

Forex reserve crosses record \$3.55b

STAR BUSINESS REPORT

The country's foreign exchange reserve crossed record US\$3.55 billion mark yesterday. Huge earnings, mainly from exports and remittance, contributed to the flow of foreign exchange reserve, sources at Bangladesh Bank said.

The foreign exchange reserve stood at \$3.557 billion on Wednesday as increasing deposits of funds were made by the commercial banks, particularly by the nationalised commercial banks (NCBs) through their foreign exchange clearing accounts with the central bank, sources added.

Local firm to invest \$4m in Adamjee EPZ

BSS, Dhaka

A local business house Scandex Group, also known as M/s Scandex Knitwear Ltd, is going to set up a knit garment unit in Adamjee Export Processing Zone with an investment of US\$4 million.

The garment plant is expected to create employment opportunities for 200 Bangladeshis, a Bepza press release said yesterday.

An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (Bepza) and M/s Scandex Knitwear on Tuesday in Dhaka.

S Mahmud Yunus, general manager (Investment Promotion) of Bepza, and Farid Ahmed Patwary, managing director of Scandex Knitwear, signed the deal on behalf of their sides while Ashraf Abdullah Yussuf, Bepza executive chairman, among others, were present.

HSBC to set up business development office in CEPZ

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh will set up a business development office in Chittagong Export Processing Zone (CEPZ) to promote and expedite export processing for the investors in the CEPZ.

An agreement to this effect was signed recently between the bank and Bangladesh Export Processing Zones Authority (Bepza) at the latter's head office, says a press release.

HSBC Bangladesh CEO Steve Banner and Member (Investment Promotions) of Bepza Masud Ahmed signed the deal on behalf of their sides while Bepza Executive Chairman Ashraf Abdullah Yussuf presided over the signing ceremony. Other senior officials from both the sides were also present.

New executives of IFFAB

STAFF CORRESPONDENT, Ctg

International Freight Forwarders Association of Bangladesh (IFFAB) elected a new executive committee with Rafi Omar and Amiya Shanker Barman as its president and general secretary respectively.

The new 12-member executive committee was elected in the triennial election of IFFAB at its office on Sunday, said a press release.

The other office bearers are: Vice-Presidents Badrul Haq Chowdhury and Kazi Mobashwer Ahmed Hashemi, Assistant General Secretary Mohammad Helal Uddin, Treasurer Obayedul Haq, Deputy-Treasurer Mostaq Ahmed Talukder, Members Mahabub Hossain, Alamgir Hossain, Sahed Sarwar, Akter Kamal Chowdhury and Khairul Alam Sujjan.

India seeks FTA with EU

AFP, Berlin

India wants to sign a free trade agreement with the European Union, Indian Trade Minister Kamal Nath said in an interview to appear Wednesday in the German newspaper Handelsblatt.

"Prime Minister Manmohan Singh, during a European summit in Finland in October, will call for the start of negotiations on an Indian-EU free trade agreement," Nath was quoted as saying.

The two parties are also key members of the World Trade Organization and principal players in the Doha Round global trade liberalization talks, which are currently at a standstill.

REINING IN PSI IRREGULARITIES

NBR's move to resolve importers' harassment

JASIM UDDIN KHAN

In a bid to curb irregularities in PSI companies, the National Board of Revenue (NBR) sits today to decide on appointing an international audit firm to regulate the tasks of the pre-shipment inspection (PSI) companies, according to official sources.

A gross inconsistency has been found in the PSI reports that were submitted to the revenue board in the last ten months. The NBR identified 926 inconsistent reports among those of the four such companies in the period between September 2005 and June 2006.

The sources said these inconsistencies were mainly in valuation and description of products and identification of H. S. Code.

All the four PSI companies have prepared 64,667 clean finding reports (CRF) during the time, 926 of which were found skeptical.

A high official of the NBR said that the number of these inconsis-

tent reports are higher than it was in the previous year.

According to the findings, a total of 293 reports were found inconsistent among the reports submitted by InterTech while 289 of Cotecna, 246 of Bureau Veritas and 80 of SGS Bangladesh were found inconsistent or faulty.

The NBR, however, fined these companies about Tk 84 lakh during the period for their alleged irregularities.

On the backdrop of mass allegation of harassment and misappropriation against the PSI companies, the government at its fag end has initiated a move to regulate the PSI companies through appointment of an audit firm.

The move was first initiated in the early 2004, but the government failed to do so as the Public Procurement Regulations (PPR) did not allow it.

Following the sharp rise in irregularities in inspection, the NBR is

organising a meeting today with a view to reining in the PSI firms' activities and resolving importers' harassment.

NBR Chairman Mohammed Abdul Karim will preside over the meeting, which also may evolve mechanism to raise income from customs duty at a substantial amount despite the government's move to ease customs duty as part of the liberalisation programme.

The NBR chairman told The Daily Star that the process of regulating the activities of the PSI firms had already been started.

"It will help increase revenue from customs duty and will establish more transparency in inspection of importing products in the country," a customs official hoped.

The NBR officials have long been wishing to scrap the PSI companies, but businessmen demanded continuation of their job of inspecting import items.

Relocation of Pak textile units to Bangladesh likely

FPCCI team seeks uninterrupted power supply to do so

UNB, Dhaka

The visiting delegation of Federation of Pakistan Chambers of Commerce and Industry (FPCCI) yesterday expressed interest to relocate their textile industries to Bangladesh.

"We want a written guarantee of uninterrupted gas supply for the captive power plants to run the relocated industries," FPCCI president Chaudhry Muhammad Saeed said at a meeting with the local textile mill owners.

The FPCCI president, who is leading a 49-member high-profile trade delegation, told the meeting that some sort of bilateral agreement can reduce the existing trade imbalance between the two countries.

"The businesspeople of Pakistan are very keen to come up with investment to your country," he told the meeting held at the confer-

ence room of Bangladesh Textile Mills Association (BTMA).

About the proposed Free Trade Area (FTA) deal between Bangladesh and Pakistan, Muhammad Saeed said there are certain issues like establishing shipping and air links to be settled prior to signing such an agreement.

BTMA chairman MA Awal told reporters that the proposal for relocating Pakistani textile industries is at the primary stage.

The BTMA chairman read out a written statement at the meeting where the incentives offered by the government for foreign investors were briefly presented.

Earlier in the morning, the delegation also held a meeting with the leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The apparel sector leaders at

the meeting called upon the Pakistani investors to invest in the country's clothing industry and avail of the GSP facility given by the EU countries.

Speaking on the occasion, the FPCCI president advised the local garment sector entrepreneurs to request the political parties for not enforcing destructive political programmes like hartal, which will eventually discourage foreign investment.

Another member of the delegation, Akbar Abdullah, who is also the vice president of FPCCI, complained of delay in payment of import bills against L/C by some banks here.

Chaired by BGMEA President SM Fazlul Haque, the meeting was addressed, among others, by its second vice president Lutfor Rahman Matin and former director Razzaq Sattar.



Business houses were shut down during the hartal hours yesterday. The photo was taken from the city's Mirpur area.

PHOTO: STAR

EBL launches debit, pre-paid cards for students today

With student file launched earlier, Eastern Bank Ltd (EBL) now adds three new products under a financial package styled 'EBL Campus'.

The bank launches these products at the six-day '6th EDIMEXPO' beginning today at Bashundhara City shopping mall with gifts and prizes on offer.

The package includes 'Campus Account', 'Cool Card' and 'Lifestyle Card', says a press release.

'Campus Account' is a special savings account for students with attractive interest on daily balance.

'Cool Card', the VISA Electron Debit Card, is specially designed for students. With this card, students can have access to a large ATM network and a larger network of POS terminals at different shops.

'Lifestyle Card' is an internationally branded pre-paid card that suits the lifestyle of students. Here any value can be loaded before use and reloaded whenever needed from all 22 EBL branches. This card also gives access to all VISA branded ATMs and POS machines.

First local clinker plant may go into production by Dec

Mahmudur proud of Bol's role to encourage investment

STAR BUSINESS REPORT

Country's investment board chief has expressed pride in his role in encouraging foreign and local entrepreneurs to invest in Bangladesh.

Mahmudur Rahman, executive chairman of the Board of Investment (BoI), said, "Many people termed me an agent of foreign companies while some of them suggested that I should be the president of foreign investors' chamber. But, they should know that the BoI's role is to encourage the private sector of the country to invest here."

Rahman, also energy adviser, was addressing yesterday a signing ceremony between Nitol-Niloy Group and Laxmi Engineers of India in Dhaka.

As per the deal, a plant will be set up at Chattak in Sylhet to produce clinker, a basic raw material for cement.

Laxmi will provide machinery to the

Nitol-Niloy to set up the country's first locally owned clinker plant titled Niloy Cement Clinkerisation Industries Ltd. Bijoy Sharma, managing director of Laxmi Engineers, and KM Zahid Uddin, chief executive officer of Niloy Cement Clinkers, signed the agreement on behalf of their organisations.

Citing the statements made by Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Chamber of Industries (BCI) on Tuesday, Mahmudur Rahman said the chamber leaders said that the government is charging more for gas from the domestic investors than the overseas investors. "I wonder where they got this absolutely wrong data," he said.

He further said prior to the quota phase-out some 'pundits' of the country predicted that Bangladesh's garment industry would collapse due to drastic decline in the item's export. "But, at that time I was always debating with the pundits that nothing like this will happen.

And after the quota phase-out pundits' prediction proved wrong," he added.

Speaking at the function, Nitol-Niloy Group Chairman Abdul Matlub Ahmed said, "We hope we can start our production by December this year and the produced clinker will be supplied only to the Niloy Cement Factory."

He said initially Nitol-Niloy will set up a plant partially with 400 tonnes capacity per day at a cost of Tk 26 crore while the plant will be set up fully fledged costing Tk 111 crore.

Presently, the country has to import almost all of its demand for around 60 lakh tonnes of clinker annually. Matlub also urged the government to waive import duty and tax on limestone, which is used to produce clinker.

Among others, Economic and Commercial Minister of Indian High Commission in Dhaka DN Sreevastava spoke at the function.



PHOTO: HSBC

Bepza Executive Chairman Ashraf Abdullah Yussuf, HSBC Bangladesh CEO Steve Banner and Member (Investment Promotions) of Bepza Masud Ahmed, among others, are seen at an agreement signing ceremony recently. Under the deal, HSBC will set up a business development office in Chittagong Export Processing Zone.

'Asia needs decent works to get rid of poverty'

AP, Busan, S Korea

Asia needs more than just jobs it needs "decent work" that can lift people out of poverty and provide basic labor rights, governments as well as business and labor groups said Wednesday at a U.N. conference.

"We all agree that getting people access to work is the surest way out of poverty," said Athauda Senewiratne, Sri Lanka's minister of labor relations. New jobs, however, must "yield incomes above the poverty line."

Senewiratne addressed delegates on the second day of the International Labor Organization Asian Regional Meeting, its first in five years, dedicated to the theme of "Realizing Decent Work in Asia."

Government representatives from some 40 countries and territories as well as workers' and employers' organizations were participating. The Geneva-based ILO is the U.N. agency tasked with labor issues.

In a report Tuesday, the ILO said that economic growth in Asia has

reduced the number of people who live on \$1 a day by 250 million since 1990 to 600 million. Still, about 1.9 billion in the region live below the threshold of \$2 a day. Asia accounts for about 4 billion of the world's 6.5 billion people.

The phrase "decent work" is a buzzword at this meeting. It's a concept that includes the creation of jobs and businesses, social protections for laborers and workplace rights including organization and collective bargaining.

Decent work should "enable everybody to live a better life," Chen Lantong, vice president of the China Enterprise Confederation, an employers' organization, told delegates. "Employment is the principle need of people."

"The phrase 'decent work' over the last few years has received universal recognition," said Ashraf W. Tabani, president of the Employers' Federation of Pakistan. "What's needed now is to address the 'decent work deficit' or the lack of such jobs in Asia."

Square Toiletries wins gold award for industrial excellence

Square Toiletries Limited has achieved gold award in the Saarc country category for industrial excellence in 2006. The Ceylon National Chamber of Industries (CNCI), the premier chamber of Sri Lanka, offers this award to appreciate the best industrial practices.

The award has been given on the basis of overall company performance, including value addition, productivity standards and quality control. The candidacy, however, was endorsed by the Federation of Bangladesh Chambers of Commerce and Industry, says a press release.

Head of Marketing of Square Toiletries Limited Malik Mohammed Sayeed received the award recently in Colombo. Karu Jayasuriya, Lankan deputy leader of the opposition, was present among others during the award giving ceremony.

Square Toiletries is the first toiletries company in Bangladesh to win this special award for industrial excellence.

Sonamasjid to function as full-fledged land port soon

BSS, Rajshahi

Sonamasjid Land Customs station, the second largest revenue-earning land customs station in the country in Chapainawabganj, is going to function as a full-fledged land port soon.

According to officials concerned, the station will be transformed into a full-fledged land port through formal opening within the next two weeks.

Customs officials said the land customs station was opened in the 1991-92 fiscal and the amount of revenue earnings through the station is cumulated to be Tk 909.38 crore.

In the first fiscal of its launch, Tk 12.23 lakh was earned as revenue from the station while the amount was around Tk 140.14 crore in the fiscal year 2005-06.

The government had set a collection target of Tk 151 crore for the last fiscal but the collection was around Tk 140.14 crore. The target is fixed at Tk 180 crore for the current financial year.

Officials said the government has undertaken a development project to transform the country's 11 potential land customs stations into full-fledged ones through

Bangladesh Land Port Authorities.

In the first phase, implementation works on the four stations -- Sonamasjid, Hilli, Banglabandha and Chirir Bandar -- are in the final stage.

The Panama Sonamasjid Port Link Ltd, a private firm, has implemented the project of Sonamasjid land customs station on 'build-operate-and-transfer (BOT) basis.

Director of the firm Ashrafur Alam Rashid said all sorts of required infrastructures were constructed and developed on 18.3 acres of land based on the 49:51 ratio terms and conditions of the agreement signed between the government and the firm.

As per the accord, the port was scheduled to formally open on September 10, Rashid added.

Convener of Sonamasjid C&F Agent Association Latifur Rahman said revenue earnings would double with the opening of the station as a full-fledged land port.

Besides, restriction order on import of 46-category items through the port due to its infrastructure problem would be withdrawn that would also contribute a lot to enhancing revenue earnings to a great extent, Latifur added.



PHOTO: NCC BANK

Chairman of National Credit and Commerce (NCC) Bank Ltd Mahbul Alam Tara inaugurates the 43rd branch of the bank at Hajiganj in Chandpur on Tuesday. Managing Director Md Nurul Amin and other senior officials of the bank, among others, were present at the function.