

## Adamjee EPZ eyes \$400m investment in 18 months

### Seventh EPZ starts journey today

**MD. HASAN** back from Adamjee EPZ, Narayanganj

Authorities expect \$400 million investment in Adamjee export processing zone in the next 18 months as the country's seventh EPZ starts its journey today.

"Some 50 industrial units will be established in the Adamjee EPZ in one and a half years and the country will earn around Tk 5.11 crore a year," Md Zakir Hossain, executive chairman of Bepza (Bangladesh Export Processing Zones Authority), told a press briefing on Adamjee EPZ premises in Narayanganj yesterday.

The Bepza executive chairman also said a total of 28 foreign and local investors have submitted proposals to establish units in the EPZ.

Prime Minister Khaleda Zia is expected to formally inaugurate the EPZ established in the site of closed

Adamjee Jute Mills, which was the largest jute mill in the world.

Products worth \$750 million will be exported from the EPZ a year when the development of the EPZ will be complete, hoped the executive chairman.

He said, "Out of 200 plots, we have already developed 103, measuring 2,000-square-metre each. 37 plots have already been handed over to four companies."

Four companies have already set up industrial units in the EPZ. Of them, British-Vergin Island and Hong Kong-based Kwun Tong Apparels Ltd and Canada-based Hy-Lan Sweater International Ltd invested \$38.85 million and \$1.28 million.

Saleha Wear Ltd, a local company, and DNV Clothing Ltd, a joint venture between Bangladesh, India and the UAE, will start productions soon.

Some 13,730 people will get jobs

initially in the four companies, Zakir said adding that one lakh Bangladeshis will get jobs in the EPZ after completion.

Earlier, on June 30, 2002, the government closed the Adamjee Jute Mills after it had incurred a loss of Tk 1,200 crore since its nationalisation in 1972. The jute mill had some 25,000 workers when the axe fell on it.

The government took the decision to hand over the total area and assets of the closed mill to Bepza for establishing an EPZ on December 1, 2004.

**FROM ADAMJEE JUTE MILLS TO ADAMJEE EPZ**

Sir Adamjee Dawood set up Adamjee Jute Mills on 295 acres of land on the bank of the Shitalakhka at Shiddhirganj in Narayanganj in 1950.

Adamjee Brothers contributed 50 percent of the share capital while the Pakistan Industrial

Development Corporation (PIDC) sanctioned the rest of the capital.

The PIDC arranged for import of machinery and equipment for the mill with government grants of foreign exchange and by June 1955, the mill was ready for commissioning and had 3000 looms and 31200 spindles.

After the independence, the jute mill was nationalised and handed over to Bangladesh Jute Mills Corporation (BJMC).

But, the mill started incurring loss every year due to labour unrest, mismanagement and administrative corruption.

The Cabinet Committee on Economic Affairs on December 18, 2004 approved the decision to establish a new EPZ on the closed Adamjee Jute Mills premises.



### CAG Bangladesh in INTOSAI capacity building committee

The Vienna-based International Organisation of Supreme Audit Institutions (INTOSAI) has included Asif Ali, comptroller and auditor general of Bangladesh, in the INTOSAI Capacity Building Committee engaged in implementing the INTOSAI Strategic Plan (2005-2010).

The committee will be working to prepare the modalities of enhancing the capacity of the 185 supreme audit institutions (Offices of the Auditor General) of the world, says a press release.

## Up domestic expertise for project execution

### ADB country director tells confce

**STAR BUSINESS REPORT**

Country Director of Asian Development Bank (ADB) Hua Du yesterday stressed the need for increasing role of domestic expertise in implementing development projects, saying foreign experts sometimes overlook specific needs and demands of a country.

"There is a need for building strong engineering capacity within the country. Our experience is that projects involving local engineering are the most successful ones than those entailing foreign experts," she said at an international conference.

The ADB prefers to see increased involvement of domestic consulting and engineering services in design, construction and supervision regarding project implementation, Hua Du said, speaking at the inaugural session of a two-day conference on 'The Role of Engineering in Poverty Reduction'.

Dr Jorge Diaz Padilla, president of International Federation of Consulting Engineers (FIDIC),

spoke as chief guest at the meeting in Dhaka.

Emphasising knowledge exchange among the developing countries, Hua Du said such nations can benefit enormously from partnership development and it would help them build capacity.

Partnership can be developed with the government agencies, universities and other educational institutions and non-government organisations, she mentioned.

Bangladesh Association of Consulting Engineers (BACE) organised the conference in cooperation with the TCDPAP, FIDIC and Asia Pacific Grouping of FIDIC Member Associations.

Mahbub Haque, president of Technical Consultancy Development Programme for Asia and the Pacific (TCDPAP), Raj Kumar, adviser to Department of Scientific & Industrial Research (DSIR) of India, Mujibur Rahman Khan, convener, and Salma A Shafi, member of the conference organising committee, also spoke at the

inaugural session.

Dr Jorge Diaz Padilla said around 13 to 14 million people are living in Dhaka but there are hundreds of villages that need electrification, roads and other infrastructure.

"We will be able to share many things that we are doing in fighting poverty. We have common set of agenda within the FIDIC with highly important issue like poverty," Padilla mentioned.

Mahbub Haque said there is a common perception that only the rich are benefited from engineering but it contributes significantly to poverty reduction.

Infrastructure development is a precondition for poverty alleviation, he said adding that roads, irrigation, sanitation, safe drinking water and construction -- all contribute to poverty reduction substantially.

## HSBC hopes 8.3pc profit rise in 2005

**AFP, Hong Kong**

Global banking giant HSBC Holdings is expected to deliver today an 8.3 percent profit increase in 2005, helped by continued strong growth in emerging markets, analysts said.

HSBC is expected to report pretax profit before goodwill of 20.5 billion US dollars for 2005 under international accounting standards, up from a restated 18.943 billion dollars a year earlier.

Individual forecasts range from 20 to 21.3 billion dollars.

"I expect a pretty good growth from HSBC," said Ben Kwong, head of research at KGI Asia.

The bank is expected to report rising revenues in emerging markets such as Argentina, Indonesia and the Middle East. It is also likely to point to a stronger performance in Hong Kong, its largest single market, helped by an upturn in consumer spending.

Investors will be looking for confirmation that a programme of heavy investment in HSBC's investment banking division is tapering off.

At its interim results in August, HSBC said that with the investment programme now largely complete, expenditure on the division would fall "significantly".

Some analysts believe the investment banking unit will deliver a strong rise in second-half profit, reversing a decline during the first six months of the year, thanks to a recent upturn in advisory work.

"Everybody expects HSBC to report growth in earnings, but whether it is a single or double-digit increase it is something that is keenly awaited," said Kitty Chan, director at Rexcapital Asset Management.

The market will also be focusing on bad debts at HSBC's British operation. The bank, one of the first to warn that more British consumers were having difficulty repaying their debts, said in a December trading statement that arrears levels were improving thanks to a tighter lending criteria.

## DOLLAR CRISIS

# FBCCI seeks govt intervention

**UNB, Dhaka**

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body of the country, has sought government's intervention in curbing the galloping price of US dollar against taka.

The government should release a certain portion of the foreign exchange reserve to cool the overheated dollar market, said FBCCI President Mir Nasir Hossain in an interview with the news agency yesterday.

International Monetary Fund (IMF) on Thursday, however, told government that the multilateral donor agency does not want any government intervention in curbing the price of US dollar against taka.

IMF's Asia and Pacific Department Advisor Thomas R

Rumbaugh in a meeting with Finance and Planning Minister M Saifur Rahman conveyed the reservation.

The FBCCI president pointed out that foreign exchange reserve for import payments of two months is enough in the present volatile market situation.

"Reserve of US\$ 3 billion is not necessary just now, curbing the dollar price is more important. The government should scale-down the reserve to US\$ 2 billion to tackle the situation," he said.

He said the FBCCI has conveyed its opinion to the finance and planning minister, but is yet to receive any feedback.

Describing the worst consequences of the abnormal price-hike of dollar, Mir Nasir Hossain said the export industry, except those enjoying back-to-back L/C facilities, has

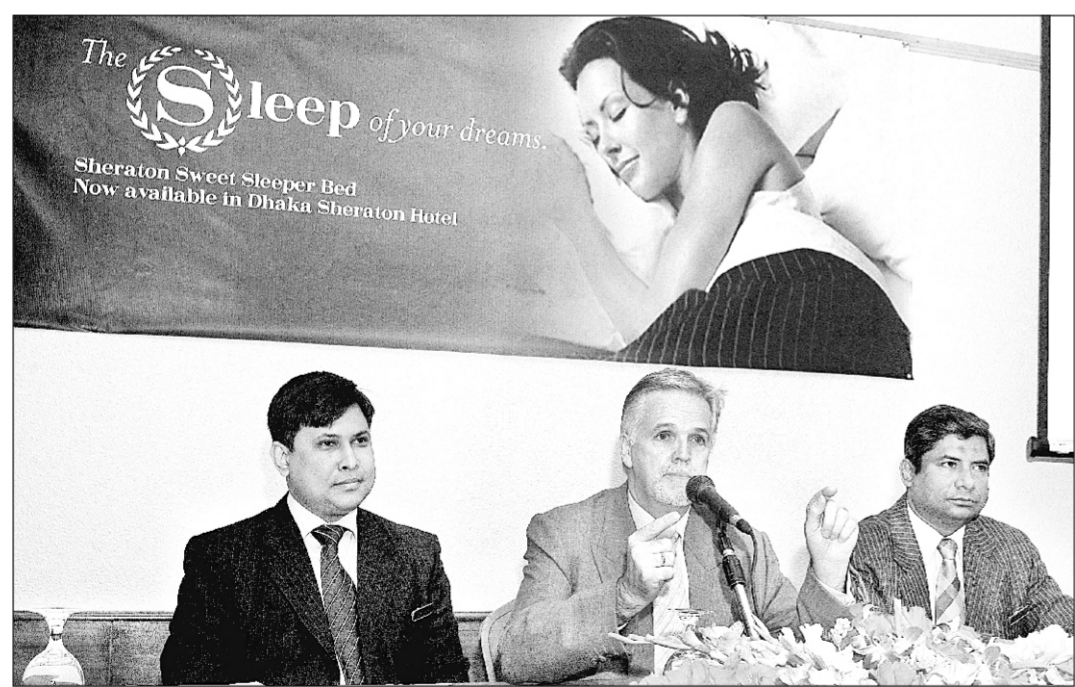
been suffering seriously due to the dollar price increase. "It is affecting cost of production."

In case of import L/Cs, dollar was being sold at around Tk 71.85 while its rate was around Tk 67.95 in inter-bank foreign exchange market.

Talking about the frequent power outage in the country, the ceramic sector industrialist said the industrial growth has been suffering due to the power crisis.

In this regard, he suggested bringing the surplus electricity of the captive power plants in different industrial units to the national grid to ease the crisis.

"But a policy should be constituted first," said the FBCCI president.



General Manager of Dhaka Sheraton Hotel Trevor MacDonald (C) speaks at a media conference in the capital yesterday to announce a new service of the hotel-- 'Sheraton Sweet Sleeper Bed'.

## Rejoinder

In a rejoinder to a news story headlined 'Writ petition for stay on TO licence vacated' published on this page March 2, Women Entrepreneurs Association of Bangladesh (WEAB) said the news item did not reflect the correct situation. The rejoinder said, "That the Appellate Division of the Supreme Court directed the petitioner i.e. president, Women Chamber of Commerce & Industry to move to the High Court Division regarding the interim order dated 26th Feb '06 passed in the Writ petition No. 1452 of 2006. The Appellate Division of the Supreme Court was pleased to stay operation of the interim order as passed by the High Court for 2 weeks and the stay order of the High Court was not vacated as mentioned in the news item."

Reply: The news item was based on a press release and a document sent by Bangladesh Women Chamber of Commerce and Industry.

## Sheraton offers 'Sweet Sleeper Bed'

In a bid to provide enhanced comfort for clients, Dhaka Sheraton Hotel, a concern of Starwood Hotels & Resorts Worldwide, Inc, has introduced 'Sheraton Sweet Sleeper Bed' at the hotel.

General Manager of Dhaka Sheraton Trevor MacDonald announced the new service at a media conference in the capital yesterday, says a press release.

MacDonald said, "Guests can now enjoy a great night's sleep with more than 4,000 new beds installed at Sheraton hotels and resorts located in key cities throughout Asia Pacific, including Dhaka, Bangkok, Beijing, Hong Kong, Saigon, Sydney, Taipei and Tokyo."

## India to sign MoU with China on agriculture

**ANN/ THE STATESMAN**

India will sign a memorandum of understanding (MoU) with China for cooperation in agriculture during the forthcoming visit of Chinese agriculture minister, Du Qinglin from March 26.

The MoU, cleared by the Cabinet, envisages promotion of cooperation in agricultural activities and also exchange of scientific delegations and experts between the two countries.

Information and Broadcasting Minister P.R. Dasmunsi said at a press briefing after the Cabinet meeting that the MoU would be valid for a period of five years from the date of signing and would be renewable for another five years.

The Cabinet also approved a proposal for bilateral investment promotion and protection agreement with Bosnia and Herzegovina aimed at increasing investment between the two countries.

# Enact chartered secretaries law

### Professionals urge govt

**STAR BUSINESS REPORT**

Members of the Institute of Chartered Secretaries and Managers of Bangladesh (ICSMB) yesterday called upon the government for immediate passage of the draft 'Bangladesh Chartered Secretaries Act'.

They made the appeal to the commerce minister saying if the bill is passed, it will help enhance the practices of corporate governance in Bangladesh.

The ICSMB members raised their demand at the inaugural session of a workshop on 'Corporate governance-Are we on the right

track? And Corporate Financial Reporting' held in Dhaka.

Speakers at the workshop also underscored the need for the best practices of corporate governance in corporate houses so as to protect interest of all stakeholders in a company.

They emphasised the importance of establishing a culture of holding annual general meeting and submitting half yearly audited accounts of companies regularly.

The ICSMB organised the workshop where Commerce Minister Altaf Hossain Choudhury and former chairman of the Securities and Exchange Commission (SEC)

Mirza Azizul Islam were present as chief guest and special guest.

Altaf said practices of corporate governance in Bangladesh are not satisfactory and the country is lagging behind its neighbours as most companies here are family-oriented and do not want to disclose information about their financial status.

He assured the ICSMB members of speedy passage of the bill.

President of the institute Mohammad Sanaullah and Session Chairman Muzaffar Ahmed also spoke.

# High value agro-products key to boosting export

### Seminar told

**STAR BUSINESS REPORT**

Speakers at a seminar yesterday stressed the need for producing high value added agro-based products to strengthen the country's export basket.

They also put emphasis on using state-of-the-art technology in agro-based industry to develop the sector.

They were addressing a seminar on 'WTO Agreement on Agriculture: Potential of Agro-processing Products of Bangladesh' organised by Dhaka Chamber of Commerce and Industry (DCCI) in cooperation with the Centre for International Private Enterprise in the capital.

Amjad Khan Chowdhury, chief executive of Pran Group, said

Bangladesh can develop its agro-based industry focusing more on some agro-processing areas such as horticulture, fruits and vegetables where a tremendous opportunity of value addition lies.

Echoing him, Fakhru Islam Munshi, chairman of AP, said without adopting modern technology it will not be possible to diversify the agro-based products as well as the export basket.

Referring to India, he suggested setting up a separate ministry for agro-processing or a separate division for agro-processing in the agriculture ministry.

He also urged the government to offer sufficient air cargo facilities to exporters for smooth transportation of exportable agricultural products.

Addressing the function, Agriculture Minister MK Anwar said the government gave around Tk 1,315 crore subsidies to the agriculture sector last year.

DCCI President MA Momen identified shortage of multi-chamber cold storage facilities, refrigerated shipping space, air cargo facilities, and warehouse facilities as the main hurdles to agro-based industry.

Former commerce secretary Suhel Ahmed Chowdhury and Senior Assistant Secretary of Commerce Ministry Sharifa Khan jointly presented a keynote paper at the seminar.

# Australia may overtake South Africa as top gold producer

**AFP, Sydney**

Australia could overtake South Africa as the world's biggest gold producer within a few years, a mining consultancy group has predicted.

Australian gold production in 2005 rose slightly to 263 tonnes, up three tonnes on 2004, according to the latest issue of the Australian Gold Quarterly Review compiled by Melbourne-based mining consultants Surbiton Associates.

South Africa last year produced 296 tonnes, a 13 percent drop on the previous year and the lowest output in more than 80 years.

Reasons for the dramatic decline included higher production costs and the weak local currency in late

2004 and early 2005, which resulted in the closure of two mines and a number of shafts, the Chamber of Mines of South Africa said in a statement last week.

"Nevertheless, the large decline in production in 2005 is expected to be a once-off aberration when compared to the average five percent rate of decline per year over the prior decade," the chamber said.

"It is likely that the rate of decline in gold production will slow to a more moderate pace over the next year."

Surbiton managing director Sandra Close said that in Australia gold output was beginning to rise thanks to better performances at some mines and an increasing number of new projects.