

Taiwan plans investment in Bangladesh ICT sector

Taiwanese vice minister tells FBCCI members

STAR BUSINESS REPORT

A Taiwanese vice minister yesterday expressed his country's willingness to invest in Bangladesh's information and communication technology (ICT) sector and offered training facilities to ICT professionals.

"Taiwan like to provide training to Bangladeshis involved in the field of ICT and is also interested to invest in the sector here," said Yen Shiang Shih, Taiwanese economic affairs vice minister, praising potential ICT workforce in Bangladesh.

He said Bangladesh and Taiwan can increase cooperation in the sector taking each other's comparative advantages since Taiwan is the world's third largest computer hardware and fourth largest semiconductor producer.

Yen Shiang Shih, who is leading a 14-member business delegation, was addressing a meeting with members of the Federation of

Bangladesh Chambers of Commerce and Industry (FBCCI) at its conference room in Dhaka.

As Bangladesh has a strong base in textile and garment industry and Taiwan also has base in textile and synthetic fibre, the two countries can forge joint venture enterprises in this area, the vice minister said.

Knowing about incentives offered by Bangladesh for foreign investors and the duty and quota free facilities to EU, Canada, Australia, he said Taiwan can take Bangladesh as a springboard to enter those vast market.

He said Taiwan entrepreneurs are encouraged seeing profitability of four Taiwanese joint venture factories in Dhaka EPZ. "Other investors are keen to make joint venture investment in Bangladesh," he said.

"More than 70 per cent of total Taiwanese investment is concentrated in China. But Taiwanese

government has changed its policy and the entrepreneurs are now giving priority to invest in Southeast and South Asia," he said.

Taiwan exports to Bangladesh in 2002-2003 amounted to \$364 million while import from Bangladesh was only \$13 million. About the huge trade imbalance, Shiang Shih said Taiwan wants to import more products from Bangladesh.

"To increase export to Taiwan, Bangladesh should hold single country fair for wooing customers there. The businesspeople of the two countries should intensify interactions for better understanding among themselves," he said.

Responding to some Bangladesh businessmen's complaints about visa hassles, the vice minister said he would look into the matter. He laid emphasis on establishing direct air-link between the two countries.

Presiding over the meeting

FBCCI Vice-president Kamaluddin Ahmed urged the Taiwan government to establish a trade office in Dhaka to increase business activities.

He urged Taiwanese entrepreneurs to make more investment in Bangladesh taking the advantage of incentives offered for foreign investors.

Hafiz A Choudhury, director of FBCCI, said relationship between Bangladesh and Taiwan is limited to trade. He called upon both sides to work on investment.

As Bangladesh is preparing for free trade talks with India, Sri Lanka and Pakistan, Taiwan can take the opportunity to penetrate into those markets by investing in Bangladesh, he said.

Feng Chin Lin, chairman of Chinese International Economic Cooperation Association, suggested signing of bilateral agreement on avoidance of double taxation.

Bank Asia's new branch opens at Uttara

Bank Asia opened its 14th branch at Uttara in Dhaka on Saturday.

Inaugurating the branch, A Rouf Chowdhury, vice-chairman of the bank, spoke of the bank's commitment to offer the clients highest standard of services with professionalism and integrity.

He said the huge over-subscription to the initial public offering (IPO) of Bank Asia manifested the depositors' and business community's trust and confidence in the bank's laudable performances.

Syed Anisul Huq, president and managing director, elaborated the bank's activities including its social commitment and contributions to the society, says a press release.

He said the bank recently recruited two national cricketers, including captain of the national cricket team.

Some directors of the bank and a large number of people including businessmen attended the inauguration. Syed Iftakar Hussain, manager of the Uttara Branch, was also present at the function.



PHOTO: BANK ASIA
A Rouf Chowdhury, vice-chairman of Bank Asia Limited, inaugurates a new branch of the bank at Uttara in Dhaka on Saturday. Syed Anisul Huq, managing director of the bank, is also seen in the picture.

BB auction

UNB, Dhaka

The 268th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

A total of Tk 855.70 crore, Tk 150 crore, Tk 78 crore and Tk 34 crore were offered respectively for the 28-day, 364-day, 2-year and 5-year bills.

Of these, Tk 825.70 crore, Tk 125 crore, Tk 47 crore and Tk 34.40 crore of 28-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of implicit yields was 4.00-4.50 per cent, 6.85-7.00 per cent, 7.00-7.20 per cent and 8.01-8.25 per cent per annum, said a Bangladesh Bank press release.

Premier Bank to launch Visa credit card in December

UNB, Dhaka

The Premier Bank Ltd, a third generation private sector bank, is going to launch its Visa credit card services in December this year.

Customers will be able to use the bank's international credit cards globally, the bank authorities announced at a press conference held in Dhaka yesterday on the occasion of the bank's 4th anniversary of establishment.

Besides, its local cards will be accepted at more than 3,500 outlets across the country including shops, hotels, restaurants, airlines, travel agents, departmental stores, hospitals, diagnostic centres, mobile and Internet service providers and at many more places.

They said the Premier Bank Visa credit cards will offer customers free credit facility up to 45 days without any interest and any card-holder will be able to pay 5 per cent of the billing amount every month to have the flexibility in payments and enjoy extended credit period.

Premier Bank Chairman Dr HBM Iqbal, Advisor Kazi Abdul Mazid and Managing Director MA Yussouf Khan were present at the press conference.

China plans free trade deal with New Zealand

AFP, Auckland

Chinese President Hu Jintao and New Zealand Prime Minister Helen Clark took the first steps Sunday towards what could lead to a free trade deal between the two countries.

Clark told reporters if the preliminary round of talks agreed on Sunday were successful, a free trade deal was possible later.

"We have expressed hope that the outcomes of the bilateral consultations and the establishment of a trade and economic co-operation framework could in due course see us exploring the possibility of a closer economic partnership between us," she said.

Hu arrived in Wellington Saturday and spent Sunday morning visiting agricultural technology centres in Hamilton south of Auckland before flying here for bilateral talks with Clark.

Garment workers may get health services from Cida

STAR BUSINESS REPORT

Canadian International Development Agency (Cida) wants to help Bangladesh's readymade garment industry by increasing productivity through providing the workers with primary healthcare and family planning services.

A Cida delegation led by its health consultant Sudeep Kishore Bhattarai expressed the willingness at a meeting with SM Nurul Hoque, acting president of Bangladesh Garment Manufacturers & Exporters Association (BGMEA), in Dhaka on Saturday.

The Canadian aid agency would extend the healthcare service to the

garment workers' children if BGMEA sets up childcare wings in its existing healthcare centres in Dhaka, Chittagong and Narayanganj, Bhattarai told the BGMEA leader.

Cida will educate the garment workers providing them with necessary knowledge on health and family planning. "Garment workers' productivity will increase after taking these services," SM Nurul Hoque told The Daily Star yesterday.

He said increased productivity means increased export of the ready made garment products, the key export earning source of Bangladesh.

BGMEA established seven healthcare centres to provide pri-

mary health and family planning services to the garment workers since 1994.

Besides, United Nations Population Fund (UNFPA) assisted BGMEA in setting up three more centres under a project titled Family Welfare and Reproductive Health Education and Services for Garment Workers during 1998-2002.

Hoque said around 2 lakh workers received healthcare services under the project, which has been extended up to 2005 in order to provide free medical treatment and medicines targeting another three lakh workers.



PHOTO: INTERSPEED
M Sajidur Rahman, head of Consumer Banking of Standard Chartered Bank, and Rafez Alam Chowdhury, chairman of Conscious Health Service, exchange documents after signing an agreement recently in Dhaka. Under the deal, Conscious Health Services will introduce a specially designed priority health package for the bank's priority customers.

US to freeze interest rates at 45-year low this week

AFP, Washington

The United States will freeze key interest rates at a 45-year low this week even as the economy looks poised finally to bust out of a years-long slump, analysts said.

Federal Reserve policymakers will refuse to be lured into raising rates by forecasts of up to a seven-per cent annual economic growth rate in the third quarter, the speediest since the last quarter of 1999, they said.

Instead, fears of deflation and the risk that the economy will run out of stamina will force Federal Reserve Chairman Alan Greenspan and his colleagues to hold fast, economists said.

Members of the Federal Open Market Committee meet Tuesday to ponder the key federal funds target rate, now at a 1958 low of 1.00 per cent, and a decision is set to be released at 2:15 pm (1615 GMT).

Gross domestic product data for the third quarter is set to be released

on Thursday. "We had a very strong third quarter. GDP growth will probably be six per cent, perhaps higher than that," Lehman Brothers chief US economist Ethan Harris said.

"But from the Fed perspective, the clock has just started ticking on this recovery and after two and a half years of very poor economic performance the Fed is not going to react to one quarter of better data."

Federal Reserve members wanted to see several quarters of solid growth and a significant improvement in the labour market before considering an increase in interest rates, he said.

US businesses unexpectedly hired 57,000 extra people in September, finally snapping a seven-month run of layoffs, but the jobless rate stagnated at 6.1 per cent.

"We know the third quarter had a lot of good things going for it, we had the tax cuts, cash coming out of mortgage refinancing activity, the

end of the war in Iraq," Harris said. "I don't think the Fed will celebrate the third quarter in a big way," he added. "They want to see a major healing process in the economy before they start making any change."

The Fed was unlikely to raise interest rates any time in the next year, he said, noting that a decade ago it had been equally reluctant to raise interest rates after a "jobless recovery."

BMO Financial Group economist Sal Guatieri said the menace of deflation would keep the policymakers on guard, despite his expectation of a searing seven-per cent growth rate in the third quarter.

The Fed would likely issue a press release saying the economy appeared to be in the midst of a strong, sustainable recovery but that the expansion was not enough to remove the minor risk of deflation, he said.

He expected interest rates to be stuck until spring next year.

Rangs Electronics launches winter festival

Rangs Electronics Limited formally launched 'Sony Rangs Prothom Alo Winter Festival Chamak 03' at the company's showroom on Sonargaon Road in Dhaka on Saturday.

Prothom Alo Editor Matiuur Rahman inaugurated the month-long festival, says a press release.

J Ekram Hussain, deputy managing director of Rangs Electronics Limited, Sabur Ahmed, director, and other high officials of the company were present.

During the promotion campaign, customers will get coupons for buying Sony brand products worth at least Tk 5000 from any Sony Rangs showroom or dealers' showroom in the country.

The festival will continue till the day before the Eid-ul-Fitr. The draw of the coupons will be held on December 10 at the National Press Club. The winner will get a Proton Saga car.

StanChart, Conscious Health sign agreement

Standard Chartered Bank has signed an agreement with Conscious Health Services recently to introduce a specially designed priority health package for the bank's priority customers, says a press release.

M Sajidur Rahman, head of Consumer Banking of Standard Chartered Bank, and Rafez Alam Chowdhury, chairman of Conscious Health Service, signed the agreement.

Under the deal, the priority customers of Standard Chartered Bank will get 10 per cent discount on all clinic charges.

They will also get facilities of fast track service and priority executive check-up at their homes from November 1.

North Bengal Sugar Mill starts crushing

UNB, Dhaka

Crushing season began yesterday in North Bengal Sugar Mill with a production target of 1.80 lakh tons of sugar in 15 mills under the government.

The mills produced 1.77,398 tons of sugar last season as against the country's demand estimated at more than 10 lakh tons.

Crushing in 14 other mills will begin in phases in November and December.

The Sugar & Food Industries Corporation hopes the recovery rate of sugar from canes will be 7.55 per cent, higher than last season's 7.25 per cent.

Italian Motors marks 10 yrs in China

AFP, Beijing

Italian Motors Ltd. celebrated 10 years of business in China Sunday with a parade of sleek Ferraris through the streets of central Beijing, as company officials predicted China's luxury car market will grow in coming years.

"Chinese customers love Ferrari and they're ready to buy," Piero Ferrari, son of Ferrari founder Enzo Ferrari, told AFP.

Benefits of globalisation hinge on skilled manpower

Foreign minister tells BCI seminar

STAR BUSINESS REPORT

Foreign Minister M Morshed Khan yesterday said Bangladesh can utilise the benefits of globalisation if it exports products at competitive price and develops skilled manpower.

He was speaking at a seminar on 'Preparing Bangladesh to Face Challenges of the New Millennium' organised by Bangladesh Chamber of Industries (BCI) in Dhaka.

The minister said bilateral approach is more effective than multilateral approach in trade negotiations. "After getting desired result from bilateral ways, we should go forward with multilateral approach," he observed.

Stressing the need for product diversification and production of cost effective products to compete with others and sustain the age of globalisation he said skilled manpower is also needed to face the challenges of new millennium.

Morshed said private sector will

have to take initiative by playing effective role in the country's development while government would play the role of facilitator to assist the private sector entrepreneurs.

Privatisation Commission Chairman Enam Ahmed Chowdhury said good governance, elimination of corruption, modernisation and development of education will help in facing the challenges of globalisation.

In the age of globalisation, free movement is not only necessary for products but also for manufacturers, he said.

BCI President AK Azad said private sector can play a vital role in setting up backward linkage industry for apparel sector which is essential to face the stiff competition ahead. Both the government and private sector should be more active in this regard.

Azad also laid emphasis on product diversification along with supportive policies and reform initiatives to compete the interna-

tional market.

Abdul Mannan, former chairman of Bangladesh Small and Cottage Industries Corporation (BSCIC), presenting keynote paper at the seminar said there are some advantages as well as some disadvantages in globalisation.

To face the challenges of globalisation the government and private sector should take initiatives to attract investment and develop education and health sectors, he said.

FBCCI Director MA Rauf Chowdhury urged the manufacturers to maintain quality and competitive price of products for retaining export market.

Jamal Uddin Ahmed, former deputy prime minister, and Shahedul Islam Helal, president of Jute Goods Association, also spoke at the seminar.

EU spending demands not feasible, says France

AFP, Paris

French Budget Minister Alain Lambert on Saturday criticised the European Union's demands for cuts in government spending next year, saying they could not be done and would contradict government policy.

"What is the (European) Commission is asking on the question of expenditure is unfeasible unless we cancel transfers to households or cut back our employment policy," he told the newspaper Le Monde in an interview.

"That would go against the grain of the policy the government wants."

France is predicted to have a deficit of 3.6 per cent of Gross Domestic Product (GDP) in 2004. It would be the third consecutive year that France will be in breach of the

eurozone's Stability and Growth Pact, which limits the deficit to three per cent of GDP.

The French deficit in 2002 was 3.1 per cent and is estimated to reach four per cent this year. The Commission has asked France to cut its structural deficit by six billion euros (seven billion dollars) in 2004.

Lambert said that the existing 2004 budget already included all the economies it was possible to make "taking into account the economic context."

If growth was higher than expected "all the pleasant surprises in the matter of fiscal receipts will be devoted to cutting the deficit."

"I still believe in the usefulness of and need for the (Growth and Stability) Pact, but the rules it lays down (should be) applied with

discrimination over the length of an economic cycle," he said.

By breaching the pact's rules France, like Germany, has opened itself to sanctions. But Lambert said he didn't think "the (European) Council of Ministers could take steps that would tip France, and tomorrow Germany, into recession."

France's social security deficit is due to reach 8.9 billion euros in 2003 and Lambert said the message for next year was clear: it could not increase in comparison with this year.

"We have to set as a medium-term target that spending reimbursed by health insurance does not grow faster than the nation's wealth."

Brunei steps up effort to diversify oil-based economy

AFP, Bandar Seri Begawan

Oil and gas-rich Brunei has embarked on ambitious campaign to diversify its fossil fuel-based economy in a bid to emerge as a key regional player by 2008.

The move, which will primarily focus on developing two major industrial sites and importing foreign expertise to identify key growth area, is an attempt to bring the country up to speed with neighbours.

Brunei, an absolute monarchy located near the northern tip of Borneo island, is the third largest oil producer in Southeast Asia after Indonesia and Malaysia. It is the world's fourth largest producer of liquefied natural gas.

But despite its oil-derived wealth, the nation of 350,000 people has lagged behind in broadening economic foundations, as well as in the

race to attract investments and promote trade.

In resolving the problem, Brunei's first thrust is to develop downstream and manufacturing industries in addition to power supply and infrastructure at two key industrial sites - Sungai Liang and Pulau Muara Besar.

The second leg involves hiring international consultants to study the country's competitiveness to identify and priorities potential industry growth clusters that can complement the industrial zones.

Strategy developer the Brunei Economic Development Board (BEDB) plans to use proven gas reserves to establish and nurture industries in Sungai Liang, with the support of a modern power plant and new export facilities.

About three billion US dollars is needed to develop the site.

For Pulau Muara Besar, the

BEDB has engaged global consultancy firm Halcor to explore the feasibility of building a 1.5 billion-dollar container handling port.

BEDB chief executive John Perry said the study has been completed and recommendations were expected shortly.

Brunei, will also explore the possibility of building other value-added services and potential industries to complement the port operation, including a free-trade zone.

To bolster the second prong of its strategy, the BEDB has engaged another global consultancy, the Monitor Group, to pinpoint potential economic growth areas which Brunei can develop to supplement the industrial zone and port hub.

The group's findings should focus business planning on the tourism, financial services, logistics and computer software sectors.