

## BEPZA's investment promotion campaign in northern region

Bangladesh Export Processing Zones Authority (BEPZA) recently launched an investment promotional campaign in Dinajpur and Nilphamari to expedite the process of industrialisation through investment in EPZs in the northern region.

An investment promotional meeting to this effect was held between BEPZA Executive Chairman Brig General (rd) M Mofizur Rahman and Dinajpur Chamber of Commerce and Industries President Rafiqul Islam, says a press release.

During the meeting, the BEPZA chairman describes to the president, vice-president, directors and members of Dinajpur Chamber including businessmen about the incentives and facilities offered by BEPZA.

## Dhaka Bank, IDLC sign Tk 100m term loan agreement

Dhaka Bank Limited and Industrial Development Leasing Company (IDLC) of Bangladesh Ltd signed a term loan agreement for Tk 100 million at IDLC's head office in Dhaka yesterday.

Shahed Noman, managing director of Dhaka Bank Limited, and Anis A Khan, CEO and managing director of IDLC of Bangladesh Limited, signed the agreement on behalf of their institutions, says a press release.

Among others, Khondker Fazle Rashid, deputy managing director, K A M Majedur Rahman, senior executive vice-president, Golam Hafiz Ahmed, Executive vice-president and Neaz Mohammad Khan, senior vice-president, Ashfaq Ahmad, DGM of Dhaka Bank Limited and Yongbok Jo and Syed Ehsan Quadir, deputy managing director, Arif Khan, deputy general manager and Arifur Rahman, senior manager of IDLC, were present.

Dhaka Bank and IDLC have been partners in financing since 1997. This is the third term loan facility signed between the two institutions.

Earlier, two term loan facilities of Tk 100 million each were signed between the two institutions.

## BRAC Bank, Placid NK Corp sign agreement

BRAC Bank Limited recently signed an agreement with Placid NK Corp, USA, for inward foreign remittance services.

M Ehsanul Haque, managing director of BRAC Bank, and AMM Farhad, regional director of Placid NK Corporation, South Asia, signed the agreement in Dhaka on behalf of their organisations, says a press release.

Among others Imran Rahman, deputy managing director, Kaiser Tamiz Amin, executive vice president, Tarique Afzal, vice president, and other officials of BRAC Bank were present.

Through Secure Remittance Service of BRAC Bank, Bangladeshi expatriates can now send their money to their relatives anywhere in Bangladesh within a short time at a reasonable cost, the release added.

## Gas connection in 90 days

UNB, Dhaka

Gas connection to industries would be provided within 90 days of submitting application under a unified gas-supply policy being framed by the government.

State Minister for Energy and Mineral Resources AKM Mosharruf Hossain gave the assurance to a delegation of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) as they called on him at his office yesterday.

"The policy is being formulated soon. It will ensure gas supply to the consumers at the shortest possible time," he told the 19-member delegation to allay their concern about unwanted delays in giving gas connections.

He said gas-connection procedure had already been simplified, and assured the delegation that the delay would be shortened further in future.

The minister said the industrial users with three months' bill arrears would get a waiver to make payment in installments. But, he warned, the connections will be snapped again in default on any of the installments.

# Eliminate dock politics for efficient Ctg port: FBCCI

## STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has requested the Chittagong Port Authority (CPA) to eliminate politicisation of the Dock Workers' Management Board to make the port more efficient.

The apex trade body called for taking appropriate steps to resolve the port's problems and ensuring coordination among the port authority, users and customs department to run the port with more efficiency and dynamism.

Newly elected FBCCI President

Abdul Awal Mintoo raised the issues when he met with CPA Chairman AMM Shahadat Hossain at the latter's office yesterday. They discussed various issues relating to the country's premier seaport.

At present, stevedoring agents at both Chittagong and Mongla ports recruit workers from the dock workers' management boards. The boards are usually controlled by labour unions backed by political parties. Chittagong Port alone has some 25 labour unions.

The FBCCI chief requested the port authority to increase the number of cargo gates to ease the handling of export cargoes.

As the inland container terminals currently work only for export cargoes he hoped that the terminals would provide service to both export and import cargoes.

Mintoo stressed the need for amendment to the CPA Act to increase the capacity of the port authority so that it could work properly, bring dynamism in the port activities and contribute more in revenue earning.

The FBCCI president requested the CPA to appoint adequate and skilled manpower in the port. He also underlined the need for using

modern equipment in handling goods in the port and constructing new roads to ease movement of goods laden trucks.

Member (finance) of CPA Ahmed Abul Kashem, Member (operation) Capt Amrul Islam and other high officials were present at the meeting. Earlier, Mintoo along with the Vice-president of FBCCI Abul Kashem Haider and Director Abul Kashem Ahmed visited the Chittagong Port.

Former director of FBCCI Parvez Sazzad and Bangladesh Steamer Agent Association's former president Tareq Anis were also present.

# Lending restrictions on NCBs will bring discipline: Saifur

## STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman has said the government had no option but to impose restriction on nationalised commercial banks' (NCBs) lending to bring discipline in the financial sector.

"The NCBs have no capital. If they are allowed to lend more, the government will have to inject more funds which should not continue for long," he said refuting criticism of government restriction on lending by the state-owned banks.

Saifur was speaking at a get-together of the business partners of Islami Bank Bangladesh Limited at Dhaka Sheraton Hotel on Saturday

evening. He mentioned the amount of default loans in the banking system is now around Tk 20,000 crore. "In 80 per cent cases bankers are responsible for such a huge amount of default loans," he added.

Saifur said the NCBs, Bangladesh Shilpa Rin Sangstha and Bangladesh Shilpa Bank extended loans for buying capital machinery but they did not sanction working capital, which ultimately forced many industries to become sick.

"I have already asked the Bangladesh Bank governor to look into the matter," he said. Defending the government

policy to include a number of directors in banks' boards from the depositors, the finance minister said, "They should be included in the board to look into the interest of the depositors."

Saifur asked the Islami Bank management to increase its paid up capital from existing Tk 92 crore as the bank has already gathered Tk 6,200 crore deposit and made profit amounting to around Tk 100 crore.

"Banks have enough money but they are not interested to invest in the agriculture sector," he said suggesting the banks to make more investment in the agriculture sector for the greater interest of the country's economy.

The finance minister hoped 'Mudaraba bond' will be introduced this year for investment of surplus funds of Islamic banks.

Shah Abdul Hannan, chairman of Islami Bank, ANMA Zaher, chairman of the bank's executive committee, Mohammad Mosharruf Hussain, director, and Abdur Raquib, executive president addressed the function.

Among the bank's leading business partners, Abdul Matlub Ahmad, chairman of Nitol Group, Kazi Zahidul Hasan, managing director of Kazi Farms, M Azizul Islam, MD of Aleef group, K Roy Chowdhury, MD of Pacific Pharmaceuticals Ltd also spoke.



Finance and Planning Minister M Saifur Rahman speaks at a 'get-together of valued business partners' of Islami Bank Bangladesh Ltd on Saturday at Dhaka Sheraton Hotel. Shah Abdul Hannan, chairman of the bank, was present.

# Sylhet a potential trade hub in South Asia: US envoy

## STAFF CORRESPONDENT, Sylhet

US Ambassador to Bangladesh Harry K Thomas Jr said Sylhet has the potential to become a regional trade hub in South Asia.

"Sylhet can be made a trade hub utilising its rail, road and international air links, as well as its geographical location near India and China," he said while inaugurating a US catalogue show as part of the American Week in Sylhet yesterday.

The US embassy in Dhaka, USAID and US Trade Center jointly organised the week while the catalogue show of US products was sponsored jointly by the US Trade

Center, US embassy and the Sylhet Chamber of Commerce & Industry (SCCI).

"Sylhet's future looks bright," the US envoy said. "I believe, Sylhet is a place where Americans can do business. It is a city well suited for today's innovative business, whether Bangladeshi or American."

The function was also addressed by Sylhet City Corporation Mayor Badar Uddin Ahmed Kamran, SCCI President Mohiuddin Ahmed, Vice-president Faruque Mahmud Chowdhury and ex-president Abdur Razzaque Chowdhury.

The American Week programmes include visit of USAID

aided projects, seminar on American libraries and US education system, admission procedure of Bangladeshi students in American universities and colleges, discussion on US visa processing system and cultural function.

Later, the ambassador addressed a press conference at the Hafiz complex in Sylhet where he talked about the US views on Bangladesh's gas export issue and the latest situation of the US visa issuance to Bangladesh students.

## HSBC donates Tk 50,000 to Out of Focus

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh donated Tk 50,000 to Out of Focus, a group of 11 young underprivileged photographers supported by DRIK since 1994.

Muneer Hussain, marketing and public relations manager of the bank, handed over the cheque to the photographers of Out of Focus on the founding anniversary of DRIK, says a press release.

The donation will be used to set up a de-humidified room to protect negatives, equipment and tapes from humidity.

The funds were raised from the sale of photographs in the HSBC's World Environment Day exhibition, "Water - Two billion people are dying for it", on the eve of the World Environment Day 2003.

Out of Focus has arranged several exhibitions in Bangladesh and overseas, they are also in the business of providing photography, video and exhibition support service.

## Nishat Jute Mills handed over to buyer

UNB, Dhaka

The handing over of state owned Nishat Jute Mills was completed yesterday with signing of an agreement between the buyer of the mill and Sonali Bank.

That's It Knit Ltd has purchased the jute mill at Tk 43,18,50,460 that included huge outstanding loans to Sonali Bank.

The agreement was signed in presence of Enam Ahmed Chowdhury, chairman of the Privatization Commission.

## Pak fishing village to emerge as mega-seaport

AFP, Gwadar, Pakistan

Life in the Arabian Sea fishing town of Gwadar, whose only claim to fame until now has been as a spot through which Alexander the Great executed his retreat from India in 325 BC, is undergoing a cataclysmic change.

A mega deep-sea port is under construction at a cost of a quarter of a billion dollars, and if the vision of Pakistan's leaders and the Chinese builders is realised it will be transformed into a futuristic gateway for trade to landlocked Central Asia.



From (L-R), Abdur Rahim, director legal and communications of Lafarge Surma Cement Ltd, Yong Ngai Chan, managing director, Masud Khan, finance director, and Abrar A Anwar, head of corporate banking of Citibank NA Bangladesh, Mamun Rashid, chief executive officer, and Abed Islam, head of global relationship banking, pose for a photograph at an agreement signing ceremony between the two companies held in Dhaka on Saturday.

# Citibank NA to act as security agent for Lafarge Surma

## \$255m cement plant to start production in 2005

### STAR BUSINESS REPORT

Citibank NA will act as security agent for Lafarge Surma Cement Limited in setting up a cement plant at Chhatak in Sunamganj.

The US\$255 million cement plant is scheduled to go into operation by October 2005 with an annual production target of 1.2 million metric tons.

A security agent and commercial banking agreement was signed to this effect between the two companies in Dhaka on Saturday evening.

Abrar A Anwar, head of corporate banking of Citibank NA, Bangladesh and Masud Khan, finance director of Lafarge Surma signed the agreement on behalf of their respective

organisations. Under the agreement, Citibank NA Bangladesh, Singapore and London will act as security agent for both Bangladesh and India operations of Lafarge.

The bank will also provide US\$ 10 million stand-by guarantee to the engineering procurement and construction (EPC) contractors of Lafarge Surma.

Asian Development Bank, International Finance Corporation of the World Bank, German development finance company DEG, Netherlands based development finance company FMO, and European Investment Bank are

jointly providing loans to the cement plant.

Federation of Bangladesh Chambers of Commerce and Industry President Abdul Awal Mintoo, American Chamber of Commerce President Aftab ul Islam, Trade Commissioner of France Embassy Dominique Simon, Lafarge Surma Managing Director Yong Ngai Chan and Citibank NA, Bangladesh Chief Executive Officer Mamun Rashid were present at the signing ceremony.

# World Chambers Congress begins today in Canada

## ICC-B president to lead Bangladesh delegation

### STAR BUSINESS REPORT

A high profile business delegation from Bangladesh is attending the 3rd World Chambers Congress beginning today in the Canadian city of Quebec.

Chamber leaders from across the globe will share their views and expertise in the three-day conference to enhance cooperation among themselves.

A 15-member delegation led by Mahbubur Rahman, president, International Chamber of Commerce (ICC) Bangladesh, will represent Bangladesh in the congress. Rahman will join the delegation from WTO Ministerial Conference at Cancun, Mexico.

Among others, the delegation includes ICC-B Vice-Presidents Latifur Rahman and ASM Quasem,

Chairman of Square Group Samson H Chowdhury, Chairman of Bangladesh Insurance Association Nasir A Choudhury, President of Dhaka Chamber Matur Rahman, Managing Director (MD) of AB Bank Abu Haniff Khan, MD of EXIM Bank Mohd Lakiottullah and MD of Uttara Finance and Investment M Shamsul Arefin.

The main objective of the congress is to bring together chamber leaders from all over the world to determine their future direction on issues critical to chamber management.

The issues to be discussed in the congress include the future of chambers, management and technology, leadership and partnership, IT and e-business, cyber-crime, worldwide networking and role of chambers in society, developing and marketing

new services, and amicable dispute resolution, says an ICC-B press release.

World Chambers Congress is held biennially in different region of the world. The first congress was held in Marseille, France in 1999 and the second one in Seoul in 2001.

About 1,000 participants from all over the world representing chambers will attend this year's congress, the biggest gathering of chamber leaders in the world.

After the congress, ICC Bangladesh president and vice-presidents will also attend the steering committee meeting of the World Chambers Federation and 18th Session of ICC World Council. The Council will deliberate on the impact of the Cancun meeting.

# Mahathir leaves prudent legacy in farewell budget

AFP, Kuala Lumpur

When Abdullah Ahmad Badawi takes over as Malaysia's fifth premier in November, there will be few economic worries on his mind.

Prime Minister Mahathir Mohamad shuffled the cards in his farewell budget Friday, ending six years of pump-priming to cut a towering deficit and setting the economy on a sustainable track for his successor, analysts say.

There were few goodies for the man-in-the-street despite impending elections, with no tax cuts for individuals or businesses, no cheaper cars under a regional free trade pact in 2005 but higher "sin tax" for smokers and drinkers.

The prudent 2004 budget pins growth at 5.5-6.0 per cent, up from 4.5 per cent in 2003, and aims to shrink the deficit to 3.3 per cent of gross domestic product from 5.4 per cent this year through a 21 per cent drop in development expenditure.

It is the seventh straight deficit and the government hopes to balance the books by 2006 by making the private sector the growth engine. "Mahathir has set a sustainable

growth track and reduced the burden on his successor to balance the budget," said Azrul Azwar, economist with MIDF Sisma Securities.

Despite disappointment over the absence of tax cuts, he said there were benefits for selected groups including single mothers, the disabled and senior citizens.

The premier also gave a one-month bonus to civil servants, higher child relief for taxpayers and abolished road tax for 5.6 million owners of motorcycles below 150cc.

Abdullah can therefore, focus on polls widely tipped to be called early next year and seen as the first test of his popularity as he seeks to fill the shoes of a man who has transformed Malaysia from an agricultural backwater into an industrial heavyweight, Azrul said.

Chew Theam Hock, tax partner at KPMG, said the restraint was understandable following a 7.3-billion-ringggit (1.9 billion dollar) stimulus package in May.

"There will be a bit of disappointment for (those) hoping for cuts in personal taxes. After all, it is his last year but it's reasonably decent and when you have limited bullets, it's best to use them sparingly."

Economists however, say the growth and deficit targets may be too bullish while manufacturers bemoan the high 28 per cent corporate tax rate.

They noted the government overshoot in its spending in recent years with the deficit jumping to 5.4 per cent this year from 3.9 projected earlier, and to 5.6 per cent in 2002 from an initial forecast of 4.7.

To halt pump priming and expect strong growth will also be tough, with market consensus pegging growth at between five and 5.5 per cent.

"My concerns are that the targets are slightly tough to achieve and the corporate tax rate is increasingly unattractive, which could hurt investment," said Nizam Idris, regional economist with Singapore-based IDEAGlobal.

In Asia, Malaysia's corporate tax is higher than Hong Kong's 16 per cent, Singapore's 22 per cent, South Korea's 24 per cent and Taiwan's 25 per cent. But it is lower than 30 per cent in China, Thailand, Indonesia and Brunei, and 32 per cent in the Philippines.