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## First female chairman for a state bank



Luna Shamsuddoha

### STAR BUSINESS REPORT

Luna Shamsuddoha, a prominent ICT entrepreneur, yesterday took over as the chairman of Janata Bank, making her the first woman chairman of any state-owned bank.

Since June 2016 she has been a member of the Janata board. From 2009 to 2012, she served as a board member of Agrani Bank, another state-owned lender.

Shamsuddoha said her major responsibility will be to improve the embattled bank's performance.

"We all know the bank is going through a crisis at the moment and my first task will be to bring the bank out of it," she told The Daily Star yesterday.

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## TO BECOME DEVELOPED COUNTRY

# Bangladesh must grow 10pc annually for 20 years: ADB chief

### STAR BUSINESS REPORT

Bangladesh needs to clock in at least 10 percent economic growth for the next two decades if it wants to become a developed country by 2041, said Takehiko Nakao, president of the Asian Development Bank, yesterday.

"It is not impossible, but not so easy also," he said at a media briefing held at the Manila-based multilateral lender's office in Dhaka.

Going by Bangladesh's current GDP growth rate of 7 percent, the per capita income would hit \$6,000 after 20 years, which is half the threshold for an advanced economy.

"Unless Bangladesh makes serious efforts like what China did in the 1990s and 2000s and registered 10 percent growth, it cannot be reachable," said Nakao, who is in Dhaka on a three-day visit.

China grew at 10 percent or more for about two decades and its per capita income now stands at \$8,000.

The higher economic growth hinges on investment in infrastructure, good investment climate, foreign direct investment, consistent policies of successive governments and the use of geographical advantage surrounding India, China and Southeast Asian nations.

Nakao, who is also Japan's former vice-minister of finance for international affairs, said FDI had played a very important role in China's rapid economic development.



From left, Hun Kim, director general of the South Asia Department at Asian Development Bank (ADB); Takehiko Nakao, president, and Manmohan Parkash, country director, attend a media briefing at ADB's office in Dhaka yesterday.

Data shows FDI accounted for 2 to 3 percent of China's GDP for many years.

"But it is only 0.6 percent in Bangladesh," said Nakao, who is leading the ADB for the second term.

The ADB president also touched upon Bangladesh's revenue, which is about 10 percent of GDP.

He said that he is well aware that the imple-

mentation of the new VAT law has been delayed twice due to resistance from the business community.

"Revenue is not to make people suffer; it is to support the poor people," he said, adding that he supports the government's move to implement a new value-added tax law to boost revenue earnings.

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## Farmers' children should not leave farming: Hasina

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday said the children of farmers should not leave the farming sector, to make best use of the knowledge they have inherited from their parents for the greater good.

After completing their education, the farmers' children should not have any negative attitude towards the profession, she said. "We are modernising our agriculture and providing equipment to the farmers."

The premier spoke while launching digital platforms—Krishi Batayon and Krishak Bandhu Phone Seba—for expansion of e-agriculture services across the country, through a videoconference from her official residence at Gono Bhaban in Dhaka.

"I think this (agriculture) is a sacred profession and all need to get involved in agriculture."

Agricultural activities play a big role to ensure food security, she said.

The prime minister said the government has been working to improve the living standards of the general mass with the help

of ICT.

For the purpose, Krishi Batayan and Krishok Bandhu Phone Sheba have been launched to provide non-stop advice and services to the farmers on problems and prospects of agriculture, she said.

Hasina asked the authorities concerned to keep provisions to record questions and answers of the researchers, extension workers, teachers and farmers and preserve those in Krishi Batayan for future use.

Besides, steps were also taken to provide khas land to the landless people and build cluster villages to rehabilitate the homeless, she said. Hasina said her government had implemented various programmes like research on agriculture and creating opportunities for the farmers, which helped the country become self-reliant in food production.

The government now wants to continue running such programmes to boost the agriculture sector, she said, adding that over 5,275 digital centres have been set up across the country from where anyone can get any information related to agriculture.

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## Bangladesh won't seek GSP from US anymore: commerce minister

### STAR BUSINESS REPORT

Bangladesh will not demand the restoration of the generalised system of preferences to the US anymore as Washington has added new conditions even after the country met previously set targets, Commerce Minister Tofail Ahmed said yesterday.

"I don't see any possibility of the revival of the GSP for Bangladesh by the US government. We won't demand the restoration of the GSP to the US anymore," Ahmed told reporters at his secretariat office in Dhaka.

The GSP facility for Bangladesh was suspended in June 2013 after the Rana Plaza building collapse in April, the reasons cited being poor labour rights and unsafe working conditions in factories.

The then Obama administration gave 16 conditions to be fulfilled for regaining the trade privilege. Bangladesh fulfilled the conditions and twice submitted reports to the United States Trade Representative.

But the US has not reinstated the trade privilege; rather it always calls for further improvement of the situation. In the last two years, Bangladesh has not even applied to the USTR to have the special tariff status regained.

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## Every corrupt will be brought to book

### Says ACC chief on banking scams

### STAR BUSINESS REPORT

The Anti-Corruption Commission will bring to book every people who are involved in banking scams as part of the move to create a business-friendly environment in Bangladesh, its Chairman Iqbal Mahmood said yesterday.

"We have nothing to do with bank loans. But we want you [businesspeople] not to submit any false bank guarantee during taking loans," he said.

"Banks, be it private or state-owned, deal with public money. We will take action as soon as we receive complaints about any banking frauds."

Mahmood also assured that the ACC will not harass any businessmen who maintain minimum ethical standards.

He spoke while addressing a discussion on "Ensuring transparent and accountable public services for investment- and business-friendly environment in Bangladesh".

The ACC and the Bangladesh Investment Development Authority (BIDA) jointly organised the event at the commission's Segunbagicha headquarters.

According to Bangladesh Bank data, the total written-off loans between January 2003 and June 2017 stood at Tk 45,527 crore.

State-owned banks have written-off Tk 22,435 crore in loans and private banks Tk 21,674 crore as of June last year.

Two state-run specialised banks—Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank—have written-off Tk 555 crore and foreign commercial banks Tk 863 crore.

At the discussion, Hasina Newaaz, a director of the Federation of Bangladesh Chambers of Commerce and Industry, said businesses have to give bribes to the government officials to ensure security for their export and import activities.

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## Foreign investors demand 5pc corporate tax cut

### STAR BUSINESS REPORT

Foreign investors in Bangladesh yesterday demanded cuts in corporate tax at least 5 percentage points to attract foreign funds and create expansion opportunities for businesses.

"We proposed reducing the corporate tax in phases so that the government's revenue generation does not face any big fall," said Abdul Khalek, convener of tariff, trade, taxation and corporate law committee of the Foreign Investors' Chamber of Commerce and Industry.

If the first phase of the corporate rate tax cuts works well, the government can go for the next phase after two years, he said.

After that, the corporate tax rate for both the domestic and foreign companies will come to a tolerable level.

"By this time, the foreign investors will feel encouraged to invest in Bangladesh and the existing companies will expand their operations," he said at the FICCI's regular luncheon meeting at The Westin hotel in Dhaka.

The current corporate tax on revenues of a non-listed company is 35 percent. "This is too high given the existing business situation in the country."

The 25 percent tax on publicly



Mosharrar Hossain Bhuiyan, chairman of National Board of Revenue; Shehzad Munim, president of Foreign Investors' Chamber of Commerce and Industry, and Francois de Maricourt, CEO of HSBC Bangladesh, attend the chamber's regular luncheon meeting at The Westin Dhaka yesterday.

traded companies, the 42.5 percent tax on non-listed banks, insurance companies and non-bank financial institutions, and the 40 percent tax on listed banks, insurance companies and NBFIs are too high to make profit.

The 37.5 percent tax on merchant banks, the 47.5 percent tax on cigarette manufacturers and

the 45 percent tax on mobile operators are also excessive, he said in his keynote presentation.

The tax expert also compared the local corporate tax structure with some other peer countries like Vietnam (20 percent), Indonesia (25 percent), Sri Lanka (28 percent), Thailand (20 percent) and Malaysia (24 percent).

Khalek called upon Mosharrar Hossain Bhuiyan, chairman of the National Board of Revenue, who was the chief guest at the luncheon, to eliminate the 0.6 percent minimum tax as the government cannot generate a big amount of revenue from it.

"The nature of the minimum tax is that any company needs to

pay it, whether it can make any profit or not. Many small and medium companies cannot make any profit, but they still have to pay this kind of tax."

Elimination of such tax will also encourage foreign and local investors to pour in more money into the economy, Khalek added.

"We will be conducive to businesses as well as revenue collection," Bhuiyan said, adding that domestic resource mobilisation is crucial amid the declining foreign aid.

He also urged the multinational companies with operations in Bangladesh to maintain one books of accounts instead of two for ensuring transparency.

The foreign companies in Bangladesh contribute to 30 percent of the total national budget in a year, Shehzad Munim, president of FICCI.

"Businesses need pragmatic, predictable and enforceable fiscal policies," said Munim, also the managing director of the British American Tobacco Bangladesh.

Subsequently, he also called for simplification of the rules for company registration, withdrawal of price declaration and supplementary duty on locally manufactured goods, and easing of the rules of contract farming.

Francois de Maricourt, CEO of HSBC Bangladesh, also spoke.

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