

IIDFC to issue Tk 100cr zero coupon bonds next month

Industrial & Infrastructure Development Finance Company Ltd (IIDFC) will issue Tk 100 crore zero coupon bonds next month, says a press release.

It was disclosed at the company's annual general meeting (AGM) held in Dhaka recently.

The issue price of the three-year bond will be Tk 75.13 redeemable at the face value of Tk 100 at the end of three years.

The company will also issue Tk 400 crore zero coupon bonds later.

The proceeds of the bonds would be used for financing long term investments in industrial and infrastructure projects of IIDFC and other non-banking financial institutions.

At the AGM, the company declared a 10 per cent cash dividend for the year 2002.

IIDFC was promoted in 2001 as a development finance company by 10 banks including two nationalised commercial banks, Investment Corporation of Bangladesh and three insurance companies in the private sector.

Presided over by Matiu Islam, the AGM was attended by Syeduzzaman, Md Ziaul Haque Khondker, Fazle Hasan Abed, Syed Manzur Elahi, Deen Mohammed, Murshid Kuli Khan, Rafiqul Islam Khan, Abu Naser Bukhtear Ahmed, Abu Haniff Khan and representatives of other share holder banks and financial institutions.

3-day Thai show begins today

A three-day exhibition of Thai products begins at Dhaka Sonargaon Hotel today, says a press release.

The show, Thailand Exhibition-2003, is organised by the Department of Export Promotion (DEP) under the commerce ministry of Thailand.

Thai companies, especially the manufacturers of auto-parts and accessories, chemical products, games and toys, construction materials and hardware, cosmetics, electrical appliances, food products, beverage, furniture, textiles and fashion accessories are among the participants.

A similar three-day display of Thai products will also take place in Chittagong on April 5.

Dutch-Bangla Bank declares 20pc dividend

Dutch-Bangla Bank has declared a 20 per cent dividend for its shareholders.

The dividend was declared at the 7th annual general meeting of the bank in Dhaka on Thursday, says a press release.

Mohammed Sahabuddin Ahmed, chairman of the bank, presided over the meeting.

All directors of the bank including Gerrit M Van Kampen, FMO nominated director and Md Yeasin Ali, managing director, were present.

Regulatory body for agri business stressed

STAR BUSINESS REPORT

Speakers at a discussion yesterday stressed the need for setting up a regulatory body for development of agri business in Bangladesh.

The regulatory body will work for technology transfer and harmonisation of quality products in the sector.

The speakers were speaking at a discussion on 'Development of Agribusiness: Thai Experience' jointly organised by Agribusiness Development Organisation of Bangladesh (ADOB) and SanteK and Patkol Public Co Ltd held at the national press club.

State Minister for Agriculture Mirja Fakhru Islam Alamgir said a developed agribusiness can alleviate poverty by creating more jobs for rural people and help economic development through exports.

"So, we need to inspire the investors to invest more in the agribusiness sector," he said.

"Through machinery purchase technology cannot be transferred. It is rather agreements and linkages with what can ensure proper technology transfer," Board of Investment Executive Chairman Mahmudur Rahman said.

Piya Chongvatana, president of Patkol, an engineering solutions provider of Thailand, presented the keynote paper stating the agricultural development of Thailand.

He said although Thailand started food manufacturing only in the 70s but the country already has become the world's largest exporter of canned pineapple, pineapple juice and concentrates, frozen shrimps and seafood specially tuna.

Govt wakes up to Iraq war impact on exports

Commerce ministry mulls bailout package

STAR BUSINESS REPORT

A commerce ministry meeting yesterday discussed a possible bailout programme for the export-oriented industries in view of the war in Iraq.

The meeting decided to pursue with the central bank to make funds available immediately for those whose audit for cash incentive have already been completed.

The meeting observed Bangladesh will suffer severely if the war prolongs and that export has already declined substantially.

The US and the UK are second and fifth biggest markets for Bangladeshi products but both these countries are now engaged in

the war. There is no sign of ending the war shortly and it will have a far-reaching impact on export-oriented industries, it observed.

The meeting decided to initiate moves to concentrate on some regional markets like Myanmar, Thailand, northeastern Indian states. As foreign buyers usually face different problems in Dhaka, special attention should be given for easing such problem.

The meeting decided to convene a joint meeting with Ministry of Foreign Affairs. The missions abroad will be asked to send market reports on weekly basis. Besides, they will be asked to send updates on demand of Bangladeshi products and also

impact of war.

Missions in general will be asked to send reports on monthly basis but some important ones like the US and the UK will be asked to send reports on daily basis, the meeting opined.

The decisions also include having online facility at the Export Promotion Bureau and Bangladesh Bank and that it should be linked with customs through network so that information is updated instantly.

Presently, export and import figures from EPB and BB are released after more than two months.

With Commerce Minister Amir Khosru Mahmud Chowdhury in

the chair, the meeting was attended by commerce secretary, foreign affairs secretary, executive chairman of Board of Investment, representatives of the central bank and National Board of Revenue.

According to the working paper of the meeting, the export income has gone down substantially in recent months with unit price of major products dipping dangerously. Exports not only in the US and the UK but also in the middle-eastern countries may go down further.

The country has to find the ways to face further fall in export volume as well as price, the paper added.

Prime Bank declares 20pc cash dividend, 6:1 bonus share

Prime Bank Limited has declared a 20 per cent cash and 6:1 bonus share for its shareholders.

The dividend was declared at the 8th annual general meeting of the bank held in Dhaka on Saturday, says a press release.

Quazi Sirazul Islam MP, chairman of the Board of Directors of the bank, presided over the meeting.

Md Shahadat Hossain, vice-chairman of the Board, MA Khaleque, chairman of the Executive Committee, Firoza Amin, chairman of the Policy Committee, Dr RA Ghani, Mohammad Aminul Haque, KM Khaled, Md Nader Khan, Nasim Anwar Hossain, Muslima Shireen, Md Shirajul Islam Mollah, Mofize Ahmed Bhuiyan, Md Abul Quasem, Syed Sadullah Ahmed, Parwez Matin, Masud Reza Bhuiya directors of the Board, Representative Director Nafis Sikder, Managing Director Shah Md Nurul Alam and Additional Managing Director M Shahjahan Bhuiyan were present at the meeting.

The bank earned an operating profit of Tk 74.78 crore and return on assets 3.73 per cent in the year 2002.

The bank's deposit rose to Tk 1690.22 crore as against Tk 1325.49 crore in 2001 registering an increase of 27 per cent while credit portfolio shot up to Tk 1288.78 crore from Tk 907.49 crore in 2001 representing a 40 per cent increase.

Kay & Que okays 15pc dividend

Kay & Que (Bangladesh) Limited at its annual general meeting held in Dhaka on Thursday approved a 15 per cent dividend for the year 2002, says a press release.

Habibullah, chairman of the company, presided over the meeting. Tabith M Awal, managing director, Abdur Rob, advisor, and directors Seemab Faheem, Anwar Quadir, and Md Fayekuzzaman were present at the meeting.

During the year 2002, the company earned a net profit of Tk 92.81 lakh which is 65.29 per cent higher than that of the previous year.

Malaysia Airlines, StanChart sign agreement

Malaysia Airlines and Standard Chartered Bank reached an agreement recently, says a press release.

Under the deal, the clients holding Standard Chartered credit cards will get 50 per cent discount on both first class and business class tickets of the airlines.

The business class fare for a London round trip will be US \$ 1366 and a business class ticket to Kuala Lumpur will cost US \$ 581. In economy class, a round trip ticket to Kuala Lumpur will cost US \$ 330 and passengers will be entitled to 4 days/ 3 nights hotel accommodation in selected hotels of Malaysia.

Meanwhile, Malaysia Airlines has changed its summer flight schedule effective from March 31 to June 30. As per new timing, Dhaka-Kuala Lumpur flights will depart at 2335 hours on Saturdays, Mondays, Wednesdays and Thursdays.

Besides, the airlines hosted a dinner for its corporate clients at a local hotel recently.

Chief executives, general managers, senior managers of different national and multinational companies were present at the dinner.



Matiu Islam presides over the annual general meeting of Industrial & Infrastructure Development Finance Company Ltd (IIDFC) in Dhaka recently.

Consumer bureau on the cards to monitor market

Commerce minister calls Registrar of Joint Stock Companies corrupt

STAR BUSINESS REPORT

A consumer bureau with quasi-judicial authority will be formed shortly to monitor local market, Commerce Minister Amir Khosru Mahmud Chowdhury disclosed yesterday.

The bureau will also follow the global market trend, he added.

The bureau will do research works for the government and if private sector does not behave properly, the government would intervene the market, the minister said, adding that the bureau will monitor the market at home considering the quality and prices of products from global perspective.

The commerce minister was speaking at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (FICCI) held at Sonargaon Hotel in Dhaka.

Khosru said the government has undertaken major reforms in Export Promotion Bureau, Tariff Commission and other government agencies.

Citing example of Registrar of Joint Stock Companies, he added it is a regulatory body but totally

inefficient and corrupt. A poor country like Bangladesh cannot afford such corruption, the minister felt.

In order to make EPB and Tariff Commission more efficient 25 per cent of their total staff will be recruited from the private sector, he went on.

Khosru urged the business community to improve the capability of different trade bodies. "If the trade bodies don't improve their capability, their inputs for the government would not be very effective."

FICCI President Waliur Rahman Bhuiyan said the government is not moving quickly enough to ensure that the country's laws and regulations are in conformity with WTO agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). By end 2005, Bangladesh will be required to bring its laws into TRIPS compliance, he added.

There exists a direct relationship between increased foreign direct investment and IPR protection, the FICCI leader said.

The emerging external environment is bound to have impact on

the economy, which will definitely call for much superior domestic conditions to attract investment. "In the foreseeable future, the world market demand is bound to shrink further," Wali Bhuiyan stated.

Establishing the rule of law is in fact a pre-requisite to ensure good governance and good governance is not possible without ensuring political and bureaucratic accountability, he added.

Bhuiyan said private sector investment and FDI inflow are severely hindered by the administrative barriers arising out of lack of transparency and accountability, which logically leads to inefficiency and corruption.

The size of the state organs is quite large and thus mostly inefficient, unproductive and hazardous. "So, rightsizing the government is important."

"Corruption is a disguised form of taxation. Extensive discretionary powers in the hands of the officials and weakness in the legal framework also attracts corruption," he added.



Quazi Sirazul Islam, chairman of Prime Bank Limited, speaks at annual general meeting of the bank at a local hotel on Saturday.

WTO meets in Mexico this year

Dhaka to seek flexibility in rules of origins

STAR BUSINESS REPORT

Bangladesh will press for flexibility in the rules of origins at the next WTO negotiations scheduled to be held in Cancun, Mexico late this year.

Before the WTO summit Bangladesh will try to mobilise support of least developed countries (LDCs) at a LDCs ministerial meeting scheduled for May 31-June 2 in Dhaka.

Commerce Minister Amir Khosru Mahmud Chowdhury disclosed Dhaka's strategy of trade talks negotiation at a policy dialogue on South Asian Centre for Policy Studies (SACEPS) task force reports on South Asian co-operation in Dhaka yesterday.

Commerce minister said the prevailing 30 per cent stipulation of rules of origins is untenable and it should be reduced to 25 per cent.

Praising Canada's 25 per cent rules of origins stipulation for Bangladeshi products, he said it can be taken as a benchmark for other developed countries to help remove barriers for poor nations' exports.

"As Dhaka is hosting the LDCs ministerial meeting, it will be a warm-up before the big negotiations ahead," he said.

The commerce minister said unless such non-tariff barriers are removed, there will be little benefits for LDCs.

WTO countries must reach consensus on burning issues like farm subsidies, anti-dumping, countervailing measures and quick disposal of cases to make the platform a beneficial one, he noted.

Commenting on low-key activities of South Asian Preferential Trade Arrangement (SAPTA), he said implementation of SAPTA must be expedited to open up way for the proposed South Asian Free Trade Area (SAFTA).

Former commerce minister Tofael Ahmed criticised India for its dillydallying in trade talks with Bangladesh.

"The free access status for categories India have so far offered to Bangladesh is not beneficial for us," he said.

He said if big neighbour like India does not come forward first to liberalise market by offering

concessions to small neighbours, the future of regional trade is bleak.

Giving importance on bilateral trade, he said bilateral trade is taking over multilateral trade where reciprocity comes first.

The former commerce and industries minister said south Asian countries should explore economic co-operation between SAARC and ASEAN to emerge as a major economic bloc which could improve fate of the downtrodden millions of this region.

Tofael urged the current Bangladesh leadership to push India for free access of items which have total value addition.

Denying the allegation that India is indifferent in offering concessions to Bangladeshi products, former Indian high commissioner to Bangladesh Muchkund Dubey said Delhi is considering the list of items Dhaka placed for duty free access and likely to fulfil its plea in phases.

CPD Chairman Prof Rehman Sabhan presided over the dialogue organised by Centre for Policy Dialogue and South Asian Centre for Policy Studies.



Chairman of Kay & Que (Bangladesh) Ltd Habibullah addresses the 19th annual general meeting of the company in Dhaka on Thursday.

Trade liberalisation should follow proper assessment

Speakers say at BIDS workshop

STAR BUSINESS REPORT

The government should go for trade liberalisation after proper assessment of its impact on Bangladesh economy, speakers at a workshop observed yesterday.

The speakers were speaking at the concluding session of a two-day workshop on 'Trade Cooperation and Economic Policy Reform in South Asia'. The workshop was organised by the Bangladesh Institute of Development Studies (BIDS) in Dhaka.

Mirza Azizul Islam, former division chief of ESCAP, said the competitive edge of Bangladesh is now better and the export level has also increased but it is still low compared to other developing countries.

As the industries in the export processing zones (EPZs) contribute 16.5 per cent of the total exports of Bangladesh they should get

considerable attention, he added.

Islam said high transport cost is an unavoidable barrier to trade and it significantly hinders development of trade. "Bad infrastructure increases the transport cost and, thereby, inhibits trade."

MA Taslim, chairman of Tariff Commission, said free trade is needed but the question is to what degree Bangladesh should liberalise its foreign trade with its trading partners.

As tariffs are coming down globally Bangladesh has also reduced its tariffs from a high level of 350 per cent to a reduced level of 32.5 per cent.

He said Bangladesh and other developing countries are being marginalised in world trade. Before the introduction of the World Trade Organisation (WTO), the least developing countries performed 0.7 per cent of the total world trade. This has reduced to only 0.4 per cent after the introduction of WTO.

Taslim said that the average tariff that Bangladesh pays to USA is 14.7 per cent while the average tariff that USA pays to Bangladesh is 3.77 per cent. This is because Bangladesh has a small basket of export goods while its exports from USA are mostly machines, intermediate goods and computers which have very low or zero level of tariffs, he said.

He said that the least developing countries (LDCs) are at a disadvantage in world trade as barriers to their exports have increased while the barriers to their imports have declined.

Moksad Ali, former member of the Planning Commission, said the cost of trade liberalisation in Bangladesh has to be assessed. He said that trade liberalisation may divert domestic demand from the consumption of locally produced goods to the consumption of imported items. This will adversely affect the local industries and retard their growth, he added.