

# Star BUSINESS

DHAKA FRIDAY SEPTEMBER 12, 2003

## Nandan Park, Tabani Beverage sign agreement

Nandan Park Ltd, an amusement park in Bangladesh, recently signed a contract with Tabani Beverage Company Ltd, the bottling company for Coca-Cola in Bangladesh.

Under the deal, Tabani Beverage will sell its products exclusively for three years in Nandan Park.

Coca-Cola and Nandan Park will also jointly arrange different types of programmes to enhance the experience of amusement of the visitors to the park.

Masur Chowdhury, chairman and chief executive officer of Nandan Park, and Major (ret) Syed Ekramul Haque Khandakar, general manager of Tabani Beverage, signed the agreement on behalf of their company.

## Regional sales confce of Square Toiletries held

OUR CORRESPONDENT, Pabna

A regional sales conference of Square Toiletries Ltd, a concern of Square Group, was held in the factory auditorium here in Pabna yesterday.

National Sales Manager of the company Mohammed Tareq inaugurated the conference. Managers and high officials of Square Toiletries attended the conference which also included a discussion and training on ISO 9001:2000.

## Repo auction

UNB, Dhaka

The reverse Repo auction of Bangladesh Bank (BB) for commercial banks and financial institutions held in Dhaka yesterday.

Five bids of 2-Day tenor amounting to Tk 250.00 crore were received and accepted.

The rates of interest against the accepted bids range from 3.09 percent to 3.15 percent per annum, said a BB press release.

## Emirates SkyCargo starts new freight service

Emirates SkyCargo yesterday commenced its new freight service to Istanbul and Frankfurt.

From every Wednesday, Emirates' Boeing 747-200 freighter will fly from Dubai at 1200 hrs to reach Istanbul at 1815 hrs via Amman, returning to Dubai at 0130 hrs on Thursday morning, says a press release.

The new service will supplement the belly-hold capacity in Emirates' regular services to Istanbul, offered five days a week.

Also on the same day, a Boeing 747-400 freighter will fly to Frankfurt offering cargo capacity over and above the belly capacity in airline's double dailies to the city.

# GP offers BTTB to up its int'l call capacity

MUSTAK HOSSAIN

Huge congestion in international calls has prompted a private cell phone operator to propose enhancing the capacity of the International Trunk Exchange (ITX) of the Bangladesh Telegraph and Telephone Board (BTTB).

"GrameenPhone (GP) has submitted a proposal to the Ministry of Post and Telecommunications to increase the ITX capacity of the state-owned fixed phone operator," said Mehboob Chowdhury, sales and marketing director of the GP.

The congestion in the ITX causes call drop at a very high rate, he mentioned.

Admitting this, a top official of the BTTB said the ITX is the country's

gateway to make and receive international calls. "Increasing the ITX capacity has become a necessity," he added.

The BTTB has a plan to increase its ITX capacity by installing 4,000 circuits for domestic calls and an equal number for international calls. It had also floated international tender for the project but bureaucratic tangles stalled any progress to that end.

Four private operators are ready to invest \$5 million in the BTTB's capacity-building ITX project, sources said.

Meanwhile, private operators will get two lakh more connections with the fixed phone network of the BTTB under a project. They would invest over \$2 million in the BTTB's tandem

exchange to increase its capacity and install a fibre optic network.

At present, the BTTB does not have enough inter-connection capacity to facilitate an operator to enter another operator's network.

Bangladesh earns over Tk 300 crore a year in foreign currency from incoming international phone calls and more than Tk 200 crore from outgoing calls.

GrameenPhone is the leading cell phone operator in Bangladesh having one million subscribers while three other operators — CityCell, AKTEL and Sheba — have around five lakh customers. The number of land phones is over 8 lakh.



A delegation from different trade bodies led by M Anis Ud Dowla, president of Bangladesh Employers' Federation (BEF), yesterday met State Minister for Home Lutfuzzaman Babar at the latter's chamber in Dhaka to discuss law and order situation. Dhaka Chamber of Commerce and Industry President Matiuur Rahman, Bangladesh Textile Mills Association Chairman MA Awai, Metropolitan Chamber of Commerce and Industry (MCCI) Acting President A Hafiz Choudhury, Bangladesh Garment Manufacturers & Exporters Association Acting President SM Nurul Haque and BEF Secretary General CK Hyder are also seen.

# BB urged to revise orders on directors' tenure

STAR BUSINESS REPORT

The Bangladesh Association of Banks (BAB) has urged the central bank to revise its two recent orders under the Bank Company (Amendment) Act 2003 relating to restrictions on the number of private bank directors and their tenure.

The association leaders at a press conference in Dhaka on Wednesday said implementation of the Bangladesh Bank circular no 8 and 12 issued on April 26 last would adversely affect the growth of private banks in Bangladesh.

According to the circular no 8, the tenure of the private banks' sponsor directors would be maximum six years at a stretch, in two terms. The other circular restricted the number of directors at 13 in the board of each bank.

BAB leaders termed both the circulars "illogical" and said the orders would create a 'culture of selection' in the boards of directors of the banks.

The central bank issued the circulars following the passage of the Bank Company (Amendment) Act 2003 on March 9 this year. The BAB leaders said the circulars were even "more stringent" than the law.

They said there was no mention in the law that it will have retrospective effect. But the circular said the directors who had already completed six years in any bank would not retain their position after the next annual general meeting.

Speaking at the press conference, BAB Chairman Syed Manzur Elahi said a law should not be implemented with retrospective effect. "The act should be effective from the

date of its amendment," he added.

The BAB leaders observed that any new restriction should be applicable only to the new banks, which will operate in future. The banks already in operation should not come under the restriction.

About the restriction on the number of directors they expressed doubt if the interest of the depositors could be protected by it.

The BAB leaders said such provisions are discriminatory as those are applicable only to the private commercial banks, not to the nationalised commercial banks or the foreign banks operating in Bangladesh.

BAB vice-chairman Manzurul Islam also attended the press conference.

# BGMEA condemns attack on two factories at Savar

STAR BUSINESS REPORT

Bangladesh Garment Manufacturers & Exporters Association (BGMEA) has demanded immediate arrest and punishment of the extortionists who attacked two export-oriented ready-made garment factories at Savar on September 8.

In a statement, the BGMEA said a gang of 30 to 40 armed muscle-men demanding Tk 10 lakh in extortion obstructed unloading of imported goods at the premises of Pacific Blue Ltd and AKM Knitwear Ltd.

As the factory officials refused to pay the money, the extortionists entered the factory buildings and swooped on the workers. They ransacked the factories and looted goods worth about Tk 1 lakh, BGMEA alleged.

Presently, consignments of imported goods worth around Tk 2 crore loaded in 12 trucks remain stranded at different places and the company management can not unload the goods, the statement said.

Moreover, the two companies could not send the finished products to the inland container depot for

shipment as per export schedule. BGMEA leaders apprehend the US buyer might cancel the export order due to the failure in making shipment.

BGMEA said the hoodlums also lodged 'false cases' against the managing directors of the two companies after the incident.

At an emergency meeting on Wednesday the BGMEA leaders urged the police and administration to take immediate action against the culprits. The meeting chaired by acting president of BGMEA, SM Nurul Haque, also demanded withdrawal of the cases.

## Aramit Cement declares 5pc dividend

Aramit Cement Limited has declared five per cent dividend to the shareholders of the company.

The dividend was declared at the seventh annual general meeting of the company held in Chittagong on Wednesday, says a press release.

Ziaul Haque Khondker, chairman of the company, presided over the meeting, which was also attended by Managing Director Saifuzzaman Chowdhury and Company Secretary Syed Kamruzzaman.

## Dollar firm against taka

BSS, Dhaka

The US dollar was firm against the taka and the euro in inter-bank trading yesterday due to 'optimism of dollar' gain over the near term, foreign exchange dealers of different commercial banks said.

The greenback also edged up against the yen due to sharp drops in Japanese share prices and fears of intervention by Japanese authorities to sell the yen, dealers said.

The dollar was traded at between 58.4250 taka and 58.4350 taka per unit in line with its previous day Wednesday, dealers said.

The foreign exchange market remained active in early hours before the weekend holiday and trading continued till 1.00 a.m. in line with official hours. Most dealers traded foreign currencies in line with Asian markets where the dollar was strong.

"We have sufficient dollar inflow thanks to remittance growth and IMF assistance. But the dollar still in our target amid rumours of market intervention by Japanese authorities when traders took sidelined for the euro," some dealers said.

## Call money rate steady

BSS, Dhaka

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

The call money rate today 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.

## New chief of Iraq central bank

REUTERS, Baghdad

Iraq's US-appointed Governing Council named Wednesday a new central bank governor responsible for restoring order to chaotic post-war finances, and said it expected a \$13 billion budget next year.

The council appointed British-Educated Sinan al-Shibibi, 62, who worked for Iraq's oil and planning ministries before spending two decades as an adviser to a UN trade and development body.

A council statement said he was an expert in Iraq's foreign debt and war reparations to Kuwait after the 1991 Gulf War.

# WB to help poor nations implement trade pacts

AFP, Cancun

The World Bank announced a new multi-million dollar initiative here Wednesday to loan funds to poor countries implementing trade accords and to support investment in roads, ports and customs facilities to speed the flow of imports and exports.

"The program is designed to support progress on the Doha Development Agenda and will increase assistance to countries that take on development-promoting trade reforms," World Bank Managing Director Shengman Zhang said.

He was addressing a press conference on the opening day of meeting here of World Trade

Organization ministers aimed at spurring progress toward a new global trade liberalization accord, which was outlined at WTO meeting in the Qatari capital Doha in November 2001.

Bank officials said the initiative was drafted in the realization that poor countries can be disrupted when far-reaching trade reforms are put into effect and will need additional funds to make new investments to improve competitiveness.

It noted that developing countries might lose preferential access for their exports to industrialized markets while reduced subsidies in rich countries could raise prices for nations that are net food importers.

"For most countries this will mean new investments to improve

competitiveness and expand exports," the Bank said in a statement.

A second component of the initiative could increase lending by as much as 800 million dollars annually to help developing countries improve trade-related infrastructure such as ports, roads and customs facilities.

Uri Dadush, head of the Bank's international traded department, said the project was designed to transport costs.

"Whether these are costs in getting goods to ports, getting them through customs, or getting them through the harbor, reducing these overheads by 10 per cent has the same effect as reducing a tariff by 10 per cent," he said.

# WTO deal on TRIPS, health bound with red tape

UNB, Dhaka

The WTO deal on TRIPS and public health was presented as a gift to the poor, but it's tightly bound with red tape, according to a message received in Dhaka from Cancun.

"The new deal has opened up a window of opportunities to Bangladeshi manufacturers, but its implementation will depend much on solving the procedural problems and prompt action by the government," Dr Ananya Raihan, a research fellow of the Centre for Policy Dialogue (CPD), now in Cancun, told UNB yesterday.

First, he explained, the new deal explicitly accepts a protectionist framework, where rich nations can export to poor countries, but 23 rich countries were allowed to bar imports from developing nations.

Then the long list of new regulatory requirements does not apply to compulsory licenses in countries with

capacity for manufacturing.

And finally, the entire framework of export restrictions is designed to limit opportunities instead of promoting economic efficiency, the punitive rationale for free trade agreements (FTAs).

However, the good news is that the developing countries resisted pressure from the US, EU, Japan and other developing nations to confine the agreement to only a few diseases or extraordinary circumstances.

"The experts from developing countries mentioned that for a WTO deal it will be more than a public relation exercise for a new round of trade rules, it should actually work in practice," Dr Ananya said.

He said the WTO took a 52-word mechanism that was endorsed by the European Parliament in 2002 and created a 3200-word maze of red tape that was plainly designed to frustrate and undermine the objec-

tives of protecting public health and promoting access to medicines for all.

He identified main problems with the rules and explained that the WTO was requiring the issuance of two compulsory licenses when the new mechanism would be used. The WTO has added many constraints to the business practices of the generic companies.

Dr Ananya said the WTO deal introduced an extra-layer of uncertainty as it stated that the system should not be an instrument to pursue industrial or commercial policy objectives, creating uncertainty over the role that would be played by the businesses that manufacture and sell generic drugs.

The decision leaves it unclear whether economic efficiency is a ground for determining a lack of manufacturing capacity in the importing country, he said.

# WTO set to welcome Nepal, Cambodia

AFP, Cancun

Trade ministers will try to put the death of an anti-WTO demonstrator and violent street clashes behind them Thursday when they welcome two of the world's poorest countries into the fold.

The accession of Cambodia and Nepal to the World Trade Organisation is likely to provide a momentary and welcome flush of success to the five-day conference, which is beset by deep divisions in key areas.

Ministers meeting here from the 146-strong trade body are scheduled to rubberstamp the entry of the two nations, making them the first least-developed countries to complete the WTO's accession process.

Despite tight security, the talks, which got underway in this Mexican

# IMF to back release of \$235m Pakistan loan

REUTERS, Islamabad

The International Monetary Fund concluded its latest review of Pakistan's economy on Wednesday, saying it would support the release of two tranches worth \$235 million from a three-year loan.

Pakistan has already received roughly half of 12 tranches of a \$1.5 billion IMF loan approved in December, 2001.

A statement from the IMF's office in Pakistan said the IMF board could meet in late October to discuss the release of the two tranches of Pakistan.

"Pakistan's macro-economic outcome exceeded expectations during the fiscal year that ended in June 2003 and all qualitative performance criteria under the programme were met consistently," the statement said.



Transcom Electronics Limited Executive Director Obaidur Rahman Khan formally inaugurates a showroom at Moulana Bhasani Hockey Stadium in Dhaka yesterday. Transcom Electronics Limited, a concern of Transcom Group, will display and sell television, fridge, washing machine, DVD and gas cooker of Phillips, Whirlpool, Changhong and Transtec brand at the new showroom.