

Star BUSINESS

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IMF reform, WB graft plan approved

REUTERS, Singapore

The International Monetary Fund overwhelmingly approved a plan on Monday to boost the voting shares of China and three other emerging economic giants to better reflect their clout in the world economy.

The blueprint, will be followed by a second stage of broader reforms by 2008 to make the fund's governance more representative of its 184-strong membership.

The plan, which IMF Managing Director Rodrigo Rato says will usher in the biggest shake-up in the fund in a generation, had drawn fire from some countries that fear losing power and others upset they will not gain enough influence.

But German Finance Minister Peer Steinbrueck told reporters the plan had won 90.6 percent approval. The proposal needed 85 percent support to go ahead.

"I think it is an important and a very good result that 90.6 percent of the IMF members have approved the ad hoc quota increase for China, South Korea, Mexico and Turkey," he said. "Otherwise, it would have cast a shadow over the IMF meeting."

The overhaul aims to correct the under-representation of countries such as China, which has fewer votes

than Belgium or the Netherlands even though its economy, the world's fourth-largest, is twice their combined size.

But the plan has exposed deep divisions in an agency searching for a new role in a world where fewer countries are turning to it for emergency loans and big countries are all too often ignoring its policy advice.

India, Argentina, Egypt and Brazil said the plan did not give enough power. Others objected that they would lose influence.

ANTI-CORRUPTION FIGHT
As the votes on the reform plan were being tallied, finance ministers backed a controversial new World Bank strategy for tackling corruption and warned against a borrowing binge by poor countries that could plunge them into a new debt crisis.

After lengthy haggling behind the scenes, ministers authorized World Bank President Paul Wolfowitz to press ahead with a campaign against graft that he has put at the heart of the Washington-based lender's activities.

But, in a reflection of concern among some countries that Wolfowitz is being overzealous, ministers said their representatives on the bank's board would oversee implementation of the strategy and asked for a progress report next April.

Britain, France and Germany in particular have voiced concern that the crusade against corruption is slowing the flow of loans and punishing the poor.

Critics have also complained at what they see as the arbitrary way in which the bank suspended loans to countries including Kenya, Bangladesh, India and Cameroon.

Hilary Benn, Britain's development secretary, told reporters he was very pleased with the outcome. "It's clear that the board oversees its development," he said of the strategy.

The issue of corruption has been a lightning rod for broader dissatisfaction with Wolfowitz, who pledged to cooperate with his board to implement a plan that he called a major step forward.

"We want to work to develop transparent, predictable, objective standards so people know what to expect. We want to get the proportions right," he told a news conference.

He made no apologies for fighting corruption. "It is of fundamental importance. It is about making certain that money goes to schools and textbooks for children, medicines for mothers and creating job opportunities for the poor -- not to line the pockets of the rich and powerful," he said.

Meanwhile, ministers warned poor countries that have had their debts written off not to borrow so much new money that they fall back into a debt trap.

Ministers worry that a flood of lending by a new breed of creditor governments, particularly China, will undo the benefit of writing off tens of billions of dollars owed to rich-country governments and multilateral development institutions.

Rich countries want that the debtors have saved to pay for more schools and hospitals and not to service new loans.

"We cautioned against excessive borrowing after the relief, which may lead to the re-emergence of debt distress," the Development Committee of the World Bank and International Monetary Fund said in a communiqué.

US Treasury Secretary Henry Paulson said there was already anecdotal evidence of large loans going to countries that have only recently received debt relief.

"We need effective incentives or penalties to deter irresponsible borrowing or lending," Paulson said. "This is an urgent task that requires our joint attention."

NGOs question WB's legitimacy to fight graft

UNB, Singapore

International NGOs here Monday questioned the World Bank's legitimacy and moral standing in taking the lead to fight corruption, and demanded exposure of the bribe-givers who grease the wheels of corruption.

ActionAid International posed the question whether the World Bank has the legitimacy to take the lead in fighting corruption while Oxfam International demanded the exposure of the corrupters. They, however, stressed the need for fight against corruption to reduce poverty rapidly.

The NGOs issued separate statements immediately after a meeting of the Development Committee, a joint ministerial committee of the boards of governors of the World Bank and IMF on the transfer of real resources to developing countries, at Suntec Singapore.

"The committee is right to recognise that there needs to be a broader discussion on the contentious issue of corruption. Tackling corruption is important but the bank should not mislead itself into thinking that it alone has the ability or legitimacy to slay the dragon," ActionAid said in the statement.

It also questioned whether the bank has the moral high ground on this issue. "Its one-dollar-one-vote system is hardly democratic and its record on transparency and accountability leaves much to be desired."

The statement stressed the importance of good governance but said the bank's new approach

should not be an excuse to add more layers of conditions. "We've already seen that the one-size-fits-all approach to policy has failed," it said, adding that time has yet to come to push the approach to good governance.

Oxfam said Wolfowitz went soft on calling donor countries to account for failing to provide the promised aid and said the bank must get together on delinquent donors.

"We're in serious jeopardy of missing all the MDGs and this would be a criminal betrayal of millions of the world's poorest people," said the statement.

About corruption, the NGO felt that curbing corruption was a crucial component in the larger fight against poverty. But the bank's initiative on corruption would misfire if used as a means to reduce lending or force privatisation.

"Action by the Bank on corruption cannot be arbitrary or politically motivated, and must be done in consultation with civil society," said the statement. It demanded that the bank must make much more aggressive efforts on the supply-side of corruption and to expose the bribe-givers who grease the wheels of corruption and rob the poorest people.

The NGO further pointed out that the focus on conditionality in this meeting was an unexpected and welcome call to account for the harmful economic conditions that the bank imposes on poor countries.

The statement asked the bank "to act on this issue or risk further loss of donor dollars."



Speaker Jamiruddin Sircar gives away FBCCI-Standard Chartered Bank 'Outstanding Woman Entrepreneur' award in small and cottage industries category to Sabrina Islam, owner of Reflections, a decorative art glass company, at the concluding ceremony of 'FBCCI SME Fair 2006' on Sunday in Dhaka.

Developing horticulture, processed foods sectors key to expanding export

Consultative meet told

STAR BUSINESS REPORT

Speakers at a consultation meeting on Sunday called for developing horticulture and processed foods sector in order to ensure the sector's contribution to the country's economic growth and poverty reduction. Developing infrastructure and diversifying products to expand export markets should be the overall objectives of the sector, they said.

They were speaking at the meeting held at the Business Institute of Dhaka Chamber of Commerce & Industry (DCCI), according to a press release.

Stakeholders from horticulture and agro-processed sectors were present at the meeting to discuss developing a strategic vision for effective implementation of value chain development activities.

The programme sponsored by Bangladesh Quality Support Programme and funded by EC was jointly organised by the Ministry of Commerce, ITC, Export Promotion Bureau, DCCI and Hortex Foundation.

DCCI President MA Momen urged the stakeholders in the sector to raise their points and requirements so that a well-conceived strategy can be shaped-up in cooperation with international consultants.

Participants in the meeting also suggested upgradation of the standard of the laboratories and

testing equipment.

Ian Sayers, senior officer of ITC, moderated the meeting, which was also attended by Alan Higginson of Alan Higginson Associates and International Consultant, Sophie Hanouz of ITC and Director General of Export Promotion Bureau Md Abdul Quayyum.

Fareast Finance chairman re-elected



MA Khaleque has been re-elected chairman of Fareast Finance & Investment Ltd while Md Hossain Khan

was elected its vice chairman, says a press release.

A Master in accounting from Dhaka University, Khaleque started his business career in 1975 as the managing director of Maksons (Bangladesh) Ltd. He is the founder and sponsor director of Prime Bank Ltd, chairman of Prime Property Holdings Ltd and director of Northern General Insurance Company Ltd.

Khan, engaged in a number of businesses, completed his master's in accounting from Dhaka University in 1988.

ICT fairs in Bogra, Rajshahi Sept 21-24

STAR BUSINESS REPORT

In a bid to create people's awareness about use of information and communication technology (ICT), Basis, a local ICT association, will organise two regional IT fairs late this month.

Projecting the latest development of the ICT sector, the two-day fairs in Bogra and Rajshahi will be held subsequently during September 21-22 and September 23-24 respectively, leaders of the Bangladesh Association of

Software and Information Services (Basis) said at a press conference in Dhaka yesterday.

"A total of 36 IT firms from Dhaka as well as the host towns would participate in the fairs", Basis Secretary M Omar Faruq told the conference.

Software companies, e-commerce portals, hardware vendors, telecom vendors and service providers, ISPs and Network solution providers, multimedia and ITES companies, as well as IT education institutions will showcase their products and services during the fairs.

The fair styled 'Bogra IT Mela 2006' will be held at the Parjatan Motel in Bogra town while 'Rajshahi IT Mela 2006' will take place at the Nagar Bhaban ground of Rajshahi City Corporation.

Under the initiative 'IT Mela 2006', Basis will organise two other fairs in Sylhet and Khulna in December this year, while it hosted a similar event in Chittagong in May.

On the sidelines of the Rajshahi fair, a two-day IT Job Fair will also be held at the same venue. Bjobs.com Ltd, the largest job site of the country, will organise the event.

Basis Treasurer AKM Fahim Mashroor, Senior Vice President Rafiqul Islam Rowly and Secretary General Shueb Ahmed Masud were also present at the conference.



Romo Rouf Chowdhury (R), managing director of Rancon Autos Ltd, among others, poses for photographs with the newly-launched Chinese passenger car Geely in Bangladesh market at a function in Dhaka yesterday.

Rancon markets Chinese passenger car Geely

STAR BUSINESS REPORT

In a bid to provide car at an affordable price for the country's middle class people, Rancon Autos Ltd, a sister concern of Rang Group, yesterday formally launched Chinese passenger car named 'Geely' in Bangladesh market.

Rancon Autos Ltd, the sole distributor of the car in Bangladesh, will market two brands Geely 1300cc and 1500cc. The price of the Geely 1300cc ranges from Tk 8.50 lakh to Tk 9 lakh while the 1500cc

Geely will be sold at Tk 11 lakh and Tk 12 lakh.

Geely International Corporation is the manufacturer of the world class passenger car in China and it exports the vehicles to Africa, the Middle East, central and South Africa.

Romo Rouf Chowdhury, managing director of Rancon Autos Ltd, formally launched the new brand car at a function held at Dhaka Sheraton Hotel. Md Munir Uddin, assistant general manager and head of operation Rancon Autos Ltd, gave a presentation on automobile market in Bangladesh. Shahriar Yusuf, executive director of the company, was present on the occasion.

The Rancon Autos for the first time offers three years warranty to the customers of Geely. The spare parts of the car, however, are available in the market, as they are identical to the Japanese brand Toyota's.

Rancon Autos also offers loan facilities to the customers of Geely. Anyone can buy the car under the HSBC car loan facilities. Through a down payment of Tk 2.5 lakh, a customer can buy the car with monthly instalment in a long term.

With MPI engine, Geely can easily be converted into CNG-driven vehicle.

Speaking at the press conference, Romo Rouf Chowdhury said in a busy city like Dhaka, a car is very important for all city dwellers. But most of cars in the local market are highly priced and beyond the reach of middle class people.

"Keeping this in mind, we bring a new model Chinese car in the local market to provide give car with a price affordable to the middle class people," he said.

The Geely brand will successfully hit the market and gain customers' reliability, he hopes.

Meanwhile, the Rancon Autos is planning to market another Geely brand car in the local market within a short time. The price of that car will be ranging from Tk 5.5 lakh to Tk 6 lakh.

In his presentation, Md Munir Uddin said although the market share of the new brand vehicles is only 22 percent, the number of new brand cars has been growing rapidly and now it stands at 38 percent of the total market share.

He said the price of the new brand car ranges from Tk 9 lakh to 13 lakh while the price of the reconditioned one ranges from Tk 5.5 lakh to Tk 11 lakh and the used car is selling at from Tk 2.5 lakh to Tk 6 lakh.

He said, "In this market scenario, we offer the new brand car Geely to the customers at an affordable price. From our cheapest price range, customers can buy a new car from their limited income."

CSE 30 Index revised

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The Index Committee of Chittagong Stock Exchange (CSE) revised the performances of listed companies in the CSE and composite of its CSE-30 Index for the next term effective from today, according to a press release.

The scrips in CSE-30 index are: Pragati Insurance Ltd, Square Textiles Ltd, Padma Textiles Ltd, Square Pharmaceuticals Ltd, ACI, Reckitt Benckiser (BD) Ltd, Beximco Pharmaceuticals Ltd, Agricultural Marketing Co Ltd, Heidelberg Cement Bangladesh Ltd, Bangladesh Lamps Ltd, Bata Shoe Company (BD) Ltd, Apex Footwear Ltd, BOC Bangladesh

Ltd, Uttara Bank Ltd, Pubali Bank Ltd, The City Bank Ltd, Export Import Bank of Bangladesh Ltd, Prime Bank Ltd, Dhaka Bank Ltd, Southeast Bank Ltd, National Bank Ltd, Islami Bank Bangladesh Ltd, Mutual Trust Bank Ltd, Bangladesh Online Ltd, Industrial Development & Leasing Company Ltd, Uttara Finance & Investment Ltd, First Lease International Ltd, Usmania Glass Sheet Factory Ltd, Beximco Ltd, British American Tobacco BD Company Ltd.

As on yesterday, the above 30 companies accommodated almost 30 per cent of the total paid-up capital and all listed companies in the bourse accommodated 44 per cent of the market capital.



Masud Ahmed, member (Investment Promotion) of Bepza, and Syed Anisul Huq, president and managing director of Bank Asia Ltd, exchange documents after signing an agreement on Sunday in Dhaka. Under the deal, the bank will open a branch in Chittagong Export Processing Zone.



BASIC Bank Ltd opened its 28th branch on SS Road in Sirajganj on Thursday. Md Nurul Amin, chairman of the bank and secretary of industries ministry, inaugurated the branch while directors and other senior officials were present.