

Revenue collection exceeds target by Tk 21cr in July-Aug

STAR BUSINESS REPORT

The revenue collection in the first two months of the current fiscal year (2003-04) exceeded target by Tk 21.13 crore posting an 8.12 per cent increase over the corresponding period of the last fiscal.

Sources at the National Board of Revenue (NBR) said Tk 3,397.05 crore was collected during July-August of this fiscal crossing the target of Tk 3,375.92 crore. The collection was Tk 3,138.50 crore during July-August of FY2002-03.

NBR officials said revenue collection from both import and internal sources was satisfactory during the period. Though the target could not be achieved at import level, the collection of value added tax (VAT) at

domestic level exceeded target by Tk 50.91 crore.

During the period, Tk 576.66 crore was collected in VAT at domestic level against a target of Tk 525.75 crore. VAT collection at import level, however, narrowly missed the goal - Tk 622.50 crore against a target of Tk 624.68 crore.

The collection of income tax also exceeded target by Tk 8.19 crore during the two months. The revenue collection from income tax was Tk 438.19 crore against a target of Tk 430 crore registering an 8.91 per cent rise over last year's figure.

On the other hand, the collection of import duty, supplementary duty and VAT at the import level during the two months was Tk 1,863.02 crore against a target of Tk 1,866.30 crore

or Tk 3.28 crore short of target.

The collection of import duty, the highest source of revenue earnings, was Tk 1,041.75 crore chasing a target of Tk 1,052.46 crore. Though the collection missed target by Tk 10.71 crore, it posted a 7.21 per cent rise over the corresponding period of FY 2002-03.

Revenue earning at the domestic level was Tk 1,048.59 crore against a target of Tk 1,023.32 crore posting a surplus of Tk 25.27 crore. The earnings from both supplementary duty and excise duty at domestic level missed target during the period.

Revenue collection from other sources of tax and duty amounted to Tk 47.25 crore, against a target of Tk 56.30 crore.

In a bid to further boost the revenue collection, NBR on Saturday gave special directive to all 19 customs commissionerates asking the officials to put their best efforts to achieve the revenue target set for the current fiscal.

The government has fixed Tk 27,750 crore revenue collection target for the 2003-2004 fiscal, which is 16.84 per cent higher than the target of the previous fiscal.

Sources said if outstanding taxes of different government agencies can be realised, collection would increase in coming months. Government agencies and corporations defaulted in payment of import duties and taxes worth Tk 1, 000 crore in the past three years.

Nitol Group plans to set up 100 CNG filling stations

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Nitol Gas Distribution Co Ltd, an enterprise of Nitol Group, is planning to set up 100 compressed natural gas (CNG) filling stations in joint venture across the country.

Aspro Compressor, a company based in Argentina, will provide necessary technical supports to Nitol Gas to set up the stations.

Nitol Gas will set up the stations at the existing petrol pumps and owners of the pumps will get a share of the profit.

"After a certain period, pump owners can purchase the stations at a reduced price," Abdul Matlub Ahmad, chairman of Nitol Group, said yesterday.

He was speaking at a function organised at a local hotel to present

the feasibility aspects of setting up 100 CNG stations in joint venture.

At present, only 22 CNG stations are in operation for 17,000 CNG-run vehicles in Dhaka.

"We have taken the initiative as CNG is environment friendly and much cheaper than any fuel," Matlub said disclosing the company's plan.

At present, price of each litre octane is Tk 35 and petrol Tk 33, while the cost of CNG equivalent to same fuel is only Tk 7.45.

Matlub said they have already set up a filling station, which is the largest of its kind in Bangladesh. It is expected to start operation by mid-October.

He said some 1,300 CNG-run vehicles could be refuelled everyday in the station, set up at

Mohakhali in Dhaka in collaboration with a local company, Ureka Enterprise.

The Nitol Group chairman said Bangladesh has to import fuel worth US\$ 300 million every year and the cost could be cut significantly by setting up more CNG stations.

Former Ambassador MM Rezaul Karim, Petrobangla Chairman SR Osmani and Rupantarito Praktik Gas Co Limited (RPGCL) Managing Director Ekramul Haque Chowdhury also spoke on the occasion.

The Petrobangla chairman said the government has already ensured tax-free import of accessories required for setting up CNG filling stations.

PGCB, Siemens sign agreement

Power Grid Company of Bangladesh (PGCB) recently signed a turnkey deal of Tk 537 million with Siemens Ltd, India, for extension of Hasnabad-Tongi (230/132 kv) and Kalyanpur (132/33 kv) substation in Dhaka.

The foreign currency component of the contract value is about Tk 460 million which will come from the Dhaka Power System Upgrade Project loan of the Asian Development Bank, says a press release.

Nuruddin Ahmed, head of Power Transmission and Distribution Division of Siemens Bangladesh Ltd, and Md Selim, company secretary of PGCB, signed the agreement on behalf of their companies.

The substation is expected to be commissioned within two years. Its commissioning will increase the stability of power transmission around Dhaka city and resolve existing low-voltage problem.

DBBL holds workshop on Money Loan Court Act 2003

Dutch-Bangla Bank Limited (DBBL) organised a day-long workshop on Money Loan Court Act 2003 at its training centre in Dhaka on Sunday.

A total of 24 officers from DBBL head office and branches took part in the workshop.

Kazi Habibul Awal, additional secretary of Ministry of Law, Justice and Parliamentary Affairs, and Ikhted Ahmed, secretary of Law Commission conducted the workshop, says a press release.

The new act is an exhaustive and self-contained one and thus will help the bankers if properly materialised, the workshop was told.

It will make the bank officials acquainted with the newly enacted Money Loan Court Act 2003, the release added.

NCC Bank organises foundation course

The National Credit and Commerce (NCC) Bank Ltd organised a month-long foundation course for the probationary officers at the bank's training institute in Dhaka recently.

Nurul Amin, senior executive vice-president of the bank, distributed certificates among the participants, says a press release.

M Aminuzzaman, managing director, was the chief guest at the certificate awarding function.

Md Omar Choudhury, director (Training), presided over the function attended by Md Tariqul Alam, secretary to NCC Bank Board.

Repo auction

UNB, Dhaka

The Reverse Repo auction of Bangladesh Bank (BB) for commercial banks and financial institutions was held here yesterday.

Five bids of one-day tenor amounting to Tk 205.00 crore were received and that were accepted.

The rates of interest against the accepted bids ranged from 3.05 to 3.18 percent per annum, a BB press release said.

UK bank follows Grameen Bank micro-credit model

STAR BUSINESS REPORT

Inspired by the success of Grameen Bank in Bangladesh, a bank in the United Kingdom has introduced micro-financing and already disbursed 195 loans, averaging 2,100 pounds each, in last two years.

Street U.K. Ltd, a bank based in Birmingham, started following the Grameen Bank model in 2001, according to a report published on the UK bank's website.

The bank was founded in 2000 by former J.P. Morgan & Co. banker Rosalind Copisarow to lend to entrepreneurs in Britain's poorest neighborhoods who are often shunned by Britain's biggest banks.

Copisarow says she was inspired by Bangladeshi professor Muhammad Yunus, whose Grameen Bank has 2.7 million customers. Grameen's borrowers, 95 percent of whom are women, have a repayment rate of 98.7 percent, according to the bank.

Abul Bashar, a Bangladeshi-born street trader in London's East

End, got a 9,000-pound (\$14,266) loan in July from Street U.K. Ltd. to expand his range of shirts and coats after some of Britain's top banks balked at lending.

"I was surprised to find you can get these loans here," said Bashar, 43, who sells his wares from under a blue-and-white tarpaulin at the market on Whitechapel Road. "A cousin in my village in Bangladesh used a micro-loan to start a duck farm."

Trust is required to make so-called micro-loans, which can be as small as \$50, because borrowers lack the collateral, savings or track records demanded by mainstream lenders. At least 1 million British entrepreneurs, from hairdressers to dressmakers, are potential customers, Street U.K. said.

Yunus says his way of fighting poverty with small business loans is just as relevant to the U.K., even though it's the world's 13th-wealthiest country, 126 places above Bangladesh, according to the United Nations Human

Development Index.

"Many people in rich and poor countries are in the same situation, rejected by the conventional banking system," the website report quoted Prof Yunus as saying in a telephone interview from Dhaka. "It's not people who aren't credit-worthy, it's banks that aren't people-worthy."

Grameen Bank has lent more than \$4 billion since 1976, with each loan averaging \$150.

Yunus's example has been followed by lenders in more than 60 countries, from Shore Bank in Chicago to BancoSol in Bolivia. A group of 147 micro-finance institutions in emerging markets from Asia to Latin America had \$3.93 billion of assets in 2002, according to the MicroBanking Bulletin.

Street U.K. has made 195 loans since it started test projects in 2001. Each borrower has to find a personal guarantor, the report said.

Compliance of Seal of Quality a must for fisheries export

Experts, exporters say

BSS, Dhaka

Speakers at a meeting in Dhaka yesterday stressed the need for implementing 'Seal of Quality' in the fisheries sector to gain export growth with the compliance of quality management as per buyers' demand.

They observed that a revolutionary development of quality compliance in the shrimp industry had taken place during the last couple of months with the concerted efforts of the government and exporters.

Bangladesh Frozen Foods Exporters Association (BFFEA) held the meeting with all stakeholders of the shrimp industry at the BFFEA conference room with association President Quazi Monirul Haq in the chair.

The meeting was addressed,

among others, by Fakhru Islam Munshi, president of Agribusiness Development Organisation of Bangladesh (ADOB), Dr Aftabuzzaman, president of National Shrimp Farmers Association, Montazuddin Bhuiyan, acting chairman of Bangladesh Marine Fisheries Association, Professor Dr Khairul Azam, dean of Life Science School of Khulna University, Mukammel Hossain, principal scientific officer of Directorate of Fisheries, Md Idris Ali, deputy director of Export Promotion Bureau, Moshir Rahman, senior assistant secretary of Ministry of Fisheries and Livestock and Shahjahan Khan of Directorate of Environment.

They urged the stakeholders to form a common platform, saying

that the country's shrimp sector may face new hurdles if it fails to meet the demand of buyers.

Apart from quality control, the meeting was told, importing countries are thinking to impose new regulations, including human rights, child labour, environment protection, and fair trade practice.

The speakers thanked the government for modernizing quality control labs in Dhaka, Chittagong and Khulna to test antibiotic at a cost of Taka five crore.

About 100 leaders and members of different associations of shrimp hatchery, culture, suppliers, ice factory, shrimp feed, trawlers, processors were present at the meeting.



Three unidentified Indian farmers shout slogans as they symbolically hang themselves with ropes during a protest against the World Trade Organisation (WTO) in Bangalore yesterday. The farmers staged the protest ahead of the WTO conference in Cancun, Mexico which began yesterday.

PHOTO: AFP

Indian farmers stage massive anti-WTO protest

AFP, Bangalore

Thousands of farmers staged a protest in India demanding rich nations slash their trade-distorting farm subsidies as the World Trade Organisation (WTO) conference got under way Wednesday in Cancun.

Some 5,000 farmers, including men and women wearing green saris and scarves, assembled at a park named after Indian freedom champion Mahatma Gandhi to stage a mock hanging to symbolise their plight, an AFP reporter saw.

At least 90 farmers reeling under heavy debt have committed suicide

so far this year in India's southern state of Karnataka, of which Bangalore is the capital.

"There are imbalances inbuilt in the WTO agreement on agriculture in the matters of domestic support, market access and export subsidies," said farm lobby leader MD Nanjundaswamy.

"All these provisions in the agreement are being misused and abused by the rich nations who subsidise their farmers and exporters heavily."

On Tuesday, the United States and European Union came under pressure as big farm exporters and developing countries backed

demands by the developing world for sweeping agricultural reforms.

Farm negotiations are set to be the most contentious issues dogging the trade talks, with stubborn divergences among the 146-member WTO countries over the extent and pace of reducing state aid to farmers.

A newly formed and steadily growing group of 21 developing nations led by Brazil, India and China has insisted on its demands for deep cuts in agricultural subsidies by wealthy nations.

Nanjundaswamy alleged that the

developed countries were dumping their agricultural surplus in developing markets.

"This has pushed the third world into all sort of miseries. There is a direct link between the suicides by farmers and the imbalances in the WTO agreement," he said.

Nanjundaswamy added that although the Indian government had promised to champion their cause he was worried there would be a last minute sell-off.

"I hope India will not bend at the last moment under pressure from the United States," he said.

From GATT to WTO: A brief history

REUTERS, London

A brief history of the World Trade Organisation (WTO) and its predecessor the General Agreement on Tariffs and Trade (GATT):

October 30, 1947 - The "General Agreement" is signed by 23 countries at Geneva's Palais des Nations after the first-ever "trade round". It is the first attempt to write a rule-book for commerce, and includes tariff cuts on one fifth of world trade.

January 1, 1948 - The agreement goes into force with a temporary Secretariat to administer it. A new world body, the International Trade Organisation (ITO) is to be formed later.

March 24, 1948 - 53 countries agree in Havana to create the ITO, which is to have similar authority as the International Monetary Fund and the World Bank. But the U.S. Congress balks at approving it, and the temporary GATT becomes in effect a permanent organisation.

1949 - **Anneux Round.** The first round of negotiations supervised by GATT, held in the French lakeside city of Annecy in the Alps south of Geneva. A total of 13 GATT member states, termed "contracting parties", agree to 5,000 tariff concessions.

1950 - **Torquay Round.** Between September 1950 and April 1951, 38 GATT members meeting in

the southwest England resort exchange 8,700 tariff concessions yielding reductions of about 25 per cent on 1948 levels.

1956 - **Geneva Round.** Completed in May by 26 countries, it produces \$2.5 billion worth of tariff reductions.

1960 - **Dillon Round.** Named

world trade. Concessions cover trade valued at an estimated \$40 billion.

1973 - **Tokyo Round.** 102 countries negotiate agreements. Commitments not to increase current tariffs - which cover more than \$300 billion of trade. Subsidies, government procurement, dairy products

Deeply divided over the make-or-break issue of farm subsidies, rich and poor countries begin five days of talks on Wednesday aimed at preparing the ground for a deal to tear down barriers to global trade.

after US Under-Secretary of State Douglas Dillon, who proposed the negotiations. Involving 26 countries meeting in Geneva, the round focuses largely on harmonising concessions within the new European Economic Community. It finishes in July 1962 with about 4,400 tariff concessions covering \$4.9 billion of trade.

1964 - **Kennedy Round.** Named after assassinated U.S. president John F. Kennedy and also held in Geneva, this round dramatically increases the scope of GATT agreements. Its final act is signed in June 1967 by 62 participating countries representing 75 percent of total

and civil aircraft are brought under GATT's wing.

1986 - **Uruguay Round.** GATT's most ambitious round, bringing trade in services and agriculture into negotiations for the first time. Scheduled to end in December 1990, the thorny issue of farm subsidies which pits the United States against the EC delay accord by three years. Bitter negotiations end in 1993.

15 April 1994 - Ministers from some 120 countries sign Final Act of Uruguay Round in Marrakesh and replace GATT with a permanent trade watchdog, the World Trade Organisation or WTO.

Nov-Dec 1999 - U.S. officials declared an end to the WTO meeting as time ran out for solving deep differences on farm subsidies to labour standards between the 135-member nations.

Nov 2001 - **Doha Round.** Trade ministers from more than 140 countries meeting in Doha, Qatar, agree to launch the new series of talks, promptly dubbed "the Doha Round", to cut farm subsidies, industrial tariffs and other trade barriers.

Mar 2003 - WTO abandons a March 31 deadline for an outline agreement on farm trade reform, casting a shadow over Doha.

May 2003 - Three days of troubled global trade talks end in Geneva with two more deadlines missed and no deals for cutting industrial tariffs or reforming WTO dispute settlement system.

Sep 2003 - Under the auspices of the WTO, nearly 150 developed and developing countries open a new round of talks to free up world trade in Cancun, Mexico. The talks aim to lower business barriers in all areas of trade, but a string of deadlines have been missed in the so-called Doha Round.

Dollar firms against taka

BSS, Dhaka

The US dollar was firm against the taka in inter-bank trading yesterday due to optimism of dollar's gain over the near term, dealers said.

But the greenback was range bound against other major currencies after slipping in New York trade on doubts over the pace of the US economy's recovery, they said.

The dollar was traded at between 58.4250 taka and 58.4350 taka per unit compared to its previous range between 58.4250 taka and 58.4400 taka on Tuesday, dealers said.

Despite lower pressure from importers, the dollar was firm against the local currency as many dealers saw the greenback might be

stronger against the yen over the longer term.

"The dollar might be strong in principle but was not against the yen due to Japanese policy to curb yen's strength," dealer of a leading private bank said.

"We have sufficient dollar inflow thanks to remittance growth and IMF assistance and the dollar found solid downside support on rumours of market intervention by Japanese authorities," they added.

The inflow of dollar through remittance and export receipts was satisfactory level while the foreign exchange reserve was very strong, dealers said.

The volume of foreign currency

trade was higher as some dealers sold dollars for yen after its drop in New York trade.

The dollar traded at 116.82 yen in inter-bank market at 2:53 pm today from 116.81 yen in New York late on Tuesday, dealers said.

"In fact, the dollar had risen strongly against other major currencies but job data last Friday provided a cue for selling it to correct dollar-long positions," dealers on online trading said.

Defying Wall Street forecasts of a boost in employment, businesses slashed 93,000 jobs in August, the sharpest jobs decline in five months, the US Labour Department said Friday.

Call money rate steady

BSS, Dhaka

The inter-bank call money rate remained steady yesterday thanks to lower government borrowing and prudent liquidity management, fund managers said.

The call money rate touched its low at 2.50 per cent in a few deals and high at 7.00 per cent, fund managers of leading commercial banks said.

In most deals, the call money rate, however, ranged between 4.00 per cent and 5.50 per cent, they said.

"The demand for money is very thin when most banks hold surplus liquidity driven by lower credit flow," fund managers said noting that banks are very cautious in lending to avoid classified loans.