

Return money to Robi

HC orders NBR in verdict on illegal imports cases

STAR BUSINESS REPORT

The High Court on Monday ordered the tax administrator to give back the money it took from Robi as fine on charges of illegal imports.

In 2013, the National Board of Revenue fined the mobile phone operator Tk 60 lakh claiming that Robi brought in some products under false declaration in 2010.

Robi filed four cases before the High Court division in 2013 challenging the fine, the telecom opera-

tor said in a statement yesterday.

The operator imported some telecom equipment from Ericsson after receiving go-ahead from the Bangladesh Telecommunication Regulatory Commission in 2010.

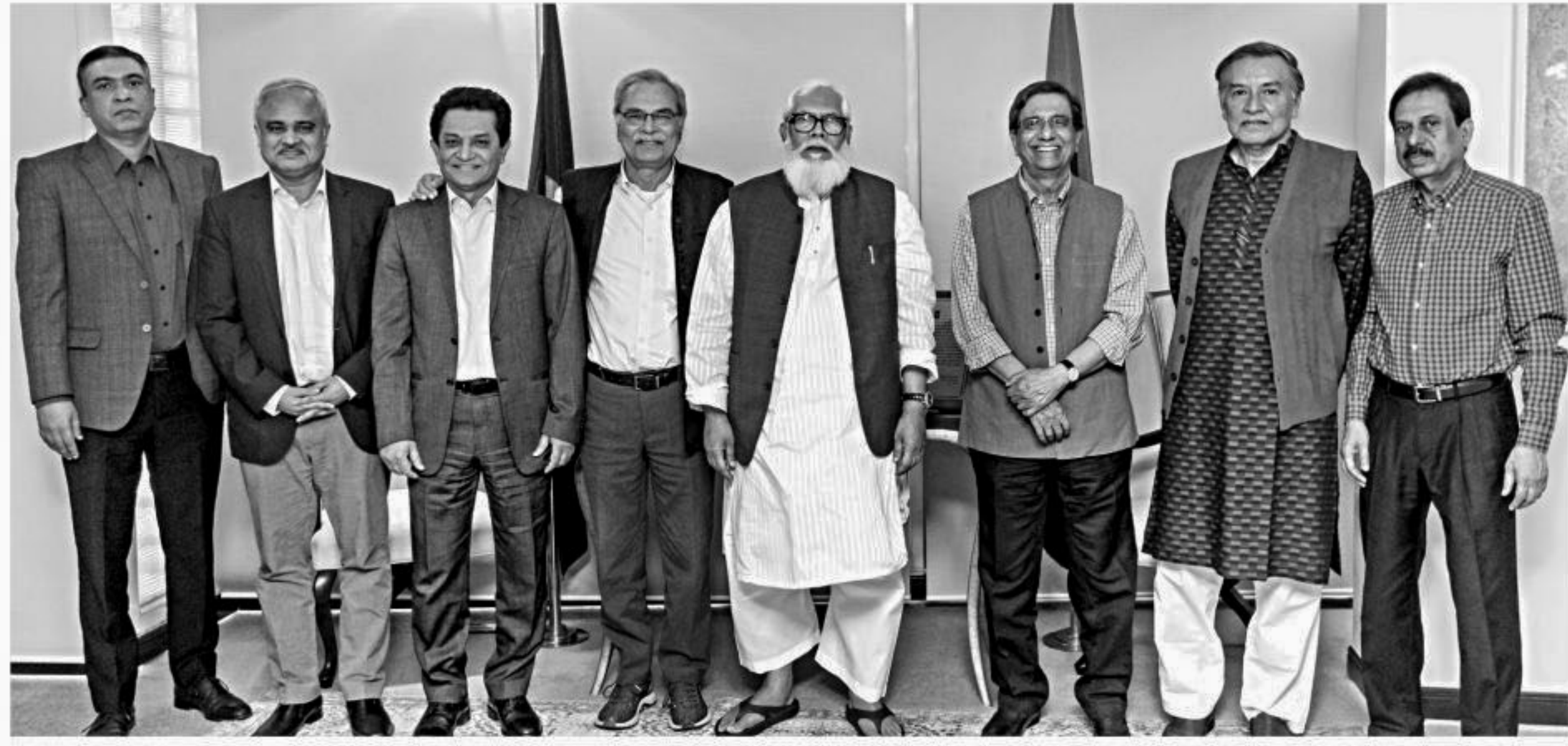
The customs authority could not prove that Robi imported the equipment without receiving the "No Objection Certificate" from the telecom regulator, according to the statement.

"We had faced negative criticism at the time of the dispute. Now the long-

pending verdict proved that Robi is a fully compliant company and has never evaded any tax," said Shahed Alam, head of corporate and regulatory affairs at Robi.

The High Court has fully acknowledged the rational of Robi's arguments, Alam said. "We urge the customs authority to accept the judgment and move forward."

Now, the operator hopes the NBR will accept the HC order and give the money back within a short time.



The leaders of the Newspaper Owners' Association of Bangladesh (Noab) greet Beximco Group Vice Chairman Salman F Rahman, fourth from right, at Beximco's Gulshan office in Dhaka yesterday on being appointed the prime minister's private industry and investment adviser.

Indian airline sector forecast to slash losses

REUTERS, New Delhi

India's airlines are poised to cut their cumulative losses by as much as two-thirds in the financial year starting in April, aviation consultancy CAPA India said on Tuesday, with airline executives saying ticket prices are finally rising.

The consultancy's forecast is for Indian carriers to lose a collective \$550 million to \$700 million for financial year 2020, including a return to profit by low-cost carriers, against an estimated \$1.7 billion loss for the 2019 year ending in March.

The latter figure is an improvement

to CAPA India's last forecast for losses of up to \$1.9 billion issued in September when oil prices were higher.

"The opportunity exists to create a sustainable, profitable future within 1-2 years," CAPA India CEO Kapil Kaul said as the forecast was released at its annual conference in New Delhi. "This will drive serious investor interest given the size of the market."

A narrowing of losses will ease the pressure on Indian carriers in financing the hundreds of Airbus SE and Boeing Co jets they have on order. They are tapping rising demand from a growing middle class in the world's

fastest-growing major domestic aviation market and expanding operations internationally.

Domestic air traffic is forecast to rise by 14 to 16 percent in financial year 2020, CAPA India said, with international traffic set to be 10 to 12 percent higher as the Indian fleet expands by more than 90 aircraft.

"We plan to expand international aggressively," SpiceJet Ltd Chairman and Managing Director Ajay Singh told reporters on the sidelines of the conference. "It is time to start looking at narrowbodies for medium and long haul."

Improve services at airports to get FDI

BIDA executive chairman meets DCCI leaders

STAR BUSINESS REPORT

Bangladesh should upgrade the service quality and facilities at the airports to give foreigners a positive impression about the country's investment environment, a top official of Bangladesh Investment Development Authority (BIDA) said yesterday.

Services and facilities of high standards at the entry points would encourage the foreigners to more invest in Bangladesh, said Kazi M Aminul Islam, executive chairman of BIDA.

"Ensuring pro-investment services is crucial to attract higher foreign direct investment to the country."

He said there should not be any division between the private sector and the public sector and the two needs to work hand in hand.

He made the comments during a meeting with the Board of Directors of Dhaka Chamber of Commerce and Industry (DCCI) led by its President Osama Taseer, at the BIDA headquarters, the chamber said in a statement.

In Bangladesh, there is a huge number of educated youth, who are unemployed, he said.

He also urged the private sector to come up with more investment to create

more job opportunities.

In order to improve in the rank of ease of doing business index, Bangladesh has to attract local and foreign investment and improve infrastructure, industrial energy situation, efficient institutional framework and skills development, Taseer said.

The private investment needs to be scaled up to 26.6 percent by 2021 and 35 percent of gross domestic product by 2030, he said.

"Moreover, the national FDI Strategy needs to be aligned with the industrial policy, export policy, foreign exchange regulations, import policy and government strategies."

He said complex regulations and bureaucratic hurdles increase the cost of doing business in Bangladesh and hurt the growth of investment.

The business leader said Bangladesh needs to conduct a cross-country policy effectiveness study and bring about reforms in the areas of trade, investment and business regulations accordingly.

DCCI Vice President Imran Ahmed, Directors Hossain A Sikder, Ashraf Ahmed, SM Zillur Rahman, Mohammad Bashiruddin, Deen Mohammad and Enamul Haque Patwary were also present.

Noab greets Salman

STAR BUSINESS DESK

The leaders of the Newspaper Owners' Association of Bangladesh (Noab) yesterday greeted Beximco Group Vice Chairman Salman F Rahman on being appointed private industry and investment adviser to Prime Minister Sheikh Hasina.

NOAB President and Prothom Alo Editor Matiur Rahman, Samakal Publisher AK Azad, The Daily Star Editor and Publisher Mahfuz Anam, The Independent Editor M Shamsur Rahman, Daily Manabzamin Chief Editor Matiur Rahman Chowdhury, Bangladesh Pratidin Editor Naem Nizam and New Age Publisher Shahidullah Khan Badal were present at the meeting at Beximco's Gulshan office in Dhaka.

They discussed existing problems and prospects of the newspaper industry, the Noab said in a statement.

Salman F Rahman assured the Noab leaders of resolving the prevailing problems of the industry after holding discussions with the prime minister.



A delegation of the International Business Forum of Bangladesh led by its president, Humayun Rashid, greets Nurul Majid Mahmud Humayun, the new industries minister, at the latter's office in Dhaka yesterday.

US solar jobs down for second year

REUTERS, Los Angeles

The number of jobs in the US solar industry dropped by 3.2 percent in 2018, a second year of losses, as the Trump administration's tariffs on foreign panels and state-level policy changes hit demand for installations, according to an industry report released on Tuesday.

The job losses reflect how changing trade and environmental policies can alter the trajectory of an industry that was among the fastest-growing segments of the US energy industry.

The number of solar energy workers fell by 8,000 to 242,000 in 2018, according to

the Solar Jobs Census, released annually by the non-profit research firm The Solar Foundation, following a loss of 10,000 jobs in 2017.

But jobs are expected to rise next year, the report said.

In early 2018, President Donald Trump imposed 30 percent tariffs on imported solar panels to boost domestic manufacturing, the opening salvo in what has become a wide-ranging trade war.

The move led developers to cancel or freeze billions of dollars of investments in large-installation projects because most of the solar panels used in the United States are made abroad.

NBR panel prescribes changes

FROM PAGE B1

Besides, the NBR panel suggested incorporating components such as returns submission, registration and refunds to the VAT online project to make automation effective. "It would be good if all the VAT related tasks are done online," he said.

In its recommendation the NBR panel opposed giving wholesale input tax credit until online returns acknowledgement system is fully established.

"Opening rebate benefit for all may affect revenue flow. So, we have recommended limiting the area of rebates," he said.

The committee also suggested keeping VAT registration, also termed the Business Identification Number (BIN), as per the

existing law, which seeks geographical area based registration.

The new VAT law prescribed moving towards a central registration of firms.

"The existing registration system is good for monitoring," the panel member said.

The NBR's move comes as the deadline for implementation of the new law comes nearer. Last month, Finance Minister AHM Mustafa Kamal said the new VAT law with multiple rates would be implemented from July.

As part of its preparation to implement the new law, the NBR will sit with the Federation of Bangladesh Chambers of Commerce and Industry today to get the views of businesses to finalise its recommendation.

Institutions warned against price manipulation

FROM PAGE B1

In the past, the BSEC used to fix the premium but it came under fire, leading it to introduce the book building method in 2015.

"But our issue price used to sustain after the listing," Hossain said.

Issue price refers to the price that consists of face-value and premium.

"Now, eligible investors fix the premium but the issue prices don't last after a few months of listings. Many stocks even fell below the issue price within a few months."

Hossain said the BSEC is going to put in place a rule that would make it mandatory for eligible investors to buy shares at their bidding price, instead of the cut-off price.

The rule aims at curbing manipulation in fixing higher premium and it has already been initiated in the small-cap board, he said.

The BSEC chief stressed maintaining coordination among all regulatory bodies. Otherwise, it may impact the market badly.

He cited two examples of lack of coordination. He said the energy regulator gave a decision on Titas Gas and the telecom regulator came up with a decision on Grameenphone, both decisions impacted the earnings of the stocks badly.

"Foreign investment in the two stocks was affected because of the two sudden decisions," he said, adding that foreign

investors blame the lack of policy stability for not bringing more investment.

According to Hossain, the stockmarket needs coordination with the Bangladesh Bank and the National Board of Revenue (NBR).

The BB still has not taken measures on banks' exposure to the stockmarket even after the BSEC's recommendation, he said.

"As a result, banks and financial institutions have to sell shares when the market goes up and the market can't rally as per its potential."

AB Mirza Azizul Islam, a former chairman of the BSEC, said all the regulatory bodies should talk to the stockmarket regulator first before they take any decision about a listed company.

A lot of well-performed companies should come to the market, but they will not come willingly, he said. "So, the government should take a comprehensive step."

The government should announce more incentives for listed companies to pull well-performed companies to the market, said Shakil Rizvi, president of the DBA.

"The stock exchanges can withdraw listing fees for two years for newly listed companies and the BSEC can set up a fast-track system to give IPO approval to top companies."

Faruq Ahmed Siddiqi, another former chairman of the BSEC, also spoke.

Bashundhara to invest Tk 447cr to boost cement production

FROM PAGE B1

The new extension unit is expected to go for commercial operation next year, taking Bashundhara Group's cement manufacturing capacity to 75.60 lakh tonnes.

Of the Tk 447.53 crore needed for the project, Tk 285 crore has already been raised from the financial sector, while the remaining amount will come from the business group's coffer.

The demand-supply gap for cement widened to 1.47 crore tonnes last year and is expected to hit 1.8 crore tonnes this year, according to a survey by Bank Asia, which arranged the fund through syndication with three other banks -- Pubali, NRB and Janata -- and a financial institution, Uttara Finance.

By 2021 the gap is expected to be 2.17 crore tonnes.

The government's huge spending to build the country's infrastructure has been a boon for the cement industry, said Mohammed Belayet Hossain, senior deputy managing director of Bashundhara Group.

"We are enhancing our cement production capacity to meet the rising demand," he added.

Globally, per capita cement consumption is 500 kilograms, whereas in Bangladesh it is 120 kg, said Md Arfan Ali, managing director of Bank Asia, which has given priority to bankrolling infrastructure projects.

"So, there is huge scope for growth," he said, pointing out that the escalating demand for urbanisation is due to a rise in per capita income and an increase in remittance inflow. Bashundhara Group, one of the biggest business groups in the country, holds the second highest cement market share of 8.48 percent by way of its two brands, Bashundhara Cement and Meghna Cement.

Of the two companies, Meghna has been listed on the Dhaka Stock Exchange since 1995. Each share of Meghna Cement traded at more than Tk 90 in the last four months. Yesterday, it closed at Tk 95.50.



Reshadur Rahman, chairman of Dhaka Bank, receives an exequatur, making him the honorary consul general of Poland in Dhaka, from AKM Shahidul Karim, chief of protocol at the foreign ministry, at a programme in Dhaka.

Food safety not possible overnight

FROM PAGE B1

The BFSa wants to bring about qualitative changes, which are not possible overnight, Hoque said.

"We have to train our people on good production practices. We frequently see excessive use of pesticides and chemical fertilisers in farming and the produce are harvested before the required interval period. As a result, the residue remains."

The use of unauthorised chemicals, antibiotics, steroids and hormones; unhygienic preparation of foodstuffs in restaurants; the sales of street food in insanitary conditions; and the use of artificial ripening agent for fruits are the other challenges to food safety.

Another major challenge is ensuring coordination, Hoque said.

The BFSa works with other agencies such as the departments of fisheries, livestock and agricultural extension to ensure good production practices.

Recently, the BFSa has taken initiative to grade restaurants on the basis of quality of food and the overall hygiene of the establishments, particularly in the Motijheel area.

As part of the system, coloured stickers -- green, blue, yellow and orange -- will be used to signify the grades of A+, A, B and C respectively awarded to the restaurants after scrutiny. A+ would mean excellent, A good, B average and C grade pending.

The BFSa graded 57 restaurants, including 18 excellent, as good.

"When consumers become conscious and stop eating at low-grade

restaurants, owners will be compelled to improve their standards to attract customers," Hoque said, adding that the BFSa is suggesting each establishment make a food safety plan.

It has also taken a step to make street food safe. It has built three street food carts and trained the vendors.

"People are eating with interest and the owners are logging in higher sales now than in the past," Hoque said.

The BFSa also runs campaigns to raise awareness along with observing February 2 as the National Safe Food Day.

"I am happy that people now realise that food safety is important. Once I had to explain to my colleagues about the work I do. Today, people, including the uneducated ones, are aware about food safety," he said.