

# Mercantile Bank awards societal contributors, bankers



**Fazle Kabir, governor of Bangladesh Bank; AKM Shaheed Reza, chairman of Mercantile Bank, and Md Quamrul Islam Chowdhury, CEO, pose at an awarding event at InterContinental Dhaka on Monday. The bank awarded "Mercantile Bank Sommanona-2019" to four eminent personalities and one institution for their outstanding contribution to society and MBL "Young Bankers' Appreciation Award-2019" to five bankers.**

**STAR BUSINESS DESK**  
Mercantile Bank on Monday presented "Mercantile Bank Sommanona-2019" to four eminent personalities and one institution for their outstanding contributions to society.  
The five are Tofael Ahmed (education), Captain Shahabuddin Ahmed, (freedom fighter and liberation war-based research), Abul Kashem (commerce and industry), Swimmer Mosharrif Hossain Khan (sport) and Bangladesh Fisheries Research Institute, Mymensingh (economics and economics-based research).  
Each received a gold medal, a crest and a cheque worth Tk 3 lakh.

The bank also handed over "MBL Young Bankers' Appreciation Award-2019" to five young bankers selected through a five-step competitive process.  
The recipients are Uzzwal Kumar Singha of IFIC Bank, Sirajul Islam of AB Bank, AKM Hossainuzzaman of Mercantile Bank, Tawhid Khan Majlish of Mutual Trust Bank and Mohammad Arafat Hossain of Bank Asia.  
Each received certificates, crests and a cheque worth Tk 2 lakh.  
Fazle Kabir, governor of Bangladesh Bank, handed over both awards at InterContinental Dhaka.  
"Mercantile Bank has been established as a sustainable, reliable

and customer-friendly bank through its tremendous effort over two decades," said AKM Shaheed Reza, chairman of Mercantile Bank, who presided over the event.  
Mercantile Bank Vice chairmen Md Abdul Hannan and ASM Feroz Alam, Executive Committee Chairman Akram Hossain, Risk Management Committee Chairman Md Rahmat Ullah, Mercantile Bank Foundation Chairman M Amanullah, Mercantile Bank Securities Chairman Mohd Selim, Mercantile Bank directors lawmaker Morshed Alam, Shahidul Ahsan, Md Anwarul Haque and Mosharref Hossain and CEO Md Quamrul Islam Chowdhury were present.

# Budget not women entrepreneur-friendly

## Women's body says

**STAR BUSINESS REPORT**  
The proposed budget is not women entrepreneur-friendly as there is no allocation and initiative that can give a boost to entrepreneurship, said the Women Entrepreneur Network for Development Association (WEND).  
The budget has offered VAT exemption to annual turnover up to Tk 50,000 and small and medium enterprises will be eligible for it, not the women entrepreneurs particularly, said Nadia Binte Amin, president of the WEND.  
Before the budget, the association

had recommended the government reduce the corporate tax for the companies run by female businesses, but the government did not entertain the demand, leaving them frustrated.  
Amin was addressing a post-budget press meet at the conference room of the Economic Reporters' Forum in Dhaka.  
The association had also demanded increasing the tax-free ceiling to Tk 500,000 from Tk 300,000 for individual female taxpayers. Amin, however, called the proposed budget pro-people.

The WEND said banks do not want to lend to women entrepreneurs, citing a lot of excuses, including prospective borrowers not having guarantors and required documents.  
"We are keen to be involved with the mainstream business and we don't want to depend on trade," Amin said.  
She urged the government to reduce the import duty for export-oriented manufacturers run by female entrepreneurs to encourage women in business.  
WEND executive members Nadia Yasmin and Mahbuba Rab also spoke.

# Indonesian firm to supply coal to Payra power plant

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Addressing the programme, Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister, said the plant was being constructed with technology having carbon emission control system.  
He said there was no possibility of environment pollution while the power generation cost would be cheaper because of coal. Chowdhury said the plant would use the best coal so that environmental concerns were addressed in a better way.  
North-West Power Generation Company and China National Machinery Import and Export Corporation are jointly constructing the plant.  
The plant's first unit will start generating power in December 2019 and the second unit in June 2020.  
The ultra supercritical technology-based power plant will be environmentally-friendly. About 40 lakh tonnes of coal will be required per annum to run the plant. Oldendorff Carriers GmbH & KG of Germany has been assigned to transport the coal.  
According to the contract, PT Bayan

Resources will supply the coal for the first unit so that it can start power generation from December next.  
The plant will use sub-bituminous coal, whose calorific value is 4700-5500 Kcal. This type of coal is chiefly abundant in Indonesia and Australia.  
Rina P Soemarmo, Indonesian ambassador to Bangladesh, Abul Kalam Azad, chief coordinator for SDG Affairs at the Prime Minister's Office, and Ahmad Kaikaus, the power secretary, were also present.  
Bangladesh is looking outside for coal despite sitting on high quality of the primary fuel, as the country has not been able to decide whether it would exploit the domestic coal or not.  
Coal reserves stand at 3,300 million tonnes -- equivalent to 78 trillion cubic feet (tcf) of natural gas. Gas reserve, which stands at 12.11 tcf, is depleting fast and will last maximum a decade.  
About 65 percent of Bangladesh's electricity is generated from gas whereas 1.34 percent comes from coal, according to the Bangladesh Economic Review 2019.

# New adviser for Pubali Bank



**STAR BUSINESS DESK**  
Ahmed Shafi Choudhury has recently been appointed as adviser to Pubali Bank.  
The bank's board of director appointed him with approval from Bangladesh Bank, according to a statement.  
An eminent social worker and skilled business professional, Choudhury has 50 years' experience in tea plantation and production business and in commercial banking.  
He was a director in Pubali Bank till May 10, 2018.  
Choudhury is an independent director of Eskayef Pharmaceuticals and Reliance Insurance Co. He is also an advisor of Transcom Group.



**Md Nazmul Hassan, chairman of Islami Bank Bangladesh, presides over the bank's 36th annual general meeting at Kurmitola Golf Club in Dhaka yesterday. The bank approved 10 percent cash dividend for 2018. Md Mahub ul Alam, CEO, was present.**

# Budget goes against Digital Bangladesh: Amtob

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In the proposed budget the finance minister sought to increase the supplementary duty on all kinds of services taken through the mobile phone to 10 percent from 5 percent. This was implemented on the day of the budget.  
The mobile operators also estimated the cost at the customers' end would increase Tk 1,300 crore every year due to the higher supplementary duty.  
The budget also proposed raising the SIM tax to Tk 200 from Tk 100, which will be a hindrance to growth.  
The increase in minimum tax for mobile companies to 2 percent of their overall turnover from existing 0.75 percent was another blow.  
The budget also proposed a 15 percent tax

on retained earnings for listed companies, a move that will hit Grameenphone, the lone listed mobile operator.  
"Tax on retained earnings is clearly double taxation and a clear violation of the tax policy," said Hossain Sadat, a representative of Grameenphone.  
The budget will particularly hit the small operators and will create challenges for their continued existence, said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink.  
Teletalk representative Saifur Rahman Khan echoed the same.  
The increase in import duty on smartphones to 25 percent from 10 percent will also create hurdles in expediting digital service in the country.

# Boeing 737 MAX boosted by IAG plan to order 200 jets

**REUTERS, Paris**  
Boeing's grounded 737 MAX jet received a boost on Tuesday after British Airways-owner IAG signed a letter of intent to order 200 of the planes and said it was confident that it would return to service in the coming months.  
Boeing said the deal had a value of more than \$24 million at list prices.  
IAG said the mix of 737-8 and 737-10 aircraft, to be delivered between 2023 and 2027, would be powered by CFM Leap engines and used across a number of its airlines including British Airways, Vueling and Level.  
The MAX 737 was grounded in March following two deadly crashes, and Boeing has been working on a software fix to get the jet back flying by the end of the year.  
IAG Chief Executive Willie Walsh said he had experienced Boeing's MCAS anti-stall software in person, adding it was "very helpful to see it in operation" and to "understand the changes" that Boeing was proposing.  
"It gave me confidence both in terms of the aircraft and the changes that Boeing introduced," he said at the announcement of the deal at the Paris Airshow.  
"I am confident in Boeing." Boeing shares rose 2 percent on the announcement. The company is working towards a certification flight with regulators soon.  
Boeing commercial airplanes boss Kevin McAllister said the decision when the MAX flies again was in the hands of the regulators.

# Inflation hits 13-month high

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Non-food inflation stood at 5.84 percent, up 20 basis points from the previous month, while food inflation declined five basis points to 5.49 percent.  
Prices of clothes and furniture as well as the cost of health services and transport went up in May, said the BBS in a statement.  
This year non-food prices seem to have been affected more than food prices, particularly in urban areas, said Zahid Hussain, lead economist of the World Bank's Dhaka office.  
This may be because the price of rice, the biggest item in the food consumption basket, has been declining of late, he said.  
However, food inflation in rural areas in May was almost the same as in April and marginally higher than May last year.  
"This means the decline in prices of paddy in rural areas did not trickle down as much to rice prices in rural areas, but rice prices probably fell much more in urban areas."  
Rice prices in rural areas generally tend to be lower than in urban areas. Bumper paddy harvests may have induced sellers

to shift rice supply to urban markets for a better price, leading to proportionately larger fall of rice prices in urban areas.  
Inflation has been on a downward trajectory since fiscal 2013-14. Starting with 7.35 percent, it fell to 5.44 percent in fiscal 2016-17 but slightly increased to 5.78 percent the following year.  
Satisfactory domestic production, favourable environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to the slide in overall inflation, according to government documents.  
It has averaged 5.47 percent in the first 11 months of the fiscal year.  
The government has targeted to keep inflation within 5.6 percent in fiscal 2018-19 and 5.5 percent in the next fiscal year.  
"Inflation has been kept at a tolerable level despite the sustained high growth rates in our economy," said Finance Minister AHM Mustafa Kamal in his budget speech last week. In the last one decade, the highest inflation was recorded in fiscal 2010-11 at 10.91 percent and the lowest in fiscal 2016-17 at 5.44 percent.

# New general manager for InterContinental Dhaka



**STAR BUSINESS DESK**  
InterContinental Dhaka has recently announced the appointment of Marc Reissinger as area general manager for Dhaka and general manager at InterContinental Dhaka.  
Reissinger will lead all the upcoming InterContinental Hotels Group properties in Bangladesh, according to a statement.  
With more than 30 years' experience in worldwide luxury hospitality business and resorts, he has an extensive background in senior leadership roles in both operations and corporate environment.  
Most recently, Marc was associated with the Wyndham Hotels and Resorts as director of operations. Previously he worked as an area general manager for IHG properties in Egypt.  
Marc has attained a Bachelors in Hotel Management (BHM) degree from Strasbourg Hotel School, France and then an MBA in General Management from the Glion Institute of Higher Education.

# Tax on retained earnings to imperil FDI: Ficci

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In response to Munim's queries, the NBR chairman said he would sit with the members of the Ficci soon to listen to their problems so that the FDI inflow does not get affected. Bhuiyan said many supermarkets were unhappy with the fact that VAT was imposed on them sparing the e-commerce businesses although both are doing the similar kind of business.  
This year the government did not raise the tax, rather in some cases duties on import of some goods were reduced to encourage the inflow of FDI to Bangladesh, he said.  
Reasoning the rise in tax on sugar,

he said the price of the sweetener in the local market was pretty low now and the consumers would not face any major challenge if the price of per kilogramme was increased by Tk 5 now.  
Similarly, the price per litre of cooking oil may increase by Tk 2 or Tk 3, which the consumers can also tolerate, he said.  
However, unfortunately, when the price of any basic commodity is lowered, its reflection is not noticed in the market, Bhuiyan added. He assured that the NBR would review different issues with the businesspeople so that the cost of doing business does not increase.

# Advance tax on imports to raise cost of business

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"So, this will reduce the pressure on them. Besides, they would be able to adjust the AT with the VAT paid," said an official of the NBR requesting anonymity.  
Some businesses however said there are various commodities like edible oil where there is no import tariff. In such cases, business would not be able to adjust.  
Officials said firms would also get refunds. Businesses, however, said it would increase hassles for them.  
The cost of imports would increase, leading to spiral in prices, said Biswajit Saha, director of legal and regulatory affairs at City Group, a major commodity importer and processor.  
The government is working towards business process simplification and at the same time, it is imposing AT on capital machinery and raw materials, said Sheikh F Fahim, president of the Federation of Bangladesh Chambers of Commerce and

Industry (FBCCI).  
This contradicts the government moves to enhance the ease of doing business, he said.  
"Since AT is rebatable, it is an unnecessary process that will increase the operational costs," he said, adding that the FBCCI will shortly raise its issues with the relevant authorities.  
Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, said imposing AT is equivalent to discouraging entrepreneurs.  
NBR officials, however, said export-oriented industries that enjoy the bonded warehouse benefit would not have to pay the AT.  
However, Md Jashim Uddin, president of the Bangladesh Plastic Goods Manufacturers and Exporters Association, said not too many companies export.  
"The local industry will suffer. It will be difficult for small and medium industries to bear additional costs," he added.



**Nasir A Choudhury, founding managing director and adviser of Green Delta Insurance Company, receives a "Lifetime Achievement Award" from the Indian Chamber of Commerce at "Emerging Asia Insurance Awards-2019" at the Holiday Inn hotel in Bangkok. The local insurer won four more awards at the event.**

# Tax measures to boost local industries: PwC

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Asked whether PwC agreed with the government's move to legalise black money, Saha said there was no alternative but to extend the opportunity to the holders of undisclosed money.  
The government will be forced to meet its financing need from either domestic or foreign sources if it does not offer the opportunity, he said.  
"Whitening of the black money is a common phenomenon for any developing country and Bangladesh is no exception. India did the same in 1997," Saha said.

A new finance bill will be passed to make the new VAT Act effective, said Mamun Rashid, managing partner of PwC.  
PwC will work with both the National Board of Revenue and consumers to implement the new law, he said.  
The government's plan to introduce 15 percent tax on stock dividend and retained earnings and reserves of listed companies will encourage investors to make further investment, said Sushmita Basu, another partner at PwC.  
The move will also inspire the listed companies to offer cash dividends instead of stock, she said.