

Poor governance, graft deter private sector-led growth

ICC-Bangladesh report-2002 says

UNB, Dhaka

Lack of improvement in governance and systemic corruption continued to be major deterrents to a private sector-led growth in Bangladesh, International Chamber of Commerce (ICC) Bangladesh chapter said decriing government's alleged negligence about a remedy.

In its annual report 2002 the chamber regretted that the government was yet to implement its election pledges relating to the constitution of an independent anti-corruption commission and improved governance.

The report, presented by ICC-Bangladesh President Mahbubur Rahman at the Chamber's

annual council yesterday, said foreign exchange reserve of Bangladesh still remained vulnerable "notwithstanding a substantial rise in the flow of remittances".

Investment climate, it noted, continued to be weak in spite of the improvement in macroeconomic fundamentals in 2002.

The price situation came under pressure following a rise in the prices of non-food items in 2002, the report noted while looking into major economic indicators.

The balance-of-payments outcome at the end of the 2002 calendar year was positive, despite sizeable decline in exports and foreign direct

investment and almost stagnant medium and long-term concessional aid inflow, the ICC-B report pointed out.

The ICC-B president said Bangladesh needs to strengthen its export base and substantially enhance its trade negotiation capacity to meet the challenges of globalisation.

He appreciated government's recent strategy to have closer economic ties with the East-Asian countries and hoped it would help diversify export market as well as encourage regional investment.

"But, at the same time, existing cooperation with the traditional trading partners must not be lost sight of," he felt.

The ICC-B annual report also appreciated the closure of Adamjee Jute Mills but found the process of privatisation rather slow. It called for expeditious privatisation of the state-owned enterprises (SOEs) to save the economy from bleeding.

The chamber felt that the least developed countries (LDCs) must devise a common stand for the next WTO ministerial to be held in Cancun, Mexico, in September next for having their fair share in global trade.

It said the decision to hold the 49 nation LDC Ministerial meeting in Dhaka in May under the auspices of UNCTAD "is a move in the right direction".

Thai business delegation in Dhaka



PHOTO: MCCI

A Thai trade delegation headed by Prachuab Chaiyasan met the members of Metropolitan Chamber of Commerce and Industry (MCCI), The Dhaka Chamber of Commerce and Industry (DCCI) and International Chamber of Commerce-Bangladesh (ICC-B) at the MCCI Conference Hall yesterday. Phithak Phrombubpha, ambassador of Thailand to Bangladesh, Mahbubur Rahman, president of ICC-B, Tapan Chowdhury, president of MCCI, and Matiur Rahman, president of DCCI, were also present.

Call for expanding trade

STAR BUSINESS REPORT

A high-powered Thai trade delegation yesterday underscored the need for strengthening trade and investment with Bangladesh, saying policy matters have already been discussed at decision making level and now it is time to go ahead.

"Both the prime ministers of Thailand and Bangladesh have already discussed the policy matters and we now can set a target. We now want to set up a new system of trade," said Prachuab Chaiyasan, leader of Thai Trade Delegation, at a meeting with leading Bangladesh business leaders.

Leaders of International Chamber of Commerce-Bangladesh (ICC-B), Metropolitan Chamber of Commerce

and Industries (MCCI), Dhaka Chamber of Commerce and Industries and Bangladesh Textile Mills Association attended the meeting held at MCCI conference room in Dhaka.

Chaiyasan, special economic envoy of Thai premier and also a former foreign minister, hoped Bangladesh and Thai businessmen would play very significant role in the coming months and a business council would be set up soon.

The countries including Bangladesh, Thailand, Myanmar, Laos, Vietnam and some other ones can increase trade and investment among them. These countries can work for a common market and thus can become an Asian economic strength, he added.

Speaking at the meeting, Mahbubur

Rahman, president of International Chamber of Commerce-Bangladesh, mentioned it is necessary to have institutional linkage between the trade bodies of Thailand and Bangladesh. It is also essential that joint economic forums should be set up between the leading trade bodies of Thailand and those of Bangladesh.

"The relationship between Thailand and Bangladesh has not been reflected in the bilateral trade, which remains restricted to a few items only with US\$159.09 million of exports from Thailand and \$21.58 million from Bangladesh."

Phithak Phrombubpha, Thai ambassador in Dhaka, and other members of the delegation were present at the meeting.

Japan to provide Tk 439cr for Paksey bridge

UNB, Dhaka

Japan government will provide loan assistance amounting to 9,209 billion yen equivalent to Tk 439 crore for the second phase of Paksey Bridge Construction Project.

Japanese Ambassador Jiro Kobayashi and Additional Secretary of ERD of Finance Ministry Syed Golam Kibria signed the agreement on behalf of their respective governments on Sunday.

The loan assistance will carry an interest rate of one per cent with a repayment period of 20 years after a grace period of 10 years, said a press release yesterday.

Bangladesh received an amount of 8,807 billion yen worth of Tk 330 crore in the first phase for implementing the project on Padma River, which will bring Kushtia and Ishurdi districts under direct road communication.

REPO auction

UNB, Dhaka

The repurchase agreement (REPO) auction of Bangladesh Bank for commercial banks and financial institutions was held yesterday.

Five bids of one-day tenor amounting to Tk 124.85 crore were received but not accepted, said a press release of Bangladesh Bank.

Delta Life Ins earns Tk 150cr premium in '02

Delta Life Insurance Company Ltd, a leading financial organisation, earned a total premium of Tk 150 crore in the year 2002, says a press release.

As a result, the Life Fund increased from Tk 342.57 crore to Tk 430 crore approximately at the end of the year.

These were disclosed at annual conference of the company's Ordinary Life Division held on Sunday in Dhaka.

Vice chancellor of Comilla University Professor M Shamsul Haque attended the conference as chief guest. Monzurur Rahman, chairman of the company, inaugurated the conference.

Members of the Board of Directors of the company also attended the conference.

More than 800 successful marketing personnel of the company participated in the conference.



PHOTO: BANK ASIA

M Syeduzzaman, chairman of Bank Asia Limited, A Rouf Chowdhury, vice-chairman, Mohd Safwan Choudhury, director, Rume A Hossain, director, and Syed Anisul Huq, managing director, sign the accounts of the bank for the 2002 at a meeting of the board of directors held on Thursday in Dhaka.

Dist committees formed to monitor prices of essentials

UNB, Dhaka

The government yesterday formed monitoring committees in each district with deputy commissioners at the head to oversee import, stock, supply and price situation of essentials in the wake of war in Iraq.

A central monitoring committee

was also formed at the Ministry of Commerce, headed by joint secretary (IIT), for monitoring market trends to prevent any artificial crisis and take remedial measures.

The committees were formed in a meeting at the Ministry of Commerce with Minister Amir Khosru Mahmud

Chowdhury in the chair. Officials concerned and private-sector leaders were present.

The district committees have been asked to send report every alternate day on the situation with rice, pulses, onions, salt, kerosene, edible oil and sugar, meeting sources said.

Nestle launches Maggi 1-Step Recipe Mixes

Food company Nestle Bangladesh Limited yesterday launched Maggi 1-Step Recipe Mixes at Lagoon Convention Centre in Dhaka, says a press release.

An interactive cooking show was organised for about 1,000 housewives to demonstrate the usage of the new recipe mixes.

Three different recipe mixes, beef bhuna mix, fish curry mix and chicken rezala mix, are now available in the market.

The mixes contain all the necessary spices to cook beef bhuna, fish curry and chicken rezala in a hassle free way.

Agrani Exchange holds first AGM

The 1st annual general meeting of Agrani Exchange House Private Limited (AEHPL) was held at its office in Singapore on Thursday, says a press release.

Chairman of Agrani Exchange House Board of Directors and Managing Director of Agrani Bank A S M Imdadul Haque presided over the AGM.

Over Tk 67 crore was remitted till 31 December 2002 since the commencement of the exchange house, the AGM was told.

Besides, Tk 28 crore was remitted to Bangladesh till 30 March in the current year through the exchange house.

Thai food festival begins

STAR BUSINESS REPORT

State Minister for Civil Aviation and Tourism Mir Mohammed Nasiruddin yesterday inaugurated the Thai Food Festival at Pan Pacific Sonargaon hotel.

The minister hoped that such a festival would bolster the cultural ties between the two countries.

He apprised the function that he would show Thai businessmen few spots in the port city of Chittagong so they could consider development of tourist resorts there. He invited them to build a five-star hotel and a golf course at Foy's Lake in Chittagong.

India announces export incentive package

AFP, New Delhi

India on Monday announced a package of incentives to boost exports in IT software and other industries as the US-Iraq war was dampening demand in major markets.

Commerce Minister Arun Jaitley said export growth had shot past the target of 12 per cent to stand at 16 per cent in the current financial year which ends Monday, but warned the war could create problems in the future.

"In the current financial year, I don't think the impact is significant because we were in the last 10 days when the war happened," he said.

But he added: "A long war can have adverse impact on the global economy and that can also impact exports adversely."

Jaitley widened the scope of duty-free imports of industrial machinery and materials for exporting firms and eased obligations linked to exports.



PHOTO: DELTA LIFE

Monzurur Rahman, chairman of Delta Life Insurance Co Ltd, Das Deba Prashad, managing director, and Borhanuddin Ahmed, director, and development officers are seen at the company's annual conference held on Sunday in Dhaka. Vice-chancellor of Comilla University Professor M Shamsul Haque attended the conference as the chief guest.

Taiwan investors eye textile sector

UNB, Dhaka

Taiwanese investors are actively considering investment in the textile industry of Bangladesh.

A 31-member private-sector delegation is now visiting Bangladesh to explore various areas of investment, including agro-processing and information communication technology.

"If we go outside for investment, Bangladesh would be our first priority," leader of the delegation John JP Lin told reporters as the other members were busy with one-to-one talks with possible local partners.

Some 100 local companies queued for finding their matches from Taiwan at the intensive business meeting organised by Dhaka Chamber of Commerce and Industry (DCCI) and Taiwan Trade Mission.

Although Taiwanese have long been doing business in Bangladesh, with

annual sales in of around US\$300 million, their impression about Bangladesh had so far been negative.

"Our idea about Bangladesh reversed only last October, when we came here and talked to businesspeople and the government officials," Lin said. It was the first time Taiwanese delegation included senior government officials, he said.

Taiwanese are now convinced of the potential Bangladesh holds and overall situation for investment and trade, the Taiwanese delegation leader said, expecting substantial business deals in the days ahead.

He said they have special interest in textile sector here.

Although delegations from the thriving business land have been coming here since 1998, the relationship started getting closer in last six months due to extra efforts put together by

Bangladesh's private sector and the government.

After the Dhaka visit by a Taiwanese delegation in October 2002, a Bangladeshi delegation went to Taipei early this month, prompting this return visit in pursuit of business interests.

"During our visit to Taipei, we approached Taiwanese investors for joint-venture cooperation in textile, agro-based and ICT sectors. And the responses were very positive," said Dhaka Chamber president Matiur Rahman, who was on the Bangladesh delegation to Taipei.

Earlier, launching the one-to-one meet in the morning, Board of Investment (BOI) Executive Chairman Mahmudur Rahman said these three sectors can be best potential areas for Taiwanese investment in Bangladesh.

He said Taiwan's textile exports figured US\$ 12 billion last year, while

Bangladesh's annual import of textiles and accessories amount to US\$ 3.5 billion.

"Taiwan can consider Bangladesh as a strategic partner, not for trade alone but for investment also, as Bangladesh has better market access to EU, Canada and some other countries," Rahman said.

He appreciated a Taiwanese investor's decision to relocate a 500-loom-strong textile unit to Bangladesh.

The BOI chief executive singled out Tuna fish processing as an area wherein Bangladesh could be a good partner. Thailand earns half a billion dollars per year just by processing Tuna fish produced in Taiwan. "That processing can also be done well here," he said.

Horticulture and ICT are other areas of cooperation, as Taiwan has developed excellence in both agriculture and information technologies, he added.

3-day trade show begins

STAR BUSINESS REPORT

With a view to strengthening bilateral trade and investment between Bangladesh and Thailand a three-day single country fair showcasing Thai products began in Dhaka yesterday.

Commerce Minister Amir Khosru Mahmud Chowdhury inaugurated the Thailand Exhibition-2003 Fair at Pan Pacific Sonargaon hotel.

Department of Export Promotion (DEP), Ministry of Commerce of Thailand has organised the exhibition.

Considering the huge potentialities, Khosru said there is a good opportunity to balance the trade relationship between the two countries.

Thailand Trade Representative (TTR) Prachuab Chaiyasan said the economic relations can be developed not only through bilateral trade but also through investment in the form of joint venture.

Thai Ambassador to Bangladesh Phithak Phrombubpha also spoke at the inaugural session.

A total of 105 Thai manufacturers are participating at the exposition. Their products include auto-parts and accessories, chemical products, children products, games and toys, construction materials and hardware, cosmetics, electrical appliances, food products and beverages, furniture, garments, textile

and fashion accessories, gift and household goods, leather products and footwear.

The trade balance between Bangladesh and Thailand is fluctuating in the range of US\$160 to US\$250 million.

Bangladesh exports fertiliser, frozen seafood, garments and textile products to Thailand while it imports cement, fabrics, sugar, iron, steel and aluminum products from Thailand.

The fair will remain open from 10:00am to 6:00pm everyday to visitors. A similar exhibition of Thai products will be also held in Chittagong from next Sunday.