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DHAKA FRIDAY JUNE 28, 2019, ASHAR 14, 1426 BS starbusiness@thedailystar.net

# Stop harassment over VAT collection

FBCCI demands withdrawal of advance income tax and 15pc tax on retained earnings for listed firms



Commerce Minister Tipu Munshi speaks at a post-budget discussion organised by the FBCCI at the Sonargaon hotel in Dhaka yesterday. FBCCI President Sheikh Fazle Fahim was present.

STAR BUSINESS REPORT

Businesses yesterday demanded the National Board of Revenue officers stop harassing them in the name of value-added hotel. tax collection.

Fahim, president of the Federation of ups. Bangladesh Chambers of Commerce and Industry.

The harassment needs to stop as the implementation of the new VAT law. prime minister has already announced

zero tolerance against corruption, Fahim said while presenting the apex trade body's post-budget proposals at a discussion held at the capital's Pan Pacific Sonargaon

The FBCCI organised the discussion, "Very often, we are informed from which was attended by businesspeople different trade bodies and business from across the country -- including leaders chambers that the field level officials have from district level chambers and trade been harassing the businessmen in the bodies -- exporters, importers, assemblers name of VAT collection," said Sheikh Fazle and manufacturers and government high

> The demand comes as the business community fears a rise in harassment for

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#### Handlooms decline by a third in 15yrs

Census finds

STAR BUSINESS REPORT

The number of handlooms in Bangladesh has declined by more than a third in the last 15 years largely because of the sector's push towards mechanisation and labour

shortage. Low profit margin, a lack of capital and problems related to marketing were blamed for the gradual decline in the number of handlooms.

In 2003, there were 183,512 handloom units but it fell 36.79 percent to 116,006 last year, according to the Handloom Census 2018, carried out by the Bangladesh Bureau of Statistics (BBS).

Saurendra Nath Chakrabhartty, secretary of the statistics and information management division, released the final report of the census at a programme at the BBS auditorium in Dhaka yesterday.

The BBS carried out the third countrywide census on handloom last year. The previous two censuses were conducted in 1990 and 2003.

According to the new census report, employment also fell: 888,115 people were employed in the sector in 2013 but it declined to 301,157 in 2018.

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## Cure banking ills

IMF advises govt to reduce the sector's vulnerabilities

STAR BUSINESS REPORT

The International Monetary Fund yesterday advised the government of Bangladesh to reduce the vulnerabilities in the banking sector with a view to ensuring sustainable central bank officials. economic growth.

The government should also create fiscal space to address social needs and infrastructure requirements and diversify the economy by strengthening the business environment and improving governance, the Washington-based multilateral lender said.

The IMF came up with the suggestions at a press conference at the Bangladesh Bank headquarters in Dhaka after a staff team of the institution, led by Daisaku Kihara, completed discussions with the government high-ups and stakeholders from June 16 to 27 on the 2019 Article IV Consultation with Bangladesh.

During an Article IV consultation, an IMF team of economists visits a country to assess economic and financial developments and discuss the country's economic and financial policies with government and

"The banking sector has continued to deteriorate in recent years despite strong growth. Resolutely addressing the high level of default loans is essential to address financial stability risks and associated fiscal risks," Kihara said.

"Liquidity pressure in the banking sector is prevailing. And the recovery of default loans will help banks mitigate the problem."

He said without having efficient channel of finance through banks, it is quite difficult to keep GDP growth sustainable as such funding is necessary to promote productive investment.

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## Strengthen local govt: WB

STAR BUSINESS REPORT

Bangladesh needs to empower the local government institutions through administrative and fiscal decentralisation to achieve the upper-middle income status, said a new World Bank report.

The local government institutions in the country play a limited role in delivering huge power politically and financially, so services due to narrow decision-making it continues to be one of the least fiscally and financial authority, lack of resources and staff, and weak capacity, it found.

The report styled "Local Government Public Financial Management System Assessment" was released yesterday at a seminar held at Amari Dhaka. The seminar was jointly organised by Policy Research Institute and the WB.

The local government's spending is about 7 percent of the government's total

budget, whereas on average it is 19 percent in developing countries and 28 percent in developed nations.

The relatively low share of local government institution spending in government's total expenditure indicates limited fiscal decentralisation, it added.

The country's central government has decentralised country, said Ahsan H Mansur, executive director of the PRI.

However, city corporations have better financing options.

"On the other hand, fiscal transfer is neither based on any legal mandate nor based on any formula to avoid any discrimination, which is a fundamental problem," he added.

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#### Govt to create 1.5cr jobs in 5 years

Minister says

STAR BUSINESS REPORT

........... Foreign Minister AK Abdul Momen yesterday said the government has taken an initiative to create 1.5 crore jobs in the next five years to ensure employment for every eligible youth in the country.

"It's a huge challenge but the government is trying hard to create the jobs," Momen said while inaugurating a career fair at Bangabandhu International Conference Center in Dhaka.

The minister said 100 economic zones, which were under construction across the country, would create immense opportunities for jobseekers.

He said though the government was providing skills training to the youth to prepare them for the job market as well as allocating funds to develop young entrepreneurs, the private sector and educational institutions would have to come forward to create skilled workforce.

Momen urged the educational institutions to ensure quality education in order to create skilled graduates so that they could get jobs easily at home and abroad.

Brac University organised the two-day fair titled "NRB Jobs Presents National Career Fair-2019" under the theme "Campus to Corporate".

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## KEYNOTE SPEAKER



### N. R. Narayana Murthy

Founder, Infosys Limited

Narayana Murthy has been listed among the 12 greatest entrepreneurs of our time by Fortune magazine. He has been described as the "Father of the Indian IT sector" by Time magazine due to his contribution to outsourcing in India. Murthy has also been honoured with the Padma Vibhushan and Padma Shri awards. He is also the author of many notable books including The Wit and Wisdom of Narayana Murthy, Mere Business Mantra, A Better India, Behtar Bharat: Behtar Duniya, A Clear Blue Sky, Pudhiya Kanavugal, Pudhiya India, Mikacha India Mikavutta Lokam.

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