

Govt urged to protect US, UK businesses

Business leaders decry vandalism in Dhaka over Iraq war

STAR BUSINESS REPORT

In the wake of recent attacks on different business houses, including a number of US and UK-based companies, top business leaders yesterday urged the government to maintain law and order and protect all foreign direct investments (FDIs) and their properties in Bangladesh.

USA is the largest single market for Bangladeshi products accounting for 40 per cent of the total export earnings while UK is also an important market. Business leaders, at a meeting focusing on 'Impact of Iraq war on Bangladesh Economy and Identifying Possible Remedies' in the DCCI boardroom, cautioned that damage to properties of foreign investors may have negative repercussions on export prospects.

Yussuf Abdullah Harun, president of Federation of Bangladesh

Chambers of Commerce and Industry, Quazi Moniruzzaman, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Kutubuddin Ahmed, former president of BGMEA, MA Awal, chairman of Bangladesh Textile Mills Association, Ahmed Hossain, chairman of Bangladesh Jute Spinners Association, Quazi Monirul Haq, president of Bangladesh Frozen Foods Exporters Association and Jahangir Bin Alam, secretary of Foreign Investors' Chamber of Commerce and Industry attended the meeting with Matur Rahman, president of Dhaka Chamber of Commerce and Industry, in the chair.

Business leaders suggested a number of bailout measures to cushion export-oriented industries from war impacts including formation of a task force comprised of Ministry of Finance, Ministry of Commerce and

Ministry of Industries to ensure one-stop remedies and solutions for businesspeople.

Recommendations also involved fixing a rate of seven per cent for working capital requirement, slashing 50 per cent of bank charges for at least six months, and putting interest and bank charges due for at least two quarters in blocked accounts.

Shipping line charges should be reduced while insurance and VAT charges on export-oriented industries should be cut, business leaders suggested adding that liquidity problems of the jute and frozen food sectors should be addressed immediately.

Port services can be leased out to the private sector to expedite cargo handling and Mongla port may be privatised, they said adding that imposition of new taxes or surcharges should be avoided as they will prove counterproductive to the economy.

Bangladeshi missions abroad should maintain close contact with all stakeholders to finalise a common proposal for next year's budget emphasising the need to withstand the impact of the war on the economy.

"In order to prevent damage to the economy and banish the bad effects of war, we need to be diplomatic in maintaining appropriate business relations with EU, USA and other development partners," FBCCI president was quoted as saying.

\$18.24m IDA aid for social investment project

BSS, Dhaka

The International Development Association (IDA) will provide 18.24 million US dollars equivalent to Tk 106.06 crore for the Social Investment Programme Project (SIPP) in Bangladesh.

An agreement in this regard was signed yesterday between the government and the IDA, ERD sources said.

Syed Golam Kibria, additional secretary, Economic Relations Division, and Frederick T Temple, country director of the World Bank (WB), signed the agreement on behalf of their sides.

The credit will carry a rate of three-fourths of one per cent service charge per annum repayable in 40 years including 10 years grace period.

The project would be implemented over a period of four years, commencing June next. Social Development Foundation (SDF) will implement the project.

The project area will be Jamalpur and Gaibandha district.

The project is designed to develop effective and efficient financing and institutional arrangements for improving access to local infrastructure and basic service through the implementation of community-driven small-scale infrastructure works and social assistance programmes.

It will consist of four parts: strengthening of the Social Development Foundation (SDF), institutional development at community level, implementation of community action plans and pilot private financing in community utilities.

In addition to the 18.24 million US dollars IDA credit, the Government of Bangladesh will provide 1.61 million US dollars for the project.

Local communities of the project area are expected to provide 2.69 million US dollars towards implementation of the project, the sources said.



Tapan Chowdhury, president of Metropolitan Chamber of Commerce and Industry (MCCI) along with other business leaders visits Chittagong International Trade Fair yesterday.

Body formed to reduce port charges, quicken formalities

RAFIQ HASAN

The government has formed a high-powered committee with the mission to streamline port operations, specifically focusing on reduction of various charges at the Chittagong port and introduction of a faster export-related document processing system.

High charges and delays in clearing documents are the main allegations against Chittagong port which, at the end of the day, increase costs of export-import business and hamper overall trade in the country.

A high powered committee, headed by Commerce Secretary Sohel Ahmed, will visit the port next week to audit overall conditions for making recom-

mendations to improve the services of the country's main sea-port.

More than 80 percent export-import goods of the country are cleared at the Chittagong port. The other seaport at Mongla has already reduced various handling charges including a 50 per cent discount on landing and shipping charges for tea, garments, fabrics, cotton and blankets.

"We will talk to all people involved in port operations to develop a system that will allow papers to be processed within three hours and reduced charges," Sohel Ahmed said yesterday while talking to the Daily Star.

The nine-member committee was formed at a meeting last week with Prime Minister Begum Khaleda Zia in

the chair. The NBR chairman Shoaib Ahmed, Shipping secretary Julfiqar Haider Chowdhury and presidents of four leading chamber bodies including FBCCI, MCCI, DCCI and CCI are members of the committee.

The team will compare the tariff rates existing at the Chittagong port with those of other ports in Malaysia, Singapore, India and Colombo before submitting its report within 15 days.

The latest port handling charges had been fixed in 1986 with no subsequent revisions, sources said. Current 'unofficial charges', reported to have reached higher proportions than the official charges, will also be examined by the committee.

National Housing, Latif Real Estate sign MoU

National Housing Finance and Investment Limited and Latif Real Estate Limited signed a memorandum of understanding (MoU) in Dhaka on Saturday, says a press release.

Under the MoU, clients of Latif Real Estate will receive faster and superior customer service from National Housing in getting housing loans up to 70 per cent of their apartment prices.

Managing Director of National Housing Ansar Uddin Ahmed and Executive Director of Latif Real Estate Limited Akter Biswas signed the MoU on behalf of their organisations.

Shabbir Ahmed, deputy managing director, Nizam Ahmed, assistant vice-president of National Housing, and other senior officials of both the organisations were present.



PHOTO: NATIONAL HOUSING

Ansar Uddin Ahmed, managing director of National Housing Finance and Investment Limited, and Akter Biswas, executive director of Latif Real Estate Limited, exchange documents after signing a memorandum of understanding in Dhaka on Saturday. Under the arrangement, clients of Latif Real Estate will receive faster and superior customer service from National Housing in getting housing loans.

New MD of



BASIC Bank

Md Salehuddin Quasem joined BASIC Bank Limited as its Managing Director (MD) yesterday, says a press release.

Prior to joining BASIC Bank, Quasem was Deputy Managing Director of Bangladesh Krishi Bank (KKB).

Earlier, he served in Bangladesh Shilpa Bank, Bangladesh Shilpa Rin Sangstha and Rajshahi Krishi Unnayan Bank as General Manager.

He was also Managing Director (Current Charge) of Ansar VDP Unnayan Bank.

Taiwan consumer prices down in March

AFP, Taipei

Taiwan's consumer prices fell 0.19 per cent in March from a year earlier, mainly due to falling vegetable prices, the Directorate General of Budget, Accounting and Statistics (DGBAS) said Monday.

The consumer price index (CPI) in March rose a seasonally adjusted 1.09 per cent from February, the DGBAS said.

The core price index, which excluded fish, vegetables and energy prices, dropped 0.26 per cent in March from a year earlier, while the wholesale price index rose 4.89 per cent.

Foreign trade instt starts functioning from May

STAR BUSINESS REPORT

Bangladesh Foreign Trade Institute (BFTI) will start functioning from May this year to promote business and facilitate global trade negotiations.

Commerce Secretary Sohel Ahmed Chowdhury yesterday handed over to Prime Minister Khaleda Zia the final report for setting up of the institute.

The institute will play a think tank role in helping commerce ministry in WTO, SAPTA, regional co-operation, free trade talks and other trade-related issues.

The proposal was prepared by the committee formed at the ninth meeting of the national committee on export promotion in July with Prime Minister in the chair.

On receiving the report, Prime Minister said the need for such an institute was overdue in view of the present complicated global trade situation.

She hoped that the institute would

play an important role in improving trade and commerce in the globalised world.

The Prime Minister underscored the need for training to develop skilled manpower in the country and said it should be ensured that a trained person is employed in a relevant post.

Begum Zia said the possibility of getting foreign aid is shrinking fast due to changes in the world scenario.

"Now we have to change our lot. We must be self-reliant through boosting trade and commerce," she added.

Commerce Minister Amir Khosru Mahmud Chowdhury and members of the committee including Principal of Foreign Service Academy Jamil Majid, ICC-B President Mahbubur Rahman, former president of MCCI Latifur Rahman and Tariff Commission Chairman Prof Mohammad Ali Taslim were present.

The prime tasks of the institute would be to work out strategy for Bangladesh in bilateral and multilat-

eral trade issues in World Trade Organisation and do analysis of trade agreement under WTO umbrella, the proposal said.

To enhance the government's economic diplomacy, the institute would provide training to government officials especially from commerce ministry, foreign ministry, Bol, EPB and BEPZA on global trade protocol and also develop expertise and skill in trade issues.

It would also provide training to officials of private sector, bank and chamber bodies to improve their professional qualities.

BFTI would also impart training to concerned officials to help enhance export earnings and save foreign currency.

The institute would be given autonomous status and have a 14 member governing body drawn equally from public and private sector with commerce minister as president. Initially, BFTI will be housed in the TCB Bhaban in Dhaka.

All cell phones' access to T&T likely soon

UNB, Dhaka

All mobile phones are likely to be connected with T&T landlines soon in a major step being taken by the government for widening the scope of most modern telecommunications.

The government has taken a decision in principle to provide universal interconnectivity of cellular and fixed phones, reliable sources said.

Memorandums of understanding (MOUs) will be signed "very soon"

between the government and the private cellular companies to this effect, according to a source at the Ministry of Telecommunications.

Over half the cellular networks do not have access to T&T lines due to the state-owned telecommunications agency's limited capacity.

Grameen Phone, the biggest player in the cell-phone field in Bangladesh, has over one million subscriptions, 65 per cent of which do not have access to T&T network.

It has some 300,000 pre-paid connections--all based on mobile-to-mobile communications--and nearly half of its 700,000 post-paid connections are also communicable from mobile to mobile.

Three other cell-phone operators Aktel, CityCell and Sheba can access T&T microwave.

The government, of late, also has decided to allow net-phone operations and conduct feasibility study on manufacturing of mobile-phone sets locally at the Tongi TSS.

Prime Bank foundation course begins

A 19-day foundation training course for Prime Bank's fresh entrants started at the bank's training institute in Dhaka recently, says a press release.

The course was formally inaugurated by M Shahjahan Bhuiyan, additional managing director of the bank. Senior Executive Vice-president Md Motior Rahman and Executive Vice-president Md Anwar Hossain were also present.

The course covers banking operation (general banking), international trade management and finance and credit operation and management.

Md Anwar Hossain, EVP and Principal of Prime Bank Training Institute, conducted the opening ceremony.

Crude oil prices fall

AFP, Singapore

Oil prices fell Monday in Asian trade amid hopes the US-led coalition was moving closer to toppling Iraqi President Saddam Hussein, dealers said.

At 11:30 am (0330 GMT), the New York benchmark light sweet crude for May delivery traded at 27.87 dollars a barrel in after-hours trade, down 75 cents from its close of 28.62 dollars in New York Friday.

"From recent developments, it's quite obvious the war in Iraq will end soon... that and the seasonally low demand for oil in the second quarter will help to drag prices lower," an oil analyst with a European bank said.

The US and its allies have moved closer to tightening their hold on Baghdad after capturing the international airport two days ago.

US military officials said US forces had 95 per cent control of the airport, on the southwest outskirts of Baghdad, with at least 5,000 troops deployed there.

In a report, SG Securities said "market sentiment reversed as military operations progressed in Iraq".

"The breakthrough by the coalition troops and the taking of the Baghdad airport have reassured the market as to how much longer the war is likely to last," it said.



PHOTO: PRIME BANK

M Shahjahan Bhuiyan, additional managing director of Prime Bank Limited, and participants of a 19-day foundation training course pose for a photograph at the inauguration of the course at the bank's training institute recently. Md Motior Rahman, SEVP, and Md Anwar Hossain, EVP of the bank, were also present.

AKTEL cellular-cellular pre-paid service launched

STAR BUSINESS REPORT

Telekom Malaysia International (Bangladesh) Limited, the service provider of AKTEL mobile phone, yesterday launched its cellular-cellular pre-paid service.

The company has offered handsets with the connection ranging from Tk 7,839 to Tk 15,039. Subscribers can choose from 26 varieties of handsets.

"I believe the service will help save our potential customers," TMIB Managing Director Dato' Ezanee Ab. Aziz told reporters at the formal launching of the service, Mobile Link, in

Dhaka.

Earlier, AKTEL had introduced Mobile Plus, another type of pre-paid with fixed line connectivity, first ever in Bangladesh.

In reply to a question regarding high tariff in mobile telephone, the TMIB chief said if the government reduces the lease fees of microwave links the operators will be able to reduce the tariff structure substantially.

He said his company will consider introducing a special tariff structure for city users, those calls are not terminating in the microwave or fiber optical

networks.

Aziz said, "The noticeable characteristics of the Mobile Link are fast access, better call quality and cost controlling as we price as per 30 second slab."

TMIB, a joint venture between Telekom Malaysia Berhad and A.K Khan & Co Ltd, has some 170,000 subscribers. TMIB, which has its coverage in 30 districts, aims to expand the network to 62 districts by the yearend.

Yussli Yusoff, general manager marketing, Ahmad Salleh, GM Technical, Zulkifli Awang, GM Finance, and Rezaur Rahman, chief coordination manager, also attended the function.