

State of Mongla port- I

Gang booking takes toll on port operation

RAFIQ HASAN, back from Mongla

A gang, consisting of minimum 15 dock workers, has to be engaged for loading and unloading of goods from a ship. As a result, Mongla port is becoming dysfunctional and costlier.

The system is styled as gang booking system. For this system importers and exporters cannot load or unload even a single carton or 100kg goods from a ship without spending at least Tk 5,000, according to sources.

The gang booking system is run by a 14-member Dock Workers Management Board dominated by trade union leaders. The board has around 4,000 registered workers who work on 'no work no pay basis'.

These workers often become 'unruly' and in the name of strike or work stoppage they create a reign of terror in the port area.

Sources said exporters, importers, shipping agents, port users, stevedores and port officials often become 'hostage' to these workers.

The sources said these elements are so strong that even a rickshaw driver has the power to suspend port activities by calling a general strike.

On one occasion, a local importer decided to make a turn-around to Chittagong port to avoid such harassment at the Mongla port.

Even by doing so the importer failed to avoid trouble because upon hearing the news, the dock workers demanded Tk three lakh from the importer in compensation. They threatened not to clear any of his consignment at the Mongla port in future if he did not make the payment.

The port workers however blamed the marine pilots, port officials and customs department

for harassing the users and damaging Mongla port's image.

"Workers become 'unruly' only when the owners try to benefit more through exploiting them," said Khalilur Rahman, president of Mongla Port Labour Association.

Rahman said that it was the workers who suffer most when the port remains closed, as they do not get paid.

But stevedores, who directly engage workers for loading and unloading goods on behalf of exporters and importers, said the workers always charge three to four times higher than the official rate and they are accountable to none.

"The dock workers at Mongla Port lack discipline and always try to blackmail us," said Syed Zahid Hossain, general secretary of Mongla Bandar Stevedores Association.

Hossain said traffic at Mongla

Port declined drastically over the years because of lack of confidence by the ship owners.

Mongla Port Authority Chairman Commodore M K Alam admitted the influence of the workers at the port.

"No ship came to Mongla carrying bulk fertilizer during the previous Awami League rule only due to lack of interest of two types of workers - fillers and packers".

The port users demanded immediate dissolution of the dock workers management board and introduction of merchant workers booking system in Mongla port.

"This port can not survive with the existing workers' appointment system," said Shadat Ali Khan a prominent exporter of Khulna.

Under the merchant booking system, as in the Chittagong port, one can hire dock workers according to requirement.

Tk 2.43cr Danish grant for apparel design centre

UNB, Dhaka

Denmark has approved a grant of Tk 2.43 crore for establishing an apparel design centre in Bangladesh to serve the needs of the garments exports.

As part of Danida Private Sector Development (PSD) programme, Danish Ambassador in Dhaka Niels Severin Munk approved the grant.

With the grant, a modern design centre will be set up by June this year as a joint venture between Art Studio Aps and C Jahn A/S of Denmark and Sonia Ltd of Bangladesh.

The design centre is expected to produce about 500 exclusive designs per annum conforming to the latest demands in the Western market.

The centre will also set up a design training institute to provide advanced training in apparel design to create trained manpower in producing latest designs.

DSE chairman re-elected

Ahmed Iqbal Hasan has been re-elected unopposed chairman of the Dhaka Stock Exchange for the next one year, says a press release.

Abdul Haque has been re-elected senior vice-chairman while Md Abdullah Bokhari vice chairman of the bourse for the next one year.

They were elected yesterday. Earlier the 41st annual general meeting of Dhaka Stock Exchange Ltd was held.

A large number of members attended the meeting. The meeting was presided over by Ahmed Iqbal Hasan, chairman of DSE.

The members present unanimously approved the councilors' report, audited accounts and balance sheet for the year 2001-2002. They adopted four newly-elected councilors Md Feroz Khan, Mujibur Rahman, Saiful Islam and Md Haqiqul Islam in place of MA Huq Howlader, Khwaja Ghulam Rasul, Syed Tareque Md Ali and Ahmad Rashid.

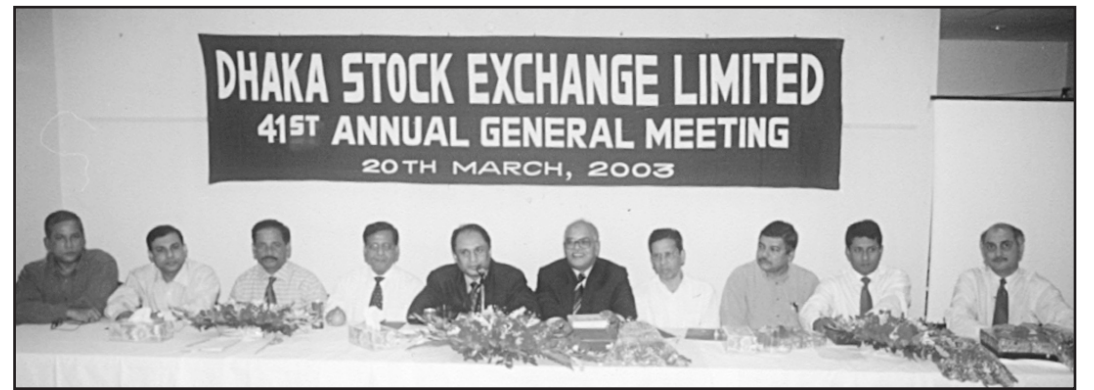


PHOTO: DSE

Ahmed Iqbal Hasan, chairman of Dhaka Stock Exchange Ltd, presides over the 41st annual general meeting of the bourse in Dhaka yesterday.

Poor governance breeds non-performing assets

Former finance minister says

STAR BUSINESS REPORT

Blaming governance to be one of the key reasons for increase in non-performing assets, a former finance minister underscored the need for improving governance in the banking system.

In many cases, loans are sanctioned under political pressure, he mentioned at a book launching ceremony yesterday.

Organised by the Bangladesh Association of Banks (BAB) at CIRDA auditorium, the launching ceremony was attended by Education Minister M Osman Faruk as chief guest.

The book 'Financing Large Projects: Using Project Finance Techniques and Practices' is co-authored by M Fouzul Kabir Khan, chief executive officer of Infrastructure Development Company Limited (IDCOL), and Robert J. Parro of PricewaterhouseCoopers Securities, LLC, USA.

Speaking at the function, M Syeduzzaman, former finance minister and chairman of Bank Asia, said capital market plays a very significant role in project financing and banking system will remain under pressure unless capital market becomes stronger.

Portfolio investment is not taking place properly, he added.

Abdul Mueyed Chowdhury, former advisor to the caretaker government and executive director of BRAC, said it is very important to identify risk sharing and expertise for finalisation of a project which should be there from the beginning.

Jamilur Reza Chowdhury, former advisor to the caretaker government and vice-chancellor of BRAC University, said so far there has been no book on large scale project financing.

Speaking at the function, education minister said developing countries like Bangladesh undergo

extensive infrastructural development and the book is very timely as there is a dearth of books on project financing.

Chairing the launching ceremony, Syed Manzur Elahi, former advisor to the caretaker government and also chairman of Bangladesh Association of Banks (BAB), said it is risky for the economy to be so dependent on the readymade garments sector (RMG) and suggested for reducing such high dependence on RMG.

Giving approval to projects takes long time because bank officials are not trained enough to analyse them, he said and mentioned investment in Bangladesh is not sufficient because of the absence of infrastructural facilities.

Mamun Rashid, chief executive officer of Citibank N. A. and Barrister Marium Khan, partner of Lee, Khan and Partners also spoke on the occasion.

JICA president due tomorrow

UNB, Dhaka

President of Japan International Co-operation Agency (JICA) Takao Kawakami arrives here Saturday on a three-day visit to Bangladesh.

During his stay here, Kawakami is scheduled to visit a number of JICA-assisted projects, including Jamuna Bridge and Reproductive Health Project (MCHTI) in Azimpur, to have firsthand ideas.

His other programmes included visiting PRDP site in Tangail, observing the activities of Japan Overseas Co-operation Volunteers (JOCV) at Mirpur Technical Training Centre, Women Agricultural Training Centre and Bangladesh Livestock Research Institute in Savar.

He is also scheduled to call on Prime Minister Khaleda Zia and Finance and Planning Minister M Saifur Rahman Sunday.

"The JICA president will be here at the invitation of the Bangladesh government," JICA additional resident representative Mitsuyoshi Kawasami told reporters at a press conference at the JICA office yesterday.

Deputy resident representative Mari Ito detailed the schedule of the JICA president's visit.

Emirates honours top 10 agents of Sylhet

Emirates has honoured its top 10 agents of Sylhet, says a press release.

The agents are: Al Mansur Air Services, Shipper Air Services, Jatrik Travels, Babor Travels, Shimon Overseas Express, Asha Travels, Suhag Travels, Surma Travels, Nesar Air International, Taher Travels (Pvt.) Ltd.

Addressing the agents at an award giving ceremony in Sylhet recently, Ahmad Al Falasi, area manager-Bangladesh, said Emirates makes it very convenient for the travellers from Sylhet to travel to UK.

The airline will be adding a record 11 new aircraft to its fleet, and increase seating capacity by 25 per cent and launch radically new inflight services and products.

Citibank NA ups capital to over Tk 100cr in Bangladesh

Citibank NA, a banking arm of Citigroup, has raised its capital to over Tk 100 crore this year, says a press release.

Bangladesh Bank has recently approved the capital raising. The bank hopes to bring in more capital in order to exploit further business opportunities.

Citibank has been operating in Bangladesh since 1995, with its world-class service for corporate, institutional, cash management and treasury clients.

It has now been exploring potentials in emerging local corporates and branch banking.

With the opening of Gulshan branch in Dhaka city next month, the bank hopes to bring the best of financial products to the country.



PHOTO: EMIRATES

Ahmad Al Falasi, area manager-Bangladesh, and Kazi Zahurul Qyum, sales manager-Bangladesh, Emirates, pose for a photograph with the airline's top agents of Sylhet at an award giving ceremony in Sylhet recently.

Japan vows to avert economic chaos after Iraq war starts

AFP, Tokyo

The Japanese government said Thursday it will do its utmost to prevent economic chaos as the central bank pumped emergency funds into the financial system after the United States declared war on Iraq.

"Emergency headquarters" were erected in several ministries to monitor developments, and the Bank of Japan (BoJ) injected an extra one trillion yen (8.3 billion dollars) into the short-term money market.

"It is very difficult to assess any possible negative impact of the war on the economy because what will happen is very uncertain," economic policy and financial affairs minister Heizo Takenaka told reporters.

"The Bank of Japan and government need to cooperate to watch financial markets carefully in the short term," he said. "I will monitor movements of the stock market,

crude oil prices and consumer confidence in particular."

Finance Minister Masajuro Shiokawa told reporters later: "In this upheaval, speculation can run rampant. This is something we have to strictly prevent."

However local share prices rose with the Nikkei-225 index of the Tokyo Stock Exchange surging 1.79 per cent to close at 8,195.05 points on expectations war would end quickly.

Takenaka said the government was not considering further market measures after the Financial Services Agency outlined stricter short-selling guidelines and eased share buyback rules to lift stock prices last week.

"The stock market fell slightly in the afternoon (after the Iraq war began) but then rose again and showed calm movements," he said.

"Therefore, we are not considering any additional measures at this time."

"Our country's equity and futures markets will open next week as usual."

The dollar eased to 119.74 at 5:00 pm Thursday from 120.50-60 yen in New York late Wednesday, but was significantly higher than a week ago.

Shiokawa said US resolve on the Iraqi issue has lifted the dollar against the euro and yen recently. Japan favours a weak yen, which helps exporters.

"We have to watch this trend carefully," he said.

BoJ governor Toshihiko Fukui said the central bank "stands ready to make every effort, including the additional provision of liquidity, in order to ensure financial market stability."

The government would take measures to revive the stock market if conditions worsen due to the Iraq war. Liberal Democratic Party finance taskforce chief Hideyuki Aizawa said.

Trade talks 'rallying point' for post-war reconciliation

AFP, Hong Kong

Multilateral trade talks may provide one of the best rallying points for an international community profoundly divided by the Iraq crisis, experts said here.

"The EU and the US will have to narrow the current differences and, as shaking hands on the political front may be difficult, they could use trade as a way to circumvent the problem," said Noboru Hatakeyama, a former Japanese deputy minister for international trade.

Speaking at a conference in Hong Kong organized by the Evian Group, he recalled that a climate of pessimism also prevailed ahead of a ministerial meeting of the World Trade Organization (WTO) which was to have decided on launching the Doha round of trade talks in November 2001.

"September 11 provided an escape from those difficulties," Hatakeyama said, referring to the

desire of the international community to close ranks following the terrorist attacks on the United States.

"Maybe Iraq will rescue the round again," said Hatakeyama, one of Japan's leading strategic thinkers on international trade.

The Evian Group, which has been described by WTO director-general Supachai Panitchpakdi as a "birthplace of ideas," brings together senior officials, businessmen, analysts and journalists twice a year behind closed doors.

Participants in the meeting here said that with negotiations stagnating at WTO headquarters in Geneva, government leaders are going to have to step up their degree of involvement.

"Trade must become a much higher priority in more political sectors, trade ministers must have more clout, heads of government must place trade on their agenda and the public needs to be educated," the Evian Group said in a

statement that also stressed the "vital importance of strengthening the multilateral rules-based trading system, i.e. the WTO."

Time is pressing. The 145 members of the WTO are to meet in Cancun, Mexico, in September for a ministerial conference to take stock so far of the round which is scheduled to conclude on January 1, 2005.

While the roadmap to Cancun may have been well laid out, most of the waypoints have been missed along the way. One of the most important falls on March 31, in principle the date for the adoption of guidelines for sensitive negotiations on agriculture.

A European analyst described the Doha talks as a "trade officials round" neglected by governments.

"Trade is completely off the radar screen at the White House," the analyst said, and "Europe is much too concerned with its internal agenda."

ATDP-II introduces agribusiness plan contest

UNB, Dhaka

Agro-based Industries and Technology Development Project, Phase II (ATDP-II) has introduced the first-ever agribusiness plan competition in Bangladesh.

Dubbed as "Agripreneur-Bangladesh 2003", the competition was launched recently to generate new and exciting ideas and to promote the practice of doing serious analysis and planning prior to investing in a business.

The competition has called for submission of business plans on agribusiness by March 30, where Tk 2 lakh, Tk 1.5 lakh and Tk 1 lakh will be given for first, second and third place.

ATDP-II will assist the winners to transform their ideas into reality by working with them to refine their business plans and to find capital or investors.

Aftab Bahumukhi Farms Ltd, Agora, British American Tobacco Bangladesh, IPDC, Kazi Farms Ltd, Lakshma Sweets and Quality Feeds are partners and judges for the competition.

City Bank money laundering workshop ends

A 5-day workshop arranged by The City Bank Limited on prevention of money laundering ended at the training institute of the bank in Dhaka on Wednesday, says a press release.

General Manager of anti-money laundering department of Bangladesh Bank Md Harunur Rashid Chowdhury inaugurated the workshop.

Managing Director of the bank Abbas Uddin Ahmed was also present.

Deputy Managing Director of the bank AHM Nazmul Quadir, Consultant Md Habibur Rahman, Executive Vice President Abdus Sattar Patwary and Principal of the Training Institute Manash Kumar Ghosh were present. About 150 executives, officers of head office and managers of the Dhaka City branches participated in the workshop.

Plastic manufacturers allege government harassment

STAR BUSINESS REPORT

Bangladesh Plastic Goods Manufacturers Association (BPGMA) yesterday alleged the government is harassing the plastic producers in the name of restricting polythene production.

Addressing a press conference, the plastic producers complained that a bill seeking ban on polythene was passed in the parliament. In defining the shopping bag, the bill has banned all other types of packing materials used for packaging of goods.

"Such a situation has led to the closure of the entire packaging industry," president of the association Yussuf Ashraf said.

He said on one hand the government has banned all kinds of plastic below 100 micron but on the other hand there is no restriction on wrapping materials coming with imported goods.

"We see it as a duel policy which is against the interest of the local industries," Ashraf said.

"Since there is no ban on packing material coming with imported goods, we see no justification in banning plastic wrapping materials produced locally. And we believe that the restriction should be removed," he said.

Citing an example of government harassment, the association president said that last week the environment and forest minister

led a team of 50 to 60 police force and cracked down on a factory in Narayanganj in the name of inspection.

"The team ransacked factory goods which was meant for export," said Shahedul Islam, managing director of the factory, Bengal Pacific Pvt Ltd.

He said the factory is a joint venture between Australia and Bangladesh and it is a 100 per cent export oriented one.

Islam said following the incident, the foreign owners of the company wanted to shut down the factory but after a long discussion the MD was able to convince them to keep it running.

Asian stocks rise, investors cautious on war impacts

AFP, Tokyo

Asian share prices surged Thursday on expectations the US-led war on Iraq would end quickly but gains were capped by uncertainties as the military campaign started.

The United States launched the strikes about halfway through the day's trading for some of Asia's major markets.

The Nikkei-225 average of the Tokyo Stock Exchange rose 1.79 per cent or 144.01 points to end the day at 8,195.05. The broader Topix index advanced of all first section issues added 18.40 points to 807.48.

HONG KONG: Share prices in Hong Kong closed 0.39 per cent higher in line with resilience in overseas markets after the launch of the US-led war in Iraq, with investors betting the conflict would be short-lived.

SYDNEY: Australian share

prices closed 0.7 per cent higher after the White House announced war against Iraq had begun but investors remained cautious because of questions over how long the conflict would last.

SINGAPORE: Share prices in Singapore closed 1.80 per cent higher on hopes of a quick US victory in the war against Iraq.

SEOUL: South Korean share prices surged 4.92 per cent after the United States launched a war against Iraq, triggering a drop in oil prices.

KUALA LUMPUR: Malaysian stocks closed 0.65 per cent higher with early gains pared back as some investors anticipated US stocks would fall in reaction to the launch of the war in Iraq.

TAIPEI: Taiwan share prices rose 1.86 per cent despite some profit-taking after the White House announced its war on Iraq had begun.

MANILA: Philippine share prices closed 1.85 per cent higher after the United States launched a military strike against Iraq amid expectations the war would be quickly concluded.

BOMBAY: Indian stocks closed 2.30 per cent higher as uncertainty over the timing of the start of the Iraq war ended with the launch of a US attack.

BANGKOK: The Thai stock market rose 0.86 per cent in line with regional markets as the United States launched its opening military salvo against Iraq.

JAKARTA: Indonesian share prices closed 2.37 per cent higher on substantial gains in regional markets after the outbreak of war in Iraq.

SHANGHAI: China's Shanghai B-shares closed fractionally higher in thin trade after the outbreak of a US-led war on Iraq.



PHOTO: CITY BANK

Officials are seen at the opening ceremony of a 5-day workshop on prevention of money laundering arranged by The City Bank Ltd at the bank's training institute in Dhaka recently.