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DHAKA MONDAY APRIL 1, 2019, CHAITRA 18, 1425 BS • starbusiness@thedailystar.com

Businesses on same page with govt over VAT law

STAR BUSINESS REPORT

Businesses are on board with the government's plan to introduce four different rates of value-added tax (VAT) from July, clearing the way for the implementation of the much-talked-about VAT law 2012.

As per the scheme, there will be four different rates of VAT applied on most of the goods and services under the existing VAT law 1991: 5 percent, 7.5 percent, 10 percent and 15 percent.

"We have agreed in principle and will fix the remaining issues later," Shafiqul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, told reporters after a meeting yesterday with Finance Minister AHM Mustafa Kamal.

Representatives of the top trade bodies, revenue officials and Salman F Rahman, the prime minister's adviser on private industry and investment, were present among others at the meeting held on the premises of the planning ministry.

Over the next two months, the National

HIGHLIGHTS

Four rates of VAT:
 5%
 7.5%
 10%
 15%

VAT free turnover limit
 Tk 50 lakh from Tk 36 lakh now

Turnover tax limit
 Tk 3 crore from Tk 80 lakh; rates to be raised to 5% from 3%

Board of Revenue (NBR) in consultation with businesses will slot the sectors into the four VAT rates.

"Businesses have accepted the 5 percent, 7.5 percent and 10 percent rates of VAT," Kamal told reporters after the meeting.

The introduction of multiple rates would require amendment of the VAT and Supplementary Duty Act 2012 as it envisaged a uniform 15 percent rate, according to NBR officials familiar with the law.

The new law, which was framed at the prescription of the International Monetary Fund to boost revenue collection, was not received well by businesses.

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 COMING SOON

Lending rate to be brought down: PM

National industrial fair kicks off

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday said the government will take measures again to reduce the interest rate for the sake of the country's industrialisation.

"We'll sit again to discuss how to reduce the interest rate of bank loan," she said while inaugurating the weeklong first national industrial fair in the city.

The industries ministry organised the National Industrial Fair 2019 at Bangabandhu International Conference Centre with a view to promoting and expanding the market of local industrial products and attract investment.

The prime minister thought that the interest rate of bank loan is the biggest barrier to the country's industrialisation now.

Hasina said the government earlier took initiatives to reduce the bank interest rate and provided some facilities to the banks.

"Some banks brought down the interest rate to 9 percent accordingly, but all didn't do so. It (the rate) was taken to 14-16 percent again," she added.

The premier questioned why the banks did not reduce the interest rate despite enjoying the facilities.

Hasina said the owners of banks are running mills and factories and also doing businesses, but are not reducing the interest rate.

She stressed the need for checking what businesses the bank owners have and whether they are paying tax and VAT properly.

The prime minister urged the



Prime Minister Sheikh Hasina visits a stall at the first national industrial fair at Bangabandhu International Conference Center in Dhaka yesterday. Commerce Minister Tipu Munshi and the Prime Minister's Private Industry and Investment Adviser Salman F Rahman are also seen.

entrepreneurs to pay the bank loans and its interest in time for keeping the banks operational.

If so, it will not be very tough to reduce the interest rate, she said.

"We don't want industries to be developed haphazardly destroying arable lands. We also need to keep in mind that we've to fulfil the food demand of 16 crore people."

"We can export food items on a large scale through producing and processing agricultural products," Hasina said.

"Besides, we've a big domestic market. We also can catch big markets in neighbouring countries."

Alongside promoting agro-processing industries and agricultural mechanisation, Hasina said Bangladesh badly needs industrialisation to generate jobs and enhance the export volume.

"We'll have to diversify our export basket," she said adding that there are many types of products in the country for export.

She asked the businessmen and the authorities concerned to find out new markets and set up industries accordingly after assessing demand of products in different countries.

She said the government is relentlessly implementing its plans to promote agro-based industrialisation in the country to generate jobs and boost production and export.

The prime minister urged entrepreneurs to maintain the standard of food products to increase the export volume of food items.

Govt offers low-cost fund for safer RMG

STAR BUSINESS REPORT

The government has formed a €50 million fund to give out low-cost loans for garment factory remediation with the view to enhancing workplace safety in the country's main export-earning sector.

Each garment factory will get loans of up to €1 million from the fund at 7 percent interest rate. In exceptional cases, the amount of loan will be increased to €3 million for massive upgrades.

The fund can also be used to reduce pollution, ensure efficient use of energy and create a decent place to work, as per the notice sent out to all lenders and non-bank financial institutions yesterday.

Banks will have to count interest rate at 3.50 percent to get the fund.

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Japanese firms bullish on Bangladesh

Majority plan to go for expansion over next two years: survey

STAR BUSINESS REPORT

The majority of Japanese companies operating in Bangladesh plan to go for business expansion over the next two years thanks to cheap labour and high profitability, according to a survey conducted by Japan External Trade Organization (Jetro).

Some 73.2 percent of the 57 companies interviewed said Bangladesh is their top priority for business expansion; 61 percent said the country has high growth potential.

The findings of the survey, which was conducted among 5,073 Japanese firms in 20 Asia and Oceania countries, were unveiled yesterday by D Arai, president of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI). Out of the 20 countries, Bangladesh came in the second spot in terms of profitability for Japanese companies.

Some 62.2 percent of the Japanese companies operating in Bangladesh expect an increase in profit in 2019 from that a year earlier. The survey also found some 56.6 percent of the Japanese companies planning to increase the number of local employees in the next one year in Bangladesh.



The percentage is the fifth largest recruitment plan among the surveyed countries.

"Labour cost is the cheapest in Bangladesh in manufacturing sector," according to the survey outcomes.

The strong presence of Japanese companies in Bangladesh is also noticed if the

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Gold seized a drop in ocean

Indian official claims they seize 300kg of smuggled gold a year from Bangladesh

STAR BUSINESS REPORT

Indian customs and revenue intelligence seize about 300 kilograms of gold smuggled from Bangladesh annually, and this amount of seizure would be a very small percentage of the total, said a top official of the Directorate of Revenue Intelligence (DRI) of India yesterday.

After China, India is the second biggest consumer of gold.

"India is a huge market for gold and people really love gold. We have legal imports and smuggling happening at the same time," said DRI Director General Debi Prasad Dash.

Customs and DRI could seize roughly 3,000 kilograms of gold per annum; the highest amount of the precious metal is smuggled into India from Myanmar.

The revelation came on the sidelines of the two-day director general level talks of customs detectives of Bangladesh and India hosted by the Customs Intelligence & Investigation Directorate (CIID) under the National Board of Revenue (NBR).

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4th ANNUAL GENERAL MEETING
 SMC ENTERPRISE LTD
 March 30, 2019

4th Annual General Meeting of SMC Enterprise Held

SMC Enterprise Limited held its 4th Annual General Meeting (AGM) on March 30, 2019 at the Company Head Office in Dhaka. The AGM received, adopted and ratified the Directors' Report and the Auditors' Report for the Financial Year 2017-2018 and appointed auditors for the Financial Year 2018-2019.

Mr. Siddiqur Rahman Choudhury, Chairman of the Board of Directors of SMC Enterprise Limited, presided over the meeting. Company Shareholders, Board Directors and Managing Director of SMC Enterprise Ltd, Mr. Abdul Haque along with senior officials of the Company were present in the meeting.

Lone packing film maker yearns for policy support

STAR BUSINESS REPORT

Akij Biax Films, the only company in Bangladesh making polyester film used mostly in packaging, labelling and lamination, yesterday sought policy support to compete with foreign products in the local market.

Having the lightest specific gravity among plastic films alongside mechanical properness and chemical resistance, the transparent biaxially oriented polypropylene or BOPP film has a vast range of applications especially in food processing, tobacco and garment industry.

Lower prices of foreign competitors' products have a severe impact on the local industry, which is still in its infancy, said Sk Bashir Uddin, managing director of Akij Biax Films.

"The lower price is made possible for the evasion of import duty and value added tax," he told a hearing of Bangladesh Tariff Commission on the issue at its auditorium.

Akij Biax Films started commercial operations in 2018 with an investment of Tk 350 crore.

At present, Bangladesh's annual demand for the film is around 25,000 tonnes whereas Akij Biax Films' production capacity is over 42,000 tonnes.

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30th ANNUAL GENERAL MEETING
 SOCIAL MARKETING COMPANY
 March 30, 2019

30th Annual General Meeting of SMC Held

Social Marketing Company (SMC) held its 30th Annual General Meeting (AGM) on March 30, 2019 at the Company Head Office in Dhaka. The AGM received, adopted and ratified the Directors' Report and the Auditors' Report for the Financial Year 2017-2018 and appointed auditors for the Financial Year 2018-2019.

Mr. Siddiqur Rahman Choudhury, Chairman of the Board of Directors of SMC, presided over the meeting. Board Directors, Company Members and Managing Director & CEO of SMC, Mr. Md. Ali Reza Khan along with senior officials of the Company were present in the meeting.