currency - has moved sharply in recent weeks, often on the back of opinion polls.

Depending on the results from across the United Kingdom, the night of June 23 and early morning of June 24 could rank as one of the most volatile nights in the history of the London market.

"We've all seen US elections, UK general elections, we've had the Scottish referendum, the collapse of Lehman and QE (Quantitative Easing) but this is by far and away the biggest risk event that has pre-

sented itself to the UK," said Chris Huddleston, head of money markets at specialist bank Investec.

London accounts for 41 percent of global turnover in the \$5.3 trillion-a-day foreign exchange market, more than double the turnover in the United States and far more than the 3 percent of its closest EU competitors, France and Switzerland.

"All the traders are going to be in... They don't like missing big moments, if there's going to be one, they want to be at their desk," said a senior source at a major bank based in the Canary Wharf financial district of London.

Some banks are planning the night down to the smallest detail to keep their traders on top form - laying on all night catering and booking nearby hotels to offer temporary respite.

"It is the biggest planned risk event that anyone can remember, so everyone is going to be involved. The question is just when you try and get some sleep," said one senior foreign exchange trader.

No exit polls are planned by British broadcasters so the first numbers from the counts will be turnout results from 382 different areas followed by totals for 'Remain' and 'Leave' in each area.

Polls have given contradictory pictures of British public opinion, keeping markets guessing on the final outcome.

That has left sterling, currently priced at \$1.41, far away from either of its likely resting places after the final result is known - seen by banks as around \$1.50 in the event

of a remain vote, or \$1.30 or lower if Britain votes to leave.

That almost-certain rapid repricing could set the scene for one of the rockiest sessions since traders wrestled down the value of sterling on Black Wednesday, September 16, 1992, when Britain crashed out of the European Exchange Rate Mechanism.

"If it's Brexit, then we're looking at something that's at least on the scale of Black Wednesday," said Nick Parsons, global co-head of FX strategy at National Australia Bank and a veteran of the 1992 sterling crisis.

Prices for derivatives used to mitigate the risk of sharp swings in sterling point to a period of intense volatility.

Officials and bank managers planning for the event draw comparisons with the 40 percent surge in the Swiss franc in January 2015, which bankrupted dozens of small investment funds and cost banks including Citi hundreds of millions of dollars.

Traders and analysts told Reuters they would expect a Brexit vote to cause sterling to 'gap', or plummet lower - as orders to sell the currency met an absence of willing buyers, leaving a blank spot on the price charts snaking across traders' screens.

Gaps can inflict huge losses on banks and traders, forcing them to bail out of trades at prices far below the automatic sell orders, or 'stops' they normally use to limit losses.

Currency market participants have urged the Bank of England to call on US Federal Reserve if the turbulence gets really bad.

Three-digit number in the offing for all emergency services

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"Since the telecom minister is asking for it, we have to rethink about the policy," he added.

"If I can make the idea successful, it will help digitise people's lives," Tarana said, adding that she has discussed the issue with the home and health ministries and has gotten a positive response.

She said she will take up the issue to Prime Minister Sheikh Hasina.

To make the emergency service platform successful, a well-organised call centre with high-speed internet connection and high-definition equipment will be needed.

The service will need huge investments to become truly effective, she said, adding that she will try to convince the respective ministries to take up separate projects for that end.



The Dutch-Bangla Chamber of Commerce and Industry (DBCCI) organised a review meeting for Dutch-Bangla Expo-2016, at Gardenia Grand Hall in Dhaka on Tuesday. The two-day trade fair to be held on September 28 will be jointly organised by the Embassy of the Netherlands in Bangladesh and the DBCCI.

Don't reduce tax rebate for individual investment: ICAB

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The government should also withdraw the tax on investment income of several funds including gratuity fund, provident fund and workers participatory fund, and reduce the minimum tax for companies from the proposed 0.6 percent to 0.4 percent, they said.

An individual taxpayer should know about the tax rate, investment rebate and other issues in time so that he can take enough preparations, Snehasish Barua, partner of Snehasish Mahmud and Co, said in a keynote. "Many people have already made their investment to take the tax rebate benefits. But the proposed reduction in tax rebate will affect many taxpayers as their tax liability will increase," he said.

AF Nesaruddin, a councillor of the ICAB, said employers have already deducted tax at source for 11 months at lower rate on salaried income, taking the 30 percent tax rebate facility into consideration. But the unexpected reduction in the investment benefit would create a huge burden on the taxpayers as their increased tax liabilities will be adjusted in the last month of this fiscal year, he said.

State Minister for Finance and Planning MA Mannan said parliament would consider the recommendations given by different stakeholders, including the ICAB, before approving the next fiscal year's budget.

He also asked the officials of the National Board of Revenue to make the tax payment procedures easier.

NBR Member (income tax policy) Parvez Iqbal said the revenue board would try to adopt the rational recommendations made by the ICAB.

NBR First Secretary (income tax policy) Shabbir Ahmed said the tax authority emphasised issues related to compliance, and increasing the number of taxpayers and revenue collection through the proposed tax measures.

Apparel exporter sued for money laundering

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It was found that there was an attempt to ship the containers through forged bank documents and letters of credit, the Customs Intelligence said in a statement.

It was discovered that the firm shipped the containers on forged bank documents in the last five years.

The firm also claimed itself to be a client of Sonali Bank, Brac Bank and National Bank.

In reality, SN Design Ltd was not a client of any of these banks, according to the Customs Intelligence. "Foreign currencies were supposed to come to the country as per the conditions of export," said the Customs Intelligence.

Apparels were shipped to countries such as the Philippines and the United Arab Emirates and the payment remained abroad, it added. Biplob Kumar Sarker, assistant revenue officer of customs, yesterday filed a case with Motijheel Police Station, citing the firm's proprietor Md Shahidul Islam as the main accused.

The Customs Intelligence said SN Design's existence could not be traced to its registered address of 38 Senpara, Parbata, Mirpur in Dhaka. "We will now go for a detailed investigation prior to pressing the final charges," said Khan.

The Daily Star tried to contact Shahidul Islam, managing director of SN Design, by phone but he rejected multiple calls. Islam did not respond to a text message for comment either.