

NBR to pilot new VAT laws from Nov

STAR BUSINESS REPORT

The National Board of Revenue plans to launch online VAT re-registration for large companies from November 24 on a pilot basis in a bid to start implementing the new system.

The re-registration will start from the Large Taxpayer Unit by replacing the existing 11-digit number with a 9-digit one, said Md Rezaul Hasan, project director of VAT Online.

The system will be rolled out officially after the successful implementation of the pilot project, he said.

"We are expecting to complete the VAT re-registration by March next year, and after that the new registration will start."

He was addressing a daylong training on "VAT Law 2012: process of implementation in the newspaper industry" organised by the Newspaper Owners' Association of Bangladesh (Noab) at The Daily Star Centre in Dhaka yesterday.

Some 40 officials, mostly accountants, from 19 newspapers participated in the training.

The new law, which will replace the VAT Act 1991, will be implemented under an automated platform and envisages a 15 percent flat VAT rate instead of various types of rates now in effect.

Hasan said the new VAT law is a simple and transparent one for taxpayers. "It's a very simple one for those who abide by laws and pay taxes. Those who don't abide by the laws talk differently," he said.

Of 16 crore population, only 12 percent submit tax returns and only 30,000 submit VAT returns. "It's a shame for us," the NBR official said, citing Vietnam where 4.9 crore



Participants of a training session -- VAT Law 2012: process of implementation in the newspaper industry -- pose for photographs at The Daily Star Centre in Dhaka yesterday. The Newspaper Owners' Association of Bangladesh organised the training.

out of 9.1 crore people submit tax returns.

Speaking at the inaugural session of the training, Noab President Matiuir Rahman said it is necessary for everyone including the newspaper industry to know about the new VAT law. "We have to understand how

we can benefit from the new law."

Rahman, also editor and publisher of the Prothom Alo, said although the newspaper industry has a social objective and role, ultimately it is a business. "So, it is necessary for a business institution to know

about the laws."

Zakir Hossain, deputy project director of VAT Online, and Palash Ranjan Bhowmik, deputy general manager for accounts of the Prothom Alo, made presentations on different aspects of the new VAT law.

Hurricane Matthew damages in Haiti tally nearly \$2b

AFP, Port-au-prince

Hurricane Matthew's devastating passage over southern Haiti on October 4 caused nearly \$2 billion in damages, Haitian authorities announced Friday.

Studies by the World Bank and the Inter-American Development Bank (IADB) put the estimated cost of damage and economic losses at 124 billion Haitian gourdes (\$1.89 billion), officials with the Ministry of Economy and Finance told a news conference.

The storm, which killed 546 people according to official figures, battered an already fragile economy -- one of the poorest in the world -- with losses representing roughly one-fifth of the country's Gross Domestic Product (GDP), the officials said.

The southern region of Haiti, considered the country's breadbasket, was particularly hard hit by winds of 150 miles per hour (250 kilometers per hour) and torrential rains.

The agricultural sector alone suffered losses estimated at nearly \$600 million. And more than 175,000 people lost their homes, with those losses also estimated at close to \$600 million, economists say.

The devastation comes as the country is in the midst of an electoral crisis.

The first round of presidential elections in 2015 had been canceled because of massive fraud and rescheduled for October 9 of this year.

But the hurricane's arrival forced a new postponement, with the successive rounds now set for November 20 and January 29, 2017.

The biggest challenge for election officials will be to find suitable voting sites: more than 500 schools -- traditionally used on election day -- were damaged or destroyed.

Meanwhile, Haiti's economic minister denounced misuse of humanitarian aid, sometimes for political purposes.

Incentives to boost renewable energy on cards

FROM PAGE B1

In terms of energy, the contribution of renewable energy, excluding hydro, is less than 1 percent, said Ijaz Hossain, a professor at the department of chemical engineering of the Bangladesh University of Engineering and Technology.

The government has set a target to produce 10 percent of the country's electricity from renewable sources by 2020.

At present, individual households have solar panels for consumption, he said. Some private companies earlier signed agreements to produce and sell renewable energy to the government but those commitments have not materialised yet.

The FIT law will encourage numerous entrepreneurs to invest in renewable energy, he said. Power with capacity between 100 kilowatts and 5 megawatts could be produced and the electricity will be added to the national grid and sold at prices that ensure producers' profits.

There are many countries that are producing 20 percent to 30 percent of their total electricity from renewable sources under the FIT arrangement, according to Hossain. Experts said achieving the goal of 10 percent power from renewable resources by 2020 is nearly impossible given the current circumstances: the sales of solar home systems have slowed in recent times.

Bangladesh's economic growth, which was 7.11 percent last fiscal year, would require huge power generation, said SREDA Member Siddique Zobair.

The country's power generation is mostly dependent on local gas that is dwindling fast and imported oil.

For that reason, renewable energy and energy efficiency are the major areas that the country needs to improve on to minimise the vulnerability of the energy sector.

The use of energy-efficient bulbs, controlling air-conditioners, maintaining boilers in industries, minor retrofitting of machinery and training people on such issues can save energy, Zobair added.

AR Khan, a former chairman of the BERC, suggested energy auditing and introduction of prepaid meters to improve governance in the power management.

Rezwan Khan, vice-chancellor of United International University, called for taxation and policies that encourage the use of energy-efficient appliances.

Power Division Joint Secretary Mohammad Alauddin urged the environment department to ease the certification process for renewable power projects.

Renewable energy actually turns out to be cheaper than fossil fuel-based energy if environmental and social costs are considered, said UNDP Programme Specialist Arif M Faisal. As Bangladesh focuses on adaptation to climate change, there are funds that the country can access and utilise for implementing projects that will help mitigate the impacts of global warming, he added.

Anwarul Islam Sikder, chairman of the SREDA; Salim Mahmud, chairman of the Arbitration Tribunal at the BERC; Saiful Haque, director of the Institute of Energy at Dhaka University; and Mahmood Malik, chief executive officer of Infrastructure Development Company Ltd, also spoke.

Shamim Ahmed, a public health expert, moderated the programme.

Dipal Chandra Barua, president of the Bangladesh Solar and Renewable Energy Association; Mostaq Ahmmmed, CEO of Green Housing and Energy Ltd; and Asma Huque, managing director of Prokaushali Sangsad Ltd, also attended the discussion.

Tesla expands its portfolio to produce solar roof tiles

AFP, Los Angeles

Electric carmaker Tesla has diversified into the alternative energy business, on Friday unveiling solar roofs for environmentally friendly homes.

"Global warming is a serious crisis and we need to do something about that," company founder Elon Musk said during a news conference at Universal Studios in Los Angeles.

Musk noted that electric cars in the past "didn't look good... They were like a golf cart," but Tesla automobiles are now highly desired by movers and shakers including Hollywood stars and Silicon Valley entrepreneurs.

Solar panels need to undergo the same transformation, he said.

"We need to make them as appealing as electric cars have become."

"The goal is to have solar roofs that look better than a normal roof, generate electricity, last longer, have better insulation, and actually have a total cost that is less than the price of a normal roof plus electricity," Musk said.

"Why would you buy anything else?"

Tesla, which has joined forces with solar panel maker SolarCity, aims to capture five percent of the market, Musk said.

German inflation hits two-year high in October

AFP, Frankfurt

German inflation picked up again in October to reach a two-year high, data showed Friday, suggesting the European Central Bank's unprecedented stimulus measures to boost prices may be delivering.

Inflation rose by 0.8 percent this month compared to the year before, according to preliminary figures from Germany's federal statistics office Destatis, the first time it has hit that level since October 2014.

The jump comes after inflation in Europe's economic powerhouse already soared to a 16-month high in September, buoyed by rising energy prices.

While the latest figure will likely be welcomed by ECB chief Mario Draghi, it remains far off the central bank's target of keeping inflation close to or just under 2.0 percent.

"For an economy that is currently operating at full employment and with a positive output gap, inflation rates at around 1 per-

cent are still extremely moderate," said analyst Carsten Brzeski at ING Diba bank.

Consumer prices in Germany increased by 0.2 percent on last month, Destatis said.

Within the consumer price basket, energy prices shrank by 1.4 percent on the year, less than the 3.6-percent year-on-year fall they saw in September.

Food prices were unchanged on the year. Brzeski said climbing energy prices were the main driver behind the gradual increase in inflation.

Stubbornly low inflation across the euro area remains a major headache for the ECB, with eurozone consumer prices rising to just 0.4 percent in September.

The ECB earlier this month decided to hold its record-low interest rates steady in a bid to encourage lending and drive up inflation.

It also opted to leave intact the bank's ultra-loose monetary policy, choosing to stay the course with a massive asset-buying programme to the tune of 80 billion euros (\$87 billion) a month.

China's big three airlines see Q3 profits surge

AFP, Shanghai

China's three biggest airlines all reported surging net profits in the third quarter, statements showed, as the country's economy stabilises.

Net profit for China Southern, Asia's biggest airline by fleet size, leaped to 3.31 billion yuan (\$425.1 million) in the three months to September, nearly three times the 1.18 billion yuan made in the same period last year, it said in statement to the Hong Kong exchange on Friday.

Increasing demand for air travel among China's growing middle class is expected to make it the world's biggest aircraft market in the coming years, and its airlines have benefited from low fuel prices.

China's economic growth was stable at 6.7 percent in the third quarter, according to official figures, the same as the previous two.

IFC signs \$350m trade finance deal with StanChart

FROM PAGE B1

As part of the programme, Standard Chartered will originate trade finance transactions from Bangladesh that could enable over \$1 billion in trade globally over three years, IFC said.

"Standard Chartered Bank has been one of the largest trade partners for commodity importers of Bangladesh with a strong history of helping industry players grow with different innovative trade solutions. We are honoured and privileged to be the first bank in Bangladesh to launch CCFP with IFC, as the programme will cater to vital sectors such as agriculture, food and energy," said Abrar A Anwar, chief executive officer of Standard Chartered Bangladesh.

"Commodities are a key part of the

Bangladesh economy and IFC is delighted to strengthen its long-term partnership with Standard Chartered through this transaction which will boost trade and growth, playing a pivotal role in improving lives of the masses," said Wendy Werner, IFC country manager for Bangladesh, Bhutan and Nepal.

Daniel Hanna, global head of Public Sector and Development Organisations at Standard Chartered, said: "Standard Chartered is delighted to sign another landmark trade agreement with IFC. This is another example of how our long standing partnership with IFC can help unlock innovative financing that supports trade, growth and development."

SriLankan Airlines starts Dhaka-Colombo flight today

FROM PAGE B1

The new service between Dhaka and Colombo would boost SriLankan Airlines' strategic focus on the Asian region, connecting Europe, the Middle East and the Far East.

The airline has been named "Best Full Service Airline in Central and South Asia" at the Future Travel Experience Asia Awards 2016, held in Singapore for the second consecutive year.

Interlining business picks up pace

FROM PAGE B1

Speaking at his factory, he described this company's journey to become a green building in the small interlining business.

"We received the LEED certification of green building in gold category from the United States Green Building Council last week. We are the first green building in the interlining business worldwide," Khan said.

Thanks to the eight-storey green building, the company can save 28 percent of energy and 46 percent of water. The factory harvests rainwater to use for production purposes to reduce groundwater consumption.

"We have a 42,000-gallon capacity reservoir to harvest rainwater at the factory."

Green buildings have to be constructed following some special measures like leaving adequate space around the structure, reducing ground water consumption, saving

energy and workplace safety.

The construction of the building began in early 2014 and finished in December last year, Khan said. The factory has 120 workers; the number of workers is small because of the automated manufacturing system, he said.

Currently, the company exports interlinings worth more than \$1.5 million a month; it plans to expand its business in future.

The company is also planning to produce value-added products such as interlinings for shopping bags and shoes.

Khan's company produces 1,000 different kinds of interlinings. Globally, more than 25,000 kinds of interlinings are produced for use in manufacturing apparel items, medical aprons, shoes, shopping bags and travel bags.

powder and chemicals, are imported mainly from China and Germany. "We have to use special kinds of chemicals, as interlinings are very important and sensitive for the customers," he said.

If any hazardous chemical is used, customers will complain about itching, he added.

The company's major customers include H&M, Aldi, Tema, Charles Vogele and Kappa. It is a concern of Concorde Garments Group headquartered in Dhaka. The group has garment factories in Mirpur and Ashulia in Dhaka.

A total of 4,000 workers are employed in the group's Lily Apparel and Concorde Garments, which mainly produce shirts and ladies' tops. Concorde started its humble beginning at a rented house in Mirpur in 1981. Currently, the group's export is more than \$91.8 million a year.



Finance Minister AMA Muhith hands over a scholarship to a student under an initiative of Dutch-Bangla Bank Ltd, at a programme at Shaheed Suhrawardy Indoor Stadium in Mirpur, Dhaka yesterday. Law Minister Anisul Huq, Canadian High Commissioner Benoit-Pierre Laramée, DBBL Chairman Sayem Ahmed and Managing Director KS Tabrez were also present.