

No surprises in next budget: Muhith

STAR BUSINESS REPORT

There is unlikely to be any surprise fiscal measure in the budget for fiscal 2018-19 as the impending general election at the end of the year weighs heavily on the ruling party's mind.

Instead, the government is aiming to fine-tune the existing fiscal measures, said Finance Minister AMA Muhith yesterday.

FBCCI's TAX PROPOSALS	
INCOME TAX	
Hike in tax-free income ceiling to Tk 3.5 lakh from Tk 2.5 lakh	
Some 2.5 percentage points cut in corporate tax	
Removal of 5pc AIT on import	
CUSTOMS	
Cut in customs duty on basic industrial raw materials to 3pc	
Continuation of zero-duty import benefit for 312 items	
Increase in import duty to 15 percent from 10 percent on import of intermediate goods that are produced locally	
Formation of a committee to prevent under and over invoicing in imports	
VAT	
Formation of a high powered committee to frame rules related to online registration for VAT	
Independent assessment of the impact of new VAT law	



A congregation of businesspeople co-organised by the NBR and the FBCCI in the capital's Pan Pacific Sonargaon hotel yesterday.

"This is election year. New initiatives cannot be taken during the election year. So our main objective is to make the past initiatives perfect," he said at a congregation of several hundreds business people at the capital's Pan Pacific Sonargaon hotel.

The National Board of Revenue and the Federation of Bangladesh Chambers of Commerce and Industry jointly organised the event to hear out the businesses' opin-

ions before framing the fiscal measures for the incoming year.

Businesses at the event complained of harassment by taxmen and at customs bond commissionerate.

They also called for bringing down bank interest rates on loans to single digit, cash incentives for export on export value, favourable tax for cottage industries as well as small bread and biscuit makers, mea-

sures to curb soaring prices of construction materials such as rod and cement.

The FBCCI demanded a raise in tax-free income ceiling for individuals and 2.5 percentage point cut in corporate tax rates.

It also wanted the government to take measures to reduce the cost of doing business, improve infrastructure and port capacities, and transportation costs.

READ MORE ON B3

Record \$5b Chinese investment coming up

Chinese firm to set up coal-fired power plant, make bricks with its ashes

JAGARAN CHAKMA

The Bangladesh Economic Zones Authority will sign a deal with a Chinese company in a month enabling it to invest \$5 billion in the country.

If materialises, it will be the single largest foreign investment by a company in Bangladesh's history.

The investor, Zhejiang Jindun Pressure Vessel Co Ltd, will not only generate electricity by setting up a coal-fired power plant but also utilise the plant's ashes to make bricks by establishing a specialised factory.

"As we are satisfied with the details of the investment plan we are going to provide them 500 acres of land," Paban Chowdhury, chairman of the Beza, told The Daily Star yesterday.

On signing the deal on the allocation of land at the Mirsarai Economic Zone in Chittagong, Zhejiang will pay Tk 315 crore to the Beza as the land rent for 50 years, he said. Bangladesh received a record \$2.45 billion in FDI in 2016-17.

Zhejiang representatives visited the under-construction zone in October 2015 before applying to the Beza seeking 1,000 acres of land, paying Tk 6 crore in advance, said Beza officials.

The Chinese company had wanted to set up a 2,640-megawatt plant but the Power Division gave it permission initially to build a 1,320MW plant comprising two units with 660MW each.

Zhejiang has pledged to construct the plant within three years after striking the deal, according to Chowdhury.

Considering the power shortage in Bangladesh, the Beza has given priority to the Chinese company's plans, he said.

If materialises, it will be the single largest foreign investment by a company in Bangladesh's history

4G: telcos grin, users frown

Data consumption doubles since launch of service

MUHAMMAD ZAHIDUL ISLAM

Data consumption by the 4G users has doubled since the fourth-generation service was launched seven weeks ago, but customers' overall experience has not been satisfying so far.

Customers who used to consume 500mbps to 600mbps a month before the inauguration of the service on February 19 have had their consumption level crossed 1GB across all operators.

Grameenphone, Robi and Banglalink—the top three mobile phone operators who have launched 4G—said they are getting a huge response from the customers.

State-run Bangladesh Submarine Cable Company said it has received orders to supply an additional 40 Gbps bandwidth since the launch of 4G.

The state agency sells bandwidth to international internet gateways who again sell it to operators.

But a majority of the customers are yet to come under the fastest data service network

and those who are availing it are not happy with the overall service.

Some customers are even reluctant to move to 4G as they are dissatisfied with the existing services.

Md Noor Hossain, a pharmacist living in Hatirjheel area of the capital, has started using 4G recently.

He said he is unable to use the service as the area is not covered by the fourth-generation technology.

Shariful Islam, who lives in Mirpur, has gone even a step further. He collected SIMs of the top operators but he can use the service only in a few parts of the city, he said.

Market leader Grameenphone said it is getting a huge response from the market.

"The customers who are 4G ready (already replaced their SIM and using 4G-enabled smartphone) and live within the 4G coverage area, are enjoying the significantly faster data speed," said Sayed Talat Kamal, head of external communications at Grameenphone.

READ MORE ON B3

Six large ministries in slumber in polls year

Expenditure slower than last year's

STAR BUSINESS REPORT

Six of the 10 large ministries and divisions' expenditures in the first half of 2017-18 were lower than a year earlier, unusual for an election year when the incumbent tends to go all guns blazing to impress the electorate.

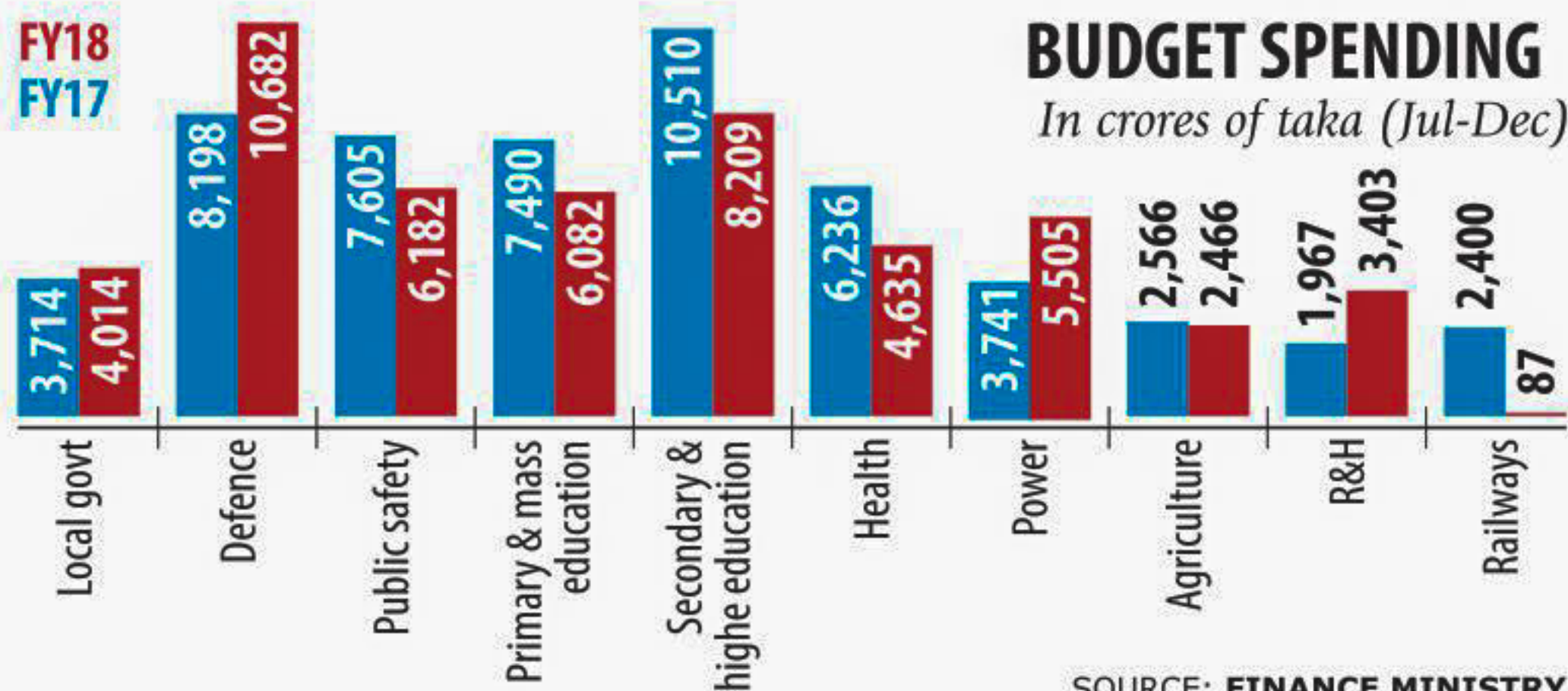
The biggest slump was witnessed in the railways ministry: between the months of July and December last year its expenditure was Tk 87 crore in contrast to Tk 2,400 crore a year earlier, according to a finance ministry report placed in the parliament on Wednesday.

Contacted, a finance division official said the low expenditure by the railways ministry could be down to reporting gap. The ministry might have spent but they are yet to be accounted in the official statistics.

The health service division's spending declined 25.7 percent, followed by higher education division at 21.9 percent, primary and mass education ministry at 18.8 percent, and public safety division at 18.7 percent.

The agriculture ministry's expenditure shrunk 3.9 percent during the period.

The other four ministries and divisions had bumped up their expenditure in the first half of the fiscal year: road transport and highways division (73 percent), power division (47.2



SOURCE: FINANCE MINISTRY

percent), defence service division (30.3 percent) and local government division (10.8 percent).

Total expenditure in the first six months of the fiscal year was at Tk 102,957 crore, up 7.8 percent year-on-year.

In the first half of fiscal 2016-18, expenditure had risen 24.7 percent from a year earlier.

The sluggish budget implementation on an election year can be blamed on the slow progress of many of the mega projects. Initially, some of the projects faced some problems that slowed down their implementation in the first half, said

a finance ministry official.

"But, they will get momentum in the second half of the fiscal year," he added.

This fiscal year's budget is Tk 400,267 crore: Tk 246,936 crore is the revenue budget and Tk 153,331 crore the development budget.

In the parliament, the finance minister in a written speech said there was no budget deficit in the second half of the fiscal year.

Rather, there was a surplus of Tk 237 crore. In the same period last fiscal year, the deficit was Tk 6,444 crore, he added.

Mobile operators suffer for utility work, outages

STAR BUSINESS REPORT

Mobile operators' network quality is suffering for the fibre optic cable cut and power shortage across the country in recent times.

In some cases, the operators are facing power shortages that last longer than the capacity of their backups. Operators can arrange backup support for six to eight hours a day.

The site then goes offline, leaving subscribers in the area with no network, said top officials of Banglalink yesterday in a workshop with the Telecom Reporters Network, Bangladesh (TRNB) at their office.

Between September last year and March this year, Banglalink suffered 212 instances of cable cuts that left huge areas of the country without network, said Taimur Rahman, chief corporate and regulatory officer of Banglalink.

In most of the cases, it is because of the different government agencies, especially roads and highways department, he said, citing the Dhaka-Tangail highway extension work as an example.

The Jatrabari-Mawa highway construction also caused 25 counts of network outages.

READ MORE ON B3



AMA Muhith, finance minister, and M Syeduzzaman, a former finance minister, attend the launch of a book -- Socio-Economics of Bangladesh through the Decades -- authored by Qazi Kholiquzzaman Ahmad, chairman of the Palli Karma-Sahayak Foundation, at the PKSF auditorium in Dhaka yesterday.

State banks' default loans cross Tk 55,000cr

STAR BUSINESS REPORT

The amount of default loans of state-owned banks has reached Tk 55,095 crore as of January 2018, Finance Minister AMA Muhith yesterday told parliament.

The government has taken various steps to identify the defaulting persons and organisations, he said while replying to a tabled starred question from MA Awal, a lawmaker from Tariaakat Federation.

He said cases are being filed against the defaulters to collect loans under the Money Loan Court Act, 2003.

READ MORE ON B3

RANGS TOSHIBA

TOSHIN AC

Fast Cooling | Energy Saver | Smooth Operation

SMS & WIN TV, AC, Freezer & more...

Cash Voucher upto Tk. 4000/- with every purchase

1 TON / 1.5 TON / 2 TON

TK. 38,500 / TK. 53,500 / TK. 64,000

Call for more details 16607