

Iran offers hotel tax breaks in bid to boost tourism

AFP, Tehran

Iran offered up to 13 years of tax holidays to hoteliers at an international tourism summit on Sunday as it seeks to boost visitor numbers and revamp its dilapidated hotels.

"All economic activities related to... tourism will enjoy 100 percent tax holidays between five to 13 years depending on the region," deputy economy minister Mohammad Khazaei told hoteliers from 18 countries who had gathered in Tehran, many from Europe.

Since the lifting of international sanctions under last year's nuclear deal, the moderate government of President Hassan Rouhani has made tourism a top priority for rebuilding Iran's struggling economy.

Visitor numbers have already boomed in recent years thanks to a partial thaw in the country's relations with the world, rising from 2.2 million annually in 2009 to 5.2 million in 2015.

By 2025, they are hoping to reach 20 million visitors a year.

The government hopes to see 300 new hotels over the next five years as it seeks radical improvements to its low-quality tourist accommodation.

It is hoped a rejuvenated tourism sector can create some 140,000 new jobs, with around half coming from Iran's handi-

crafts sector, said the minister for roads and urban development, Abbas Akhondi. Projects to build some 170 four- and five-star hotels are already under way, he added.

"We are working actively on 10 to 15 projects in Iran," Christophe Landais, chief operating officer for France's Accor Hotels in Iran, told AFP. Accor was the first international company to open hotels after the historic nuclear deal -- an Ibis and Novotel outside Tehran's Imam Khomeini airport last September.

Landais said the group also hopes to tap the huge religious tourism market of Iran's second city, Mashhad, which hosts the mausoleum of a key figure in Shiite history, the Eighth Imam.

"Mashhad is the destination for pilgrims. Actually Mashhad receives more pilgrims than Mecca in Saudi Arabia -- about 25 million," he said.

A hotel operator from the United Arab Emirates said he was also about to sign a contract in Mashhad. "We've been invited by many, many investors, many developers" to join in partnerships there, Imad Elias, chief of the Dubai-based Roda Hotels and Resorts, told AFP.

"We had Iran as a potential spot for expansion even before the lifting of sanctions. Iran is a gold mine, a jewel that needs to be explored," he added.

Md Faruk Ahmed, new chairman of BCSIR

STAR BUSINESS DESK

Bangladesh Council of Scientific and Industrial Research (BCSIR) has recently appointed Md Faruk Ahmed as its chairman.

Ahmed replaced Nazrul Islam, the council said in a statement yesterday. Ahmed started doing government job in 1988 as an assistant commissioner, according to the statement.

He has also served BIWTC, Bangladesh Bridges Division, LGED and Dhaka City Corporation.



Md Faruk Ahmed

New executive committee for BJA

STAR BUSINESS DESK

Bangladesh Jute Association has recently elected Sk Sayed Ali as its chairman for 2016-17 and 2017-18, the association said in a statement yesterday.

The association also elected Md Delowar Hossain as senior vice chairman and Md Abdus Sobhan Sharif as vice chairman, according to the statement.



Sk Sayed Ali

One Bank reappoints managing director

STAR BUSINESS DESK

M Fakhru Alam has recently been re-appointed as the managing director of One Bank for the next three years.

He has been serving the bank as additional managing director before taking charge of the bank as managing director in 2013, the bank said in a statement yesterday.

Prior to joining One Bank, he has International (Overseas) Ltd.



been serving Eastern Bank as deputy managing director and head of corporate banking, treasury and investment banking.

Alam has 32 years of experience in the banking industry. He started his career at Agrani Bank as an officer in 1983. He has also worked with IFIC Bank and Bank of Credit and Commerce

GP signs Wasfia Nazreen as brand ambassador

STAR BUSINESS DESK

Grameenphone has recently signed Wasfia Nazreen as its brand ambassador.

Nazreen, the first and only Bangladeshi to climb the highest mountains on every continent in the world, will work together with Grameenphone to empower the society, the mobile operator said in a statement yesterday.

"I feel proud to be involved with a trusted brand like Grameenphone," Nazreen said. Grameenphone has won the similarly Grameenphone, as a brand, has vision of excellence. The company is going ahead to achieve its goal."



trust of Bangladeshis and played a key role in empowering them, through the services it has been providing since the beginning of its journey, she said.

"Grameenphone inspires people to go beyond and follow their dreams. I never gave up on my dreams, nor deviated from my goals. My journey to go beyond has only started. I have a vision;



Syed Mohammad Kamal, country manager for Mastercard Bangladesh, attends a workshop on digital payment and technology innovation, in the capital. Monica Jasuja, head of emerging payments for South Asia; Varun Sakhuja, director of acceptance development for South Asia, and Premanand Prithvirajan, chip and NFC consultant for South Asia, conducted the workshop.

MASTERCARD

Remittance tumbles 23pc

FROM PAGE B1

The number of migrants going abroad reached 6.8 lakh in fiscal 2015-16, up 48 percent year-on-year.

About 71.3 percent of the migrants in fiscal 2015-16 went to the GCC countries.

Saudi Arabia accounted for the highest incremental share, while a significant number also went to Oman, Qatar and Malaysia. Migration to Singapore has been steady.

Female migration has also surged, with the number exceeding 100,000 in fiscal 2015-16 for the first time since fiscal 1991-92. The WB said there has been a rise in unemployment and/or a decline in wages of illegal migrants in the GCC countries in particular as the authorities crack down on illegal migrants.

There is anecdotal evidence that the real income of migrants is waning in the GCC countries, as prices for staple goods and public services have increased, according to the report.

The unemployment rate among Saudi citizens is 11.5 percent, but relatively few have lost jobs because of legal complexities in firing Saudis. "Hence, the weight of layoffs has fallen on foreign workers," the WB said.

Saudi construction firms have been hard hit due to the lower oil prices, which have curbed and, in some cases, delayed government spending on major infrastructure projects. If the ongoing fiscal consolidation in the GCC countries is sharper than expected, remittance flows could slow sharply, the WB said.

The propensity to remit may also have been adversely affected by the decline in interest rates, the report said.

The deposit rate fell from 7.26 percent in January 2015 to 5.67 percent in May 2016. The interest rate on national savings certificates was cut by 2 percentage points in May 2015. Remittance sent by more than eight million migrant workers plays a crucial role in the country's economy, helping reduce the overall incidence of poverty as well as maintaining a healthy balance of payments.

NBR seeks measures for speedy settlement of tax-related cases

FROM PAGE B1

The tax collector also demanded the scope of submission during the hearings. "In many cases, it is seen that petitioners try to secure a stay order against government claims, by raising different issues, instead of the points related to the dispute," said NBR.

The NBR also favoured the settlement of cases of the same nature at a time through verdicts.

To ensure settlement, the NBR has appointed a senior official of each tax zone as a focal point to monitor and oversee progress of the cases, introduced digital suit management systems, appointed retainers and established regular contact with the Attorney General's Office.

The tax authority also plans to list the cases involving Tk 1 crore in taxes or more and coordinate with the Attorney General's Office for hearing.

The Attorney General's Office suggested NBR open an office at the Supreme Court, said the press release.

At the meeting, Attorney General Alam said all parties should come forward to ensure the speedy settlement of cases. Rahman of NBR said the role of the Attorney General's Office is very important in the disposal of court cases related to revenue. The NBR wants to sit with income tax lawyers later this month to discuss the matter, he added.

Terror threats may stymie growth: WB

FROM PAGE B1

Apprehension of further attacks could hurt Bangladesh's economic prospects. It will decrease foreign investment and lead to more capital flight as investors feel insecure about making investment decisions in an uncertain security context.

The country's export-oriented sectors, especially the apparel industry, are once again facing an image problem when it comes to foreigners' security in Bangladesh, according to the report.

Another potential economic impact could stem from the counter-measures that are adopted. The installation of security measures is costly.

Terrorist attacks can result in greater spending on unproductive activities such as heightened counterterrorism measures, expanding paramilitary and police forces, and stricter border controls. The money diverted to extra surveillance and policing rather than investment and trade may eventually pose a drag on growth.

"Over time, this friction in the economic system can have substantial effects," the WB said.

The economy remains resilient despite internal and external challenges, said Qimiao Fan, WB's country director for Bangladesh, Bhutan, and Nepal, while releasing the report to the media at his office in Dhaka.

He lists stagnant private sector investment, slowdown in remittance, weakness in the financial sector and security concerns as challenges confronting Bangladesh.

When asked about the coal-based plant in Rampal, Fan said the WB is not financing the project.

He, however, said the government can further explore potential in solar energy, expand existing capacity, exploit different energy resources and explore regional cooperation.

The political turmoil of fiscal 2013-14 and fiscal 2014-15 adversely affected investor confidence; the recent terrorist attacks have only added to the anxiety.

Bangladesh runs the risk of losing both domestic and foreign investor interest if the fear of more such attacks is not assuaged.

"The government needs to provide a positive message about the security of the lives and property of foreigners as well as domestic investors," the WB said in the report.

Private investment as a percentage of gross domestic product declined to a three-year low of 21.78 percent in fiscal 2015-16, despite macroeconomic stability.

However, a significant rise in public investment led to an increase in total investment in relation to GDP: from 28.9 percent in fiscal 2014-15 to 29.4 percent in fiscal 2015-16.

The increase in public investment is attributable to the government's expenditure on infrastructure projects. However, these do not necessarily translate into infrastructure assets because of leakage and inefficiency in the public investment process.

As a result of falling private investment, the gap between the actual and the projected figures of

private investment rate is widening.

Private investment is clearly not savings constrained: capital flight from Bangladesh peaked in fiscal 2012-13.

"With a friendlier investment environment, the recent gap between projected and actual private investment rates could have been narrowed."

The report said private investors are discouraged from investing in Bangladesh because of infrastructure deficits, scarcity and high prices of land, corruption, political uncertainty and, of late, concerns about security.

But there is scope to make profit by doing business in Bangladesh, said Zahid Hussain, lead economist of the WB's Dhaka office and also the author of the report. "But the investment climate has to be improved."

The WB said the government's GDP growth for fiscal 2015-16, provisionally estimated at 7.05 percent by the Bangladesh Bureau of Statistics, has been healthy despite slowing private investment and remittance.

The multilateral lender projected Bangladesh's economy would grow at 6.8 percent in the current fiscal year.

It said progress on the ease of doing business has been slow. Inadequate infrastructure, financial intermediation, bureaucratic inertia and corruption continue to hinder domestic as well as foreign investment.

The lack of effective alternative dispute resolution mechanisms and slow judicial processes

impede the enforcement of contracts and the resolution of business disputes.

The WB said inflation has slowed, benefitting from soft global commodity prices, but remains high relative to global inflation and inflation in peer countries.

The WB report said the management of the current \$31 billion reserves is becoming increasingly challenging.

Elevated cushions provide a comfortable cushion underpinning the exchange rate and foreign trade, but they can also lead to inflationary pressures, asset bubbles and pressure for sterilisation. Bangladesh Bank has consistently maintained reserves in safe but low-yielding foreign government securities with high liquidity.

The return on these investments has declined from 1.15 percent in 2011 to 0.61 percent in 2015, although they have persistently exceeded the 6-month USD London Interbank Offered Rate (LIBOR).

The WB said export earnings grew 9.8 percent last fiscal year, in contrast to 3.4 percent in fiscal 2014-15, driven by rebound of garment exports.

But there has been little progress in terms of product and market diversification, Hussain said.

The WB said the financial sector remains plagued by falling profitability and rising concerns about non-performing loans and capital adequacy, particularly in state-owned commercial banks.

The SCBs account for nearly 48 percent of total NPLs.

Banks must sign deals to get green funding

FROM PAGE B1

The notice, which was issued on Sunday, also said the authorised dealers will have to write to the general manager of BB's sustainable finance department to enter into the agreement.

The banks will be allowed to use the fund if their non-performing loan ratio is not more than 10 percent.

Also, no banks will become eligible for the fund with shortfall in loan and investment provision, capital and liquidity.



Uttara Bank Managing Director Mohammed Rabiul Hossain opens the 228th branch of the bank in Panchagarh. Deputy General Managers Md Khairul Alam and Md Rabiul Alam were also present.

UTTARA BANK

Saarc telecom regulators meet in Dhaka today

FROM PAGE B1

Shah will chair a session while RS Sharma, the chairman of SATRC and chairman of Telecom Regulatory Authority of India, will chair another session.

The programme that will conclude on October 6 is being organised by the Asia-Pacific Telecommunity (APT) where senior officials of different telecom regulatory authorities of South-Asian countries will take part.

Law Minister Anisul Huq will inaugurate the council, while State Minister for Foreign Affairs Mohammed Shahriar Alam, SARTC Chairman RS Sharma and APT General Secretary Areewan Haorangsi will also speak.

Different technological issues will be discussed like 5G technology, cross border interference, high roaming charges for this region and some other regulatory challenges. Another 90 foreign and local experts will also take part in the council meetings. BTRC Vice Chairman Md Ahsan Habib Khan and other senior officials also attended the press meet.