

Indians disclose \$10b in hidden wealth in tax evasion amnesty

REUTERS

A government amnesty targeting tax evasion in India has prompted tens of thousands of suspected tax dodgers to disclose nearly \$10 billion in undeclared income, the finance minister said on Saturday.

The government of Prime Minister Narendra Modi sent out about 700,000 notices earlier this year to suspected evaders to coax them to declare hidden income and assets, known as "black money" in India, promising they would not be pursued by authorities if they came clean and paid a penalty.

Finance Minister Arun Jaitley told reporters the four-month scheme that closed on Friday had led to 64,275 declarations, resulting in a provisional 652.5 billion rupees (\$9.8 billion) in undisclosed wealth.

Jaitley added the final figure would likely be higher. Factoring in taxes owed and penalties of 45 percent, the government could raise more than 293.6 billion rupees (\$4.41 billion) from the declared income, according to Reuters calculations. There was no public target for the initiative, but government officials had an internal goal to raise about \$7.5 billion in back taxes.

During the 2014 elections, Modi pledged to bring back billions of dollars in "black money" if elected. Modi, in a tweet, called the outcome of the scheme "successful" and said it was "a great contribution towards transparency and growth of the economy."

In a country of 1.3 billion, fewer than 18,000 people declared annual income of 10 million rupees or more in 2012/13, the latest figures show.

Global M&A drops in Q3, firms wary of overpaying

REUTERS

The value of announced mergers and acquisitions (M&A) worldwide fell 27 percent year-on-year to \$753 billion in the third quarter of 2016, as apprehension among corporate executives about overpaying prevented a repeat of last year's deal-making frenzy.

The preliminary Thomson Reuters M&A data shows the euphoria that drove merger mania in 2015 has subsided. While M&A activity remains robust, dealmakers said companies are being more selective in their decisions to do deals.

"With price-to-earnings multiples at historic highs, deals are more likely to happen when there is lower growth in a sector, high potential for synergies, and potential acquirers enjoy a healthy stock price," said Paul Parker, chairman of global M&A at Goldman Sachs Group Inc.

The stock market is hovering at record highs, while the S&P 500 Index's price-to-earnings ratio is at its highest level since the 2008 financial crisis. Combined with uncertainty over the US Federal Reserve's policy on interest rates, companies have become more cautious when it comes to M&A.

"It does get down to high prices. I think most of last year and the two years prior, even if it was priced high it was OK... Now, it had better be for a good growth profile,"

said Marc-Anthony Hourihan, co-head of M&A for the Americas at UBS Group AG.

This year's largest deal so far was clinched in the third quarter; German drug and crop chemical maker Bayer AG's \$66 billion takeover of US seeds company Monsanto Co is also the biggest all-cash deal on record.

Some of the other big deals this quarter included Enbridge Inc's \$28 billion acquisition of Spectra Energy Corp to create the largest North American energy infrastructure company, and Softbank Group Corp's \$32 billion acquisition of British semiconductor maker ARM Holdings Plc.

"The strategic consolidation activity occurring has resulted in many CEOs and boards across sectors saying 'I don't want to be left out, I don't want to be the last mover, because then there will be nothing left to do and I may be disadvantaged'," said Patrick Ramsey, co-head of global M&A, Bank of America Corp.

"This will continue to be a driver of both transformative mergers and sizeable bolt-on acquisition activity," Ramsey added.

Another factor that has weighed on M&A this year, dealmakers said, is the United States and several other countries flexing their antitrust muscles and seeking to crack down on deals that aid tax avoidance or risk harming national security.



Officials of Lifebuoy Friendship Hospital pose with the Asian CSR Awards 2016 in health enhancement category, at the 15th Asian Forum on Corporate Social Responsibility in Myanmar.

Cambodia raises 2017 minimum wage for textile industry workers

REUTERS, Phnom Penh

Cambodia agreed on Thursday to raise to \$153 from next year the minimum monthly wage of workers in its crucial textiles and footwear industry, which generates \$6 billion annually for the economy.

The industry has created 600,000 jobs that sustain rural families and have spurred years of robust growth, but strikes by increasingly assertive and politicized unions have become a problem for the country.

Thursday's decision followed a majority

vote by government representatives, factories and unions who backed the raise from a figure of \$140 now, following months of negotiations.

The increase will help to raise workers' standards of living and boost productivity, the labour ministry said in a statement, but added, "Other benefits that workers have been receiving must be kept the same."

The new wage takes effect in January, it said. It fell short of the sum of \$171 sought by the unions, which complained that their members struggle to make ends meet.



M Moniruzzaman Khandaker, chairman of Midland Bank, hands over a cheque for Tk 25 lakh as donation to Abu Zaher, president of school managing committee of Kasba Adarsha High School in Brahmanbaria, on Thursday, as part of the bank's corporate social responsibility.

MIDLAND BANK

ADP off to a slow start

FROM PAGE B1

On the other hand, the project aid implementation rate stood at 3.25 percent, which was 4 percent during the same period last fiscal year.

Some 10 large ministries and divisions got 73 percent of the allocation this year.

But only three of the ministries and divisions -- primary and mass education ministry, power division and local government division -- spent higher than average.

The primary and mass education ministry expended 11.31 percent of its total allocation for the year, power division 8.78 percent and the local government division 5.42 percent.

The bridges division spent 1.48 percent, railways ministry 1.44 percent and road transport and highways division 0.98 per-

cent. The health ministry spent 0.01 percent, education ministry 1.08 percent, housing and public works ministry 1.39 percent and water resources ministry 0.21 percent.

Among the 54 ministries and divisions, 16 spent below 1 percent of their allocations.

Five ministries could not spend a single taka in the first two months of fiscal 2016-17.

"The intensity of rain and flood was more than in other years, so the ADP spending in July was below 1 percent," said a planning ministry official.

"In this context, we do not think the implementation rate in the first two months is frustrating," he added.

Chittagong port yet to get rid of container congestion

FROM PAGE B1

Prime Mover, Trailer Malik Sramik Oikya Parishad, a platform of owners and workers of large container carriers, went on an indefinite strike on September 26, after the Road Transport and Highways Division launched a crackdown on overloaded vehicles on the Dhaka-Chittagong highway.

Since the resumption of the operation of the carriers on Friday after the strike, a total of 1,469 TEUs of export containers were sent to the port from the depots.

The ICDs, also known as off-docks, were still overcrowded with 6,070 TEUs of export-laden containers till yesterday afternoon. The strike affected about 7,000 TEUs containers.

Ruhul Amin Sikder, secretary of Bangladesh Inland Container Depots Association, said the off-docks could run their operation smoothly if their storage of export-laden containers was 4,500 to 5,000 TEUs. As of yesterday, a total of 40,470 TEUs of containers were piled up at the port yards against its storage capacity of 36,357 TEUs.

After the strike was deferred, about 2,251 TEUs of containers were delivered from the port as of yesterday morning. Of them, 1,223 TEUs were import-laden containers.

Eleven container vessels were also waiting at the outer anchorage for berthing at the port jetties.

Golam Sarwar, director for traffic of Chittagong Port Authority, said deliveries were slow as it was the weekend. "It will get a boost from today, and congestion will lessen within the week." Since August 17, if a trailer on the Dhaka-Chittagong highway is found weighing more than 33 tonnes, it is subject to fines starting from Tk 2,000 to Tk 12,000.

The platform leaders accused the Road Transport and Highways Division staff of harassing the trailer drivers for fines.

Besides, the cut-off weight of 33 tonnes is unfair as per international metrics of overloaded vehicles, they added.

It postponed the indefinite strike until October 4, following a meeting with Chittagong Metropolitan Police Commissioner Iqbal Bahar Chowdhury.

Leaders of the platform said the CMP commissioner assured them of allowing a 14-wheel prime mover to carry a maximum of 42 tonnes on the highways till October 4, when an inter-ministerial meeting is scheduled to be held in Dhaka.

Teletalk to take up another upgrade project

FROM PAGE B1

At present, Teletalk has a limited presence in the rural areas. Earlier in June, Ecneec also approved a similar kind of project worth Tk 676 crore to expand the operator's 3G network at all upazilas, growth centres and educational institutions, and 2.5G network in villages.

Under this project, Teletalk will build around 1,200 3G sites and 500 base transceiver stations mainly for voice services. This project will be completed by 2017, according to documents.

If Teletalk can establish these sites in time, it will help the company get one crore new customers within the next one year,

said Ahmed. As of July, the operator's active customers stood at 44.37 lakh, according to a report of the telecom regulator.

Meanwhile, the company has also taken up a Tk 700 crore project with its own funds. State Minister for Telecom Tarana Halim in a recent programme said the state-owned operator is set to receive Tk 4,500 crore in government funds and loans within the next two years to expand and upgrade its network.

"After completing these projects, Teletalk will be a major contender in the telecom market," said Ahmed.

Teletalk also has plans to launch 4G services in the country by next year.

Rejoinder, our reply

FROM PAGE B1

"The High Court did not order to inspect corruption allegations against the chairman, vice chairman and managing director of the bank, rather it has issued a rule to all respondents (in the writ petition) why Bangladesh Bank will not be asked to inspect the allegations," according to the rejoinder.

The rejoinder also said, as an interim instruction, the High Court has directed Bangladesh Bank to dispose of the petitioner's application dated May 26, 2016 within two months upon receipt of the order.

Our reply: The Daily Star did not mention anywhere in the report that the High Court has ordered to inspect corruption allegations against the chairman, vice chairman and managing director of NRB Commercial Bank.

"The High Court asked Bangladesh Bank to carry out an inspection of NRB Commercial Bank after allegations of

irregularities were brought by a director of the bank," stated The Daily Star report, quoting barrister M Ashraf Islam, a lawyer for petitioner AM Tushar Iqbal Rahman, a director of the bank.

On May 26 this year, AM Saidur Rahman, the nominated director of AM Tushar Iqbal Rahman on the board of NRB Commercial Bank, lodged complaints with the central bank against the irregularities.

Taking loans by directors in fictitious names, and forging signatures of some directors who live abroad and did not come to Bangladesh in the last three years were the major allegations against the bank's Chairman Farasath Ali, Vice-chairman Toufique Rahman Chowdhury and Managing Director Dewan Mujibur Rahman.

Rahman went to the court seeing no headway in the BB move in dealing with the issue. The Daily Star also talked to the bank's Chairman Farasath Ali before publishing the report.

Green energy schemes need a push: analysts

FROM PAGE B1

Bangladesh's dependence on import of fuel to produce electricity is rising. "It is dangerous of the energy security point of view," he said, adding that more emphasis should be given to explore domestic sources of energy.

In response, Chowdhury said banks are given disbursement targets and BB regularly monitors it.

"There should be incentives for green projects," said Saiful Huque, professor and director of Institute of Energy of the University of Dhaka.

Huque also stressed the need for monitoring operation and maintenance of solar home systems.

"Sustainable energy projects should be self-sustainable," said Zahurul Haq, professor of the department of mechanical engineering at Bangladesh University of Engineering and Technology.

He also emphasised knowledge gathering on green energy.

BIBM Director General Toufiq Ahmad Choudhury said financing has to be reorganised as sustainable finance for development.

Per capita consumption of electricity is significantly lower in Bangladesh than in Asia, according to Shah Md Ahsan Habib, professor and director of training at BIBM.

Renewable energy accounts for only 4 percent of total electricity generation, he said.

Time has come to revisit green banking strategy and sector gaps to streamline existing efforts, said Al Mudabbir Bin Anam, senior adviser of Sustainable Energy for Development of GIZ.

Bangladesh has got very limited land to expand solar energy to a large extent, said Humaira Azam, deputy managing director of Bank Asia.

"Bangladesh has a huge population and a huge amount of waste is produced here. Waste management and their use for power generation are critical," she added.

The potential for energy generation from waste is huge, said Shahed Khan, joint secretary of Bangladesh Bio Gas Development Foundation.

Bangladesh ratifies WTO's trade facilitation deal

FROM PAGE B1

The researcher said there are provisions for technical assistance and capacity building in this area.

The WTO said the TFA broke new ground for developing countries and LDCs in the way it will be implemented.

For the first time in WTO history, the requirement to implement the agreement was directly linked to the capacity of the country to do so. In addition, the agreement states that assistance and support should be provided to help them achieve that capacity.

A Trade Facilitation Agreement Facility was also created at the request of the developing and LDC members to help ensure that they receive the assistance needed to reap the full benefits of the TFA.

This will also support the ultimate goal of the full implementation of the new agreement by all members.

Also, on June 8 this year, the WTO hosted an experience-sharing event to help members identify best practices and the challenges faced by WTO members in establish-

ing or maintaining national trade facilitation committees.

It was the first such event to discuss how best to implement specific commitments under the TFA.

The implementation of the TFA has the potential to increase global merchandise exports by up to \$1 trillion per annum, according to the WTO's flagship World Trade Report released in October 2015.

The report also found that developing countries will benefit significantly from the TFA, capturing more than half of the available gains.

With the approval of the TFA, Bangladesh has also committed to carry out some specific responsibilities, such as determining when it will implement individual provisions of the agreement, said Moazzem of CPD.

"To benefit from special treatment, Bangladesh must categorise each provision of the agreement, as defined in TFA, and notify other WTO members of these categorisations in accordance with specific timelines outlined in the agreement," he said.



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- Other terms and conditions can be found in the tender schedule.

Assistant General Manager
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