

Taka gains further against dollar

BSS, Dhaka

The Bangladesh taka gained further against the US dollar in inter-bank trade yesterday due to lower demand for the greenback, dealers said.

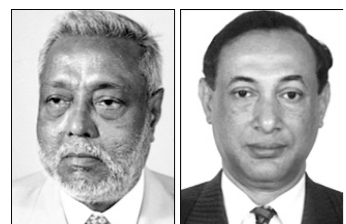
But the greenback gained more ground against the euro as a seeming improvement in the US economy abated the likely impact of a predicted cut in US interest rates at next week's Federal Reserve meeting, they said.

The recovery in the dollar came just three days after it had dropped to within a whisker of a new all-time low against the euro. But the dollar lost points against the local currency as dealers ignored international market trends and inflow was higher.

The dollar traded at 58.39-40 taka yesterday compared to its previous closing at 58.39-42 taka to the dollar on Wednesday, dealers of leading commercial banks said.

The demand for the greenback was lower from importers yesterday when the inflow through remittances and export receipts was higher, they said.

Chairman, VC of NCC Bank re-elected



Chairman Vice-chairman

Mahbul Alam Tara and Amjadul Ferdous Chowdhury have been re-elected chairman and vice chairman of National Credit and Commerce Bank Limited (NCCBL) for another one year.

Tara, a sponsor director of the bank, was also the general secretary of Printing and Packaging Industries Association of Bangladesh, says a press release.

Born in Chittagong, Chowdhury, also a sponsor director, is currently the Chairman of Royal Cement Ltd and Managing Director of BSA Garments Industries Ltd.

He was an executive member of BGMEA for three terms.

Call money rate steady

BSS, Dhaka

The call money rate was steady yesterday due to thin money demand from private banks and financial institutions, fund managers of leading commercial banks said.

The overnight money rate ranged between 6.00 per cent and 7.50 per cent in most deals yesterday in line with its previous day's closing, fund managers said.

"The demand for call money was very thin from private banks as pressure on their liquidity eased due to fund inflow from government", fund managers of leading commercial banks said.

Janata Bank, Sonali Bank and Agrani Bank had huge surplus funds and lent a call money loans to more than 15 private commercial banks, fund managers said.

Emirates to start London Gatwick service soon

Emirates is bringing forward its plans to expand flights to and from UK due to fast-growing demand from customers.

On 1 August, four months earlier than planned, the airline will launch a third daily service from Dubai to London Gatwick, giving customers maximum flexibility with travel plans.

Three-class Airbus 330-200 aircraft will be used on the new Gatwick service, says a press release.

Phoenix Leasing, Uttara Bank sign loan deal

Phoenix Leasing Company Ltd signed a loan agreement with Uttara Bank Ltd on Tuesday in Dhaka.

Under the deal, Phoenix Leasing Company will get Tk 100 million from Uttara Bank, says a press release.

Uttara Bank Ltd Additional Managing Director MA Sattar and Phoenix Leasing Company Ltd Managing Director A Quadir Choudhury signed the agreement on behalf of their organisation.

Megawati assures of reducing trade gap

STAR BUSINESS REPORT

Visiting Indonesian President Megawati Soekarnoputri yesterday said her country is ready to reduce the exiting trade gap between Bangladesh and Indonesia.

She said Indonesia is ready to increase imports from Bangladesh to bridge the yawning trade gap, which is currently in favour of Indonesia.

The Indonesian president was addressing a luncheon meeting as chief guest, which was organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at a local hotel.

FBCCI President Yussuf Abdullah Harun and Ilhamy Elias, leader of 11-member Indonesian delegation and Bangladesh Committee Chairman of the Indonesian Chamber of Commerce and Industry, also spoke.

Agriculture Minister MK Anwar, State Minister for Energy and Mineral Resources AKM Mosharraf Hossain and ministers from Indonesia were present at the meeting.

Board of Investment (BoI) Executive Chairman Mahmudur Rahman made a presentation on existing and possible future trade between the two countries.

Soekarnoputri said living in a common geographical region and having the same culture, the two nations should come together to rectify bilateral trade relationship.

She identified transportation and payment irregularities as two major problems for both the

countries in improving trade relations.

The president said reforms are going on in Indonesia and invited Bangladeshi businesspeople to invest in her country.

She has assured of facilitating Bangladesh-Indonesia private initiatives to move forward with their common causes in the WTO.

"You should work together to increase the share of world trade," said Soekarnoputri.

Elias, Indonesian delegation leader, said a memorandum of understanding (MoU) has been signed between the two countries to set up a Joint Business Council (JBC). "The council will act as a forum for more systematic business promotional activities in trade, investment, technology transfer, services and other industrial sectors," he said.

Elias said the Indonesians have special interest in setting up paper manufacturing plants to utilise their surplus paper pulp, and small power generation units.

The delegation leader said his country is eager to import raw materials for pharmaceutical sector, as it is high standard and cheap in Bangladesh.

"We are also interested to establish a joint venture cement factory using our clinker and a hotel in Chittagong for the expansion of tourism industry," said Elias.

Describing Bangladesh a gateway between ASEAN and South Asian countries representing 20 per cent of the world population, the FBCCI President invited Indonesian entrepreneurs to invest in the country and said it will be profitable

for them.

Harun said a wide range of reforms are going on in Bangladesh especially in financial sectors, resource mobilisation, privatisation of state owned enterprises and legal sector.

In the backdrop of globalisation, he also advocated for co-operation as the two countries in South and South East Asia have a lot to gain by identifying common interests.

Agreement on agriculture and issues like domestic support, export restrictions, patenting of genetic products, industrial tariffs and implementation related difficulties in various agreements are all very critical for the future share of global trade, Harun added.

He said Indonesia can import tableware and sanitary ware, leather goods, jute goods and pharmaceutical products from Bangladesh while Bangladesh can import cement clinker, textile products, minerals, chemicals, vegetable oil and sport goods from Indonesia.

Harun said Indonesia with its vast experiences in oil and gas sector could support Bangladesh in developing gas-based chemical industries.

According to available statistics, in FY 2001-2002, Bangladesh exports to Indonesia amounted to about US\$6 million, mainly comprising jute and jute goods, leather and readymade garments against its imports worth US\$174 million, mainly of mineral products, textile and textile articles, base metals, chemicals and plastic products.



PHOTO: STAR

Visiting Indonesian President Megawati Soekarnoputri receives a crest from Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Yussuf Abdullah Harun at a luncheon meeting organised by the FBCCI at a local hotel yesterday as State Minister for Energy and Mineral Resources AKM Mosharraf Hossain applauds.

Budget lacks steps to contain corruption, law and order

Speakers observe at CPD dialogue

STAR BUSINESS REPORT

Discussions at a seminar yesterday criticised the proposed budget for 2003-2004 for not having any clear guidelines to address corruption, law and order and overall impediments to investment.

They also urged the government to contain public expenditure.

The Centre for Policy Dialogue (CPD), a civil society think-tank, organised the dialogue, titled 'State of Bangladesh Economy FY03 and Budget Responses FY04'. Professor Rehman Sobhan, chairman of CPD, moderated the dialogue, held at CIRDAP auditorium in Dhaka.

Eminent economist Devapriya Bhattacharya, who is also the executive director of the CPD, presented the keynote speech.

Binayek Sen, senior research fellow of Bangladesh Institute of Development Studies (BIDS), said Bangladesh has been passing through a development plan which is lacking in terms of prioritised

projects.

Momtaz Uddin Ahmad, member of Planning Commission, said no development project should be extended more than twice. He termed the budget pro-growth document, aiming at poverty alleviation.

Moshiur Rahman, former principle secretary to former prime minister Sheikh Hasina, criticised the allocation in 'block amount' for its unknown utilisation.

Professor Mainul Islam said the projected 20.08 per cent growth in revenue expenditure in the proposed budget is not acceptable.

He criticised the government for allocating small amount of subsidy to the tune of Tk 300 crore for the agriculture sector.

AKM Shamsuddin, former president of the Foreign Investors' Chamber of Commerce and Industry (FICCI), said the proposed budget did not address the governance, law and order and corruption issues.

Devapriya Bhattacharya, in his

keynote speech, said the budget lacks guidance on pervasive corruption and security for life and property.

"However, without significant alleviation of the micro-level impediments to investment, ranging from low efficiency of public utilities and financial system to lack of security for life and property, dysfunctional judicial process and pervasive corruption, the anticipated supply side responses will hardly be forthcoming," Bhattacharya said.

Foreign direct investment during July-February of 2002-2003 fiscal was 28 million US dollars, 31 per cent less over the corresponding period of the previous fiscal, keynote paper said.

The ADP implementation during the period between July-March of the 2002-2003 fiscal is 45.20 per cent (Original) and 50.70 per cent (Revised), it added.

Swedish company to set up apparel factory in DEPZ

BSS, Dhaka

Hoplun (Bangladesh) Ltd, a Swedish company in Dhaka Export Processing Zone (DEPZ), laid the foundation of its factory building on an area of 32,000 sq meters yesterday for expansion of its establishment.

The 100% foreign owned Hoplun started its production in September, 2000 in the DEPZ with an investment of US dollar 5.826 million. It is producing 15.80 million pieces of ladies apparels annually, employing nearly 1,800 Bangladeshi people, an official press release said.

Erik Ryd, Chairman of Hoplun group, as the chief guest attended the foundation laying ceremony. Brig Gen (ret'd) M Mofizur Rahman, Executive Chairman of Bangladesh Export Processing Zone Authority (BEPZA) was the special guest while Hoplun's general manager Hary Tang delivered the welcome address.

Swedish Charge d'Affaires Anders Grandlund, Associate Expert Piter Oscarson, Member (Finance) of BEPZA Didarul Anwar and general manager of the DEPZ Kamal Akhtar were also present on the occasion.

DBBL foundation training course commences

A 19-day foundation training course for the officers of Dutch-Bangla Bank Limited (DBBL) began at the bank's training centre in Dhaka on Monday.

DBBL Deputy Managing Director Abul Hashem Khan inaugurated the course, says a press release.

Toufique Ahmed Chowdhury, director of Bangladesh Institute of Bank Management, conducted a session on the inaugural day.

A total of 24 participants are taking part in the course.

Get-together of CA qualified students of Howladar Yunus

STAR BUSINESS REPORT

A get-together of chartered accountant (CA) qualified students of Howladar Yunus and Co, a CA firm, was held at a hotel in Dhaka yesterday.

The get-together was held at the initiatives of founder partners of the firm, NM Howladar and M Yunus.

At the function, ABM Azizuddin, ex-partner of Howladar Yunus and Co, said 45 students have so far successfully passed from this firm.

Md Mustafizur Rahman, convener of the Get-together 2003, also spoke at the programme, which was attended by the all CA qualified students of the firm with their spouses.

Joint business council with Indonesia formed

UNB, Dhaka

Two apex trade bodies of Bangladesh and Indonesia signed here yesterday a memorandum of understanding (MoU), setting up a joint business council (JBC) aimed at boosting bilateral trade and investment.

FBCCI President Yussuf Abdullah Harun and visiting Indonesian business delegation leader Ilhamy Elias signed the agreement on behalf of their respective sides at the Prime Minister's Office.

Bangladesh Prime Minister Khaleida Zia and Indonesian President Megawati Soekarnoputri witnessed the signing ceremony. Senior ministers of the two countries were also present.

"We believe this will be proactive forum and will pave the way for rapid development of trade and investment between our two countries," Harun told a function at Sonargaon Hotel, after signing the agreement.

At the same time, he expected that co-operation between the two governments would be strengthened further to facilitate trade and investments, hold exhibitions and fairs, speedy business and develop better shipping and air links.

The JBC, which came into effect immediately, was an outcome of private sector initiatives of the two countries. They felt the need for establishing a co-operative body to bring together their business communities.

By setting up the JBC, the two trade-bodies agreed to provide a forum for more systematic business promotional activities including investment, technology transfer and industrial development.

"The JBC agreement will provide a regular and recognised platform for discussions on promotion at these activities between business people and industrialists of the two countries," Harun said.

Under the umbrella of the JBC,

the two sides would exchange trade and economic co-operation information, put forward suggestions to their respective governments to improve trade and economy, and if necessary, host missions and receive businessmen and technical experts from either sides.

Both sides would hold joint meetings as mutually agreed upon to consult various problems pertaining to the promotion of trade, economic co-operation and services between Bangladesh and Indonesia.

The joint meeting will generally be held alternately in each country. The date, duration and agenda of the joint meeting and other particulars deemed necessary would be decided in advance.

The secretarial services and activities in Bangladesh side would be carried out by the FBCCI while on the Indonesian side, it would be carried out by the KADIN the Indonesian Chamber.

Jakarta keen to help energy sector

BSS, Dhaka

Indonesia is keen to extend help in the capacity building of BAPEX, the government owned company here in Bangladesh specialised in gas field exploration and development.

State Minister for Energy A K M Mosharraf Hossain told BSS yesterday after a meeting with Indonesian Energy and Mineral Resources Minister Purnomo Yusgiantoro that Jakarta is also keen to take up joint venture projects or go for joint collaboration for the development of Bangladesh's gas sector.

It may include production, transmission and distribution of gas from upstream to the down stream level. They are also interested in signing production sharing contract (PSC) for new gas field development in Bangladesh, Mosharraf said after the meeting held at the visiting

minister's hotel suite.

Bangladesh will consider Indonesia's oil cartel Petromena's participation in future bidding, he further stated.

Referring to vast Indonesian gas and oil industry, Mosharraf said about 400 oil companies are now operating in that country including a number of foreign companies who are extracting gas and oil both on PSCs and concessional lease.

The state minister said the Indonesian minister favoured sending a technical team to Bangladesh for exploration of specific areas of collaboration and identify definite project proposals in this regard.

He said Jakarta is also ready to consider proposal for technical collaboration with hydrocarbon unit of the ministry of energy. He said Indonesia is a country having vast

experience and expertise in this field.

There is also strong possibility of building collaboration in the area of LPG and CNG processing in the Eastern Refinery, he said. He said his meeting with the Indonesian Energy Minister in this connection was very fruitful. Energy Secretary, Khondker Shahidul Islam, Indonesia's Ambassador to Bangladesh Mansur Maddolani and Bangladesh Ambassador to Indonesia Nasim Firdaus were also present. His meeting was followed by a similar meeting with the Indonesian Minister by the State Minister for Power Iqbal Hossain Mahmud. After the meeting he said that some Indonesian power producers have shown interest in setting up small power plants in the country in private sector.



PHOTO: STAR

Vendors display belts in Dhaka's Gulistan area yesterday. Different types of high quality leather and synthetic belts are manufactured locally. But buckles of the belts are imported. A buckle sells between Tk 10 and Tk 80 while a belt at Tk 50 to Tk 200 in the wayside stores.

Traders to stop activities thru' Sona Masjid from tomorrow

UNB, Rajshahi

Leaders of Sona Masjid Importers-Exporters Group, C&F Agents Association and Sona Masjid Workers' Co-ordination Committee have decided to put off export-import activities through the land port from Saturday (tomorrow) protesting 'harassment' by BDR personnel.

The decision came from a press

conference held at the office of Rajshahi Chamber of Commerce and Industry (RCCI) here Tuesday.

Importers-Exporters Group and RCCI President Lutfor Rahman, C&F Agent Association President Ashraf Alam, Workers Co-ordination Committee President Ekramul Haque and Chapainawabganj Chamber of Commerce and Industry (CCCI) President Abdul Wahed were, among others, present in the press

conference.

The leaders at the press conference alleged that BDR personnel in the name of raid seize goods-laden trucks and take these trucks to their headquarters where they misappropriate 20-30 sacks of goods from each truck.

They demanded of the authority concerned to look into the matter and take immediate steps to stop the harassment.

AFP, Bangkok

Ministers from 18 Asian nations will meet in northern Thailand from Friday for talks expected to focus on the one billion-dollar Asian Bond Fund, an initiative of Thai premier Thaksin Shinawatra.

The three-day Asian Cooperation Dialogue (ACD), in its second year, will be held in the northern city of Chiang Mai and hosted by Thaksin, the forum's founder.

Chinese Foreign Minister Li Zhaoxing and South Korean Foreign Minister Yoon Young-Kwan are confirmed as attending, along with mainly foreign ministers from India, Pakistan, Japan, Bangladesh, Bahrain, Qatar and 10

Southeast Asian states.

"The Asian Bond Fund is one of the very important issues to be taken up there," deputy foreign ministry spokesman Itti Ditbanjong told AFP, adding that the Chiang Mai Declaration on development of the fund will be issued Sunday.

On June 2 Thaksin announced the highly-anticipated issue, under which 11 Asian economies will focus on investing in regional government bonds.

Iti said other countries could enter into the scheme during the ACD.

Kuwait, Sri Lanka, Kazakhstan and Oman are reportedly interested in joining the fund, which already has commitments from Australia, China, Hong Kong, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea and Thailand.

Thaksin has said he wants the fund to promote regional financial stability and minimise the risk of a repeat of the 1997-98 Asian economic crisis.

International credit agency Standard and Poor's last week said the Asian Bond Fund would raise co-operation among the region's monetary authorities and develop Asia's capital markets.

"The creation of the fund is a positive development in regional financial co-operation and Standard and Poor's applauds this as a tangible step in the evolution of a regional bond market," said its regional head Cecile Saavedra.