

INFRASTRUCTURE DEVELOPMENT

Local entrepreneurs to get WB soft loans

REJAUL KARIM BYRON

Local entrepreneurs will be provided with soft loans from the \$50 million (around Tk 350 crore) World Bank fund for development of eight types of infrastructure development, including power sector.

The officials of Bangladesh Bank (BB) and World Bank yesterday discussed about fixing of the loan's interest rate in a meeting with representatives of different banks and financial institutions.

The central bank proposed that a number of selective banks will take the loans from the BB paying 0.5 per cent interest, a rate more than the average interest rate of the last three months' treasury bill from the day of releasing the loan.

"After taking the loan from the central bank, the commercial banks will disburse those for a period of three to 10 years to their clients," a BB official said, adding, "the commercial banks will fix the interest rate for the clients upon discussion."

But, the commercial banks officials at the meeting proposed that instead of average treasury bill rate they take the loan from the central bank at an interest rate based on the fluctuating treasury bill interest rate in the market.

The BB will decide on the interest rate as well as a complete guideline for using the fund on the

basis of the feedback of today's meeting, a source said.

In June, the World Bank agreed to provide \$ 50 million for development of infrastructure of eight sectors including power, industrial waste management, ports, highways, bridges and industrial parks. However, the central bank will give priority in disbursing the loans for development of power sector due to the prevailing severe crisis.

Of the fund, \$ 1.5 million will be spent for meeting consultancy and other expenses to disburse it.

The BB will operate the loans through some selective banks and financial institutions for reaching them out to the entrepreneurs.

It primarily selected 10 commercial banks having low default loans and skilled management.

These commercial banks will get the highest 80 per cent of the loans from the central bank and the rest 20 per cent will be provided from the banks' own resources.

The BB officials gave an outline of how such loans can be used. According to a source in the central bank, any entrepreneur is entitled to get the highest 70 per cent loan of his total investment.

The intending entrepreneur should submit a letter of intent and a no objection certificate from the environment ministry to the banks concerned and eventually it will be forwarded to the central bank for its nod.

Released after a process of scrutiny by a BB consultant, the proposal will then be sent to the World Bank for final approval.

Thai petroleum firm keen to invest in Bangladesh

UNB, Dhaka

A Thai state-owned petroleum company has offered to invest in Bangladesh's potential offshore and deep-sea gas blocks, in a quick move on a previous proposal.

A visiting delegation of Thailand's PTT Exploration and Production Company Limited (PTTEP) expressed willingness during a meeting with Energy Ministry Advisor Mahmudur Rahman at his secretariat office yesterday.

PTTEP Board Director Tongehat Hongladaromp led the 9-member team. They also held a separate meeting with top officials of the state-owned Petrobangla the same day.

Meeting sources said the PTTEP officials told the energy advisor that the Thai company wants to submit unsolicited offer to explore oil and gas in Bangladesh's offshore and deep-sea territory.

The Thai company's offer came at a time when the energy ministry is taking preparation to invite international bidding for hydrocarbon exploration in the Bay blocks.

GSP facilities unutilised on strict rules of origin

JASIM UDDIN KHAN

Bangladesh could not utilise more than one-thirds of the GSP facilities in clothing sector last year due mainly to strict rules of origin criteria and incompetence in high value garments.

According to a recent data compiled by the European Union, the country exported apparels worth Euro 3.657 billion in 2005 to different European countries under the Generalised System of Preference (GSP) facilities.

The data also said that the country was able to utilise 64.5 per cent of the GSP facilities in apparel segments.

European countries provide duty and quota free entry of all products except arms from all least developed countries (LDCs) and some developing nations with rules of origin criteria.

The knitwear sector utilised 85.30 per cent GSP facilities and non-knit products 27.50 per cent worth Euro 2.191 billion and Euro

1.334 billion respectively during the same period.

The data show the goods made of other textile articles were exported to the EU states worth Euro 131 million, which utilised 95.20 per cent of the GSP facilities for the category.

Readymade garment makers said Bangladesh lacks necessary backward linkage in producing high value garments, which hinders utilisation of European GSP facilities.

"It needs to import all the yarn, fabric and other accessories from abroad for manufacturing synthetic based garments which causes barrier in export to European countries under GSP category," Abdus Siam Murshed, a leading exporter said.

He attributed such unutilisation to the garments makers' unwillingness for agreeing to the European proposal on Saarc Cumulation.

The exporters suggested that the government should take some initiative to woo local and foreign

investors to investment more in the backward linkage of high value garments.

A high official of the Board of Investment (BoI) said that the task to provide additional incentive and extra facility to the textile investors other than existing one appears to be really tough for the government.

He expressed high hopes for private sector investment, provided the entrepreneurs think their investments profitable.

Meanwhile, the Bangladesh embassy in Belgium recently apprised the commerce ministry of the GSP situation in the EU and suggested immediate initiatives to exploit all the facilities, said official sources.

The embassy, however, sought guidelines from the ministry to enhance Bangladesh export performance in Europe in future.

Nokia launches new phones with Bangla text, voice features

Nokia, a world leader in mobile communications, has reinforced its strategy of bringing the benefits of mobility to consumers in Bangladesh with the introduction of comprehensive Bangla language support for its latest range of affordable 'Made by Nokia' mobile phones, says a press release.

Other than Bangla text, Nokia 6070, Nokia 6060, Nokia 2610, Nokia 2310, Nokia 1600, Nokia 1112, Nokia 1110i and Nokia 1110 sets also feature Bangla talking alarm, Bangla speaking clock, Bangla iconic interface, Bangla keypad and Bangla games.

To announce the Bangla support and its commitment to creating products that Bangladeshis find easy to use, Nokia released its range of products with an advertising campaign featuring local scenes that depict how "some things only make sense in Bangla".

"Keeping in line with our core philosophy of connecting people, the phones allow consumers to communicate with family and friends easily in their own language. The devices provide more than SMS capability in Bangla. This is very exciting for Bangladeshis," said Prem Chand, general manager, Customer and Market Operations, Emerging Asia, Nokia Asia Pacific.

GP centre opens in Rajshahi

STAFF CORRESPONDENT, Rajshahi

GrameenPhone Ltd (GP), the country's leading cellphone operator, on Tuesday set up a service centre at Dainik Barta Complex, Alupatti intersection in Rajshahi to offer one stop services to customers.

Ingvald Kyche, director (sales and distribution), and Imon Kallayan Dutta, Rajshahi regional sales manager of the company, attended the function.

GP officials said customers will get sales and service from the centre, the 14th in the country. Popular mobile phone sets of different brands and SIM cards of the GP will be available at the centre.



Abdullah Bin Shaheen, acting area manager of Emirates Bangladesh, gives away Dhaka-Dubai-Dhaka air tickets to the best chefs of the year Rowshan Ara Begum (professional category) and Tahsina Tasmin Khan (amateur category) under "The Monitor-Totalgaz Chef of the Year-2006" competition held recently. British High Commissioner Anwar Choudhury and jury committee chief Prof Siddiq Kabir are also seen.

RMG TRIPARTITE DEAL IMPLEMENTATION

Workers blame dilly-dallying as owners seek more time

STAR BUSINESS REPORT

Garment workers at a roundtable yesterday said the implementation of the tripartite agreement for the country's garment industry is getting delayed as owners lack commitment. However, the owners said they are committed to the deal, which was signed between the government, RMG entrepreneurs and workers on June 12.

Wajedul Islam Khan, general secretary of Bangladesh Trade Union Kendra (BTUK), said, the owners never bother about workers' interest. They always try to make quick money by depriving the workers of their due wage.

"We want a decent wage, which will earn a decent living," said Khan.

Bangladesh Garments Manufacturers and Exporters Association (BGMEA) Second Vice President Lutfar Rahman Matin said they need more time for full implementation of the deal.

"Already many units have provided their workers with appointment letters and ID cards. Others will get in phases."

The apparel sector entrepreneurs and workers speaking at the roundtable titled "Tripartite agreement implementation progress with emphasis on minimum wage" in Dhaka. Nari Uddug Kendra (NUK), a non-governmental organisation, organised the discussion.

Khan also warns of another wave of labour unrest in the garment industry if the deal implementation process takes more time. "And you (BGMEA) will be responsible for any untoward incident," added Khan.

The BGMEA leader also said, "We want to give maximum benefits to the workers. But at the same time we need to survive."

Referring to the minimum wage, he said, "Minimum wage should be fixed rationally. There are many sick units, which may not be able to pay increased wages to the workers."

Mashuda Khatun Shefali, executive director of NUK, said the tripartite agreement has many loopholes, which will surely delay the implementation process.

Mostafa Quaium Khan, executive director of Coalition for the Urban Poor (CUP), said the government plays a double standard role and favours the workers.

Dollar rises in Asia

AFP, Tokyo

The dollar rose in Asian trade Tuesday as traders locked in profit ahead of expected risks for the greenback with housing data set to provide clues on the future for US interest rates, dealers said.

The euro slipped on profit-taking after nearing its high for the year against the dollar overnight on speculation of a rate rise by the European Central Bank, the dealers said.

The dollar strengthened to 116.15 in Tokyo morning trade from 115.86 late New York trade.

The euro eased to 1.2873 dollars from 1.2892 in New York and up to 149.53 yen from 149.37 yen in New York.

The dealers loaded their dollar positions ahead of a possible sell-off following US home sales data out Wednesday and a speech by Federal Reserve chairman Ben Bernanke, dealers said.

"With the housing market cool-

ing off, there is high risk Ben Bernanke will make dovish remarks as figures will probably not be strong, so the possibility the dollar will be sold is high," said Tohru Sasaki, chief foreign exchange strategist at JPMorgan Chase Bank in Tokyo.

The US central bank on August 8 paused its two-year cycle of rate hikes faced with signs of a slowdown in the US economy.

Dealers will also watch for comments at meetings of the federal reserves of Atlanta and Chicago.

"We doubt that the Federal Reserve's Jack Guynn (of Atlanta) and Michael Moskow (of Chicago), who are due to deliver speeches on the economy overnight, will deviate from Ben Bernanke's message that moderating economic growth will alleviate inflation pressures, preventing the need for further interest rate hikes," National Australia Bank strategists said.

Local RMG unit in Karnaphuli EPZ soon

BSS, Dhaka

Arrow Fabrics (Pvt) Ltd, a local company, will establish a readymade garment unit in the Karnaphuli Export Processing Zone.

It will be the seventh manufacturing plant in the Karnaphuli EPZ, a press release of Bangladesh Export Processing Zone Authority (Bepza) said.

Bepza Member (Investment Promotion) Masud Ahmed and Arrow Fabrics Managing Director Masuda Begum yesterday signed the agreement on behalf of their respective sides.

The company will invest US\$ 1.43 million with a target of manufacturing 250,000 dozens of readymade garments, including jackets, shirts, shorts, trousers and other dresses.

It will also create employment opportunities for some 1,181 Bangladeshis.

Ford to unveil new diesel engine

AP, Detroit

Ford Motor Co. will soon unveil a new series of large F-Series pickup trucks powered by an optional new clean-burning diesel engine, company officials said Monday.

The new 6.4-liter diesel engine will be larger than the current 6-liter engine and will produce more horsepower, but it will have better fuel economy and be quieter than its predecessor, the company said.

It also will comply with new federal regulations for diesel engines that call for a 90 per cent reduction in particulate pollution for vehicles produced after Jan. 1.

The company will achieve the reduction by using high-precision fuel injectors and a particulate filter similar to a small incinerator that further burns the particles to scrub the black smoke from exhaust fumes, said Barb Samardzich, Ford's vice president for powertrain operations.

The filter, which will be at the front of the exhaust system, will burn the particles safely, and the exhaust will be the same temperature as in current diesel vehicles by the time it reaches the tailpipe, she said.

Exhaust from the new engine will be as clean as the exhaust from gasoline engines, she said.

The F-250 and F-350 trucks will go on sale early next year. Ford would not release fuel economy statistics or pictures of the new trucks for competitive reasons, said spokesman Said Deep.

The trucks also will be cleaner because of low-sulfur diesel fuel standards that take effect across the country Oct. 15, according to the U.S. Environmental Protection Agency.

Correction

In a news item headlined '4 tenders submitted to buy Rupali Bank' published on this page yesterday, Bank Muscat of Oman was mentioned inadvertently as one of the four bidders instead of Domestic Investors Consortium. We regret the mistake.

FBCCI announces 7 SME awards in 3 categories

STAR BUSINESS REPORT

Country's apex trade body yesterday announced seven SME (small and medium enterprise) awards in three categories with a view to encouraging the sector entrepreneurs.

"We are delighted to announce the awards for the small and medium enterprises that are contributing to our economic and social development as a whole," said Mohammad Ali, senior vice-president of the FBCCI, at a press meet at its office in Dhaka.

The award titled 'FBCCI-Standard Chartered SME Award 2006' will be given to six entrepreneurs and one firm in three categories of business: small and cottage industries, medium enterprises and the best SME facilitator who played an outstanding role in SME development.

The awards are: innovative entrepreneur, best entrepreneur in terms of management, standard and production system (small and cottage industries), best women entrepreneur, best medium enterprise, best enterprise in terms of management, standard and production system and best SME facilitator.

The value of each award is US\$ 500.

The Federation of Bangladesh Chambers of Commerce and Industry made the declaration prior to holding of a weeklong SME fair scheduled to begin from September 11 at Bangladesh China Friendship Conference Centre (BCFCC).

Prime Minister Khaleda Zia is expected to formally open the fair while Leader of the Opposition in Parliament and Awami League

President Sheikh Hasina is expected to be present as chief guest at the closing ceremony of the fair on September 17.

The objectives of the fair are to establish an effective link between the entrepreneurs and the customers and expand the market for SME products abroad.

There will be some 111 stalls and nine pavilions at the fair to showcase products like readymade garments, frozen food, tea, jute products, ceramic, light engineering products, furniture, electrical goods, poultry and fisheries food, fertiliser, fruits, spices, gift items, handicrafts, medicines, leather and leather goods, plastic products, handloom products, medical equipment, cosmetics, sanitary items, fashion-wear and herbal products.

On the sidelines of the exhibition, four seminars will be organised on different topics like SMEs' access to finance and infrastructure constraints the SME sector is faced with.

The FBCCI vice-president said the fair will help popularise the locally manufactured products among the consumers at home and abroad.

He also called on the bankers to impart training to the small and medium entrepreneurs so that they can apply for credits.

Vikram Issar, head of consumer banking of the Standard Chartered in Bangladesh, said SMEs contribute over 80 per cent of the manufacturing output of the country. "We do believe that there is good business in the SME sector here," he said.

On high rate of interest, he said the bank fixes its interest, based on its assessment of the market.

BB appoints administrator of Oriental Bank



Bangladesh Bank has appointed its executive director Md Asaduzaman Khan as administrator to take over the charge of the managing director and the Board of Directors of Oriental Bank Limited.

Asaduzaman, who started his banking career as an assistant director of Bangladesh Bank in 1976, did his masters in Economics from Dhaka University and had post-graduation education in Banking and Finance from the University of Wales in the UK.

HSBC named best consumer bank

HSBC has been named as the "Best consumer bank" by the Global Finance magazine at its annual awards for the world's best banks, says a press release.

The business magazine chose the World's Best Banks based on performance over the past year and other subjective criteria, including reputation and management excellence.

The editors of the Global Finance made all the selections after extensive consultation with bankers, corporate financial executives and analysis throughout the world, the release added.