

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week	As of Friday	As of Friday	Friday closings	USD	EUR	GBP	JPY	BUY TK	SELL TK	BUY TK	SELL TK
DSEX	0.54%	Gold	\$1,245.50	MUMBAI	0.38%	TOKYO	1.07%	77.80	86.77	109.64	0.72
CSCX	0.48%	Oil	\$48.26	26,625.91	2,763.42	SINGAPORE	0.43%	78.79	90.16	113.03	0.76
4,395.28	8,234.60			15,599.66	2,885.04	SHANGHAI	0.43%				

ক্যাশ ওয়াক্ষ

ইহকালীন কল্যাণ ও পরকালীন মুক্তির হাতিয়ার

এসআইবিএল এর ক্যাশ ওয়াক্ষ ফিন
স্বাক্ষর সম্পত্তির পরিবর্তে নগদ টাকায়
ওয়াক্ষ করার সুযোগ -
যে কোন প্রয়োজনে ০৯৬৬২০০৯২২২



STAR BUSINESS

DHAKA SUNDAY JUNE 19, 2016

Businesses want predictable tax policy

Corporate leaders, economists speak on how to boost private investment, at a roundtable organised by The Daily Star

STAR BUSINESS REPORT

Frequent changes in tax structure and other policies hamper business and future investment plans, analysts said yesterday.

"If the tax structure is like this, let it be like this for the next few years so that we can plan ahead," said Rupali Chowdhury, president of the Foreign Investors' Chambers of Commerce and Industry.

Businesses sit with the National Board of Revenue and other authorities every year but the tax measures never reflect any of the recommendations, she said.

"Every year we are talking about some kind of development in terms of tax regime. But what we see, after having discussions with the NBR and other authorities, is completely different."

Chowdhury's comments came at a roundtable organised by The Daily Star on ways to boost private investment.



MA Mannan, state minister for finance and planning, speaks at a roundtable on private investment, organised by The Daily Star yesterday.

Discussants said the lack of predictability in policies including fiscal measures is one of the problems in accelerating investment.

"Bureaucracy, the government and businesspeople must work together. We must have some confidence in each other that everybody is not out there to evade tax," said Chowdhury, also the managing director of Berger Paints Bangladesh.

Khondaker Golam Moazzem, additional director of research at the Centre for Policy Dialogue, said predictability is very much needed for industries; otherwise it is very difficult for industries to go for long-term investment plans.

BB chief economist slams high interest on savings tools

STAR BUSINESS REPORT

The chief economist of the central bank yesterday came down heavily on the government for distorting the interest rate market by offering too high returns for savings instruments.

If the trend continues, money will flow out of bank deposits and end up in savings schemes, meaning the government's interest liability will go up.

At present, commercial banks offer 5.5-6 percent for deposits whereas the rates for savings instruments are close to 12 percent.

"Let the interest rates for savings instruments be the bond rate plus 100 basis points. That's the market related rate," said Biru Paksha Paul, chief economist of Bangladesh Bank.

Paul's comments came at a discussion on the proposed budget for fiscal 2016-17 and ways to boost private investment, organised by The Daily Star at its office in the capital.

At present, the average return on five-year bond is 6.5 percent, so the yield on savings certificates should not exceed 7.5 percent.

India has set the rate based on the bond rates. "Let the market play and determine this. You should not set it artificially."

He said the rates on government savings schemes are distorting the market in many ways.

For example, the government sets a target to borrow Tk 15,000 crore from savings scheme, but it gets double the sum.

NBR says receipts from telecom to drop

MUHAMMAD ZAHIDUL ISLAM

The National Board of Revenue's total collections from the telecom sector is set to drop about 10 percent year-on-year in fiscal 2015-16 after the government slashed SIM tax.

The revenue authority, in a letter to the telecom division on Tuesday, said the projected earnings from the sector, based on ten-month collections, would be Tk 2,800 crore.

However, Tarana Halim, state minister for telecom, differs with the generalisation, saying the industry's overall contribution to the national economy is much higher than any other time.

Earnings from SIM tax plummeted 57 percent after the government slashed the tax to Tk 100 per new connection from Tk 300 previously.

Last year's social media blockings also negatively impacted the mobile operators' data revenue and subsequently the government's takings from the sector, the NBR said in the letter.

Last year, the government blocked social media sites for 22 days, which cost the mobile operators about Tk 10 crore on average, said an official of a network operator.

To boost collections in the upcoming fiscal year, the revenue authority has sought a meeting with the telecom division. The meeting may be held on June 26,

said a senior official of the division.

Bangladesh Telecommunication Regulatory Commission's botched attempt at organising a spectrum auction has also impacted the NBR's earnings. The government plans to earn more than Tk 3,000 crore from the auction.

The telecom watchdog set out to organise the spectrum auction in fiscal 2014-15 but it was pushed back to fiscal 2015-16. The auction did not take place this year either.

The auction will definitely take place in fiscal 2016-17, according to Tarana.

She also said she requested Finance Minister AMA Muhiith to scrap supplementary duty on telecom services as it may negatively impact the digitisation process.

In fiscal 2014-15, the government introduced a 3 percent supplementary duty for all telecom services through SIMs, which was increased to 5 percent this month.

The NBR also said in the letter that the 3 percent supplementary duty made up for the slack in collections from the SIM tax segment.

About the protracted issue of merger between Robi and Airtel, Tarana said: "From the merger we will get some revenue and the industry will get a momentum, which will definitely give us a boost to our collections."

Meanwhile, the BTRC is projected to log in Tk 4,185 crore as revenue for this year, up slightly from fiscal 2014-15.

BASIS fears rising cost of doing business

STAR BUSINESS REPORT

The government should withdraw all tax and VAT from the ICT sector, businesses in the software and information services industry said at a discussion yesterday.

Otherwise, cost of doing business and expenses of end-users will go up, they said.

Bangladesh Association of Software and Information Services (BASIS) and the Daily Ittefaq, a Bangla-language newspaper, organised the discussion on the proposed budget and the ICT sector at BASIS office in Dhaka.

BASIS President Shamim Ahsan said the government will have to allocate 10 percent of its national budget for the ICT sector if it wants to build a truly 'digital Bangladesh'.

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Apparel makers seek cuts in source tax

STAR BUSINESS REPORT

Garment and textile makers yesterday urged the government to reduce the tax at source to 0.3 percent from the proposed 1.5 percent for fiscal 2016-17 as the cost of production is increasing every year.

The source tax should remain at the existing 0.6 percent for the sake of the growth of the export-oriented industries, said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at a press meet at the BGMEA office in Dhaka.

BGMEA, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA), and some other platforms related to the sector jointly organised the press conference to voice their concern

over the proposed 1.5 percent source tax. The government plans to reduce corporate tax for the garment sector to 20 percent from the existing 35 percent. But Rahman demanded the tax be set at 10 percent.

He also urged the government to keep all the materials, purchased from the local market, beyond the purview of value-added tax to make export more competitive.

Apparel exporters also called upon the government to allow duty-free import of all kinds of fire fighting equipment to improve workplace safety.

For the sake of market diversification and higher export growth, the apparel manufacturers sought 2 percent incentive on the value of freight on board of garment items bound for European markets and 5 percent incentive for new destinations.

INTERNET BANKING

FSIB ISLAMIC BANK

ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:

মিস্ত্রিত জানতে ০২-৯৮৯২২২১

HSBC to pay \$1.6b to settle lawsuit

BBC News

A division of HSBC has agreed to pay \$1.575 billion to settle a 14-year lawsuit. It stems from a lawsuit the British bank inherited when it bought the US lender Household International in 2003.

ঈদ আনন্দকে আরো রঙিন করতে
প্রাইম ব্যাংক নিয়ে এলো ১০% ক্যাশব্যাক* সুবিধা

প্রতি ১০০ টাকার কেনাকাটায় ১০ টাকা ক্যাশব্যাক
অফারটি প্রাইম ব্যাংকের সকল ক্রেডিট কার্ড-এ
যেকোন কেনাকাটার ক্ষেত্রে প্রযোজ্য।

সর্বোচ্চ কেনাকাটায় প্রথম ৩জন গ্রাহক পাবেন
ঢাকা টু সিঙ্গাপুর, ঢাকা টু মালয়েশিয়া এবং ঢাকা টু ব্যাংকক রিটার্ন এয়ার টিকিট জেতার সুযোগ।
এছাড়াও shop and win* এর আওতায় থাকছে যেকোন মূল্যের কেনাকাটায় সর্বোচ্চ ১লক্ষ টাকা পাবার সুযোগ।

primebank.com.bd

*শর্ত প্রযোজ্য *অফার চলবে চাঁদ্রাত পর্যন্ত

প্রাইম ব্যাংক