

DHAKA TUESDAY FEBRUARY 28, 2017, FALGUN 16, 1423 BS

Muhith renews pledge to enforce new VAT law this year

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday renewed his pledge to implement the new VAT law from July this year to boost revenue receipts.

"VAT collection will become easy if the new law becomes effective," he told reporters after a meeting with the visiting deputy managing director of International Monetary Fund, Mitsuhiro Furusawa, in the capital.

The IMF has long been urging the government to go for a new VAT regime.

The government, in line with the IMF prescription, framed the VAT and Supplementary Duty Act 2012 and had planned to implement it in 2015.

But the government deferred the plan amid opposition from businessmen to accept a 15 percent 'universal' VAT rate instead of multiple rates effective now. Muhith said the IMF official wanted to know about the progress in the implementation of the new law.

In an interview with The Daily Star yesterday, Furusawa said Bangladesh needs increased public investment to maintain competitiveness and generate further productivity growth.

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Foreign aid utilisation to go up: Minister

STAR BUSINESS REPORT

The militant attack at a Gulshan café at the beginning of the current fiscal year slowed down the utilisation of foreign aid-funded projects, Planning Minister AHM Mustafa Kamal said yesterday.

Foreign aid utilisation will gain momentum soon as confidence is being restored, he said.

Many foreigners, especially those who were involved in mega projects like mass rapid transit and Padma bridge, had left the country after the attack in July last year, he added.

"So, the implementation of the projects was hampered. It's not that we do not have the capacity to utilise the funds," Kamal said at a press meet at the planning ministry.

He was explaining the ministry's position after media reports on unused foreign aid in the pipeline that reached a new high of \$36.54 billion.

The government has tightened the security system at every donor-funded project after the Gulshan attack, he said.

"They have come back after the situation has improved. Implementation of the

projects has resumed, and so, the utilisation scenario will improve."

In the first seven months of the current fiscal year, \$14.67 billion was received in new commitments, while \$1.47 billion was disbursed and \$13.2 billion remained unused.

Unused foreign aid in the pipeline was \$21.99 billion on June 30 last year.

"We did not fail to pay back the loan or the interest," Kamal said.

On the requirement of 30,000 megawatts of electricity by 2030, the minister said the government is considering not to set up power plants with foreign loans, to reduce the country's dependency on aid.

He said huge investments are also needed in infrastructure, education and health to improve these sectors further.

"The investment to GDP ratio may cross 30 percent after this fiscal year, which was 29.65 percent at the end of last fiscal year," Kamal said.

The planning ministry will place a revised annual development programme (ADP) at a meeting of the National Economic Council today for approval.

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Invest in employees to build up firms

Transcom chief says in a lecture

STAR BUSINESS REPORT

Employees have to be given an industry's best financial compensation, actual authority and due respect to build a successful business organisation, a top entrepreneur said yesterday.

Latifur Rahman, chairman and chief executive of Transcom Group, one of the largest conglomerates in Bangladesh, said companies give employees designations but how much authority people get really has to be seen.

"As employers, we must pay our colleagues a financial compensation that is the best in the industry; otherwise, they will not stay. We will have to give them meaningful empowerment and show them the highest level of respect."

The noted entrepreneur was delivering a lecture on 'entrepreneurship towards creativity' at Daffodil International University (DIU) in Dhaka.

The lecture was part of the DIU industry academia lecture series on entrepreneurship development,



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Latifur Rahman, chairman of Transcom Group, delivers a lecture at Daffodil International University in Dhaka yesterday.

launched by the Innovation and Incubation Centre at the university. Rahman's Transcom started off with tea plantations in 1885. It is now one of the country's largest conglomerates, with operations in the areas of manufacturing, pharmaceuticals, electronics, beverages, media, consumer, food and insurance.

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Business leaders get CIP cards

STAR BUSINESS REPORT

The government yesterday awarded 164 commercially important persons (CIPs) for their contribution to the economy.

The CIPs -- under the export and trade categories for the year 2013 -- have been selected on the basis of their performance assessed by the Export Promotion Bureau. The award is given

every year but it gets delayed by the lengthy inspection and verification procedures.

Commerce Minister Tofail Ahmed handed over the cards to the awardees at a programme at Radisson Hotel in Dhaka. Of the recipients, 125 businesspeople were given the cards in the export category and 39 in the trade category.

At the event, Ahmed said the rules of the CIP

cards should be changed so that the businessmen can get the cards quickly.

The minister advised businessmen to diversify both export products and markets to increase the value and volume of exportable goods. The government has already increased the amount of cash incentives given on the export of different goods, he said.

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