

## MCCI for free trade with India Formation of high-powered negotiation committee suggested

### STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday advocated a free trade agreement between Bangladesh and India.

MCCI also proposed formation of a high-powered committee to negotiate the free trade agreement with the neighbouring country.

The chamber made the proposal when the newly elected office bearers of the chamber called on Prime Minister Khaleda Zia at the Prime Minister's office. Commerce Minister Amir Khorru M Chowdhury and professor Md. Rezaul Karim, State Minister for Industries, were also present at the meeting.

MCCI President, Tapan Chowdhury, told the prime minister that his chamber

supports the free trade concept promoted by the World Trade Organisation (WTO).

"Access to Indian market will prove to be of great significance to our economy. So far India took full advantage of our market but prevented our products from entering theirs through a regime of tariff, non-tariff and para-tariff barriers," the MCCI president said.

He said Bangladesh had struggled for the past several years to get this tariff regime relaxed. "It now appears that India is no longer interested in offering us any tariff concession through South Asian Preferential Trade Arrangement (SAPTA)".

Chowdhury said India wants a free trade agreement through bilateral negotiations as they did with Nepal,

Bhutan and Sri Lanka.

"They have now put on record that no further duty concessions will be allowed to Bangladesh unless it concludes a free trade agreement," Chowdhury said.

Other relevant issues brought forward by the chamber ranged from broader monetary and fiscal impediments to specific problems at Chittagong port.

Furthermore, the team identified a number of monetary changes that will serve to jump-start the current sluggish economy.

Their suggestions included launching a Bangladesh Bank scheme to cater to the credit needs of small and medium scale enterprises, relaxing agricultural credit to galvanize rural industries, and

channeling idle funds of nationalised banks to other banks interested in making medium to long-term industrial loans.

The chamber mentioned that equity remains a problem for new investments as stock market continues to remain depressed. "As a result new investments continue to depend overwhelmingly on the banking system which itself is faced with serious problems."

UNB adds: Prime Minister Khaleda Zia said her government laid utmost importance to agriculture and asked the entrepreneurs to come forward in investing in agro-based industries.

She said agriculture and agro-based industries have the best prospects of making the country self-reliant and

economically stronger.

The government is extending all out cooperation including credit from NCBs for expansion of small and medium enterprises. The private banks should also extend credit, if necessary by forming consortiums, for expansion of agro-based industries, she added.

The government and the private sector are working for the greater interest of the country, she said underlining the importance of maintaining close links between the two.

The prime minister invited suggestions from the entrepreneurs in formulation of government policies for expansion of trade and industries.



A delegation of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), led by its President Tapan Chowdhury, met Prime Minister Khaleda Zia at her office yesterday in Dhaka. Commerce Minister Amir Khorru M Chowdhury, and State Minister for Industries Prof Md Rezaul Karim, were also present in the meeting.

## MD liable for dividend default HC rejects stay petition of Meghna Shrimp CEO

### M SHAMSUR RAHMAN

The High Court has summarily rejected a petition from Meghna Shrimp Ltd managing director who sought a stay on a penalty order from the Securities and Exchange Commission (SEC).

The petitioner's contention that he is the managing director of the company and cannot be held responsible or penalised by the regulators for non-payment of dividend to shareholders was turned down by the High Court.

The High Court in its judgement said the petitioner's company is a public limited company and that directors always represent a company.

"The managing director is also a director and, being the chief executive

officer of the company, he is the sole authority to manage the affairs of the company," said the judgement by Justice MM Ruhul Amin and Justice Mohammad Bazul Rahman on March 17, 2003.

The managing director of Meghna Shrimp, Shariful Islam, had been fined Tk five lakh on allegation of non-payment of a 12 per cent dividend amount declared on December 27, 2001 to all shareholders.

Based on complaints from aggrieved shareholders, the SEC issued a show cause notice and later called up the managing director for a hearing on August 21, 2002 where the MD said he would settle all claims.

The SEC directed the company to furnish it with a compliance and status report on September 19, 2002.

When the company failed to provide this report, the SEC imposed the fine on the MD on October 23, 2002 and directed Islam to pay within 15 days or face Tk 10,000 fine for each day of default.

But with the continual failure of the company, the SEC on November 20 last year filed a case with the Court of General Certificate Officer for realising the penalty amount.

With the case pending at the certificate court, Islam went to the High Court seeking stay on the order of the SEC.

While rejecting his plea, the court also made some observations on the

submission from the MD saying that they could not pay the dividends as another company M/s Meghna Sea Foods failed to pay Tk 5.79 crore for goods sold in credit.

The High Court countered: "Dividend is declared on the profit earned by the company in the year for which dividend is declared. In this case, dividend was declared for the year 2000. If the amount due from M/s Meghna Sea Food Ltd as claimed by the petitioner is realised that will be credited in the account for the company for the next year in which it is realised."

"In our view it is not a good ground on which the payment of the dividend may be deferred," the court observed.

## Repo auction held

### UNB, Dhaka

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

Five bids of one-day tenure amounting to Tk 139.95 crore were received, of which four bids of total Tk 121.45 crore were accepted.

The rate of the interest against the accepted bids was 8.25 per cent per annum, said a press release of Bangladesh Bank.

## Dhaka, Nairobi review existing trade ties

### BSS, Nairobi

Jute Minister Hafiz Uddin Ahmad, Bir Bikram, met Titus Mbatia, chairman of the ruling coalition party of Kenya, here on Monday.

During the meeting, they reviewed existing political and trade relations and discussed possibilities of enhanced cooperation between the two countries.

The Jute Minister apprised the chairman of the possibility of using jute bags for export of Kenyan coffee. The industry now uses about three million locally produced sisal bags, which are expensive compared to the more eco-friendly jute bags, the release said.

Hafiz also explained that the BJMC jute bags are produced as per IJO 98/01 standard and are preferred by the importers of coffee and cocoa beans worldwide.

The chairman assured the minister that hindrances would be removed for jute bags to enjoy fair competition.

The Jute Minister also met the Chairman, Managing Director and the members of the National Cereal and Produce Board (NCPB), a traditional buyer of BJMC bags.

Hafiz also met the Chairman and the Managing Director of the Coffee Marketing Board. The board apprised the minister that the coffee production in Kenya is on the rise resulting in increased demand for the bags.

The minister informed the board that jute is technically superior to currently used sisal bags and available at cheaper price.

The chairman assured the minister that the board would disseminate the positive attributes of jute bags to the coffee exporters.

## FedEx income increases by 23pc in 3rd quarter

Federal Express Corporation (FedEx) reported that the earnings per diluted share increased to \$0.49 in the third quarter from \$0.39 a year ago, an increase of 26 per cent year-on-year, says a press release.

Loss of revenue and increased expenses resulting from severe winter storms during the quarter negatively impacted earnings by an estimated \$0.04 per diluted share, the release added.

The company's revenue rose by 10 per cent from \$5.02 billion to \$5.55 billion, operating income by 14 per cent from \$237 million to \$269 million and net income 23 per cent from \$120 million to \$147 million over the previous year.

The total average daily package volume at FedEx Express and FedEx Ground grew a combined 9 per cent year-on-year for the quarter.

## Sheba reaches Sylhet

### STAR BUSINESS REPORT

Sheba Telecom yesterday formally launched its operation in Sylhet connecting the city with Dhaka and Chittagong.

Chief Finance Officer of Sheba Telecom Ltd Jalluddin Abu Hassan announced launching of the services at a press conference held in Dhaka.

The company has around 44,000 subscribers with BTB incoming and outgoing facilities.

In response to the complaints of weak network and poor customer services, the chief finance officer of the company assured of uninterrupted services and quality sound.

He said the company, which came into being in 1995, will soon introduce a new advanced billing system to solve the problem of ghost billing.

Facing allegation that the company

is indifferent to refunding fees collected from subscribers as government royalty and licence fee, he said the company stopped collecting the fees soon after the court injunction came on November 27, 2003.

"We are making refund by adjusting subscribers' monthly bill with the fees collected before the issuance of the court injunction," Abu Hassan explained.

The company, he felt, has improved its services and is now earning customers' confidence as well, which is reflected in the 'slow but steady' rise in the number of customers.

"Our target is to offer service at affordable price so that the basic need of telecommunication goes within the reach of the poor living in rural area," he observed.

Sheba Telecom sets a target to reach 5,000 subscribers in Sylhet by offering line and connection at a package costing

Tk 8,500. It also offers free line rent facility for three months under Shebaworld standard package costing Tk 9,000, he informed.

Now Sheba Telecom covers Dhaka, Narayanganj, Savar, Gazipur, Munshiganj and Chittagong. With the commissioning in Sylhet, it will not only benefit the people of the area but will also enhance mobility of existing customers in Dhaka and Chittagong.

The company will also launch its pre-paid services this year and go for a further expansion of its GSM services to Khulna, Barisal and Rajshahi division, he told the press conference held at Hotel Purbani International.

Abu Sadat M Sayem, head of marketing, Shawkat Osman, senior general manager, and Zainal Abiddin Isma Yatim, chief technical officer of the company, were also present.

## Ministry gives nod to allotting gas block 11 to BAPEX

### UNB, Dhaka

Energy and Mineral Resources Ministry has given green signal to Petrobangla for cessation of the negotiation process with IOCs for allotment of block 11, officials concerned said yesterday.

They said the directive was given in a bid to allocate the prospective block covering Netrokona, Kishoreganj, Narsingdi and parts of Mymensingh and Gazipur districts to state-run BAPEX.

However, the ministry, the officials said, asked Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) to take necessary steps regarding the block as suggested by the legal experts.

Earlier Petrobangla had sought permission from the ministry to cancel

the negotiation process for the block with Irish company Tullow and Malaysian Petronus, and allot it to state-run BAPEX.

The Petrobangla had also informed the ministry that the legal experts suggested that there is no bar in allocating block 11 to Bangladesh Petroleum Exploration and Production Company Ltd (BAPEX).

Opinion had been sought from legal experts about allocation of the block after concerned foreign companies failed to come up with specific follow-up procedures, the officials said.

They said country's leading legal practitioner Dr Kamal Hossain opined that the block was not awarded to Tullow or Petronus and that's why there

is no legal bar to allot it to BAPEX.

The ministry in its guideline letter also mentioned that no memorandum of understanding (MOU) or production sharing contract (PSC) was signed between the government and Tullow or Petronus for the block.

It said the Petrobangla had only an offer letter and the matter remained in initial stage. The companies also failed to come up by the deadline of June 30, 2001 for finalising negotiation and PSC, it added.

Officials said negotiation process had started after Tullow and Malaysian Petronus won the bidding. Each of the two foreign companies owned 45 per cent of the block 11 while BAPEX 10 per cent.

They said at one stage of negotiations, a conflict developed on whom - Tullow or Petronus - will be the operator for the block. And Petrobangla asked them to determine it within one year.

The companies failed to inform it Petrobangla within the deadline. In the meantime Petronus lost interest to work in the block and also the High Court imposed an injunction on signing any new PSC.

Following the latest development to allocate the block to BAPEX, Tullow informed the government that they would claim eight million dollar compensation for the investment they already made for it.

## Thai trade fair woos huge crowd

### STAR BUSINESS REPORT

The second day of the Thailand Exhibition-2003, a single country fair, witnessed a huge crowd yesterday.

According to the exhibition organisers, as many as eight thousand visitors turned up at the fair being held at Pan Pacific Sonargaon hotel.

Most of the visitors were businessmen who expressed their great interest to become local agent or distributor of Thai companies, the organisers said.

Tawesak Pudpadee, South Asia regional manager of SCT Co Ltd, said response from Bangladeshi businessmen is more than what was expected. "This response will help promote trade relationship between the two countries," he said.

Watcharakrit C, general manager of M S Beautyline Co Ltd, a Thai cosmetic company participating in the fair, said already ten local companies have shown their interest to become local agent of his company. "So, I think the response is

positive."

The Department of Export Promotion (DEP) of the Ministry of Commerce of Thailand has organised the exposition to promote the bilateral trade and investment between Bangladesh and Thailand.

The first two days of the extravaganza were open only for the Bangladeshi businessmen or entrepreneurs. Today, the last day of the three-day event, the fair will remain open from 10:00am to 6:00pm for all.

A total of 105 Thai manufacturers are showcasing their products including 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 house-hold goods, leather products and footwear.

A similar exhibition of Thai products will begin in Chittagong on Sunday.



K Shamshi Tabrez, senior executive vice-president of Jamuna Bank Ltd, and Santanu Saha, executive vice-president and company secretary of Fareast Finance and Investment Limited, exchange the documents of a term loan facility agreement at the head office of the bank in Dhaka recently. SA Chowdhury, managing director of Jamuna Bank Limited, Mahmud ul Karim, managing director of Fareast Finance and Investment Limited, were also present.

PHOTO: JAMUNA BANK