

## ADB for raising power tariff

### Make power sector commercially viable: Country director

#### STAR BUSINESS REPORT

ADB Country Director in Bangladesh Hua Du has stressed the need for raising power tariff, saying present rate is the lowest not only in South Asia but also in the Asia Pacific.

"It [power generation, transmission and distribution] is a business. So, if you incur loss, who is going to give you the money?" she said speaking at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (FICCI) at Dhaka Sheraton Hotel yesterday.

Hua Du said it is very important to make power sector commercially viable and profitable, noting that substantial progress has to be made in the power sector to run things efficiently and it is always good to keep the government out of business activities.

The whole sector should be unbundled to make different companies efficient, the ADB country chief said praising the performance of the Power Grid Company of Bangladesh (PGCB) and Dhaka Electric Supply Company Limited (Desco).

Performances of these two companies have improved tremendously in the last four years, she said adding they are now making profits.

One of the priority areas of ADB in Bangladesh is to support the infrastructure projects, she said. "We do it for the private sector so that they can grow and

create jobs."

Constructing four-lane Dhaka-Chittagong highway, computerisation of Chittagong port to make it more efficient are some of the priority areas where the ADB is going to extend its support in the coming days, she mentioned.

On the other hand, ADB is also extending support to improve the railway

network and there are some proposals the government is going to undertake with the financial support of the bank, she mentioned.

Some of the big foreign groups like Tata, Abu Dhabi and Asian Energy are already working to invest here and that is why the ADB is planning to increase its involvement in the infrastructure in Bangladesh, the country director added.

Lauding Bangladesh's efforts in education, healthcare and other social sectors, she said Bangladesh is the only country in South Asia excepting Sri Lanka that is going to achieve major millennium development goals.

Masih Ul Karim, president of FICCI, also spoke at the meeting while Peter May, vice-president of the chamber, was also present.



PHOTO: FICCI

Hua Du (2-L), country director of Asian Development Bank, speaks at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce & Industry (Ficci) yesterday in Dhaka. Masih Ul Karim (2-R), Ficci president, MA Matin (R), Ficci secretary, and Peter A May, Ficci vice president, are also seen.

## Cyber fair ends on a high

#### STAR BUSINESS REPORT

The first-ever cyber fair at Bhasani Novo Theatre in Dhaka ended yesterday amid huge response from visitors.

Visitors especially young people showed great interest in various ICT products during the five-day fair, organisers and participants said.

"We were happy to see visitors' enthusiasm about ICT products and services," said Shahriar Khan, an executive of Akij Online Ltd.

In collaboration with the Ministry of Science and Information and Communication Technology, Cyber Café Owners' Association of Bangladesh (CCOAB) organised the fair.

The fair gave visitors a chance to see the latest products, said Mazur Hossain Rana, a student of a private university.

However, the free gaming and browsing zones attracted the visitors most, he added.

Rajiv Hasan, an official of Vocallog Bangladesh, a networking solution company, said, "We have handled a huge number of visitors in the five days. The visitors inquired about our latest technology of internet services." Salma Mannan, a housewife from Magbazar area, said she visited the fair to buy a computer to have internet facility. Salma said she needs internet to make fast communications with relatives abroad.

Ashfaquddin Mamun, general secretary of CCOAB and chief coordinator of the fair organising committee, said they achieved success as some 40,000 people visited the fair.

A total of 58 local organisations comprising web developers, job portals, BPO companies, mobile content developers, mobile operators, ICT education institutions, application developers, internet service providers, ICT consultants, software and hardware companies showcased their products at 50 stalls and at 10 pavilions in the fair.

Bangladesh Computer Samity, Bangladesh Association of Software and Information Services (Basis), Internet Service Providers Association of Bangladesh and Bangladesh Computer Society were the co-organisers of the fair.

Eastern Bank Ltd was the co-sponsor of the fair while Skybd, an internet service provider, was the official ISP.

The Daily Star, the Jugantor and Channel-i were the media partners while Pepsi was the official drink of the fair.

## ICB to issue

### Tk 120cr

## Acropetal Textiles debentures

Investment Corporation of Bangladesh (ICB) will issue debentures worth Tk 120 crore in favour of Acropetal Textiles Ltd (ATL).

An agreement to this effect was signed recently in Dhaka between the ICB and ATL, says a press release.

Md Ziaul Huq Khondker, ICB managing director, and Mohammed Obaidul Karim, ATL chairman, signed the deal on behalf of their organisations while other senior officials from both the sides were also present.

Credit Rating Agency of Bangladesh (CRAB) has awarded A-3 rating to the ATL, which will implement its project at a cost of Tk 225.39 crore.

## India's Jet

## Airways yearly profit up 15pc

AFP, Mumbai

Jet Airways, India's largest private airline, said Saturday full-year net earnings rose 15 percent on air-traffic growth and profit from the sale and leaseback of planes.

For the year ended March 31, the airline reported net profit of 4.5 billion rupees (101 million dollars). Full-year revenues rose 39 percent to 61.4 billion rupees.

Fourth-quarter net profit soared 71 percent to 2.2 billion rupees (51 million dollars). Revenues during the three months ended March 31 climbed 61 percent to 19.7 billion rupees.

Jet Airways chairman Naresh Goyal said in a statement said the results were strong but cautioned that high oil prices and other operational costs could affect future performance.

## Forge partnership to serve world market

## British envoy urges Bangladesh-UK businesses

#### UNB, Dhaka

British High Commissioner to Bangladesh Anwar Choudhury yesterday urged the Bangladeshi and British companies to forge partnership not merely for the markets in the two countries, but also to serve the world market.

"We've advantages... We have a wonderful foundation on which we can build," he told a meeting with leading businessmen in the country at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

"Together, a golden partnership is waiting to serve the world market," the British envoy said, calling upon the businessmen to think big and see the next segment of business after selling products only to the markets of the UK or Bangladesh.

He stressed the need for building the partnership considering the consequences after 2008 when the "embargo" on China will be completely lifted. "Next three years are crucial."

On the advantages, he mentioned the changes in the UK's international trade profile with the British companies increasingly becoming successful overseas in the fields of services sectors and on the knowledge-based economy.

At the same time, Anwar Choudhury put emphasis on an enabling commercial environment in Bangladesh.

"No single country has a monopoly on the best technologies and process, but between Bangladesh and the UK we do seem to have a knack of creating commercial success," said the British envoy.

FBCCI directors, former FBCCI and DCCI presidents, other trade body leaders and British High Commission officials were present at the meeting, chaired by FBCCI President Mir Nasir Hossain.

Anwar Choudhury said the UK investors were increasingly showing investment interest in Bangladesh more than the power and coal projects to double (US\$ 8 billion) the UK investment in Bangladesh.

"There's of course no better trade enabling capacity than infrastructure," he said. "I'll continue to lobby for new British investments in key infrastructure in Bangladesh, particularly in energy and power," he assured.

The British high commissioner said the major thrust of UK business plan in Bangladesh for 2006-07 would be the country's key exporting sectors - not just in garments, but in software development, pharmaceuticals, seafood, leather and ceramics.

"In software development and ceramics, we have already made a lot of progress."

Speaking on the commercial environment, he said Bangladesh must attract FDI to accelerate its economic growth, and it's the responsibility of the government to create a truly enabling environment for greater business and investment.

"Will the day actually come when British and other foreign investors are attracted to Bangladesh in the same way as they are now by China and India?"

Anwar Choudhury added as the costs in those rapidly developing countries continue to rise, countries like Bangladesh have a golden

opportunity to grab an increased share of the FDI cake.

He also stressed the need for eliminating corruption to create the enabling environment and reiterated that Bangladesh needs to do something about corruption. "You need to move out of corruption as you did on terrorism," he said.

The local business community also sought cooperation from the UK in relaxing UK's sanitary and phytosanitary measures, relaxing visa procedure, removing supply-side constraints, relocation of call centres from UK to Bangladesh and arranging match-making events between the business communities of the two countries. Anwar Choudhury assured the local businesses of cooperation.

**Next polls crucial for business environment**  
The next general election will also be crucial for business environment, investment and development of the country, the British envoy said.

Replying to a question, he said their vision in Bangladesh is a stable democracy, stability and prosperity. "You cannot achieve these without free and fair election. That's why election is crucial to us."

The envoy emphasised stopping exchange of letters on the electoral reforms and suggested the major political parties to sit together and discuss the issue honestly.

He expected that there would be some decisions in this regard as there is still many months to go before the next election.

Replying to another question on port, he said Bangladesh needs to introduce another port no matter who is going to operate it.

## Dutch-Bangla Bank okays 25pc cash dividend

Dutch-Bangla Bank Ltd has declared a 25 per cent cash dividend for its shareholders for the year 2005.

The dividend was announced at the 10th annual general meeting (AGM) of the bank held yesterday in Dhaka, says a press release.

Chairman of the bank Zaheed Hossain Khan presided over the AGM, which was attended, among others, by directors Bernhard Frey, Abul Hasnat, Md Rashidul Islam, Shahabuddin Ahmed and Momtaj Islam, and Managing Director Md Yeasin Ali.

## RUN-UP TO BUDGET FY 07

# ICC-B seeks pragmatic, not populist budget

#### STAR BUSINESS REPORT

The International Chamber of Commerce-Bangladesh (ICC-B) has said the government should go for more pragmatic approach in its budgetary measures instead of presenting a populist budget to rejuvenate the economy.

In its quarterly news bulletin released yesterday, the ICC-B said the incumbent government will be presenting the last budget of its five-year tenure keeping in mind the next general elections.

"Naturally, the ruling coalition would not like to include anything that could make people unhappy. Rather, it might

try to keep the people in general and various interest groups in good humour by offering some fiscal and other concessions."

The preparation of the budget will not be an easy task this time because of some adverse external and domestic factors, according to the ICC-B.

On the external front, one particular problem -- the higher prices of petroleum and some other commodities in the international market -- will continue to be a sore point in the next fiscal, the bulletin says.

The mismatch between the cost of procurement of petroleum and the prices at the retail level has been causing substantial drain on the public exchequer, it said. The report also added the multilateral donors have been pressing the government hard to make another upward adjustment in fuel prices as well as power tariff.

"But considering the effect of another hike in fuel prices on the already soaring prices of essentials and costs of transportation, the government did not give in to the donors' pressure."

The news bulletin also said some businesspeople during their pre-budget interactions with the officials of the National Board of Revenue (NBR) have advised to impose a flat rate of duty on imported essentials. Some other business circles have sought the facility to import duty-free raw materials and capital machineries for the industrial undertakings to help them become competitive in the global market.

"They have also proposed that the government, which has been compelled to go for large-scale bank and non-banking borrowings due to shortfall in tax revenue earnings and higher cost of oil, should consider adopting a more modern taxation and revenue collection system."

The ICC-B predicted that the government is unlikely to go for a major policy change/reform in the upcoming budget.

"But, certainly, some pledges relating to privatisation, adequate power generation, infrastructure development, eradication of corruption and improvement in law and order situation, that the incumbent government made before coming to power, would come under intensive review by its political rivals."

In some areas the government has done well and in some others its performance is not up to the target, the news bulletin added.