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প্রথম বছরে ৯৯,০৯৮ ডায়ালাইসিস সম্পন্ন।

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Star BUSINESS

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VAT collection target to be 40pc higher

STAR BUSINESS REPORT

The government is likely to gun for VAT collection 40 percent higher than current fiscal year's revised target in fiscal 2017-18 by way of implementation of the new VAT law that commands a uniform 15 percent VAT for most goods and services.

Revenue collectors may be given the task of collecting Tk 91,000 crore next fiscal year, up from current year's revised collection goal of Tk 65,000 crore, said a senior official of the finance ministry.

Word on the increased revenue target comes at a time when the policymakers are mulling over a 3 percentage point cut in VAT rate under the new law to bring it to 12 percent.

In addition, the government is considering increasing the VAT-free turnover ceiling to Tk 36 lakh and hiking the highest threshold of turnover tax to Tk 1.5 crore annually to make businesses happy, the official said.

Policymakers said although the rate cut may cause a loss of revenue, the end of VAT collection at reduced rates applicable for 65 products and 22 services under the existing VAT law will increase receipts. The government scheme to install 50,000 electronic cash registers at the retail level is also expected to curb tax evasion and increase collection.

The new VAT law will take effect from July 1.

Also, the increase in supplementary duty rates for some key revenue-generating products and services such as tobacco and mobile will make up for the loss in revenue receipts from the slash in uniform rate to 12 percent.

The government is also considering impose SDs on the import of 700-800 products in the upcoming fiscal year from existing 170 items.

Insiders said the hike in the list of items to face SDs is planned in the face of demands from businesses for protection to local industries from competition with imported products and safeguard the interest of export-oriented industries.

The government is expected to fix the total revenue collection goal for the National Board of Revenue at Tk 248,000 crore, which 34 percent higher than the revised target for fiscal 2016-17.

VAT is the biggest source of revenue collection for the government, followed by income tax and import duty, according to the NBR.



Analysts take part in a seminar on the development of bond market in Bangladesh, at the capital's Radisson Blu Water Garden hotel yesterday.

Strong bond market needed to finance infrastructure: analysts

STAR BUSINESS REPORT

Bangladesh needs to develop a strong bond market to meet the financing demands of large infrastructure projects, speakers said at a seminar yesterday.

"We need to work together to establish a financial system that will provide various avenues for financing the large infrastructure projects," said MA Mannan, state minister for finance and planning, at the event held at the capital's Radisson Blu Water Garden hotel.

IDLC Finance and Public Private Partnership Authority jointly organized the seminar on the development of bond market in Bangladesh.

Bangladesh's infrastructure investment requirement is 7 percent of GDP but current investment stands at less than 3 percent. The development partners invest about 1.5 percent of GDP, meaning there is a financing gap of about 3 percent.

"If we can develop a bond market, it will not only meet the financing gap but also have a positive impact on the lives of the citizens of Bangladesh," Mannan added.

Bangladesh's financial system is heavily dependent on the banking industry, which shoulders 62 percent of the financing needs, followed by the stock market at 20 percent, bond 15 percent and insurance 3 percent.

The bond market is fully dominated by the government treasury bonds, with only two corporate bonds being in the market.

But in peer countries the prevalence of corporate bonds is much higher. It is over 40 percent of GDP in Malaysia, 20.5 percent in Thailand, 6.2 percent in the Philippines, 2.7 percent in India, 1 percent in Vietnam, while it is just 0.2 percent in Bangladesh.

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Apparel exporters gear up to make sportswear

REFAYET ULLAH MIRDHA

Local garment makers are gearing up with fresh investment to enter the global sportswear markets, as demand for the items is on the rise with changes in taste and fashion.

Although Bangladesh is the second largest garment exporter worldwide after China, it has little presence in the global sportswear market worth \$270 billion. China and Vietnam are currently dominating the market.

Bangladesh exports a few million jerseys during different occasions, although the country has greater potential in the sportswear segment, for both fashion and sports functional wear.

"We are setting up a big factory in Gazipur on 50 bighas of land to produce specialised garment items, including sportswear, wind jackets, denim items and swimwear," said Abdus Salam Murshedy, managing director of Envoy Group, a leading garment exporter.

The group is investing Tk 500 crore in the proposed plant, Murshedy added.

KM Rezaul Hasanat, chairman of Viyellatex Group, said sportswear has two segments – fashion and functional. The fashion segment includes garments that are used like any other apparel item, while the functional items are used for performance during sports.

Local manufacturers export fashion sportswear items on a limited scale, but they are yet to explore functional wear, said Hasanat who also ships sportswear to a European buyer.

Asif Zahir, director of Ananta Apparels, said they have plans to set up a separate factory to produce sportswear in future, as demand for Bangladeshi goods is rising worldwide.

Momin Mondol, managing director of Mondol Group, another leading garment exporter, said they shipped a few million pieces of jerseys during the last football world cup in Brazil in 2014.

KEY POINTS

- Local garment makers are investing in sportswear production
- Global size of the sportswear market is \$270b
- Bangladesh supplies jerseys during mega sports events like World Cup football and cricket
- The EU and the US are the major sportswear markets
- A few factories inside EPZ now export high-end sportswear

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Islami Bank's remittance proceeds fall 13pc

STAR BUSINESS REPORT

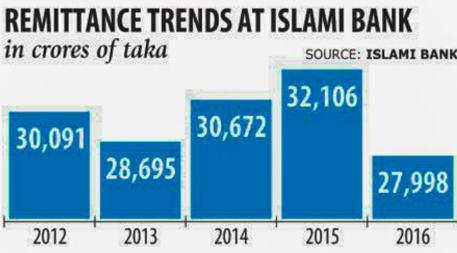
Remittance receipts of Islami Bank Bangladesh fell 13 percent in 2016 compared to the previous year.

The bank received remittance worth Tk 27,998 crore last year, down from Tk 32,106 crore in the previous year, according to the bank's latest annual report.

The bank's market share in terms of remittance receipts fell to 26 percent last year from 26.57 percent in 2015.

The bank's business was affected by the recent downtrend in remittance inflow as remittance is a major source of income for the bank, said a senior official.

In 2016, Bangladesh's remittance income stood at \$13.61 billion – the lowest in five years, according to central bank statistics. The receipt was \$15.32 billion in 2015.



The bank is also going through a period of transition amid a major reshuffle in its board. Foreign investors are intending to take away their investment from the bank, which had a negative impact on the bank's share price.

The bank declared 10 percent cash dividends for 2016, which was one of the lowest in the recent past; the low dividend also took a toll on its share prices. The bank made a net profit of Tk 446 crore in 2016.

Brac Bank's profit rises 104pc

STAR BUSINESS DESK

Brac Bank's profit after tax surged 104 percent year-on-year to Tk 126.7 crore in the January-March quarter this year.

The bank's consolidated earnings per share (EPS) hit Tk 1.62 in the first quarter, up from Tk 0.98 in the same period of 2016, according to a statement.

Selim RF Hussain, managing director and CEO of Brac Bank, and AK Joaddar, deputy managing director, presented the financial results at a programme at the bank's head office in Dhaka yesterday.

Local and foreign investment analysts and capital market experts participated in the programme.

Hussain said, "Brac Bank has kept pace of its outstanding financial performance beyond 2016 and delivered a strong financial performance in the first quarter of 2017."

The bank is confident of continuing this business momentum over the next few years, he added.

The bank has 182 branches, 460 ATMs and 448 SME unit offices with its customer base now standing at 1.5 million.

IDLC launches open-end mutual fund

STAR BUSINESS DESK

IDLC Asset Management Ltd launched its first open-end mutual fund—IDLC Balanced Fund—at a programme at Sonargaon Hotel in Dhaka on Monday.

IDLC Asset Management is a wholly-owned subsidiary of IDLC Finance. IDLC Finance is the sponsor of the fund and IDLC Asset Management is its asset manager, the company said in a statement.

Investment Corporation of Bangladesh is the trustee and custodian of the fund.

IDLC Balanced Fund offers fund management through skilled fund managers mitigating investment risk.

Investors can invest anytime, any amount starting from Tk 5,000 (for individuals) and Tk 50,000 (for institutions) with the facility of anytime fund withdrawal at net asset value with the lowest exit load.

Investors can also check the present value of their investment every week on the company's website.

The objective of IDLC Balanced Fund is to provide the investors with regular annual income as well as capital gain in the long run.

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Delhi moving ahead with Dhaka on trade front: Shringla

UNB, Dhaka

Indian High Commissioner in Dhaka Harsh Vardhan Shringla yesterday said Bangladesh and India are moving ahead to have stronger trade relations addressing barriers, if there is any.

"We're moving forward, we're not moving backward," he told diplomatic correspondents at the National Press Club.

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