

MoU on capacity building of women entrepreneurs

The SouthAsia Enterprise Development Facility, an International Finance Corporation's regional small business support initiative, signed a memorandum of understanding (MoU) with Chittagong Women Entrepreneurs (CWE), a multi-sector women business association, yesterday in Dhaka.

Anil Sinha, general manager of SouthAsia Enterprise Development Facility (SEDF), and Monowara Hakim Ali, president of Chittagong Women Entrepreneurs (CWE), signed the agreement.

Under the deal, SEDF will assist CWE to build capacity to meet the specific needs of its members, increase management capacity, reach full financial sustainability and also to advocate or represent positive changes in a better business environment.

Among others, Deepak P Adhikary, programme manager of Business Development Services of SEDF, Mahjabene Quader, associate project officer, Deneb Zeenat Latif, project officer, and executive members of CWE were present.

Bank Asia to collect DESCO electricity bills

Bank Asia Limited has signed an agreement with Dhaka Electric Supply Company Ltd (DESCO) for collection of electricity bills.

Erfan Uddin Ahmed, senior executive vice-president of Bank Asia Ltd, and AHM Nurul Huda, company secretary of DESCO, signed the deal on behalf of their organisations in Dhaka recently, says a press release.

Under the deal, MCB Banani Branch of Bank Asia Ltd will collect DESCO customers' electricity bills and due to on-line banking facility DESCO customers will be able to pay their electricity bills at all branches of the bank in Dhaka.

Syed Anisul Huq, managing director, Aminul Islam, company secretary of Bank Asia, and Saleh Ahmed, managing director, Md. Showkat Hossain, director (Finance), Rafi Uddin, chief accountant of Dhaka Electric Supply Company Ltd and high officials of both the organisations were present.

T-bill auction

UNB, Dhaka

The 254th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held yesterday.

Tk 749.80 crore, Tk 24.00 crore, Tk 4.00 crore, Tk 34.00 crore, Tk 97.00 crore and Tk 42.20 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 738.80 crore, Tk 4.00 crore, Tk 4.00 crore, Tk 34.00 crore, Tk 97.00 crore and Tk 37.20 crore of 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields were 6.50-6.95 percent, 8.50-8.54 percent, 9.15-9.18 percent, 9.70-9.80 percent, 10.35-10.70 percent and 10.50-10.75 percent per annum, said a Bangladesh Bank press release.

Chairman, Vice-chairman of Janata Ins re-elected



Chairman



Vice-chairman

Abdul Gaffar Chowdhury has been unanimously re-elected chairman while Md Jahangir Alam Khan vice-chairman of Janata Insurance Co Ltd.

The re-election was held at a meeting of the Board of Directors of the company held in Dhaka on Tuesday, says a press release.

A renowned industrialist, Chowdhury is a former sponsor-director of the United Commercial Bank Ltd (UCBL) and chairman of Sagar Foods Ltd. He is also the managing director of Marine Foods Ltd, Quality Stationary Ltd and Seagold Aqua Culture Ltd.

Md Jahangir Alam Khan is a prominent industrialist and chairman and managing director of JK Fabrics Ltd, JK Knit Apparels Ltd, JK Knit Composite Ltd, JK International Ltd, JK Spinning Mills Ltd and JK Real Estate Ltd. He is also a director of United Commercial Bank Ltd.

DSE to go tough on four errant brokers

10-day deadline to settle clients' claim

NAZRATUN NAYEEM MONALISA

The Dhaka Stock Exchange (DSE) yesterday decided to serve 'final notice' to four of its members to settle claims of their clients or face membership suspension.

The DSE council in a meeting took the decision based on an investigation report by the DSE which mentioned that the brokerage houses had borrowed and in few cases refused to settle genuine claims of their clients.

The members facing the 10-day deadline to settle claims are: Times Securities Ltd, Mansura Securities Ltd, Qazi Kamal Securities and Md Ali Hossain & Co.

The investigation report had identified five brokerage houses to be guilty of misconduct but the

council meeting yesterday decided to relieve the fifth-- Global Securities Ltd--as the client informed the authorities of claim settlement by the member concerned.

Meanwhile, the DSE on Wednesday last formed a three-member investigation team to monitor the activities of all its 195 members, in line with a directive from the Securities and Exchange Commission (SEC) to conduct investigation against at least five brokerage houses every month.

Talking to The Daily Star top DSE officials said the exchange must have a strong monitoring cell to detect the illegal activities of its members.

"Without this, investors' confidence on the capital market could

not be restored," a top DSE official said.

Citing an example of a suspended member Mohammadullah and Sabbir Ahmed the official said all DSE efforts to discipline its members will prove to be futile if the bourse fail to execute those following stay order from court.

"Taking the stay order, the suspended member managed to continue stock trading in the secondary market," the official said.

The DSE decisions came in the wake of a series of letters from the market regulators, the SEC, which had been accusing the bourse authorities of not disciplining its members despite clear findings against them of cheating their clients.

\$50m SME development scheme likely by year-end

Govt, ADB to sign agreement soon

NAZMUL AHSAN

A \$50 million project aiming at trade-related capacity building and development of small and medium enterprises (SMEs) is likely to start by the year-end.

The Asian Development Bank (ADB) will provide soft loan for the project. An agreement to this effect between the government and the ADB will be signed soon, sources said.

The project includes formation of SME development policy, creation of SME development council, establishment of export credit guarantee agency, devising post-MFA strategy and promotion of women entrepreneurs.

Capacity building initiatives like restructuring of the Registrar of Joint Stock Companies (RJSC), Bangladesh Small and Cottage Industries Corporation (BSCIC) and Bangladesh Standards and Testing Institution (BSTI) have also been included in the project profile.

"The project now in final stage will help drive the growth of the SMEs," a high official in the Economic Relations Division (ERD) said.

Different ministries and government agencies like Ministry of Commerce, Ministry of Finance, Ministry of Industries, Planning Commission, Prime Minister's Office, and the National Board of Revenue (NBR) will implement the project, according to the draft project profile.

"The formulation of a SME development policy will address the need for clear guidelines and policies that would serve as a firm foundation upon which all future directions, programmes and initiatives can be anchored," the draft said.

Under the project, women entrepreneurs will be provided with credit facilities at a lower interest rate, officials concerned said.

The programme will create new employment for those of the

women, who would lose their jobs with their garment factories after 2004, a trade regime of quota-free in the global market.

The SME Development Council will act as the primary body responsible for the promotion, growth and development of SMEs by facilitating and coordinating national efforts to promote the viability of the sector.

The programme will provide credit insurance and working capital for the exporters to overcome the risks of non-payment by overseas buyers and constraint due to collateral shortfalls, according to the draft of the project.

The tenure of the project is yet to be finalised, sources said.

Other important components of the projects are fiscal incentives to encourage SMEs to migrate from informal to formal sector, reducing the cost of doing business through initiative of simplifying process of different registration and regulatory compliance.

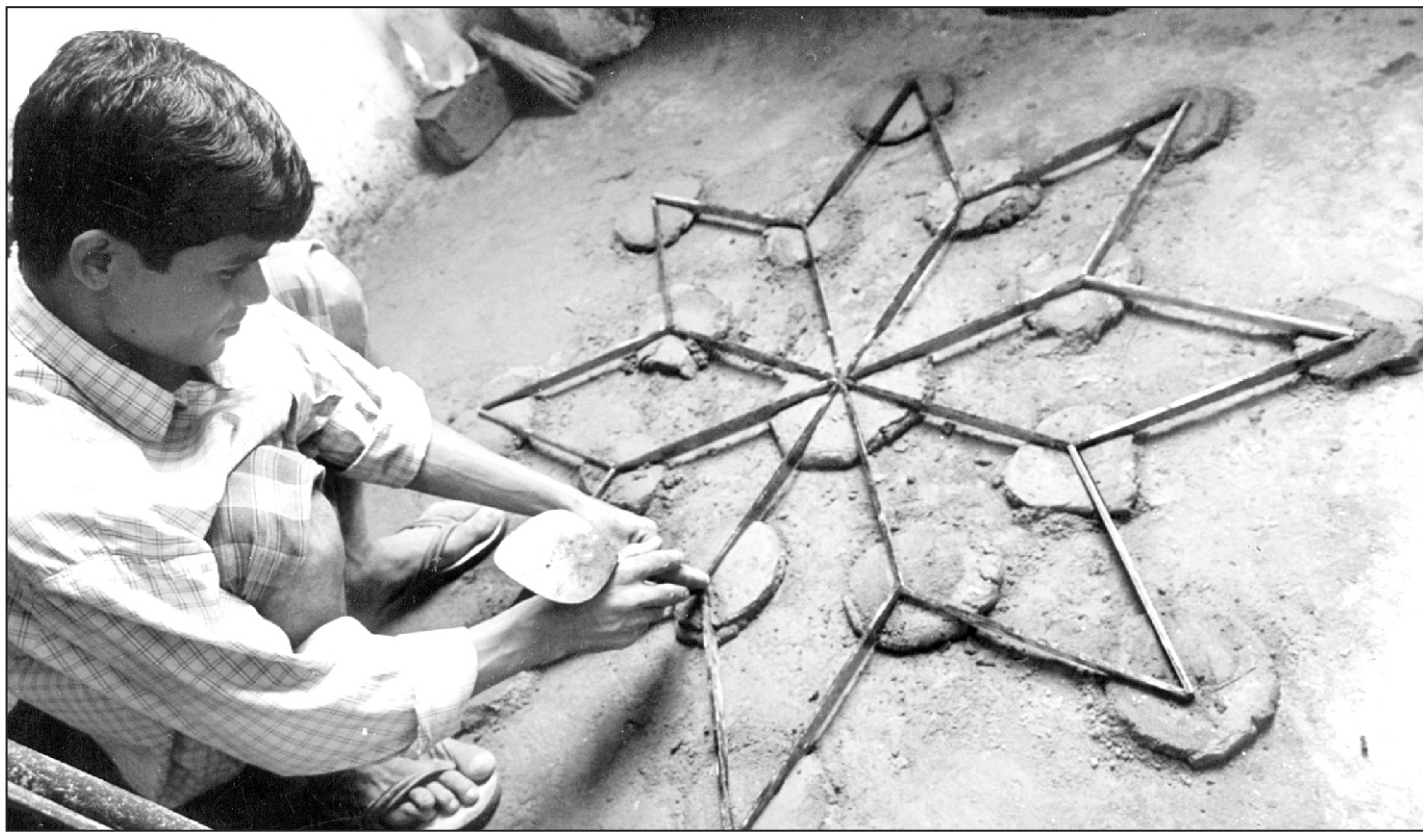


PHOTO: STAR

A worker fixes glass pieces on floor for mosaic. Though the workers do not have formal training, they can do quality designing. A worker earns Tk 100-200 a day.

Prime Bank's half-yearly business confce held

A half-yearly business conference-2003 of Prime Bank Limited was held in Dhaka on Saturday.

Md Mizanur Rahman Bhuiyan, chairman of the Board of Directors of the bank, inaugurated the conference as chief guest while Shah Md Nurul Alam, managing director, presided over it, says a press release.

Vice-Chairperson of the Board of Directors Firoza Amin, Chairman of the Policy Committee Md Shahadat Hossain and Director Dr RA Ghani were also present as special guests.

M Shahjahan Bhuiyan, additional managing director, branch managers and head office executives of the bank participated in the conference.

It was disclosed in the conference that the bank achieved success in the last half-year in all its operational areas by raising deposit to Tk 2137.94 crore, enhancing credit portfolio to Tk 1588.97 crore despite difficult economic situation. The rate of non-performing loans of the bank could be kept at the lowest ebb of 1.89 per cent only indicating its high quality asset management capability.

The return on asset stood at 5.04 per cent as on June 30, 2003.

Pakistan sets \$12b export target

AFP, Islamabad

Pakistan has set itself the target of exporting 12.1 billion dollars worth of goods over the next two years, the country's commerce minister said Saturday.

"The new trade policy focuses on encouraging export-oriented foreign investment," Humayun Akhtar Khan said on state-run Pakistan Television.

Under the new policy, imports have been projected to be at 12.8 billion dollars and the trade deficit under one billion dollars, Khan said.

Education and consumer product fair begins Friday

STAR BUSINESS REPORT

A three-day fair on education and consumer products will be held from July 25-27 at the Pan Pacific Sonargaon Hotel in Dhaka.

Commerce Minister Amir Khosru Mahmud Chowdhury will formally inaugurate the fair organised by Conference and Exhibition Management Services (CEMS), an event management centre, on Friday at 10am.

The fair will be split into two sections -- EDIM Expo 2003 on education and MIDMIX 2003 on consumer items.

This was disclosed by CEMS Managing Director Meherun N Islam at a press conference held at a local hotel yesterday. CEMS

Director Shahid S Sarwar also attended the conference.

Thirty-seven local and foreign educational institutions from Asia, Europe, Australia and North America will open 41 stalls at the education fair, EDIM Expo 2003, which is being organised since 2000.

Students intending to go abroad for study can make their choice from the participating institutions. "This will be a good opportunity for them to make a comparison among the educational institutions," Meherun N Islam said.

A total of 32 companies will participate in 45 stalls at the MIDMIX 2003, which is being organised since 1998, showcasing their consumer products.

Apart from local companies, different firms from Russia, Pakistan and Thailand will exhibit various items like electronic goods, food and beverages, boutiques, cosmetics, handicrafts and home appliances at the show.

The fair will remain open for visitors from 10am to 8pm everyday with no entrance fee.

Throughout the year CEMS also organises various fairs on electronic goods, construction materials, food items and computer accessories, said Meherun N Islam.

Addressing the press conference CEMS Director Shahid S Sarwar urged the government to set up a permanent exhibition venue in the country.

IPP generated power cheaper in Bangladesh: Study reveals

UNB, Dhaka

Prices of electricity generated by independent power producers (IPP) in Bangladesh are low by regional and international standards, according to a recent study.

Bangladesh's IPP prices are low due to competition and project support, but not for low gas tariffs, said the study on "Electricity Generation Prices in South Asia" conducted by USAID and SARI/Energy.

The study findings were presented today (Sunday), on the second day of a five-day regional training in Dhaka on "Strengthening Energy Linkages in South Asia". It has been jointly organised by USAID, SARI/Energy, AED and BUET.

"Bangladesh's IPP procurement process was very competitive and transparent," the study observed, adding that Bhutan's IPP prices are also low, but it is due to capital

subsidies.

It also said that the wholesale IPP prices of three SA countries -- Bangladesh, Nepal and Sri Lanka -- are similar to wholesale tariffs of new government power plants in the region.

The study said IPPs play a useful role in South Asian generation but it found huge variation in prices of the same technology plants both within and between the countries.

It said well-managed IPP procurements yield comparable prices to government generation and in the long-term, generation competition in the region seems to be the way to gain efficiency in production.

Opportunities for business in the region may include, according to the study, two-way India-Nepal trade, Sri Lankan purchases of Indian power, Indian and Nepalese purchases of Bangladesh wholesale electricity and Indian pur-

chases of surplus IPP output from Pakistan.

It observed that the government electricity companies are financially stressed by their power purchase obligations. "Most state electricity companies in the region have growing financial stress."

"There are many reports about large semi-merchant plants that are being planned, but few real projects," it found as an interesting anecdote of the study. Another anecdote is that Bangladesh and Sri Lanka reported deviation from merit-order dispatch of IPPs.

Among the key conclusions of the study was that new public generation projects were not cheaper than new private IPPs when capital subsidies, cost and time overruns are considered. "Benchmark indicate that government projects, on the average, have cost overruns of 23 percent and time overruns of 30 percent."

Job cut in jute mills to take hefty toll on export, fear exporters

UNB, Dhaka

The country's jute goods exporters, already facing a continuous downward trend in business, said the decision to reduce jute mills workers will further push down the export volume.

They said the government decision to reduce 24,000 workers, out of 50,000 now working with BJMC mills, would have an adverse impact on total production of jute goods, further pushing down its export volume.

The decision to lay off 190 staff at the head office and 5,500 from 22 running mills in the first phase, followed by more reduction would hurt the jute industry, the jute goods exporters said.

With heavily reduced work force, the BJMC mills would not be able to cope with their production, sales and marketing, they said.

They mentioned that for nearly 20 years, the BJMC had hardly made any new recruitment. Moreover, many experts in the jute

goods field have retired during this period leaving a very few professionals to man the offices.

Shahedul Islam Helal, chairman of Bangladesh Jute Goods Association (BJGA), said the total export volume of the association's 200 members has drastically fallen in the last few years and the jute goods market was being taken over by Indian jute goods and the synthetics.

Before its closure, Adamjee Jute Mills used to account for around 30 per cent of the total production of Bangladeshi jute mills. The year Adamjee was declared closed, four new jute mills were set up in India meaning that the production loss of Adamjee Jute Mills was now being taken care of by the Indian mills, Helal said.

He said Adamjee had two specialised production lines, Geo jute and jute canvas. "None of the other mills in Bangladesh has such facility. BJGA members regret that these (Adamjee) machinery were not transferred to other mills

before its closure."

BJGA members complain that they were failing in their bid to effect forward sale of jute goods in the international market, with the buyers apprehensive about shipments.

They said most buyers were aware that Bangladesh further plans to shortly close down five of their jute mills, including big production-based mills like Amin Jute Mills, Peoples Jute Mills, Star Jute Mills, Qaumi Jute Mills and Eastern Jute Mills.

Shahedul Islam Helal said that out of 71 jute mills in India, at least 60 were running at profit. Some of these mills produce jute goods by importing raw jute from Bangladesh.

On the other hand, in Bangladesh, except for 3 to 5 jute mills, all others are running at a loss. A few of the mills here are doing well enough to increase their production and are even manufacturing several new jute products with high value addition and sales.

"Our jute mills have not been getting any protection from our governments, whereas the Indian government has highly protective regulations for its jute industry. Indian Jute Compulsory Use Act assists the sales of jute bags in their local market by imposing restrictions on the use of all other packaging materials for grains," said Shahedul Islam Helal.

He said nearly 80 per cent of the total production of Indian jute mills were consumed in their local market, "whereas we consume only around 20 per cent locally having to depend on 80 per cent export sales."

"Bangladesh jute industry can be in a better position if they have an increasing share in the local market for their products. Nearly all grains used to be packed in jute bags in the past, but recently paper and PP woven sacks are replacing those," said the BJGA chairman.

He said cement industry, which could consume a large amount of jute bags, instead use paper or

plastic bags. "Similarly, many grains are packed here these days in paper or plastic bags that could be easily packed in jute bags with a bit of policy support from the government."

The average total production of raw jute in Bangladesh is around 900,000 metric tons per year with a total estimated value of Tk 700 crore. About 50 lakh farmers are directly engaged in jute cultivation.

The total export of jute goods in fiscal 2001-2002 was nearly Tk 1,400 crore.

BJGA members strongly feel that the closure of jute mills or massive reduction of workforce was not the solution, the solution lies in the proper management of the mills.

The demand for jute goods, both local and international, was big enough to "take care of the total production of all jute mills," they said.