

Power transmission line from Payra to Patuakhali on cards

Ecneec okays eight projects worth Tk 12,550cr

STAR BUSINESS REPORT

The government plans to construct a transmission line from Payra to Patuakhali to start supplying power to a 1,320MW coal-based power plant in Payra deep seaport area by 2018.

The Executive Committee of the National Economic Council (Ecneec) approved a Tk 336 crore project yesterday for the construction of the 230 KV transmission line.

The North West Power Generation Co with joint collaboration with China will build the power plant.

The government's target is to complete construction of the two-unit power plant by 2019 and start supplying power from a unit by October 2018.

The Ecneec meeting chaired by Prime Minister Sheikh Hasina yesterday approved a total of eight projects at a total cost of Tk 12,550 crore.

Another project for the development of the second phase of Anannya Residential

Area in Chittagong will be implemented with Tk 2,833 crore.

Under the project, 2,825 residential plots will be built on a 419-acre land in Chittagong. Some of the plots will be of 4-katha and some others 5-katha.

In the project, there will be 110 commercial plots in the residential area where market, office, community hall, medical college, university and theme parks will be built.

Ecneec also approved the Local Government Support Project-3 at a cost of Tk 5,535 crore where Tk 2,382 crore will come from the World Bank.

Under the project, municipality and unions will be provided with a lump sum allocation for development work.

The government earlier implemented two projects to increase capacity of the local government institutions, according to the planning ministry. The new project has been taken in continuation of the two projects.

Strong dollar pulls down H&M net profit

AFP, Stockholm

Swedish ready-to-wear giant Hennes and Mauritz (H&M) said Tuesday annual net profit dropped by 11 percent due to higher purchasing costs from the rising dollar.

The group, which opened 427 new stores during that year, said its profit fell to 18.636 billion kronor (1.972 billion euros, \$2.109 billion) in its 2015/2016 financial year, ending on November 30.

The profit drop of nearly two billion kronor was also a result of "an increase in discounts" after a cold spring in Europe.

In the fourth quarter, the group's net profit increased by seven percent to 5.9 billion kronor.

Measured in local currencies, sales jumped by seven percent to 223 billion kronor in 2015/2016.

New VAT Act and Rules: An Implementation Road Map

Chief Guest: Mr. Md. Nojibur Rahman, Chairman, National Board of Revenue (NBR)

31st January, 2017



Md Nojibur Rahman, chairman of the National Board of Revenue, speaks at a workshop on the new VAT act and rules, organised by Metropolitan Chamber of Commerce and Industry, Dhaka, at the chamber's conference hall in Dhaka yesterday. Story on B1

Vodafone dials for backup in India telco fight

REUTERS, London

Vodafone has dialed for backup in its India fight. The UK-based telco is talking to Aditya Birla Group about an all-share merger of its Indian business with Idea Cellular, part-owned by the cement-to-retail group. It could feel the benefits beyond the subcontinent.

The two firms on Monday confirmed the talks in separate statements, but financial details were limited. The UK group said any merger would take

effect through the issuing of new Idea shares to Vodafone, and would result in the latter deconsolidating its India subsidiary. Idea's statement said that "equal rights" between Aditya Birla Group and Vodafone in the combined entity were a "fundamental premise" of discussions.

The strictest interpretation of this is that Aditya Birla Group's equity stake in the new company would equal the equity value of Vodafone India. That seems unlikely.

Berenberg estimates from early January put the equity value of Vodafone India at 9.2 billion euros, while Idea's market capitalisation is about 4.8 billion euros. Alternatively, Aditya Birla Group might just have equal control in terms of voting rights in the new company.

Another workaround could be that Vodafone India sells some of its equity to Aditya Birla Group in order to equalise their stakes, or receives an equalising cash payment.



Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority, and Rupali Chowdhury, president of Foreign Investors' Chamber of Commerce and Industry, attend the luncheon meeting of the chamber at the Westin hotel in Dhaka yesterday.



Arif Iftekhar Rabbi, second from right, head of marketing at HMD Global; Raquibul Kabir, third from right, managing director of Union Group; Farhan Rashid, fourth from right, head of business at HMD Global, pose at the launch of Nokia 150, a dual SIM mobile phone. HMD Global Oy, a start-up headquartered in Finland, launched the set that comes with a 2.4" screen and a price tag of Tk 2,499.

Bangladesh moves to improve ranking in ease of business

FROM PAGE B1

Presently, all processes of starting a business in Bangladesh require 19.5 days, which will come down to only seven days.

Rajuk (Capital Development Authority) takes 278 days to allow construction permits; this will drop to only 60 days after the reforms. Electricity will be given within 28 days, instead of 404 days at present.

Registering property, which is a cumbersome task in Bangladesh, will be made easy and simple for investors. According to the BIDA plan, the certified copy of a registered deed will be made available right at the time of registration and a copy will also be sent to the AC Land office for mutation immediately after the registration.

The central bank's Credit Information Bureau will provide detailed information of the client, including collateral debt. The interests of the minority investors will be protected by amending the Companies Act 1994.

Enforcing contracts, which is a key area of concern for Bangladesh, will be addressed with top priority. An additional

bench in the High Court and a dedicated court at the district level will address investment and trade issues. Finally, existing legislation will be reviewed to resolve the investors' insolvency issue. When asked, the BIDA executive chairman said the proposed reforms will be implemented from today.

In response to another query on how over two dozen secretaries will be available for meetings and consultation despite their busy day-to-day schedules, Islam said they are bound to abide by the decision, as their annual performance assessment has been linked to these reforms.

Abul Kashem Khan, president of Dhaka Chamber of Commerce and Industry, said: "If we can remove the bottlenecks, Bangladesh will become an attractive destination for investments. Also, we need infrastructure to create an enabling environment."

Abdul Matlub Ahmad, president of the Federation of Chambers of Commerce and Industry, urged BIDA to take steps to ensure consistency in government policies. "You should not change policies by issuing SROs frequently. Even, an SRO must last five years."

Agriculture vital to poverty reduction: study

FROM PAGE B1

Mohammad Yunus, senior research fellow of Bangladesh Institute of Development Studies, stressed the need for ensuring fair prices of farm produce so that growers stay with farming. "Arable land is shrinking. It is a reality. Based on that we also need to know that farmers will till land as long as it

is profitable," he said, suggesting letting the rice market function properly through reduced government intervention.

Mohammad Nazmul Islam, additional secretary of the agriculture ministry, said the government has building dug well in the north for irrigation. "We have banned deep tube well in the northwest."

Pfizer earnings miss analyst expectations

AFP, New York

Pharmaceutical giant Pfizer announced fourth-quarter earnings that missed analyst expectations Tuesday following a pair of recent acquisitions.

Net income in the fourth quarter was \$775 million, compared with a loss of \$172 million in the year-ago period. That translated into 47 cents per share, three cents below analyst expectations.

Revenues were \$13.6 billion, down three percent from the year-ago period.

Pfizer, which completed purchases of Medivation and Anacor last year, said results were dented in part by patent expirations on popular drugs and the strong dollar.

Pfizer's best-known drugs include the sexual dysfunction medication Viagra, the cancer drug Ibrance and the pain drug Lyrica.

VAT law should be clear and predictable: MCCI

FROM PAGE B1

"This is good news for the business community that pays VAT regularly," she said, adding that the online VAT system will reduce interaction between taxpayers and tax officials. The MCCI president appreciated the deletion of the provision of price declaration in the new law for businesses.

She also urged the government to take initiatives to build awareness among the business community on Alternative Dispute Resolution to help mitigate the backlog of cases in court. At the programme, Md Nojibur Rahman, chairman of NBR, said the tax authority has taken steps against non-compliant businesses.

Policy Research Institute Executive Director Ahsan H Mansur said some provisions of the VAT law will be helpful for businesses.

FBCCI demands strict stance on loan defaults

FROM PAGE B1

Big businesses are now getting loans at single-digit rate -- at lower than 9 percent rate. But the rate is still 13-14 percent for SMEs, and in some case 28 percent.

Commenting on the private sector credit growth, he said it would have been conducive to investment if the credit growth can be increased to 17 percent from 16.5 percent.

"If Bangladesh is to attain double-digit economic growth, it is also crucial to increase its investment to GDP ratio to 40 percent," he said, adding that employment generation would have to be raised through increasing investment both in public and private sectors.

The FBCCI also expressed its concern about the anti-dumping duty imposed by the

Indian government on the export of Bangladesh jute to the neighbouring market.

India on January 5 slapped the antidumping duty on imports of jute and jute goods from Bangladesh and Nepal to "protect the domestic industry". For Bangladesh, the duty ranges between \$19 and \$351 per tonne.

"Exports of jute and jute goods to India will be seriously affected," Ahmad said, adding that the products account for 29.6 percent of the total exports to India. "We think it can be solved through bilateral discussions."

Replying to queries on the new VAT law, he said it will be difficult for them to pay the VAT at the 15 percent flat rate. "We have proposed a 7 percent rate instead of 15 percent."

BGMEA asks factory owners not to publish photos of sacked workers

FROM PAGE B1

He also urged the government to allocate government-owned fallow lands to the weak entrepreneurs to set up apparel factories.

Rahman termed the central bank's latest monetary policy a cautionary one and said there were no clear guidelines on how to tackle fallout from Brexit and other global challenges that have been affecting apparel exports.

In the monetary policy, private sector credit growth could have been increased a bit to boost confidence among the investors

and to increase the inflow of loans to the industrial sector, he said.

On a recent allegation by the chairman of the National Board of Revenue or NBR that garment makers are not bringing back export receipts from abroad, Rahman said it is not true.

"The remark by the NBR chairman is very painful for us. Such a senior government official should not make sweeping comments," Rahman said.

"If there is any evidence, the NBR official should prove it and take action against the wrongdoers."



Adeeb Hossain Khan, president of the Institute of Chartered Accountants of Bangladesh, and Md Kamal Uddin, treasurer of Dhaka University, exchange the signed documents of a deal at a programme in Dhaka. The university's students of the accounting and information systems department will be eligible for exemption in some subjects at the ICAB. AAMS Arefin Siddique, vice chancellor of the university, was also present.



Shahjalal Islami Bank's Chairman Md Towhidur Rahman and Managing Director Farman R Chowdhury attend the managers' conference for 2017 of the bank in the capital on January 28.