

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 1-day tenor amounting to total of Tk 118.80 crore were received and two of these bids of total Tk 10.00 crore were accepted. The rate of interest against the accepted bids was 8.01 per cent per annum.

ICMAB team calls on NBR chairman

A delegation of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) headed by its President Md Abdur Rashid called on Dr Shoaib Ahmed, chairman of National Board of Revenue (NBR), at his office in Dhaka on Sunday.

ICMAB president appraised the proposal in the budget for FY 2003-2004 regarding tax administration, which has empowered NBR to bring efficiency in the tax administration in the country.

He said that revenue income would be increased considerably if the government takes the assistance of the cost and management accountants in income-tax and VAT audits.

Among the delegates, Vice President A K M Delwer Hussain and Executive Director Muhammad Nazrul Hussain were present.

Prime Bank to collect Aktel bills

Prime Bank Limited and TM International (Bangladesh) Limited signed a memorandum of understanding (MoU) in Dhaka on Sunday.

Under the deal, Prime Bank will collect bills, subscription, fees, rentals, deposits and handset cost of Aktel mobile telephones from the subscribers of TM International (Bangladesh) Ltd.

The money so collected will be deposited in the Central Collection Account maintained by Prime Bank Limited, Mohakhali branch.

The bank's online facility will be extensively used and Mohakhali branch will service the corporate account.

Shah Md Nurul Alam, managing director of Prime Bank Limited, and Dato Izane Bin AB Aziz, managing director of TMI, signed the agreement on behalf of their respective organisations.

M Shahjahan Bhuiyan, additional managing director, Mtor Rahman, SEVP, Shaiful Alam EVP, Muhammad Shahidul Islam EVP, Md Shahidul Islam SVP, Raihanuddin Amin SVP, Mehmood Hussain SVP and head of Mohakhali branch of Prime Bank Limited, and Zulkifli Bin Awan GM, Md Rosdi Bin Mustafa GM, Hefzur Rahman, Controller of Accounts of TMI, were also present at the signing ceremony.

Pak central bank sees 6pc growth next year

AFP, Bangalore.

Pakistan is hoping to bounce back to a six per cent economic growth rate from next year in a renewed bid to fight unemployment and poverty, the country's central bank governor said Sunday.

Ishrat Hussain, governor of the State Bank of Pakistan, also said Pakistan would stop borrowing from the International Monetary Fund in 2004.

Hussain, who was in the southern city of Bangalore to attend a conference of the Asia Clearing Union, said a liberalisation programme initiated in December 1999 had been a rollercoaster ride but the overall economic situation of Pakistan had taken a turn for the better.

"Till about the 1980s Pakistan had recorded a growth rate of six per cent per annum, but in 1990s we lost the momentum. The growth rate declined to almost four per cent," Hussain told reporters.

He said whenever economic growth was below six per cent poverty rose. The number of those living below the poverty line was 18 per cent during 1988-89, but had risen to 32 per cent in the 1990s.

"Our challenge is to try and bring down the poverty rates again below 20 per cent and that requires we should be on the growth path of six per cent."

He said Pakistan's economy would register 5.1 per cent growth for the year ending June 2003.

"We hope that there are no further external shocks to the economy (then) Pakistan will get back to the past six per cent growth rate thereby reducing poverty."

Essentials feel budget heat

Traders charge indiscriminate prices

STAR BUSINESS REPORT

Prices of essentials are witnessing gradual rise in response to duties proposed in the budget for 2003-2004.

A team of The Daily Star Business reporters who visited Dhaka's major market places yesterday found prices of essentials including sugar, salt, pulses, spices and powdered milk are on the rise. The team visited Karwan Bazar, Hatirpul, Jatrabari, and New Market.

However, the correspondents found the traders quoting different prices with little knowledge of the actual items, which drew supplementary duties.

Traders said they are increasing the prices in line with the proposed duty structure suggested in the

budget. But many knew little about the items on which supplementary duties were proposed.

With only a vague idea of the list of goods on which duties were proposed, some traders were seen quoting higher prices indiscriminately.

They were charging higher prices for garlic, onion and ginger, although no duties were imposed on them.

When asked for the reason behind charging high prices, the retailers held wholesalers responsible, saying the wholesalers are raising the prices of goods.

However, there was no major change in the prices of fish, biscuits and chocolate, although duties were proposed on these items. Prices fish such as ruhi, katla, mrigel, pangush,

and carps remained more or less static in the markets.

The prices of vegetables, butter, imported fruits, jam and jelly, coconut oil, glucose, and tomato ketchup remained more or less static.

Sugar prices increased by Tk 1 to Tk 5 per kg, while salt was selling at Tk 11 to Tk 12, climbing up from Tk 10 before the budget announcement.

The finance minister proposed 75 per cent supplementary duty on salt for the next fiscal compared to 60 per cent in the current fiscal.

In the proposed duty structure, the government has made a proposal for five per cent hike on import of powdered milk to 25 per cent from 20 per cent. Prices of 400gm 'Dano' powdered milk was selling at Tk 119 to Tk 122 against Tk 113 last week.

Anchor powdered milk of 400gm size was selling at Tk 112 which was Tk 103 last week.

Prices of ginger, onion and garlic went up by 15 to 20 per cent, though there were no proposals for slapping duties on these items.

Price of each kilogram of ginger was selling at Tk 40 which was Tk 36 before budget. Onion price increased to Tk 17 to Tk 18 per kg against last week's Tk 15.

Different types of pulses prices were also on the rise. Moog variety of pulses was selling at Tk 40 per kg from Tk 36 before announcement of the budget. Prices of masur and khesari pulses also increased by Tk 2 to Tk 4 per kg from last week. Spice market also saw increased price.

BJMC limps with Tk 4,371cr loss

Public Expenditure Review Commission suggests privatisation to stop losses

STAR BUSINESS REPORT

The Public Expenditure Review Commission (PERC) has suggested privatisation of the ailing jute mills operating under the state-run Bangladesh Jute Mills Corporation (BJMC).

As production cost has gone up and the BJMC failed to retain its market, there is no reason for running 29 jute mills under the corporation, said a recent report of PERC headed by former caretaker government adviser M Hafizuddin Khan.

It said the BJMC, which has an accumulated loss of Tk 4,371 crore with a total loan burden of Tk 3,520.74 crore till 2001-2002 fiscal,

is running with a negative net worth of Tk 451.82 crore.

The report cited price drop in international market and high production cost are the main reasons for the huge losses of the mills.

The BJMC took huge amount of loans from the nationalised commercial banks (NCBs) to meet the increasing production cost and management expenditure every year. "As a result, the capital of the mills dried out," the PERC report added.

The report said the authorities will fail in paying off against provident fund and gratuity of the officials and workers in case the company is closed down. It said to settle claims

of the officials, funds have to be made available from the state coffers.

Of the total 78 industrial units, 32 including three non-jute units are operating under the corporation and the rest 46 have been privatised.

But the report pointed out although the numbers of units have been privatised, the manpower at the BJMC had not been reduced. "As a result, salary and other benefits pushed the production cost and management expenditure up and these are still continuing," the commission observed.

At the time of establishment, the BJMC operated 78 jute mills through seven departments with a board having a chairman and five

directors. The corporation still operates with the same number of directors and departments for only 32 mills.

"There is no logic behind maintaining the same structure after privatising 60 per cent of industrial units," the PERC noted.

It said that steps should have been taken to dissolve four departments and cut the manpower as well as expenditure in order to minimise the losses. "Similar steps should have been taken for the running mills to reduce their production cost by cutting jobs and curtailing expenditure. But these had not been done."



PHOTO: STAR

A shopkeeper shows off a container of powdered milk at a department store in Dhaka yesterday. The price of powdered milk rises as the government has planned to raise import duty on the product to 25 per cent from 20 per cent in the budget for 2003-04 fiscal. A 400gm 'Dano' milk was selling at Tk 119 to Tk 122 against Tk 113 last week. Anchor milk of 400gm was selling at Tk 112, which was Tk 103 last week.

Indian co to produce fruit drink in Bangladesh

STAR BUSINESS REPORT

Rasna International, a leading instant fruit drink manufacturer in India, plans to establish a plant in Bangladesh to manufacture Rasna food products locally from next year.

Sumit Sachdev, business development manager of Pioma Industries, export subsidiary of Rasna International, disclosed this yesterday at a press conference to mark the re-launch of Rasna drinks in local market.

Rasna will now be available in five fruit flavours including orange, mango and pineapple in four differ-

ent packs and containers at a maximum price of Tk 170.

Other products of the Rasna brand, including parathas, canned food, curry-paste, will also be available in local market, said Sachdev.

Rasna products earlier had failed to compete in Bangladeshi market with other fruit drinks.

Rasna International has ventured in Bangladesh jointly with Agami Distribution Limited, a concern of Dekko Group.

At present, Rasna is available in 48 countries with major market share in the Middle East.

Food festival at Purnima Restaurant

A three-day food festival organised by Purnima Restaurant will begin on its premises at Gulshan-1 in Dhaka on Thursday.

At the festival, the restaurant will offer discounts to the customers on all the food items, which include various types of grilled meats.

The festival is organised to mark the restaurant's first anniversary, it said in a press release.

Thai media forum on tourism next month

With a view to bringing back tourists, Thai Airways International and Tourism Authority of Thailand (TAT) are going to organise a five-day media forum in Bangkok next month.

According to a press release, twenty Bangladeshi participants comprising journalists and travel industry representatives will be invited to the July 6-10 forum.

General Manager of Thai Airways International in Bangladesh Nivat Chantarachoti said more than 1,500 participants including journalists and representatives of travel industries from all over the world will join the forum.

Chantarachoti said Thailand is SARS free and one of the most productive country in respect of preventive measures taken against SARS.

S'pore threatens to lift tariff concessions to Philippines

AFP, Manila

Singapore has threatened to withdraw tariff concessions to the Philippines in retaliation for Manila's decision to maintain protective tariffs on petrochemical products, Filipino Trade Secretary Manuel Roxas said yesterday.

Roxas said he has sent a team of negotiators to settle amicably the dispute with fellow Association of Southeast Asian Nations (ASEAN) member Singapore.

Under an ASEAN Free Trade Area common effective preferential treatment scheme, the Philippines was to have lowered the tariffs on petrochemical products to five per cent. But Manila in December last year submitted a list of 11 petrochemical products whose tariffs would be maintained at between seven and 10 per cent.

RBI paints positive picture of economy

AFP, Bangalore

India's central bank governor Bimal Jalan said Monday the country's economy is in a comfortable situation and there is "tremendous confidence" in the external sector.

"The Indian (economic) situation is very comfortable just now," Jalan told reporters on the sidelines of the Asian Clearing Union summit in this southern Indian city of Bangalore.

"There is general appreciation... that India is one of the fastest growing economies despite drought and other problems," he said.

The Reserve Bank of India expects the economy to grow six per cent in the year to March 2004 after an estimated 4.4 per cent in the year to March 2003 when a crippling drought hit agriculture, undercutting a strong performance by the industrial sector.



PHOTO: STAR

SUMMER SUCCULENCE: Workers unload pineapples from a truck at Badamtali in Dhaka yesterday. The country's largest wholesale market is witnessing huge supply as farmers harvest a bumper production of the popular fruit this year in Rangamati, the traditional hub of pineapple farming. The fruit sells between Tk 300 and Tk 500 per 100-piece.

Curb on bond facilities comes under criticism

STAR BUSINESS REPORT

Carton and accessories industry has criticised the government move to limit bond facilities for the export-oriented industry.

Finance and Planning Minister M Saifur Rahman in his budget proposal hinted at limiting bond facilities for the port clearance of raw materials of carton and accessories. It will lead to closure of many industries, said Mir Mahmud Ali, general secretary of Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters Association (BCCAMEA) on Sunday.

The sector, which has an investment of Tk 2,000 crore at present, makes a 40 per cent value addition

and saves Tk 3,000 crore in foreign exchange. If the government slaps restrictions on the bond facilities, about 1,000 industries would shut down, he said in a BCCAMEA press release.

With the facilities, the carton and accessories industry is now meet 95 per cent domestic packaging and accessories demand for RMG and other export-oriented sectors, he said.

The sector is growing as a backward linkage industry and helping RMG exporters reduce lead-time and become competitive, he continued.

If bank guarantee system for port clearance is introduced in line with limiting the bond facilities, 80 per cent carton and accessories indus-

tries would face closure having a negative impact on RMG exports, he said.

He demanded continuation of the bond facilities.

Sugar mills officers welcome budget

Meanwhile, Bangladesh Sugar Mills Officers Federation appreciated the proposed increase in import duty on refined sugar and duty reduction on unrefined sugar in the new budget.

President of the federation Mia Md Golam Kibria in a press release said the move will boost local sugar industry.

He also welcomed the allocation of Tk 300 crore for the industry in the proposed budget.

HSBC, IDLC sign credit facility deal

The Hong Kong and Shanghai Banking Corporation Limited (HSBC) has signed a total Tk 150 million credit facility with IDLC.

Adil Islam, corporate banking head of HSBC in Bangladesh, and Syed Ehsan Quadir, deputy managing director of IDLC, signed the deal in Dhaka recently, says a press release.

David J H Griffiths, CEO of HSBC in Bangladesh, and Anis A Khan, CEO and MD of IDLC, Ashraf Ahmed, senior relationship manager of HSBC in Bangladesh, Arifur Rahman, senior manager of IDLC, and Arif Khan, deputy general manager of IDLC, were also present at the signing ceremony.

The accord is in line with HSBC's long-term vision to grow with non-banking financial institutions relationships and local companies offering a full range of financial solution.

Bangladesh to get Tk 23cr grant

UNB, Dhaka

Bangladesh will receive Japanese grant aid amounting to 471 million Yen (approximately Tk 23.07 crore) for support to strengthen emergency obstetric care (EOC) services.

An exchange note to this effect was signed between Bangladesh and Japan here on Sunday. ERD Secretary Anisul Haq Chowdhury and Japanese Ambassador in Dhaka Matsushiro Horiguchi signed the agreement on behalf of their respective governments.

The assistance, under the

second phase of the project, will be spent for procurement of obstetric equipment for 136 Upazila Health Complexes in 31 districts of the country.

This phase of the project provides 30 comprehensive EOC facilities and 106 basic EOC facilities.

Earlier, the Japanese government provided 360 million Yen (approximately Tk 15.55 crore) to procure obstetric medical equipment for 91 Upazila Health Complexes in 24 districts, said a press release.

Submarine cable in 18 months

UNB, Dhaka

Minister for Science and Information and Communication Technology (ICT) Dr Abdul Moyeen Khan yesterday assured parliament that hi-tech submarine cable connection would be possible in the next 18 months.

Responding to a call attention notice by Awami League lawmaker M Feroq Khan, he asked why the Awami League government during their 1996-2001 rule could not ensure the submarine cable to connect Bangladesh with the global information superhighway.

The ICT minister further

informed that the present government had taken measures to set up a hi-tech park on 265-acre land near Tongi, which will be completed by the year 2006.

The Tk 250 crore hi-tech park project would be implemented with foreign direct investment, he said.

Dr Moyeen Khan, a teacher-turned-politician, reminded the house that it was the BNP government that introduced computer education at school level in FY 1991-92.

He said the present government has not formulated any policy to keep in the shelf, but to implement it in time.