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Govt mulls new law against hoarding of essentials

BDNEWS, Dhaka

Commerce Minister Hafiz Uddin Ahmed yesterday said the government is considering enacting a new law against hoarding of essential items.

"If necessary the government will use the Special Powers Act to control prices of essentials," the minister said while visiting Rahmatganj and Moulvibazar wholesale markets and Mohammadpur Krishi market.

While visiting the wholesale market of pulses at Rahmatganj, a group of people demonstrated in front of the minister protesting the price hike.

"We are suffering from the unbridled price hike. We can't increase our income, but the government is indifferent to the public sufferings," a protestor said.

The wholesalers at Rahmatganj and Moulvibazar told the minister that the price of lentil was Tk 55-62 while sugar Tk 42.93-Tk 43.20 a kg.

But the retailers at Mohammadpur Krishi market were found selling the lentil and sugar at Tk 10 higher than the wholesale rate for each kilogram.

After visiting the retail market, the minister commented that the retailers were making a huge amount of profit, creating an unstable situation in the market.

Oil prices higher in Asian trade

AFP, Singapore

Oil prices rose in Asian trade Tuesday as the market revisited a series of longstanding concerns, ranging from Iran's nuclear program to the prospect of bad weather for the US Gulf coast region, dealers said.

At 11:39 am, (0339 GMT), New York's main contract, light sweet crude for delivery in August, was up 24 cents at 72.04 dollars per barrel from 71.80 dollars in late US trade.

Brent North Sea crude for August delivery climbed 20 cents to 70.93 dollars.

There are "concerns about the Iran situation, gasoline (petrol) supply that is actually a lot worse (than expected) and a big storm season in the Northern hemisphere. The market is a bit edgy and that pushed up prices," said Tobin Gorey, a commodity strategist with the Commonwealth Bank of Australia.

Summit Power okays 10pc cash, 10pc stock dividends

Summit Power Ltd has approved a 10 percent cash and a 10 percent stock dividends for the shareholders for the fiscal year ending on December 31, 2005.

The dividend was announced at the 9th annual general meeting (AGM) of the company held in Dhaka on Sunday, says a press release.

This is the first AGM since the company went public. The chairman of the company Muhammad Aziz Khan presided over the meeting.

The meeting also approved the financial statement for the year 2005, which showed a net profit of Tk 17.42 crore and earnings per share of Tk 37.33.

Summit Power Limited is the first Bangladeshi power generation company presently operating three 11 MW power plants at Savar, Comilla and Narsingdi.

It has signed agreements with Rural Electrification Board (REB) and the government to generate another 24.30 MW in Narsingdi, 13.50 MW in Comilla and 25 (+/-10%) MW in Savar.

While the Savar project has a possibility of having a capacity of 33.75 MW, the total capacity of the company will be approximately 103 MW of electricity by 2007.

The expanded Narsingdi and Comilla power plants will come into generation by September 2006 while the one in Savar by September 2007.

Among others, directors of the company Anjuman Aziz Khan, Md Farid Khan, Md Latif Khan, Advocate Salahuddin Ahmed, Helal Uddin Ahmed, Toppan Krishna Podder, Syed Fazlul Haque and Mamunur Rashid, company secretary, were present at the AGM.

NBR to launch drive to identify black money from July 1

STAR BUSINESS REPORT

The National Board of Revenue (NBR) will launch a vigorous drive to identify black money after the expiry of money whitening provision from July 1, 2006, NBR Chairman Khairuzzaman Chowdhury said yesterday.

He also said around Tk 2,500 crore black money was whitened until last week and the amount will surpass Tk 3,000 crore by June 30, the last date of money whitening by paying only 7.5 per cent tax.

He was speaking at a workshop titled "Customs, VAT and Income Tax Related Rules" in Dhaka. Economic

Reporters Forum (ERF) and NBR jointly organised the workshop where revenue board members Zahir Mohammad, ATM Sarwar and Mohammad Alam and ERF President Zakaria Kazol and General Secretary Nazmul Ahsan also spoke.

Khairuzzaman also told the workshop the NBR may request the government to set up a special tribunal for speedy disposal of the tax-related cases as around 1,100 VAT-related cases involving Tk 800 crore remain pending.

A separate High Court bench has already been introduced to expedite tax-related cases, which the NBR considers inadequate.

Besides, the revenue board has appointed two consultants to upgrade and modernise the existing VAT collection system.

The NBR is also working to enhance co-ordination among the three tax departments Income Tax, Customs Duty and VAT to boost revenue from internal sources.

First Secretary (customs) Golam Kibria, First Secretary (Income Tax) Apurba Kanti Das and First Secretary (VAT) Pijush Kanti presented key note papers in the daylong workshop.

Around 30 reporters from electronic and print media participated in the workshop.



A visitor enquires about products and services at a stall in the Quality Fair 2006 at Bangladesh-China Friendship Conference Centre in Dhaka yesterday. The 3-day fair ends today.

QUALITY FAIR 2006

More businesses keen to achieve ISO certifications

STAR BUSINESS REPORT

As the export market of the country is expanding day-by-day, more business and export-oriented organisations are showing interest in achieving international management standards certification mainly to comply with the demands of buyers in the US and EU.

Participants in the Quality Fair 2006 at Bangladesh-China Friendship Conference Centre in Dhaka made this observation yesterday, the second day of the 3-day fair that began Monday.

They said the companies who have certification are now one step ahead in the competitive world market.

Elaborating the activities of certification bodies, they said it is not possible for overseas importers to come to the country to get a first hand experience and ensure quality of import goods, the quality management bodies have emerged in the world market.

"When a certain product such as frozen food is certified by us we remain responsible for the quality of the product and provide our certification only after being con-

firmed that international standard has been maintained," Iftekhar Mahmud, country representative of Australia based SAI Global, said.

There are many certifications worldwide but ISO 9000 is the most popular certification in Bangladesh, Main Uddin Ahmed, an official of German based Germanischer Lloyd, which is a certification and ship survey organisation, said.

So far 700 businesses from across the country have already achieved ISO 9000 that certifies management system of a company, he added.

ISO (International Organisation for Standardisation) is a network of the national standards institutes of 156 member-countries with a Central Secretariat in Geneva, Switzerland, that coordinates the system, ISO website read.

Some other popular certifications in the country include ISO 14000 for environmental management and HACCP (Hazard Analysis of Critical Control Points) for standardisation of food products.

The certifications-- SA 8000 and WRAP (Worldwide Responsible Apparel Production), that are provided for social compliance and

accountability in garments industry, are becoming popular also in the apparel sector.

"We launched WRAP in Bangladesh last year and we have provided this certification to some 30 apparel units and more companies are showing interest about it as quality became the key factor in the apparel sector following the phase-out of MFA era, an official of Rader Bangladesh (Pvt) Ltd, said.

On people's response to the fair, Sayed, an official of Bureau Veritas, a certification organisation, said, "We participated here to make people aware about the importance of ensuring quality and management as business people here still have a little knowledge about it."

He also expressed the hope that certification will gain momentum in various sectors of the country as quality is an important factor in the world market.

A total of 25 companies are showcasing their products at 25 stalls at the fair. The Daily Star, Channel i and Wega Zone are the media partners of the fair. The fair remains open from 11am to 8pm everyday.

Billions of dollars in remittances bypass Asian banks

AFP, Manila

Billions of dollars of remittances by maids and other migrant workers in Asia's wealthier economies bypass the region's banking systems, according to an Asian Development Bank study released Tuesday.

The Philippines-based ADB said remittances averaging 100-500 dollars a month per guest worker could be leveraged as a financial tool to develop the labor exporting countries if the funds were channeled through the formal banking system.

"The opportunities offered by banking, in the form of credits, long-term savings and insurance among other products and services, are missed by most financial institutions in both the sending and receiving areas," it said.

High transaction costs of between four and nine percent of the amount sent, poor education, as well as regulatory factors are to blame, it added.

"The stricter the rules (on remittances) ... the more informality exists in the marketplace."

It said much of the remittance money flowing between Singapore and Malaysia, which the ADB estimated at 1.1 billion US dollars per year, "is transferred through physical means."

It said more than a third of Indonesian maids in Singapore "do not have bank accounts in their home country ... (while) half of Filipino workers in Hong Kong do not."

If the workers use the banking system, "the portion of remitted money that remains in recipients' bank accounts could potentially be mobilized through short-term placement of savings in a money market, or investments in securities including government bonds" or through lending to recipients of remittances.

India's Reliance announces \$6b retail investment

AFP, New Delhi

India's biggest private company Reliance Industries said Tuesday it would invest nearly six billion dollars in the fast-growing retail sector and hire thousands of new employees.

Calling retailing "the next big idea" in the company's plans, Reliance chairman Mukesh Ambani said the petrochemicals giant would set up a 100-percent-owned subsidiary, Reliance Retail, to "spearhead this revolution."

"Reliance Retail will have a pan-India footprint covering 1,500 cities and towns," Ambani told shareholders at the company's first annual meeting since its demerger in February following a bitter family feud.

The long-awaited announcement comes as India's traditional markets and convenience "mom and pop" stores make way for Western-style department stores, hypermarkets and malls.

Ambani did not say how many retail outlets would be set up but analysts say Reliance could emerge as the biggest single player in India's burgeoning retail market.

The spending power of its estimated 300-million-strong middle class has been on the rise, making the sector increasingly attractive to domestic and foreign investors.

HSBC opens new branch at Uttara

Hong Kong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh opened a new branch at Uttara in Dhaka yesterday, says a press release.

The bank's Chief Executive Officer for Asia-Pacific region, Michael Smith, officially opened the new branch, the 5th in the capital and 6th in the country, at a ceremony.

Smith said his bank is making appropriate investments for the future by building its presence in countries that show significant potential.

As Bangladesh has been witnessing strong economic growth in recent years and the country looks set to continue on its positive path, HSBC is committed to investing here.

HSBC Bangladesh CEO Steve Banner also spoke on the occasion.

Stakeholders allege abuse of Money Laundering Act

UNB, Dhaka

Bankers and businessmen yesterday alleged massive abuse of the Money Laundering Act and said it could adversely affect the country's economy.

"The Act empowered the NBR officials to unnecessarily poke their noses into the business activities," FBCCI President Mir Nasir Hossain told a discussion on the impact of the law at the FBCCI conference room.

The president of the apex trade body -- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) -- made the remark on complaints from his business colleagues across the country immediately after the new national budget was declared.

Leaders from the FBCCI, Bangladesh Association of Banks (BAB) and Association of Bankers Bangladesh (ABB) took part in the discussion.

Nasir said the banking sector was facing difficulties in some areas relating to application of money laundering law, corporate income tax and income tax benefit against loans and advances.

He said that as a money laun-

dering prevention measure the commercial banks must report to Bangladesh Bank every transaction in cash amounting to Tk 500,000 or more from March 2006.

He pointed out that the purpose was to safeguard the banking channels from illicit transaction and currency smuggling.

"Although the commercial banks appreciated the Act, it has created some problems for them."

On corporate tax, the FBCCI chief said the listed and non-listed banking companies are to pay corporate tax of 45 percent as compared to 35 percent being paid by other non-banking companies. "This reduced rate should be applicable for the banking companies too."

He further pointed out that the income tax benefit against classified loans and advances in the form of allowable deductions change year to year, making it difficult for a bank to calculate the income and to budget the amount of loans and advances.

The devaluation of taka against dollar, liquidity crisis and some policies as imposed by the central bank have created instability in the banking sector, he observed.

A B B C h a i r m a n M Aminuzzaman said the Money

Laundering Act was totally different than that in the other countries and termed it as the violation of three laws. He criticised that the Act would rather encourage smuggling and support the black money.

BAB chairman and former advisor of the caretaker government Syed Manjur Elahi blasted the Money Laundering Act as it forced banks to inform the central bank about the transactions that cross Tk 500,000 limit in an account.

Officials from the National Board of Revenue (NBR) often visit banks and ask the bankers to give them data of a particular bank account, which is totally against the law, he said, adding that the particular data should be given on the court's order.

Islamic Bank Chairman Kazi Harunur Rashid termed transgression of Tk 500,000 was very insignificant for a businessman and due to this provision many potential bank account holders have already closed their accounts fearing harassment under the Money Laundering Act.

FBCCI Director MA Rof Chowdhury termed the Tk 500,000 provision as a hassle for the businessmen.



Syed Farhad Ahmed (2-R), president of France-Bangladesh Chamber of Commerce and Industry (CCIFB), speaks at a presentation on a French exhibition titled 'Fatex 2006', an international trade show for global sourcing, at French Embassy in Dhaka yesterday. Sandrine Dervin, marketing and sales manager of Fatex, Elisabeth Yearbury, commercial and administrative attaché of the Embassy of France in Dhaka, CCIFB Vice-president Alamgir MZ Rahman and Director Rifat Rashid are also seen.

Local businesses urged to take part in Fatex trade fair in Paris

STAR BUSINESS REPORT

Organisers of an international trade show for global sourcing and France-Bangladesh chamber have urged Bangladeshi industry people to take part in the exhibition, saying the participation in a bigger way will help the locals earn huge attention from the world's apparel buyers.

The call came at a presentation on the French exhibition organised at French Embassy in Dhaka by the France-Bangladesh Chamber of Commerce and Industry (CCIFB) yesterday.

The exhibition, Fatex 2006, is scheduled to be held from November 7 to 9 at Nord Villepinte in Paris.

Bangladesh first took part in the Fatex trade fair in November last year and drew a significant attention of the world's leading apparel buyers, CCIFB President Syed Farhad Ahmed told the presentation.

"Although the Fatex is not a well-known fair, it can be an effective show for Bangladeshi manufacturers as the people who through such a show are involved in fashion sourcing trade," observed Ahmed.

The main objective of the presentation is to make the Fatex show familiar to the local apparel manufacturers.

The exhibition is of an international nature which is meant for the industrial manufacturers of clothing and home textiles and the only interface in Europe between those who create and distribute fashion and those who manufacture the articles, said Sandrine Dervin, marketing and sales manager of Fatex.

"It is an ideal venue for all players in the fields of manufacturing, technology and services," she added.

Dervin hoped that the exhibition would create an avenue for the participants to showcase their products and know-how and get some orders establishing a new

and reliable partnership with the EU companies.

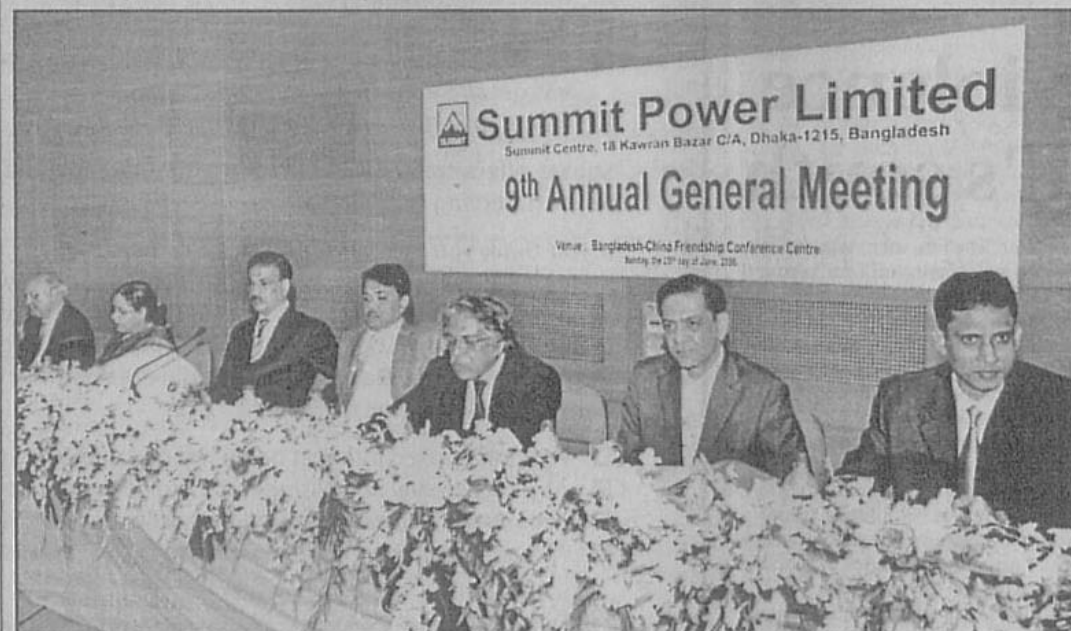
In the last year's Fatex trade show, a total of 353 companies from 34 countries, including Bangladesh, showcased their products and services.

A total of nine local companies, especially clothing and textile industries, participated in the exhibition where around 7,000 professional individuals, including 72 per cent decision-makers, visited.

"We are expecting 38 countries' participation with a five to ten per cent growth in the number of visitors this year," Dervin said.

Speaking at the function, Elisabeth Yearbury, commercial and administrative attaché of the Embassy of France in Dhaka, said participation in the exhibition will help Bangladesh enhance its image abroad.

Among others, CCIFB Vice-president Alamgir MZ Rahman and Director Rifat Rashid spoke at the function.



Muhammad Aziz Khan, chairman of Summit Power Ltd, speaks at the 9th annual general meeting of the company held in Dhaka on Sunday. Directors and shareholders were present among others at the meeting.



Michael Smith (4-L), president and chief executive officer (CEO) of HSBC Asia Pacific, opens the 6th branch of HSBC Bangladesh at Uttara in Dhaka yesterday. Steve Banner (2-R), CEO of HSBC Bangladesh, Mamoon M Shah (2-L), head of Personal Financial Services, and other senior officials are seen.