

Unusual import growth worries prime minister

MONJUR MAHMUD

The prime minister is learnt to have expressed concern over unusual upward trend in imports and asked the ministries concerned to take necessarv measures in this regard.

The Ministry of Commerce has already identified some measures to contain the import spree that contributes to increasing trade next meeting. deficit. sources said.

The measures are imposing higher margin for opening letters of credit (LCs), introducing supplementary tax and creating other nontariff barriers to discourage imports of unnecessary and luxury items.

But import of essential items like at the commerce ministry

Bangladesh's trade deficit is on sugar, rice, wheat and edible oil may also be included in the list for putting rise alarmingly in recent years restriction, in order to restraint the mainly due to lower export and unusual upward trend in import. higher import growths.

The ministry placed the pro-According to commerce ministry statistics, rice import increased by posed measures to the cabinet committee on export at its meeting 720 per cent (from \$29.62 million to vesterday with Commerce Minister \$242.82 million) during July-May Amir Khosru Mahmud Chowdhury period of 2002-03 fiscal year compared to the corresponding period of in the chair but the committee decided to discuss the issues at its the previous fiscal.

Sugar import went up by 311 per Foreign Minister M Morshed cent (from \$31 million to \$127.54 Khan, Shipping Minister Akbar million), edible oil 53 per cent (from Hossain, Industries Minister Matiur \$208.64 million to \$318.2 million) Rahman Nizami and Commerce and wheat 46 per cent (from Secretary Suhel Ahmed attended \$130.21 million to \$189.66 million) the cabinet committee meeting held during the period. The overall import during July-

May period of FY03 went up by 8.88 per cent.

"It is clear from the statistics that the import growths for rice, sugar and edible oil are not showing a normal trend." said a commerce ministry official. Without elaborating he hinted at some other factors behind the unusual trend.

"There is nothing harmful if imports of capital machinery and raw materials increase. But rise in importing luxury items definitely harms local industries and it should be discouraged," said another official of the ministry



Commerce Minister Amir Khosru Mahmud Chowdhury makes a point while speaking at a seminar organised by Bangladesh Foreign Trade Institute (BFTI) in Dhaka yesterday on the eve of the Cancun ministerial as Law, Justice and Parliamentary Affairs Minister Moudud Ahmed and Commerce Secretary Suhel Ahmed look on

Bangladesh-Myanmar border trade stalemate continues Joint meet on Saturday to end deadlock

STAFF CORRESPONDENT, Ctg

Deadlock in the Bangladesh-Myanmar border trade through Teknaf continued for the third consecutive day yesterday due to an indefinite strike enforced by traders.

However, the district administration has convened a joint meeting on Saturday to resolve the crisis through discussion with all parties Road.

Meantime, Deputy A joint body of importers, export-Commissioner of Cox's Bazar M

ers, C&F agents and truck owners in Saiful Islam, following a directive by Teknaf enforced the strike on State Minister for Communications Salahuddin Ahmed, called the joint Monday protesting "extortion and harassment" by police and meetin

All the trade bodies in Cox's Bangladesh Riffles (BDR). Bazar and Teknaf, and representa-They alleged the members of tives of truck owners, BDR and BDR and police in the name of police have been invited to attend checking documents and illegal the meeting. Local lawmaker goods often harass them at border Shahjahan Chowdhury may also points and on Teknaf-Cox's Bazar join the negotiation

The state minister for communications, also the minister in charge

of the district, at a meeting on district's law and order on Tuesday night directed the DC to initiate the negotiations to bring an end to the stalemate, sources said.

The strike resulting in suspension of border trade is causing huge revenue loss to the government and affecting business in the border town

Bangladesh wants to fulfil _DC hopes at Cancun meet

and fruitful

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Bangladesh hopes it will be able to fulfil the expectations of the LDCs at the WTO Cancun ministerial meeting beginning on September 10, Commerce Minister Amir Khosru

Mahmud Chowdhury said yesterday. "We have done necessary groundwork for the meeting," he said while addressing a seminar

organised by Bangladesh Foreign Trade Institute (BFTI) in Dhaka on the eve of the Cancun ministerial. Khosru, who was the keynote speaker, discussed the background

and different other issues related to the fifth WTO ministerial, which he said, will be nothing of final nature but a mid-term review of Doha ministerial on the status of negotia-

The commerce minister also expressed disappointment over the non-implementation of issues in favour of LDCs as pledged during different WTO ministerial meetings Khosru, also a vice-chairman of the ministerial and co-ordinator of least developed countries (LDCs).

told the seminar the LDCs should speak in one voice in the conference to make negotiations more effective

export base

He said binding commitment on Law. Justice and Parliamentary duty- and quota-free market access Affairs Minister Moudud Ahmed and for all products from LDCs and temporary movement of natural

persons will top the agenda. Making the rules of origin realistic, simple and flexible to match the industrial capacity of LDCs will also figure the discussion

Other issues to be discussed include exemption of the LDC exports from anti-dumping measures, and increase in technical and financial assistance to the LDCs for their development, strenathening and diversifying of production and

Commerce Secretary Suhel Ahmed were also present. The law minister underlined the need for initiating a holistic approach of gathering sufficient

knowledge by the people who will be negotiating at the table at WTO conference Those who will be negotiating should remember that their negotia

The two companies, Bangladesh

Luggage and Bangladesh Zipper,

issuing debentures. Bangladesh

September 1996 while Bangladesh

Zipper raised Tk four crore in July

the companies stands at Tk 7.18

crore -- Tk 6.08 by Bangladesh

Luggage and Tk 1.10 crore by

Bangladesh Luggage, the company

owes Tk 2.92 crore to Investmen

Corporation of Bangladesh (ICB)

Of the total default amount by

Bangladesh Zipper.

The total default amount of both

1995.

tions will affect almost three-fourth of the global population who are living in least developed countries. the law minister added.

China-Bangla **Developing nations to** Ceramic finds grow faster in 2004 foreign market Within one year of its launching, the China-Bangla Ceramic Industries

Ltd (CBC) has started exporting WB report says

"We have already exported tiles to India and targeted other countries in this region," CBC Managing Director Siraiul Islam Mollah said while speaking at a function to mark the company's one-year celebration at a local hotel on Tuesday night.

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floor and wall tiles.

The CBC is the largest Chinese investment in Bangladesh where China has so far invested six million US dollars Mollah said

Encouraged by the success, the joint venture company now plans to increase its investment. cent growth for 2003.

The company located at Tarabo in Naravangani has some 300 employees. It uses 80 per cent local raw materials for producing floor and wall tiles

Addressing the function trend Commerce Minister Amir Khosru Mahmud Chowdhury praised CBC be traced to adverse weather condifor producing high guality tiles and tions and a decline in agriculture contributing to the construction output in India, Nepal and industry. Bangladesh," it said

The minister hoped the company will be able to export its products to other parts of the world, including the developed countries, in future.

CBC Chairman Qu Ba said, "We will increase our investment in near future for producing polished and homogenous tiles, which Bangladesh imports at present."

CBC is a joint venture company between China and Bangladesh with 55 per cent share of China and the rest 45 per cent of Bangladesh. Chinese Ambassador to

Bangladesh Hu Qianwen, Islami Bank Executive Vice-President Abdur Rakib, CBC Director and CEO Zhou Xiaolin and Mosaic Merchants Association President Amir Hossain Bhuiyan also spoke at the function. National Economic Council

Bank Asia, Bay Leasing sign agreement

Bank Asia Limited recently signed an agreement with Bay Leasing and Investment Ltd of Tk 50 million for onward financing through leasing of plant, machinery, professional and office equipment, says a press release

Syed Anisul Huq, president and managing director of Bank Asia, and GM Salehuddin Ahmed, managing director of Bay Leasing signed the agreement on behalf of their organizations. Other senior executives of both the organizations were also present.

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industrialised countries in 2004.

"The slowdown in the region can

Titled 'Global Economic

Prospects 2004: Realising the

Development Promise of the Doha

Agenda' the report has a detailed

overview of the world economy and

The Executive Committee of

(ECNEC) has approved 11 develop-

ment projects, involving Tk 3567.42

crore, including Tk 1735.51 crore in

meeting at the NEC auditorium

yesterday with Finance and

Planning Minister M Saifur Rahman

Supply Project to AES Meghnaghat

450-megawatt Power Station

(revised) under Energy and Mineral

Resources Division, Greater

Rajshahi Power Distribution Project

(phase 2, revised) under Power

Division, introducing naval route

around Dhaka city, first phase:

navigation development and provid-

ing landing facilities from Sadarghat

to Ashulia bridge (revised), under

the Shipping Ministry, Road

The approved projects are Gas

The projects were approved at a

the near-term outlook.

UNB, Dhaka

project aid.

n the chair.

eve of a meeting of the world's trade Although the growth of South Asia ministers in Cancun next week that declined in 2002, the World Bank will review progress on WTO negoti-(WB) predicts the developing ations on the Doha Agenda. Aaditva Mattoo. lead economist nations will grow faster than the

and Dominique Van Der Mensbrugghe, senior economist A WB report launched in New with the 'Development Prospects Delhi vesterdav said South Asia's Group' of the WB, presented the growth remains above the indusfindings of the report from New trialised world's anaemic 1.5 per Delhi

The WB Dhaka Office was linked It however projects the region's via video conferencing during the growth in 2002 at 4.2 per cent, down presentation from 4.9 per cent in the previous year due to an economic down-

"Developing countries are expected to be somewhat more buovant than industrial countries. growing at 4 per cent," the report said, adding the developing economies will grow at 4.9 per cent in 2004 if the recovery stays on track.

On the other hand, the report sees a modest pick-up in the industrial world's growth next year at 2.5 per cent

About the WTO ministerial conference it said a trade deal that

Renovation and Maintenance

Project (revised) under

Chandpur Town Protection Project-

second phase (revised) and

Extension of 59/2 Polder (revised)

under Water Resources Ministry,

Development of Union Parishad

Link Road in Patuakhali and

Barguna District under Local

Government Department, Building

Construction and Modernisation of

Atomic Treatment Centre, Dhaka

and Modern Novo Theater (revised)

Project under Science and

Information and Communications

Technology Ministry, Primary

Education Development (Ideal)

Project (revised) under Primary and

Mass Education Ministry and

Technical Training Project for

Unemployed Youths under Youth

Also present at the meeting were

and Sports Ministry.

The projects also include

Communications Ministry

The report was launched on the addresses the concerns of developing nations could spur global growth and reduce poverty by as much as 144 million people by 2015.

The report identified some of the key elements of a trade deal that could contribute to development.

It said progress in Cancun could bolster investors' confidence and create momentum towards a more significant WTO agreement that would spur trade. It would eventually raise incomes around the world, leading to a substantial reduction in alobal poverty.

The report also noted that developing countries, especially dynamic middle-income nations can contribute to a good 'Doha deal' by agreeing to undertake trade liberalisation measures that would help boost global trade

The report points to inequities in the world trading system that drag down export growth in developing countries

LGRD Minister Abdul Mannar

Bhuiyan, Industries Minister Matiur

Rahman Nizami, Communications

Minister Barrister Nazmul Huda,

Agriculture Minister MK Anwar, Post

Minister Dr Abdul Moyeen Khan,

Water Resources Minister

Hafizuddin Ahmed, State Minister

for Youth and Sports Md Fazlur

Rahman. State Minister for Energy

and Mineral Resources AKM

Mosharref Hossain and State

Minister for Power Iqbal Hasan

of Planning Commission, secretar-

ies of the concerned ministry and

high officials were also present, said

Cabinet Secretaries, members

Mahmud.

an official release.

loan interest

STAR BUSINESS REPORT Private commercial banks (PCBs)

PCBs plan to

reduce farm

plan to reduce the interest rate of , agricultural loan to 9-10 per cent from existing 12-14 per cent. Chief executive officers (CEOs) of

the PCBs disclosed this yesterday at the bankers' meeting, presided over by Bangladesh Bank (BB) Governor Fakhruddin Ahmed.

All the CEOs of nationalised commercial banks and specialised banks were also present at the meeting held at the BB conference room

The CEOs will send the proposal to their respective boards soon.

The PCBs were told to send reports on their business plan and amount of disbursed loans in every three months to the central bank. PCB officials also urged the

central bank to provide refinancing facilities against working capital apar from providing term loans in agriculture sector. The central bank also asked the

PCB officials to buy note-sorting machines.

Take action against debenture defaulters

SEC directs trustees to two PLCs

NAZRATUN NAYEEM MONALISA

The Securities and Exchange Commission (SEC) has directed the trustees to the debentures of two public limited companies (PLCs) to take appropriate measures against those companies for debenture default.

In separate letters on Tuesday to the trustees-- Pragati Insurance Limited and National Credit and Commerce (NCC) Bank Limited --SEC asked them to submit two reports each month on actions taken against the defaulting companies for nonpayment of principal and interest amount on debentures.

Both these companies are trustees to Bangladesh Zipper Industries Limited as well as Bangladesh Luggage Industries Limited

As per the SEC instruction the been addressed first report must be filed on the first day of the month while the second one should follow after two weeks in raised a total of Tk 19 crore through the same month. Luggage raised Tk 15 crore in

In the current month, the capital market regulators sought the first report to be submitted by September 7, 2003

Although the SEC repeatedly asked these trustees to take appropriate actions as prescribed in the trust deeds, nothing was done, sources said

"They failed to initiate any move to settle the claim from the debenture-holders," a senior SEC official

Show cause notice served

on Beach Hatchery MD

The official said they have received a number of complaints from the debenture holders of which SEC has sent copies of 41 complaints to the trustees which had not ments.

alone Despite repeated attempts, the managing directors of trustees could not be reached for their com-

ECNEC okays Tk 3567.42cr **HSBC** inaugurates development schemes

The Hongkong and Shanghai Banking Corporation (HSBC) Limited in Bangladesh has opened its first customer service centre at Banani in Dhaka.

Hasan Mahmood officially inaugurated the centre on Sunday.

and Telecommunications Minister Barrister Aminul Haq, Shipping tive officer and other senior execu-Minister Akbar Hossain, Science tives of the bank were also present and Information and at the ceremony. Communication Technology

The customer service centre is a new dimension of banking where customers cannot only avail the ATM, Easy Pay, Phonebanking and Website services but can also consult a Customer Services Officer who will be present from 9:00am to 10:00pm seven days a week to assist them in applying for loan products, opening accounts and providing detailed information on all other products and services of HSBC.

The easy pay machine installed at the centre offers customers and non-customers of HSBC to make bill payments and deposits of DESA DESCO, Grameen Phone, AKTEL andALICO

customer service centre at Banani

Failure to pay dividend against preferred shares State Minister for Power, Jobal

NAZRATUN NAYEEM MONALISA David J H Griffiths, chief execu-The Securities and Exchange

Commission (SEC) on Tuesday served a show cause notice on the managing director of Beach Hatchery Limited for failure to pay dividend against preferred shares within stipulated time.

In the notice, the capital market regulators asked the Beach Hatchery MD to explain the company's position in seven days.

SEC officials said the action was taken as the company's failure in the payment of preference dividend affected the investors.

Before serving the notice the SEC had repeatedly directed the company to submit the status of dividend distribution as well as the compliance report. "But the company failed to show all its dividends

to be distributed," a senior official of SEC said

Beach Hatchery is the first company to introduce preferential shares in Bangladesh. In 2001, the company issued 80 lakh such shares and declared 15 per cent dividend.

The company was supposed to pay dividends amounting over Tk 1.15 crore. But in its compliance report submitted to the SEC on August 21, 2003 the company said, Tk 88 lakh was paid to the preferred shareholders within August 20.

However, both the individual and institutional investors lodged separate complaints with the capital market watchdog that the dividend warrants issues by Beach Hatchery were repeatedly dishonoured by the bank concerned

SEC officials said the company

had announced the book closure on April 6, 2003 and as per the securities law, the company was required to have completed distribution of all dividend warrants by June 6, 2003. But the company failed to complete dividend distribution not only in

the guarantor of the 15 per cent dividend declared by the company. The SEC in the meantime asked BKB to prepare for paying the dividends to preference sharehold-

Beach Hatchery, a Satkhirabased company set up in 1995, raised the funds from the stock market mainly to finance expansion of land development, purchase of hatchery equipment and setting up

of a nursery at Satkhira

ers in case the company defaults.

due time but also within the extended period Bangladesh Krishi Bank (BKB) is