

BIAC holds training for Kafco officials

STAR BUSINESS REPORT

Bangladesh International Arbitration Centre (BIAC) has organised a two-day training programme for senior officials of Karnaphuli Fertilizer Company Ltd (Kafco) in Chittagong recently.

The training on "Practice and the Art of Negotiations" for 22 Kafco senior officials took place at the fertilizer company's plant on March 12-13, said the BIAC in a statement.

The BIAC said as negotiation is one of the major components of alternative dispute resolution (ADR), the training course included negotiation along with arbitration, mediation, work place dispute resolution, ADR in procurement and dispute resolution with collective bargaining agent.

The training was conducted by Barrister Khandoker MS Kawsar, Advocate Shahariar Sadat and BIAC's Senior Counsel Afrin Ahmed. Kafco Chief Operating Officer Azizur Rahman Chowdhury was also present.

Established with shareholding and support of governments and private sectors of Bangladesh, Japan, Denmark and the Netherlands, Kafco is the largest joint venture investment in Bangladesh. It sells products in many countries.

The BIAC is the first and only ADR centre in Bangladesh. It provides arbitration and mediation to resolve civil and commercial disputes and also training on arbitration, mediation and negotiation.

Trump budget would slice domestic programmes, foreign aid

REUTERS, Washington

President Donald Trump on Thursday will offer the first details of his plans for deep cuts in domestic programs and foreign aid, releasing a budget outline that would boost military spending by \$54 billion and seek cuts of the same size in non-defense programs.

Early drafts described by government officials call for dramatic cuts at some agencies: a quarter of the Environmental Protection Agency's budget, a third of the State Department's spending, and across-the-board cuts to other agencies as the Trump administration seeks to beef up military spending. The numbers in Thursday's budget could differ from those early drafts but some agencies would take a big hit.

"They're really going to be cutting into bone," said Kenneth Baer, a former associate director at the Office of Management and Budget who helped draft President Barack Obama's first four budgets.

The document will kick off months of debate on government spending, with Democrats and moderate Republicans worried the budget could force tough decisions on

popular programs such as aid for disabled children and hot meals for the elderly - and conservatives pushing for more cuts down the line.

New administrations typically submit to Congress what is known as a "skinny budget" - a broad outline of spending proposals - in their initial months in office, with lengthy volumes of fiscal plans and projections following a couple of months later.

But the Trump budget for the fiscal year that begins on Oct. 1 may be more truncated than usual, said three budget experts interviewed by Reuters.

The document is expected to look only at one narrow piece of the budget: "discretionary" programs that are subject to renewal every year and not the massive "entitlement" programs such as the Social Security retirement program and the Medicare and Medicaid health programs.

"This one appears as though it will be one of the skinniest budgets of recent memory. Possibly emaciated," said Maya MacGuineas, president of the Committee for a Responsible Federal Budget.

Social programs such as Social Security and Medicare account for the majority of overall government

costs. Trump pledged to protect the two programs during the campaign.

"If they put out a budget as skinny as advertised, it might not really tell us a whole lot about the president's overall budget and the direction of fiscal policy," said Robert Bixby, executive director of the Concord Coalition, a nonpartisan budget reform advocacy group.

The "skinny budget" is not expected to address other potentially expensive promises Trump made during his campaign.

Trump wants to boost infrastructure spending while cutting taxes. Although he has not given details on how or when that would happen, the pledges worry Romina Boccia, a fiscal policy expert at the conservative Heritage Foundation. "You could blow up the deficit even more," she said.

If Trump sticks with his campaign spending promises but decides to make a bigger push to rein in the deficit, more cuts could be in store for programs such as food assistance for the poor, college Pell Grants for the poor and some income assistance for poor senior citizens, said Sharon Parrott, senior fellow at the Center of Budget and Policy Priorities.

Unilever top employer of choice for fifth year

STAR BUSINESS REPORT

Unilever Bangladesh Ltd has emerged as the top 'Employer of Choice' across all sectors for the fifth year in a row in 2015, according to a survey. Nielsen, the globally recognised organisation for market research, conducts a survey every year to identify the most preferred organisation in the country.

The research was conducted from November 9 to December 8, 2016. About 600 final year BBA and MBA students of major public and private institutions in Bangladesh participated in the survey.

In addition, Unilever Bangladesh retains the 'Dream Employer' status for the fifth year. Unilever Bangladesh is preferred by more than 300 graduating students from the top 12 campuses, as well as being preferred by female students.

The company offers a rigorous management trainee programme -- Unilever Future Leader's Programme -- where the best fresh graduates are selected for on the job training in and outside the country. The pool is then prepared to take up the next generation of leadership roles.

Italian food festival at Sarina

STAR BUSINESS DESK

Hotel Sarina is going to offer special items and a sumptuous buffet dinner menu at its Risotto Restaurant as part of a festival to promote Italian food.

The special buffet dinner offer will be available from 6:30pm to 10:30pm between March 18 and March 23.

The experienced and professional chefs of the restaurant will gear up for the occasion with a selection of delicious and traditional Italian dishes, said the hotel in a statement. The buffet dinner is priced at Tk 2,050 per person.



Mustafizur Rahman Khan, chief operating officer of Sylvan Technologies, a concern of PRAN-RFL Group, and Manzoor Alam, deputy general manager of Aramit Ltd, exchange documents after signing an agreement at the PRAN-RFL Centre in Dhaka on March 12. Under the deal, the two companies would use each other's products.

Top Japan firms hike wages at slowest pace in years

AFP, Tokyo

Some of Japan's top companies announced their lowest wage hikes in years on Wednesday, marking the latest challenge for Tokyo's bid to boost spending and the economy.

Toyota, which employees nearly 350,000 in Japan, offered a base pay hike of 1,300 yen (\$11) per month for the fiscal year starting in April, the lowest in four years and down from a 1,500 yen bump in 2016.

The offer came as major Japanese firms, including Nissan, Hitachi and Panasonic, announced pay offers following yearly union negotiations known as Shunto, or "the spring

offensive".

"There is a strong possibility that the pace of wage hikes among big firms will be the slowest in four years," Hisashi Yamada, chief economist at Japan Research Institute, told AFP.

The tepid wage bumps are a setback for Prime Minister Shinzo Abe and his bid to boost Japan's economy with a plan dubbed Abenomics, rolled out in early 2013.

Japan has been struggling to reverse a years-long deflationary spiral of falling prices and lacklustre growth.

Tokyo has called on firms to boost wages so that consumers have more money to spend, in the hopes it will

lift the world's number three economy. "Current wage growth isn't strong enough to tackle deflation," Yamada said.

Despite healthy profits, cash-rich Japanese firms remain cautious about the world economy, partly due to uncertainty about US President Donald Trump's protectionist leanings could hurt exports, local media said.

Still, wages are on the increase, with Toyota offering an additional 1,100 yen to employees with kids.

Hitachi and Panasonic offered annual monthly wage increases of 1,000 yen, below previous years, while Honda is giving employees a 1,600 yen hike, up from 1,100 yen last year.

VAT registration for firms goes online

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Businesses, particularly those with no internet access, will get support from VAT Online Service Centres (VOSC) to sign up for registration and re-registration.

The NBR has already opened four VOSC in Uttara, Mirpur, Farmgate and Motijheel, and one in the port city Chittagong to provide services, Hossain said.

Some 310 firms, including the companies under the Large Taxpayers Unit of VAT, have already re-registered online to get a nine-digit BIN, which will replace the existing 11-digit BINs after the VAT and Supplementary Duty Act 2012 comes into effect in July this year.

The latest law, which will replace VAT Act 1991, envisages a flat 15 percent VAT rate instead of various types of rates that are in effect at present.

The government aims to implement the law, designed to increase VAT collection and compliance, through the automation of VAT systems.

VAT, a type of consumption tax, is now the main source of revenue, accounting for 36 percent of the total tax of Tk 155,519 crore collected in fiscal 2015-16, according to the NBR.

ADP spending rises 31 pc

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Development spending has been slow since fiscal 2012-13 in terms of percentage of the total outlay. In the first eight months of fiscal 2016-17, ADP implementation stood at 44 percent, with the rate progressively declining since.

Due to the slow implementation rate, the government on February 28 revised the ADP allocation downwards to Tk 119,295 crore.

According to the revised ADP, in the first eight months, the ministries and divisions could spend only 38 percent of the allocation, meaning they would have to spend about 62 percent of the outlay in the remaining four months of the fiscal year.

Although the spending of local funds increased, which was the main reason behind the rise in ADP implementation, the utilisation of foreign funds is still at par last year.

During the July-February period of the fiscal year, 42 percent of the government's own fund for the year was utilised, up from 37 percent managed by the ministries and divisions a year earlier.

However, foreign fund utilisation during the July-February period of fiscal 2016-17 stood at 30 percent, which was the same as last year at this point.

In light of the development, the government increased the allocation from its own fund by Tk 7,000 crore to Tk 77,700 crore. On the other hand, foreign fund allotment was slashed by Tk 7,000 crore to Tk 33,000 crore.

Only four of the ten large ministries and divisions that got 73 percent of the

total allocation registered higher than the average implementation rate during the period.

They are: power division (50.64 percent), housing and public works ministry (53.35 percent), local government division (48.68 percent) and health and family welfare ministry (37.37 percent).

The other six ministries spent much lower than the average, with the bridges division managing only 21.63 percent implementation. The bridges division got most of the allocation for the construction of Padma bridge.

Since the spending was low, a slash in allocation for the division was proposed in the national economic council meeting. However, the allocation was not revised, and it was decided that the bridges division will be given what it can spend.

A planning ministry official said although the expenditure in terms of money is low, the physical work of Padma bridge is going on in full swing.

Of the remaining large ministries, the railway ministry spent 28 percent, road transport and highways division 27 percent, primary and mass education 36 percent, secondary and higher education division 31 percent and water resources ministry 26 percent.

Among the 56 ministries and divisions, 29 managed lower than the average implementation rate of 37 percent.

Implementation by state-owned enterprises during the July-February period stood at 31 percent of the total outlay of Tk 12,664 crore. The implementation rate was 37 percent last year.

Oil jumps off lows, IEA sees H1 deficit after Opec cuts

REUTERS, London

Oil prices climbed more than \$1 on Wednesday, lifted by a surprise drawdown in US inventories and data from the International Energy Agency (IEA) suggesting Opec cuts should create a crude deficit in the first half of 2017.

"For those looking for a rebalancing of the oil market the message is that they should be patient, and hold their nerve," the IEA said in

its monthly report.

Brent futures rose more than \$1 from Tuesday's close. By 1137 GMT, oil was up 92 cents at \$51.84 a barrel. Prices had hit a three-month low of \$50.25 during the previous day's trading.

U.S. West Texas Intermediate crude was up 99 cents at \$48.71 and had also climbed more than \$1 during Wednesday's trading. On Tuesday, the price fell to \$47.09, also the lowest since November.

Renewable energy expo begins in Dhaka

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Qtex Solutions, an independent inspection, testing, calibration, certification, research and development firm, serves manufacturing, power plants, chemical, pharmaceuticals, cement, energy, hospital, ceramics, paper and food processing industries. "We do environmental and energy audit in factories, which show that Bangladesh can save energy from efficient consumption," said Khanom.

At the fair, Whizz uPVC Win-door Ltd is showcasing how the indoor of an office or home can become green with live plants.

For availing the service, a customer has to spend Tk 1,000 per square feet. This is costly but there is demand in the market, said MA Mannan, managing director of the company.

Gazi Hamidur Rahman, a researcher on biogas and generator, is showcasing a machine capable of filtering stinky sulfur from biogas plants.

"The filter reduces bad smell of waste used in biogas plants," said Rahman, who has also brought biogas-run water pumps and generators.

At the fair, participating companies are offering products and solutions that conserve energy, reduce carbon emissions and cut overall utility costs.

Energy-efficient lamps, motors, compressors, heating, ventilation and air-conditioning technologies are also

being showcased.

However, solar power systems are dominating the fair with nearly half of the participants have come up with solutions and panels, mostly imported.

Earlier in the morning, Prime Minister's Energy Adviser Tawfiq-e-Elahi Chowdhury inaugurated the fair. "As we know the energy resources are limited we should move to alternative or renewable energies that will help us develop a sustainable environment," he said.

Parents and educational institutions should inspire the younger generation about the benefit of renewable energy and encourage them to take part in green campaign, said Chowdhury.

Anwarul Islam Sikder, chairman of the Sustainable and Renewable Energy Development Authority, Kabir Ahmed Bhuiyan, president of the Institute of Engineers Bangladesh, Muhammad Abdul Mazid, chairman of GreenTech Foundation Bangladesh, Matthias Gelber, founder of the Energy Revolution Germany and Prof Saiful Huque, director of the Institute of Energy, spoke on the occasion.

Vice-Chancellor of Dhaka University Prof AAMS Arefin Siddique presided over the inaugural session. In the afternoon, Commerce Minister Tofail Ahmed and Dhaka South City Corporation Mayor Sayeed Khokon attended two different sessions.

Boro plantation to expand this season

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DAE officials said farmers prepared seedbeds on higher area this season from a year ago.

The availability of some good varieties is another reason behind the farmers' interest in growing paddy during this dry season, said another DAE official.

Das said the recent rainfall would be highly beneficial for crops.

"It will reduce irrigation requirement. The plant growth will be good facilitating good yield," he added.

The DAE aims to ensure production of 1.91 crore tonnes of rice during the current boro season. The rice production target for the fiscal year is 3.51 crore tonnes.

BBS is yet to release the rice production data for the aman season, which is the rainy season.

However, millers and agricultural officials said aman rice production and acreage were higher this fiscal year than a year earlier. Bangladesh consumes 3.5 crore tonnes of rice a year, according to the US Department of Agriculture.

Cases filed over Grameen Telecom's profit sharing

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"Its total due from 2006-2015 is 1.08 billion taka (\$13.4 million) of which 80 percent should be paid equally to the company's former and current employees," he added.

Managing Director Ashraf Hassan, who is also named in the suit, said GT would fight the case and that all the profits had been ploughed back into the company.

"Their claim is not valid," Hassan said. Yunus, Bangladesh's only Nobel laureate, could not immediately be reached for comment.

He set up Grameen Bank in 1983 to make collateral-free micro loans to rural entrepreneurs.

Improve business climate to attract more FDI

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The country has an excellent legal framework for promoting investment but implementation is very poor, he said. BEZA will form a Tk 2 billion fund to provide seed money to private sector players to develop economic zones.

Speakers at the seminar held the lack of international-standard audit reports, poor enforcement of investment-related rules and regulations, and inadequate infrastructure responsible for poor FDI flow. They said setting up of special economic zones is the only way through which Bangladesh could reach the middle-income status by 2021.

They also demanded government funds to develop the private economic zones. Private sector investment in the country still remains stagnant even amid the political stability and lower lending rates, said Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry.

BEZA has been ensuring congenial environment for investors through developing policy and guidelines, he said, adding that it is also working to provide online one-stop Services to investors, which would ensure a hassle-free investment climate for the private sector.

increasing foreign investment, said Mustafizur Rahman, executive director of the Centre for Policy Dialogue.

The political situation is now favourable but infrastructure bottlenecks and power and electricity shortage will have to be overcome to attract foreign investors, he added.

BEZA has been working to develop a sound automated system of One-Stop-Services (OSS), said Kamal Abdul Naser Chowdhury, principal secretary of the prime minister's office.

The draft OSS act, which has been approved by the BEZA governing board, is now awaiting cabinet approval. All public and private economic zones will have the OSS desk that will be connected with the main centre located in BEZA headquarters, he said.

The revenue authority is providing all sorts of support to the BEZA in formulating an investment-friendly tax pattern for investors, said Nojibur Rahman, chairman of the National Board of Revenue.

It has already issued the Bangladesh Economic Zones Warehousing Station Rules, 2015 to declare all economic zones to be bonded warehousing stations.

This means investors in the economic zones will be able to import raw materials without paying import duty and value-added tax, he said.