

Govt mulls not to fix land price

STAR BUSINESS REPORT

The government is mulling to stop fixing the price of land to put an end to creation of black money and evasion of tax, said Finance Minister AMA Muhith yesterday.

"Fixing the land price is one of the major causes of money laundering. We are thinking about not to keep any fixed land price," he said after a pre-budget meeting with the Economic Reporters' Forum at the secretariat. He said a meeting on land price also took place earlier on the day.

The minister said land is sold at much higher rate than the government-fixed price. "In this way black money is created." "So, the government will not fix the land price; rather the market will determine it. That will be a step against money laundering."

A finance ministry official said the government is thinking of doing away with the fixed rate not only to stop the creation of black money but also to forestall tax evasion.

As the government rate is much lower than the actual price paid for a piece of land, the revenue earning from the sector is low, said the official.

Another official said initiatives to stop fixing land price were taken in the past but they did not see the light of day.

In the pre-budget meeting, the finance minister said the budget for the upcoming fiscal year would be a little over Tk 400,000 crore. "The size of the budget will be finalised in the next few days. It may be Tk 6,000 crore to Tk 7,000 crore more than Tk 400,000 crore."

The budget for 2017-18 to be unveiled on June 1 will be Muhith's 11th in his career. "I think this is practically the last effective budget in my life."

"The budget for 2018-19 will not come up with new initiatives and will not contain any proposal that will make somebody unhappy."

"As that budget will be before the national elections there will be little scope for realising money from anybody forcibly."

Development budget to be 39pc higher

STAR BUSINESS REPORT

The planning ministry is set to propose Tk 153,331 crore as the outlay for next fiscal year's annual development programme, which is 39 percent higher than the current year's allocation.

The draft of fiscal 2017-18's ADP outlay will be presented at today's meeting of the National Economic Council, which will be chaired by Prime Minister Sheikh Hasina. However, in the past several years the prime minister had increased the ADP size in the NEC meetings, said planning ministry officials. In that case, the total ADP may reach Tk 155,000 crore.

The ADP size for the current fiscal year was not revised down, which is unprecedented, said Finance Minister AMA Muhith in various pre-budget meetings.

The actual spending though will be much lower, the planning ministry officials said.

In next fiscal year's ADP, the government's own fund contribution will be raised 23.98 percent to Tk 96,331 crore and foreign fund 73.32 percent to Tk 57,000 crore. The transport sector will get the highest allocation of 26.77 percent of the total outlay, followed by power 12.30 percent, education 10.87 percent, science, information and communication technology 9.42 percent, rural development institutions 8.58 percent, health 6.65 percent and agriculture 3.92 percent.

The state-owned enterprises will get Tk 10,753 crore, according to the proposal.

G7 financial leaders reiterate FX pledges, vow more cyber cooperation

REUTERS

FINANCIAL leaders of seven leading world economies pledged stronger cooperation against cyber crime on Saturday and not to use foreign exchange to gain competitive advantage, but stuck to their cautious wording on trade, their final communique showed.

Finance ministers and central bank governors from the United States, Canada, Japan, France, Germany, Italy and Britain met in the Italian city of Bari to discuss the world economy, combating terrorist funding, cyber security and taxes.

The final communique of the meeting said the seven countries would use all policy tools - fiscal, structural and monetary - to boost economic growth.

It also said the G7 financial leaders would strengthen cooperation to counter cyber threats such as a global online attack which infected tens of thousands of computers in nearly 100 countries on Friday.

The statement said fiscal policy should be used to help job creation while keeping public debt on a sustainable path and monetary policy should help economic activity without fuelling strong inflation.

"We reaffirm our existing G7 exchange

rate commitments to market-determined exchange rates and to consult closely in regard to actions in foreign exchange markets," it said.

"We reaffirm our fiscal and monetary policies have been and will remain oriented towards meeting our respective domestic policy objectives, using domestic instruments and we will not target exchange rates for competitive purposes," it said, underlining the importance of refraining from competitive devaluations.

But unlike a G7 leaders' communique of 2016, the Bari meeting did not endorse free trade and reject protectionism, reflecting pressure from the United States where President Donald Trump has signaled his scepticism about free trade deals.

The G7 financial leaders repeated a line agreed by the broader Group of 20 in March which said: "We are working to strengthen the contribution of trade to our economies."

As a global cyber attack infected tens of thousands of computers in nearly 100 countries on Friday, the G7 financial leaders said: "We recognize that cyber incidents represent a growing threat for our economies and that appropriate economy-wide policy responses are needed."

Realtors in need of a regulator: analysts

STAR BUSINESS REPORT

Lack of proper regulation and uneven competition in the real estate sector has led to a decline in sales of apartments, said speakers at a roundtable yesterday.

"We need an independent regulatory body for the real estate sector which can measure the quality of apartments and help customers get their complaints addressed," said Toufiq M Seraj, managing director of Sheltech (Pvt.) Ltd.

He made the remarks at the discussion titled 'Challenges of investment in real estate sector and way forward' organised by the leading Bangla daily Prothom Alo in its office in Dhaka. Speakers said the market is going through a price correction.

Seraj, a former president of the Real Estate and Housing Association of Bangladesh (REHAB), said there should be a restriction on building high-rises. "Everyone should not be given the right to construct buildings."

Prof ATM Nurul Amin, chairperson of the

economics and social sciences department of Brac University, said Rajdhani Unnayan Karttripakkha (RAJUK) has completely failed to play its role.

"If it can act responsibly, both industry players and buyers will face less hassle," he said. Barrister Tania Amir, a senior lawyer of the Supreme Court, said: "RAJUK is a very difficult party and time has come to make this government agency accountable."

"Apart from RAJUK, the private sector can establish a credit rating system, which will also help the industry develop."

Md Shamim Z Bosunia, a former president of the Institute of Engineers, Bangladesh, said the structural design of a building is important for safety. "You will not find any problem unless any incident like the Rana Plaza building collapse happens," said Bosunia, also a former professor of Bangladesh University of Engineering and Technology.

He said RAJUK has become a parasite of the government and needs to be corrected. "The

agency should act like a regulator rather than a government developer."

SM Zahir Mohammad, a former member of the National Board of Revenue, called for bringing down the interest rates on home loans. He said in many countries the interest rate on housing loans is 3 to 4 percent.

"The interest rate has come down in Bangladesh, but it should fall further," he said.

Mohammad asked the authorities to cut registration costs to help develop a secondary market. Nasimul Baten, head of operations at Delta Brac Housing Finance Corporation Ltd, said the sector will flourish if the loan payout process is made easier.

The government should develop residential zones like an industrial zone and developers can construct buildings there, which will bring down the prices of flats, said Tanveerul Haque Probal, managing director of Building for Future Ltd. FR Khan, managing director of Building Technology and Ideas Ltd, presented the keynote.



Financial ministers and bank governors pose for a family photo during the G7 for Financial ministers meeting in the southern Italian city of Bari yesterday.

China says all welcome at Silk Road forum after US complains over North Korea



The Grand National Theatre is illuminated ahead of the Belt and Road Forum in Beijing, China on May 12.

REUTERS, Beijing

CHINA welcomes all countries to a forum this weekend on China's new Silk Road plan, the foreign ministry said on Saturday, after the United States warned China that North Korea's attendance could affect other countries' participation.

Two sources with knowledge of the situation said the US embassy in Beijing had submitted a diplomatic note to China's foreign ministry, saying inviting North Korea sent the wrong message at a time when the world was trying to pressure it over its repeated missile and nuclear tests.

The disagreement over North Korea threatens to overshadow China's most important diplomatic event of the year for an initiative championed by President Xi Jinping. Asked about the US note, the foreign ministry said in a short statement sent to Reuters that it did "not understand the situation".

"The Belt and Road initiative is an open and inclusive one. We welcome all countries delegations to attend the Belt and Road Forum for International Cooperation," it said.

The ministry did not elaborate. It said on Tuesday North Korea would send a delegation to the summit but gave no other details.

The United States is sending a

delegation led by White House adviser Matt Pottinger.

Despite Chinese anger at North Korea's repeated nuclear and missile tests, China remains the isolated state's most important economic and diplomatic backer, even as Beijing has signed up for tough U.N. sanctions against Pyongyang.

China has over the years tried to coax North Korea into cautious, export-oriented economic reforms, rather than sabre rattling and nuclear tests, but to little avail.

China has not announced who North Korea's chief delegate will be, but South Korea's Yonhap news agency said Kim Yong Jae, North Korea's minister of external economic relations, would lead the delegation.

Leaders from 29 countries will attend the forum in Beijing on Sunday and Monday, an event orchestrated to promote Xi's vision of expanding links between Asia, Africa and Europe underpinned by billions of dollars in infrastructure investment.

Delegates will hold a series of sessions on Sunday to discuss the plan in more detail, including trade and finance. China has given few details about attendees.

Some Western diplomats have expressed unease about both the summit and the plan as a whole, seeing it as an attempt to promote

Chinese influence globally.

China has rejected criticism of the plan and the summit, saying the scheme is open to all, is a win-win and aimed only at promoting prosperity.

Zhang Junkuo, deputy director general of cabinet think-tank the State Council Development Research Centre told reporters there were "misgivings, misinterpretations and misunderstandings" about the initiative.

"We must increase communication and exchanges so as to broaden our areas of cooperation and consolidate the basis for cooperation," Zhang said.

In an English-language commentary on Saturday, China's state-run Xinhua news agency said the new Silk Road, officially called the Belt and Road initiative, would be a boon for developing countries that had been largely neglected by the West.

"As some Western countries move backwards by erecting 'walls', China is contriving to build bridges, both literal and metaphorical. These bridges are China's important offering to the world, and a key route to improving global governance," it said.

Some of China's most reliable allies and partners will attend the forum, including Russian President Vladimir Putin, Pakistani Prime Minister Nawaz Sharif, Cambodian Prime Minister Hun Sen and Kazakh President Nursultan Nazarbayev.

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Le Méridien Dhaka

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Hisib
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IBM

Mohammad Foysol Chowdhury
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Cambridge CMOS Sensors Ltd.
Cambridge, UK

Kristin Low
Co-founder
Brinc Plus at Brinc.io
Founder
Design Thinking Asia

Dr. Marc J Ventresca
University Lecturer in Strategy
Said Business School
Fellow
Wolfson College
(Video Session)

Kazi Monirul Kabir
Chief Innovation Officer
Spider Digital Innovations, DUBAI

Professor Michael Wang
Director of Internet of Things Practice
Co-Founder & CEO
Sirlio
Adjunct Assistant Professor
Columbia University
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