

StanChart arranges Tk 900m loan for TMIB

Standard Chartered Bank Bangladesh has arranged a Tk 900 million syndicated term loan facility for TM International Bangladesh Limited (TMIB), the service provider of Aktel cell phone.

An agreement to this effect was signed between TMIB, Standard Chartered Bank and participating commercial banks in Dhaka yesterday, says a press release.

The banks are United Commercial Bank Limited, The City Bank Limited, Prime Bank Limited, National Bank Limited, National Credit & Commerce Bank Limited, Dhaka Bank Limited, Pubali Bank Limited, State Bank of India, National Bank of Pakistan, Jamuna Bank Limited and Standard Chartered Bank.

Mahmudur Rahman, chairman of Board of Investment, Ashaary Bin Sani, high commissioner of Malaysia, managing directors of participating banks and officials of Standard Chartered and TMIB were present at the signing ceremony.

Under agreement, the facility will help expand TMIB's nationwide subscriber capacity by 190,000 bringing it to a total of 340,000. It will also extend the network coverage to 46 districts.

David Fletcher, chief executive of Bangladesh of Standard Chartered Group, said his bank is proud of associating itself with such a venture.

AM Zahiruddin Khan, chairman of TMIB, thanked Standard Chartered Bank and other participating banks for their support in putting together this syndication.

Managing Director of TMIB Dato Ezzanee Ab Aziz said the syndication loan will be a part of expansion programme of TMIB for the year 2003.

Standard Chartered Bank is the pioneer and leader of Syndication and Structured Finance in Bangladesh. Since 1997, the Syndication and Structured Finance Unit of Standard Chartered Bank has arranged and put together almost Tk 10 billion worth of local and foreign currency syndication and structured finance facilities in telecommunication, healthcare, media, power, infrastructure, food & beverage, and other key sectors.

BIBM workshop on risk management concludes

A three-day workshop on "Risk Management in Financial Institutions" conducted by the Bangladesh Institute of Bank Management (BIBM) ended in Dhaka on Thursday.

BIBM designed the workshop to acquaint the participants with different types of risk associated with the financial institutions in a market economy and to suggest strategies to manage these risks for maximising profit, says a press release.

Tabani Beverage, Nandan Park sign agreement

Tabani Beverage Company Ltd, bottling company of Coca-Cola, and Nandan Park have signed an agreement.

Under the agreement, Tabani Beverage is entitled to sell its products exclusively for three years in Nandan Park, an amusement park.

Nandan Park Chairman and CEO Masrur Chowdhury and Tabani Beverage General Manager Syed Ekramul Haque signed the deal on behalf of their respective sides on Tuesday, says a press release.

Taiwan machinery catalogue show held in Dhaka

A daylong Taiwan machinery catalogue show was held at the Dhaka Chamber of Commerce and Industry (DCCI) at the DCCI auditorium yesterday.

Taipei World Trade Centre (TTC) and DCCI jointly organised the show for the first time in Dhaka, says a press release.

Some 300 Taiwan machinery companies displayed their catalogues in the show to promote their machinery in Bangladesh.

The machinery for textile, garment, paper-making, printing, leather, tea, fertiliser, sugar and food processing industries were included in the catalogues.

DCCI President Matiur Rahman inaugurated the show. Among others, TTC Project Manager Thomas Huang, DCCI directors Absar Karim Chowdhury and Omar Faruque were present.

Crime now profitable business

FICCI president tells luncheon meeting

STAR BUSINESS REPORT

Chief of the foreign investors' chamber yesterday observed crime has become 'a profitable business' in Bangladesh, much to the frustration of foreign investors.

Wali Bhuiyan, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI), said the issues like red-tapism, corruption, harassment of honest taxpayers and law and order must be addressed properly to retain the investors who are already here.

"It is extremely sad to note that there is practically no incentive for any honest person to remain honest. Higher the level of dishonesty, better they are in society. Under such an environment, a pertinent question to ask, why remain honest? Everyone can see that crime has become a profitable business," he said.

Bhuiyan made the observations at the monthly luncheon meeting of FICCI held at Sonargaon Hotel in Dhaka where Dr Shueb Ahmed, chairman of the National Board of Revenue (NBR), spoke as guest of honour.

He pointed out that combating corruption and maintaining law and order would bring more investments, both domestic and foreign.

The FICCI chief laid stress on mobilisation of domestic resources through collection of more internal revenues, reduction of tax evasion and streamlining the revenue administration by reducing discretionary authority of its officials.

Responding to the issues raised by the FICCI, the NBR chairman said the government is taking measures for reforms in tax administration which will ease pressure on the honest taxpayers and also increase collection of income tax.

He, however, admitted that the government could not do much for the honest taxpayers.

Citing examples of random malpractice in tax evasion, he mentioned cigarette companies in Bangladesh, other than a multinational company, do not pay proper tax that prompted the government to introduce highly expensive banderole system.

The FICCI president said good policies have been formulated to retain the existing foreign invest-

ments and attract more FDI, but the policies must be implemented effectively to create an enabling environment.

To this end, appropriate reforms in the governance, fiscal, financial, monetary and legal systems are the needs of the hour, he added.

Wali Bhuiyan mentioned the present government has been quite aggressive in revenue collection and had been able to make significant achievement. But in that process of higher collection, quite often tax officials had been unreasonable and arbitrary in their approach towards honest taxpayers, he said.

"The discretionary authorities to down the line officials have been creating hassle to tax compliant businessmen," he added.

He criticised the recently enacted regulation that made payment of royalty, technical services fee, technical know-how fee or technical assistance fee as being inadmissible expense if these exceed 2.5 per cent of a company's profit for the period.

"This is disappointing to the existing investors and a disincentive

to the potential foreign investors. It is the first time that remittance of such kind is linked to profit," Bhuiyan observed.

Foreign exchange regulation of the central bank permits technical fees up to six per cent of net sales without recourse to any government agency for permission, he said adding any curtailment of such a facility would discourage investment.

The FICCI president also expressed his dissatisfaction over the recently imposed dividend distribution tax for companies. "This would certainly be detrimental to the welfare of the capital market," he said.

In reply, the NBR chairman said dividend distribution tax exists in many other countries. Citing example of India, he said in India this tax is 12.5 per cent but the rate in Bangladesh is 10 per cent.

"The government does not have any plan to backtrack from what has been done in this regard," he said.



PHOTO: PRIME BANK
Commerce Minister Amir Khosru Mahmud Chowdhury inaugurates the 28th branch of Prime Bank yesterday at Banani in Dhaka. Prime Bank Chairman Mizanur Rahman Bhuiyan and Managing Director Shah Md Nurul Alam were also present.

CM Alam refuses to be SEC chairman

NAZRATUN NAYEEM MONALISA

Chaklader Mohammad Alam, who was selected by the government for the post of chairman of the Securities and Exchange Commission (SEC), has rejected the proposal on the grounds of low compensation package.

Sources said CM Alam met Finance Secretary Zakir Ahmed Khan yesterday morning and formally refused to accept the appoint-

ment order as the SEC chief, disagreeing with the compensation package offered to him.

Although the prime minister had approved his appointment last Tuesday and it was being processed at the ministries concerned, CM Alam claimed that his appointment was made without his consent, a source close to him said.

However, CM Alam was not available for his comments despite

repeated attempts.

Presently, CM Alam is serving as the managing director of Industrial Promotion and Development Company (IPDC) of Bangladesh Ltd, one of the leading non-banking financial institutions in Bangladesh.

The position of SEC chairman has been lying vacant for the last six weeks as immediate past chairman Manir Uddin Ahmed's tenure expired on July 12.

Salt import in pvt sector allowed

UNB, Dhaka

The government has allowed private sector to import salt to meet domestic demand this year amid shortfall of local production.

The salt, not more than 100,000 lakh tonnes, should be imported through Salt Mills Owners' Association under certain criteria, according to a government notification.

It said the importers should be real salt crushers and members of the association, and they will have to import salt-boulders.

The intending importers will get 15 days from October 1 to October 15 for opening L/Cs and the imported salt boulders must be shipped by November 20. The refined salt with iodine should be marketed by December 15 at mill gate price- not more than Tk 6 per kg.

The demand for salt is estimated to be nine lakh tonnes a year against the total production of 8.10 lakh tonnes. Salt producers, however, said the demand would be 12 lakh tonnes.

The commerce ministry at a meeting on August 17 decided to import salt to meet the demand for January-February next year as the current production would not be enough to meet the demand up to December this year.

The producers estimate that some 2 lakh tonnes of salt would be required to import to meet the demand and curb its smuggling.

Current rate of bank interest not acceptable: Amir Khosru

BSS, Dhaka

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday came down heavily on lending institutions saying that the current rate of interest on bank loan in the country could not be acceptable to anyone.

"The entrepreneurs and shareholders of banking institutions are earning high profit, but the high rate of interest on loan given by the banks is not acceptable as it has no logic," he said while addressing the opening ceremony of the 28th branch of Prime Bank Limited at Banani here.

Chairman of board of directors of Prime Bank Mizanur Rahman Bhuiyan and managing director Shah Mohammad Nurul Alam also addressed.

Amir Khosru said the Bangladeshi industrial entrepreneurs could not implement any project in the country as they fear that they may not sustain in the global open market competition after the year 2004. As a result, he said, the banks ultimately would not be able to continue the profit.

"Moreover, the local banks have to continue their business through competition against the foreign ones," he added.

He advised the banks to reduce the current rate of interest and other bank charges from now on to bring it at a rational level to ensure their survival in the future. "Otherwise, you have to embrace the same fate of the tale of the owner of golden goose, the commerce minister added.

Re-introduce treasury chalan system

Lawyers urge govt

STAR BUSINESS REPORT

Different tax lawyers' associations yesterday demanded re-introduction of treasury chalan system for submitting income tax returns instead of recently introduced bank draft or pay order arrangement.

The lawyers argued that the new directive would force lawyers to face extra financial burden and increase harassment to the taxpayers.

The revenue income of the government would reduce to a great extent following the newly introduced system, the associations' leaders told National Board of Revenue (NBR). The taxpayers would be discouraged from paying tax under the system, they said.

The NBR recently cancelled the treasury chalan system for depositing income tax returns in the face of allegations of depositing fake chalan. Instead, income tax returns

have to be submitted through bank drafts, account payee cheques or pay orders by the taxpayers, according to new system.

The new decision of the NBR was triggered by the directive from the Finance and Planning Minister M Saifur Rahman, sources said. The NBR informed the Bangladesh Bank (BB) in the second week of the current month about the new instruction and asked the central bank not to accept any tax return through the treasury chalan.

Meanwhile, Bangladesh Tax Lawyers Association, Dhaka Lawyers Association, Sylhet and Rangpur Lawyers Associations in separate statements to the NBR demanded withdrawal of the new system of tax return.

They said the taxpayers will face harassment by the new directives as they have to make bank drafts or pay orders first, which have to be deposited to the tax circle con-

cerned and finally will have to wait for a longer period to receive the receipt from the tax offices.

As the tax circle will issue chalan against the taxpayers, only after releasing the bank draft or pay order from either BB or Sonali bank, the taxpayers would be discouraged to pay their tax returns in such a troublesome system, the associations said.

Many taxpayers have no bank account, which is also a problem to be emerged from the new arrangement, they added.

The taxpayers have to pay fees to the banks for getting bank drafts or pay orders, which will be an extra financial burden for them, the leaders argued.

'Outsourcing in IT holds huge potential'

STAR BUSINESS REPORT

Business process outsourcing (BPO) in information technology sector has the potential to generate the highest export-investment ratio for the Bangladesh economy, an IT executive told a seminar in Dhaka yesterday.

"An investment of US \$330 million can generate export earnings of up to approximately US\$1 billion and create 1 lakh jobs," said AKM Fahim Mashroor, chief executive officer of Bjobs.com Limited.

The seminar titled "BPO Export Opportunities for Bangladesh" was organised by Bangladesh Association of Software and Information Services (BASIS).

A number of speakers indicated Bangladesh has a strong base to emerge as a strong BPO exporting country since there is a high concentration of employable BPO professionals with basic computer skills and adequate support institutions.

Bangladesh currently has around 20-25 BPO operators who export around 1000 jobs worth approximately US\$5 million per year.

Speakers also focused on various prospective BPO success areas for Bangladesh, that include data entry, data processing, call centres, e-accounting, and GIS data conversion/autoCAD.

Presenting an outline of their operations, five BPO operators dwelled on their problems and put

forward various recommendations for the growth of the nascent BPO in Bangladesh.

The speakers also said lack of English language proficiency among the professionals and poor IT infrastructure are hampering the BPO growth.

Speaking as chief guest at the seminar, Secretary for the Ministry of Commerce and Chairman of ICT Business Promotion Council (IBPC) Suhel Ahmed urged the organisers to follow up this seminar to provoke government engagement in BPO and invite young entrepreneurs to the potential field.

Habibullah Karim, president of BASIS and vice chairman of IBPC, presided over the seminar.

S Arabia hopes to join WTO early next year

REUTERS, Jeddah

Oil-rich Saudi Arabia expects to complete long-running negotiations to enter the World Trade Organisation this year and finally enter the body in early 2004, the country's trade minister said on Sunday.

"We would like to finish the major steps already by the end of 2003. Very early next year, we should be in. That is our target," Minister Hashem Yamani told Reuters in an interview after signing a bilateral trade agreement with European Trade Commissioner Pascal Lamy.

The Saudis first applied to join the WTO's predecessor, the GATT, in 1993. Talks have been slow, but the country's efforts to enter the WTO have been accelerating recently.