

Star BUSINESS

DHAKA FRIDAY AUGUST 5, 2016, SHRABAN 21, 1423 BS

Banglalink's revenue rises 5pc

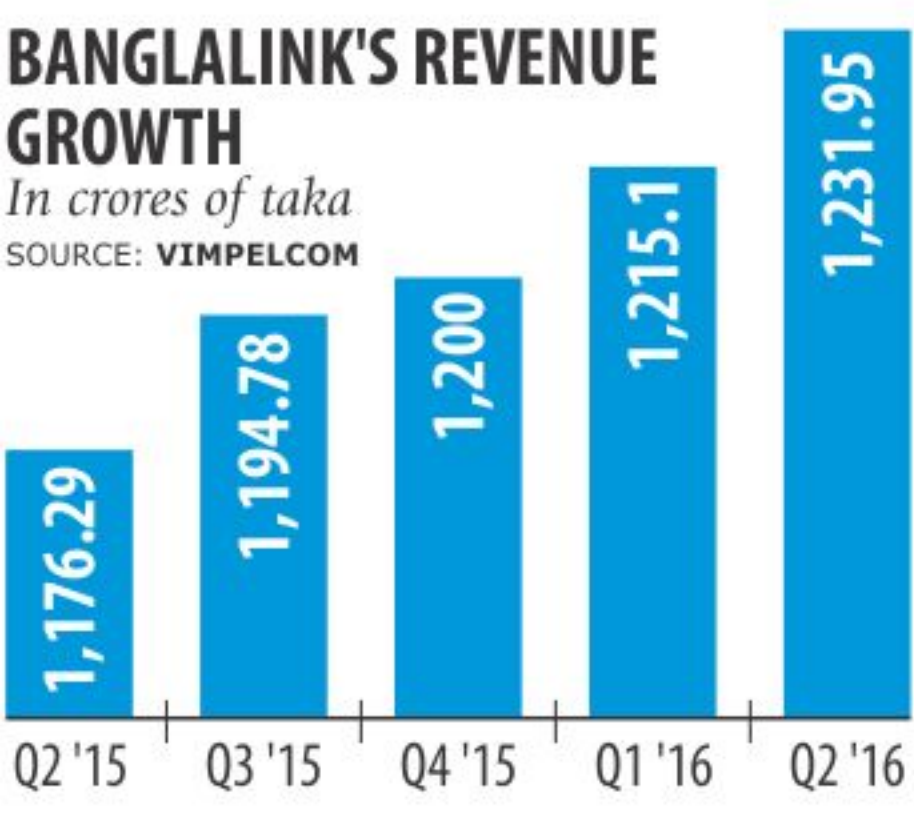
STAR BUSINESS REPORT
Banglalink's total revenue increased 5 percent year-on-year to Tk 1,231.95 crore in the second quarter of 2016 even in the face of Ramadan and intense market competition.

The operator, however, did not disclose its net profit during the period in the financial report, which was published yesterday on its parent company VimpelCom's website.

The increase in revenue was mainly driven by the continued increase in voice revenue and a 60 percent increase in data revenue.

Banglalink, the country's second largest operator, recorded Tk 116.43 crore as data revenue for the April-June period -- its highest yet.

"We are encouraged to see the response to the digital services that we are offering, which has been instrumental in achieving our second quarter result," Erik Aas, chief executive officer of Banglalink, said in a statement.



READ MORE ON B3

Mayors seek more revenue to improve services

STAR BUSINESS REPORT
The two city mayors in Dhaka on Wednesday sought the support of the tax authority to collect more revenue to provide better services to the city dwellers.

The chiefs of the city corporations cited a law passed in 2009 that provides these local government authorities to collect revenue from 26 areas in the form of tax, sub-tax and toll.

"A city corporation is not a business entity. It has to get money from some sources such as government, to provide better services to people," said Annisul Huq, mayor of Dhaka North City Corporation.

"There is a law that gives scope to collect revenue to provide services,"

The call was made at a meeting with top officials of the National Board of Revenue at

its headquarters. NBR Chairman Md Nojibur Rahman chaired the meeting.

"We are discussing how more revenue can be collected," Huq told The Daily Star.

As per their proposal, tax could be imposed on products that would enter the city for consumption, use and sale, and also on products that would go out of the city.

"It's people's money for people's services," Huq said.

Sayeed Khokon, mayor of Dhaka South City Corporation, said the corporation cannot carry out all its expenditures due to inadequate revenue.

There is scope to impose additional taxes as per the city corporation law by issuing separate rules under the law that was passed in 2009. The rules are yet to be framed.

Both the city corporations have prepared draft rules to implement the law.



Owners of Beximco Pharma and dignitaries attend a function in Dhaka yesterday to mark the first pharmaceutical shipment of the local drugmaker to the US market.

Beximco first to access US pharma market

STAR BUSINESS REPORT
Beximco Pharmaceuticals yesterday announced its first export of medicines to the United States, one of the most regulated drug markets in the world.

It shipped out Carvedilol, a prescription drug to treat hypertension. This is the first time a pharmaceutical product made in Bangladesh has hit the American market.

"As we deliver our first shipment of Carvedilol to the US market, we begin a new era for the pharmaceutical industry in Bangladesh," Beximco Group Vice-Chairman Salman F Rahman said at a function in Dhaka.

"We believe our continued focus on building and strengthening the group's presence in the western markets will cement Bangladesh's position as a major exporting country."

Beximco Pharma received permission from the US Food and Drug Administration (FDA) to export medicines in November last year.

US Ambassador in Dhaka Marcia Bernicat said it is a testament to Beximco's hard work, as well as the quality of its products, that Bangladesh is able to celebrate this occasion.

The pharmaceutical industry is arguably the most knowledge and technology-intensive export industry in Bangladesh, she said. However, the industry still only accounts for 1 percent of GDP, Bernicat said.

"I look forward to seeing pharma's contribution to the national economy grow, and to seeing other knowledge and technologically intensive industries grow."

Bernicat said she is proud to see that US consumers will now be able to take a lifesaving drug and see 'Made in Bangladesh' printed on the bottle.

Nazmul Hassan, managing director of Beximco Pharma, said the US is the largest and most lucrative pharmaceutical market in the world. "As a leading exporter of medicines, we strive to capitalise on the generic drug opportunities in the world market."

"We believe our competitive products, especially with specialised and differentiated generic products, will help strengthen our presence in the US and other advanced markets," he added.

Beximco is one of the largest exporters of pharmaceuticals having footprints in more than 50 countries. It exported medicines worth \$15 million in fiscal 2015-16.

READ MORE ON B3

Administrator barred from taking charge of Dhaka Mercantile Cooperative

SAJJADUR RAHMAN
The government appointed an executive officer for the controversial Dhaka Mercantile Cooperative Bank Ltd last month but the cooperative officials did not let him join office citing a stay order from the High Court.

The appointment was made after the Department of Cooperatives and Bangladesh Bank detected gross irregularities in the cooperative.

"We will continue our legal fight against the cooperative," said Mofizul Islam, registrar and director general of the Department of Cooperatives that regulates the country's cooperative firms.

The Rural Development and Cooperatives Division issued an order in the first week of July asking the department to appoint an executive officer (administrator) in the errant cooperative with immediate effect.

Accordingly, the Department of Cooperatives appointed its joint registrar Md Nuruzzaman to join Dhaka Mercantile Cooperative.

"I went to the office of Dhaka Mercantile Cooperative on July 14 but the firm declined to accept my joining letter showing a stay order of the High Court," said Nuruzzaman.

The cooperatives regulator has taken the issue seriously and is trying its best to vacate the stay order as soon as possible.

"We have informed the ministry and the attorney general about the updates on the matter," said Nuruzzaman.

In April this year, the central bank warned people not to do banking activities with the cooperative as it has no proper licence.

The BB in a statement alleged that Dhaka Mercantile Cooperative has been running banking activities such as taking deposits and giving loans by illegally using the word 'bank' in its name.

The cooperative has collected deposits of Tk 981 crore and disbursed loans worth Tk 1,079 crore as of December 31 last year, according to a BB inspection report.

The firm attracts depositors by offering hefty returns, the central bank said. In 2015 and 2014 it gave 50 percent and 40 percent cash dividends respectively, but questions arose over who the beneficiaries of the dividends were, said an official of the Department of Cooperatives.

READ MORE ON B3

Air cargo ban not going so soon

A lot needs to be done: UK envoy

STAR BUSINESS REPORT
Security at Hazrat Shahjalal International Airport has improved a lot, but a lot needs to be done to get the ban on Dhaka-London direct air cargo withdrawn, British High Commissioner Alison Blake said yesterday.

Blake spoke at a press conference after a meeting with Commerce Minister Tofail Ahmed at his secretariat in Dhaka.

"We have been working for a long time with the government of Bangladesh on the ban issue. It is an ongoing programme. Many things have improved," Blake said.

The government hired a British company on March 22 for screening export goods at the airport.

"We provide advice to the British company," she said.

Blake said many exporters and manufacturers may face difficulty due to the ban, but the price of taking any wrong decision is very high.

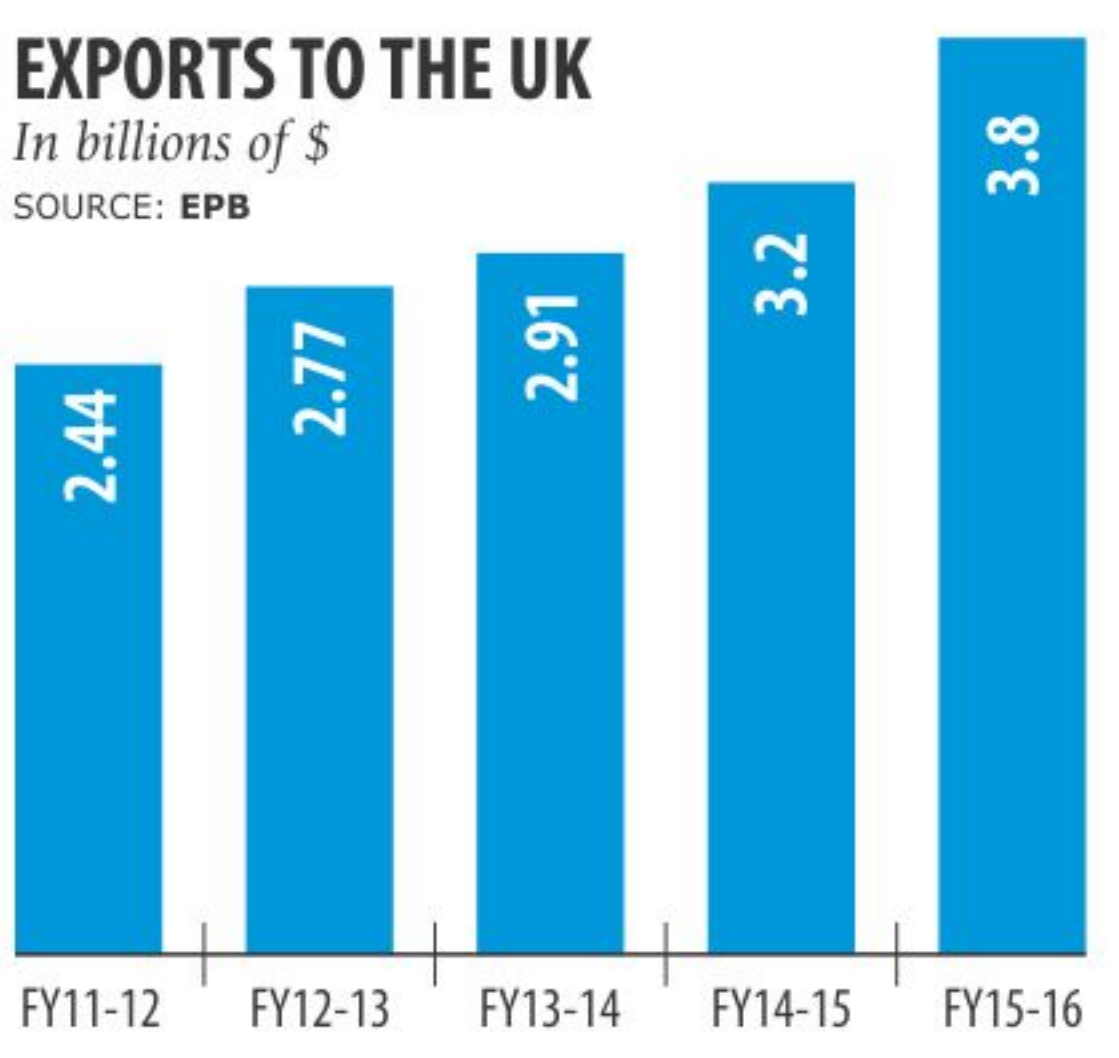
The UK imposed the ban on March 8 as the airport in Dhaka failed to meet some international security standards.

Only Biman Bangladesh Airlines had the right to carry cargo directly to the UK in its four weekly passenger flights.

Each flight used to carry an average of 25 tonnes of cargo -- mostly apparel items, vegetables and agricultural products.

Now cargoes from Bangladesh are bound to be rescreened in any third country like Dubai, Qatar or Thailand.

Bangladesh has been enjoying a duty-free benefit



for exporting its goods to the UK under the EU's Everything But Arms scheme since 1971.

The high commissioner, however, did not clearly say whether the UK will continue providing the benefit to Bangladesh after Brexit.

Britain is the third largest export destination for Bangladesh after the US and Germany.

In 2015-16, Bangladesh exported goods worth \$3.8 billion to the UK, up from \$3.2 billion in the previous fiscal year, according to data from the Export Promotion Bureau. Bangladesh imports goods worth nearly \$300 million a year from the UK.

Blake said militant attacks are not a challenge for Bangladesh only, it is global problem now.

Bangladesh and the UK have been working together to fight terrorism, she said.

Still, there is a travel alert for the British people in Bangladesh, she said.

British people have been asked to continue to travel, but they will have to take advice from the local authorities on safety, she added.

The commerce minister said Bangladesh's trade with the UK will rise further as there are chances for the British government to continue providing the duty benefit to Bangladeshi products.

Ahmed said the British investors want to construct a rail line between the Padma bridge and Kuakata, and they also want to invest in developing the Payra seaport.

"The British envoy discussed this issue with me."

The government has appointed consultants for building an airport named Bangabandhu International Airport at Shibchar in Madaripur, he said.

Star Kabab faces VAT dodging charges

STAR BUSINESS REPORT
The VAT Intelligence Directorate has detected Tk 4.63 crore in value-added tax evaded by Star Kabab and Restaurant, a popular eatery in Dhaka.

The VAT Intelligence Directorate, an office under the National Board of Revenue, detected the dodging based on records it seized from the restaurant's 11 outlets during raids in April.

The tax office however did not mention the timeframe in which Star Kabab dodged the tax.

The office had filed nine cases against nine scams based on the documents it seized at that time.

"This is the result of our operation in April," said Belal Hossain Chowdhury, additional director general of VAT Intelligence.

They have already requested VAT commissionerates to start the process of collecting the revenue from Star Kabab as per law, he said.

Revenue officials raided Star Kabab's Banani, Dhanmondi, Wari, Tikatuli, Elephant Road and Thatari Bazar areas. The raids were conducted following complaints from people over the phone and online over a long period of time, the VAT Intelligence Directorate said in a statement yesterday.

This was the biggest raid by VAT Intelligence in terms of the involvement of its officials.

VAT Intelligence officials said they found that the restaurant was not issuing receipts in many instances, despite having electronic cash registers at the outlets. The restaurant was issuing bills for customers on blank paper or their official pad, according to the statement.

"In many instances, they received bills without a receipt. It is an offence under the VAT law," said the statement.

The NBR's VAT office said the amount of VAT paid by the restaurant increased in the months after the raid.

It said it does not intend to dishonour or affect any business entity. The main objective is to encourage people to pay taxes and ensure compliance, according to the VAT Intelligence Directorate.

"Our main goal is to create awareness among all that none is above the law. We will not go after any business if it pays tax properly," Chowdhury said.