

Star BUSINESS

E-mail: business@thedailystar.net



Mamun Rashid made MD of Citigroup

Citigroup Country Officer Bangladesh Mamun Rashid has recently been promoted to the post of managing director, says a press release.

In Citigroup, promotion to the managing director's post is an outstanding achievement. Congratulating Rashid, Citigroup Asia Pacific Chief Executive Officer Robert Morse said the appointment is recognition of Rashid's contribution towards building the bank's Bangladesh business over the years.

Rashid has worked in various important positions in three leading international banks both at home and abroad for more than twenty years.

Rashid holds a Masters in Business Administration in Strategic Management from Henley Management College in the UK and Masters in Economics from Bangladesh.

He has done various training on strategic management, risk management, marketing, financial engineering and people management from various prestigious institutions at home and abroad which include Indian School of Business, London Business School, Harvard Business School, Kellogg School of Management and New York Institute of Finance. He is a certified credit professional by OMEGA, London and a senior credit officer (SCO) in Citigroup.

Mamun is chairman of International Chamber of Commerce (ICC) Standing Committee on Banking Techniques and Practice for Bangladesh and a nominated director to the Chittagong Stock Exchange.

He is also a director of Marie Stopes Clinic Society. He sits in the academic council of BRAC University and is an executive committee member of Bangladesh Foreign Exchange Dealers' Association (BAFEDA).

He is also associated with many other social and philanthropic organisations. Widely recognised as a specialist on foreign exchange and foreign trade, he regularly contributes to various local and international newspapers and journals.

ASA cuts service charges

STAFF CORRESPONDENT, Bogra

Non-government development organisation ASA has reduced its service charges by 2 percent-2.50 percent with effect from January 1, 2007.

ASA officials announced the decision at a press briefing here yesterday.

ASA's existing service charges is now 15 percent on microcredit for women.

Bogra District Manager Anwar Hossain said ASA has also embarked on programmes such as providing free treatment facilities for its members.

MIDAS Financing approves 10pc stock, 2pc cash dividends

MIDAS Financing Ltd has approved a 10 percent stock dividend and a 2 percent cash dividend for its shareholders.

The approval came at the 11th annual general meeting (AGM) of the company held on Wednesday in Dhaka, says a press release.

Samson H Chowdhury, director of the company, presided over the AGM, which was also attended by Rokia A Rahman, Shaikh A Halim, AJ Masudul Haque Ahmed, Md Shamsul Alam and Md Majibor Rahman, directors, and Md Abdur Rashid Gazi, managing director.

IMF to quit Sri Lanka

AFP, Colombo

The International Monetary Fund announced Sunday it was closing its office in Sri Lanka from next month as the embattled island no longer had a borrowing programme with them.

"The decision reflects the evolving nature of the IMF's relationship with Sri Lanka, with Sri Lanka no longer having a program with the IMF," the fund's senior resident representative for Sri Lanka, Luis Valdivieso said in a statement.

He said the decision was also taken in the context of the overall declining budget available to the IMF to maintain an office in Colombo.

The Washington-based fund will continue to maintain a close relationship with Sri Lanka, with staff visiting regularly to exchange views with the authorities, he said.

"The IMF also remains firmly committed to the government's efforts to promote sustained economic growth and poverty reduction," he said.

On Friday, the fund warned Sri Lanka to settle its long running ethnic conflict that has claimed over 60,000 lives since 1972.

"Sri Lanka's near- and medium-term economic prospects depend critically on progress on the peace front and on implementing essential reforms," IMF said in its annual review known as the Article IV consultations.

Military confrontations between government forces and Tamil Tiger rebels intensified recently, claiming

over 3,600 lives in the past year, and there has been no progress in attempts to settle the conflict through negotiations.

"With only minor interruptions in most parts of the country, growth is projected at 7 percent. Financial markets have remained calm, though investor confidence has been somewhat weakened by increased uncertainties," the IMF added.

The report also reclassified Sri Lanka's exchange rate regime to a managed float from a "free float" as heavy official intervention by the Central Bank violated IMF stipulations.

The IMF said Sri Lankan government curbs on loans to finance imports amounted to exchange controls and were against the country's "Article VIII" obligations.

State-run banks remain open today to do polls-related transactions

STAR BUSINESS REPORT

The central bank yesterday asked all state-run commercial and specialised banks to keep their branches open today (Monday) to perform election-related transactions.

The Bangladesh Bank asked Sonali, Janata, Agrani, Rupali, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank to keep their branches open during the Christmas public holiday.

The branches of the banks will conduct transaction of cash and pay-order/draft to help facilitate activities in regards to the ensuing ninth parliamentary election.

The banks will only perform election-related transactions, not other routine jobs, the central bank said.

HK VISIT BGMEA seeks simplified visa processing

STAR BUSINESS REPORT

BGMEA President S M Fazlul Hoque has urged the China embassy in Dhaka to simplify visa processing to facilitate the Bangladesh RMG makers and officials' visit to Hong Kong.

A delegation of the Bangladesh Garments Manufacturers and Exporters Association called on Political Counsellor He Lanjing and Attaché Yu Dan yesterday at the embassy and made the request.

BGMEA Second Vice President Luffur Rahman, vice presidents Harun-Ur-Rashid and Sirajul Islam were present during the meeting, says a press release.

The chief of the apex trade body of the apparel sector told the embassy officials that Hong Kong is one of the important destinations for Bangladeshi garments owners for meeting foreign buyers to settle business-related issues. Besides, the garments accessories come to Bangladesh from China via Hong Kong, Hoque added.

Earlier, Hong Kong used to give an arrival visa but it was withdrawn from December 10. As a result, the garment owners and merchandisers have been facing tremendous difficulties in visiting Hong Kong, the BGMEA president informed the embassy officials.

He requested the embassy to introduce a system of issuing two yearly multipurpose visas against garment manufacturers. The embassy officials assured the BGMEA leaders of all-out cooperation in providing special facilities for the garment owners.

Organon Bangladesh now Nuvista Pharma

The name of Organon (Bangladesh) Ltd has been changed to Nuvista Pharma Ltd with effect from December 7, 2006.

The change to the name came due to the changes in the shareholding structure of the 42-year old company, says a press release.

Managing Director of the company Akhter Matin Chaudhury recently unveiled the new name at a function in Cox's Bazar where prizes were given to the winners of an in-house name search contest held earlier.

Also present at the function were Kanai Lal Saha, director (Finance), Rahbar A Anwar, director (Marketing), and Asif Ahmed, director (Sales), among others.

The change to the company name will have no effect on the quality of products and policies, practices and relationship of the company with its clients, the release added.

The managing director said brands like Oradexon, Visceralgine, Orgametril, Ovostat Gold, Marvelon, Traxyl, Deca-Durabolon, Durabolon, Sustanon, Piton-S and Ovestin will be manufactured at the company's plant in Tongi as before.

With the imported brands such as Livial, Andriol Testocaps, Norcuron, Esmeron, Puregon and Pregnyl along with newer brands from Organon International, Nuvista Pharma will continue its services, he added.

INDO-BANGLA TRADE UNDER FTA Better infrastructure at land borders to yield benefits: WB

STAR BUSINESS REPORT

Improvements in transportation, storage and administrative infrastructure at land borders would yield substantial benefits for Bangladesh and India in case of a pact on free trade, suggested a World Bank (WB) report on India-Bangladesh Bilateral Trade and Potential FTA.

It also stressed the need for a low protective tariff.

The WB said trade liberalization by the two countries would bring greater economic benefits in cross-border transactions rather than trading under an FTA.

The report further said the two countries could still reap enormous benefit from cooperation in other areas without necessary enforcement of a pact on free trade.

Trade under FTA makes a discrimination in imports from rest of the world, for prices of importables (often excluded from import lists) from the FTA beneficiary countries are higher than those of the importables from the countries which are not signatories to any free trade pact, the WB report found.

It further said if Bangladesh and India sign an FTA, it will yield no economic welfare for both the countries, nor any economic benefit for the rest of the world exporters who lose their markets. These trade diversion effects need to be allowed for in any comprehensive evaluation of the costs and benefits of FTA, the report suggested.

Dr Zaidi Sattar, senior economist of World Bank, formally released the report to journalists

through a presentation held at its office in Dhaka yesterday.

Moazzem Hossain, editor of the Financial Express and Professor Abdul Bayes, former Vice Chancellor of Jahangirnagar University, were present at the media briefing session.

The study completed with research contributions from both the sides, however, found that a FTA will bring large welfare gain for consumers in Bangladesh provided there is an adequate expansion of infrastructure and administrative capacity at customs borders.

Yet the benefits of such an FTA to Bangladesh could be wiped out if it has the effect of keeping out cheaper third-country imports. Such trade diversification costs can be huge and the only way to minimise them is further unilateral liberalisation, the report said.

Citing an example, Zaidi Sattar said, a Tk10,000 priced China, a non-beneficiary of FTA, colour TV with 75 percent import duty is sold at Tk17,500 in Bangladesh market, while a Tk12,000 priced Indian TV with same duty is sold at Tk21,000. But under an FTA, by getting tariff concession, the prices of Indian TV would come down to Tk15,000.

"As a result, customers will have to shift their preference on buying high cost Indian TV, and they have to pay more," he said.

"Trade liberalisation under a unilateral approach, more benefits can be enjoyed in India and Bangladesh rather than trading under an FTA," he said.

"But in that case, both the countries should cut down their

tariffs and should come forward to minimise some issues like non-tariff barriers, unofficial trade and customs hassles," he said.

According to the study, a bilateral FTA would provide substantial benefits to Bangladesh consumers by giving them access to cheaper exports from India. These consumer benefits would far outweigh losses in government revenue or lost profits for the local manufacturers.

The study, however, said such benefits could easily be wiped out, if one does not make sure that the incentives give the right signals. By keeping out cheaper third-country imports, the FTA risks providing a captive, protected market where Indian producers might collude amongst themselves or with Bangladeshi importers to artificially increase prices.

On the other hand, cheaper goods from other countries might be excluded forcing Bangladeshi consumers and businesses to overpay, it said.

For India, since trade with Bangladesh is small relative to its total trade, welfare gains from an FTA would be modest, though it could trigger cross-border investment opportunities, the study said.

Nevertheless, the study found a weak case for pursuing a bilateral FTA based on the potential economic benefits to the two countries.

Thus, in order to get mileage out of an FTA, the two countries have been advised to continue with unilateral liberalisation while streamlining border transactions through trade facilitation.



Dr Zaidi Sattar (C), senior economist of World Bank, speaks while releasing a WB report on 'India-Bangladesh Bilateral Trade and Potential FTA' yesterday in Dhaka. Moazzem Hossain (L), editor of the Financial Express, and Prof Abdul Bayes, former vice chancellor of Jahangirnagar University, are also seen.

RAPID INDUSTRIALISATION

India must abandon laidback attitude: Manmohan

AFP, New Delhi

Indians must abandon their laid-back attitude to improving efficiency and reducing red-tape so that Asia's fourth-largest economy can industrialise rapidly, Prime Minister Manmohan Singh said Sunday.

Singh said Indians must lose their "chalta hai" attitude -- a commonly used phrase meaning "it will do" -- to attract new businesses and increase productivity of those already established to compete with India's neighbours.

"We have to give up our 'chalta hai' attitude to move very fast to catch up with our neighbours in east Asia," said Singh.

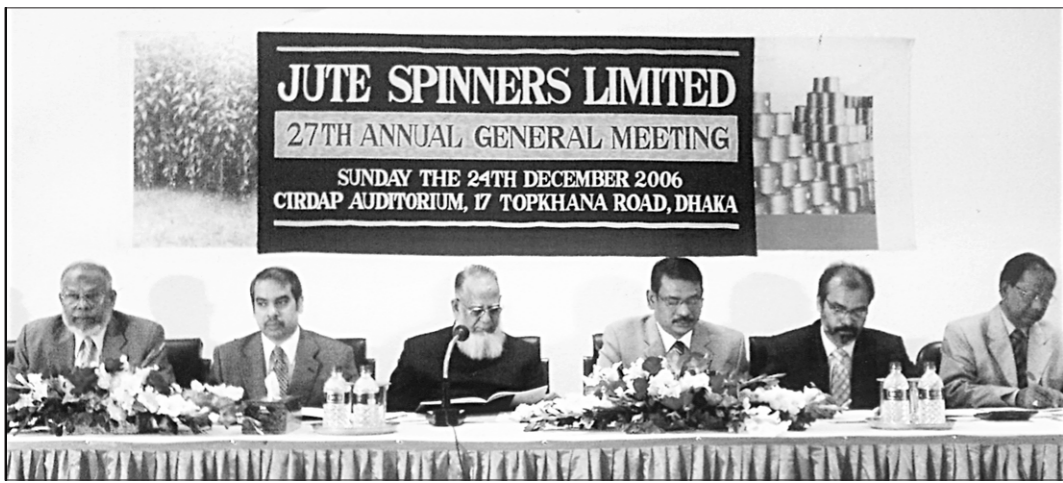
Speaking at the launch of a project to modernise a steel plant in the eastern state of West Bengal, Singh highlighted the fact that Indian-origin steel magnate Lakshmi Mittal does not yet produce any steel in India.

"It is indeed an irony that Mittal is today called the steel king of the world. His group is the world's largest steel producer without producing a kilo of steel in India,"

the premier said, according to the Press Trust of India.

"Why is it that they choose foreign shores for growth and expansion rather than their home turf? Is it to do with our industrial environment, our procedures, our bureaucracy and red tape?"

The world's largest steelmaker, Arcelor Mittal, signed a 8.7-billion dollar agreement with the eastern state of Orissa on Thursday to build its first steel plant in the country, a project that will take almost five years to complete.



Chairman of Jute Spinners Ltd Muhammad Shams-ul Haque presides over the 27th annual general meeting (AGM) of the company yesterday in Dhaka. Directors and other senior officials were also present at the AGM that declared a 20 percent dividend for the year 2005-06.



The prize giving ceremony of an in-house name search contest for the new name of Organon (Bangladesh) Ltd was held recently in Cox's Bazar. Managing Director of the company Akhter Matin Chaudhury, among other senior officials, was present.

China mulls same tax rate for local, overseas firms

AFP, Beijing

Chinese lawmakers on Sunday mull a draft law that would impose a 25 percent income tax on both domestic and foreign firms, eliminating the preferential rate for overseas companies, state media said.

The taxation bill was unveiled to the Standing Committee of the National People's Congress -- China's top legislature -- at the start of a week-long session due to end

Friday, Xinhua news agency reported.

Currently, domestic companies are taxed at a rate of 24 percent on average, while foreign-funded firms only pay about 14 percent -- a gap that has sparked controversy in recent years.

Finance Minister Jin Renqing told committee members at the opening of the session that a unified tax code would foster fair competition among all businesses operating

in the country. China originally adopted a two-tier tax system in the 1980s to attract foreign investment.

Those rules were signed into law in the 1990s, but have since been condemned by domestic companies facing tough competition since China joined the World Trade Organization in 2001.

China's tax authorities said at the start of the year that they would work to create a unified tax code.

Major Asian currencies tend upwards against dollar

AFP, Hong Kong

Major Asian currencies ended the past week mixed with an overall upward bias against the US dollar in thin and lacklustre pre-Christmas trading.

The dollar had fended off a downward revision of the US economy late in the week with Asian traders now focusing on Japan's industrial output figures due out Tuesday to provide the next lead.

JAPANESE YEN: The Japanese yen further dropped against the dollar in the past week, with dealers.

The yen further lost its value to 118.30 to the dollar late Friday, compared with 117.91 a week earlier.

"A view is prevailing that it is difficult for the US Federal Reserve to cut its rate very soon while at the

same time it is difficult for the Bank of Japan to hike its rate soon either," said Hiroshi Sakurai, analyst at Mizuho Investors Securities.

AUSTRALIAN DOLLAR: The Australian dollar is expected to remain range-bound next week, supported by high commodity prices and interest rates, but there are signs the 80 US cent barrier may crumble in early 2007, dealers said.

The domestic unit was trading at 78.66 US cents at 5:00 pm Friday (0600 GMT), up from the previous week's 78.17 US cents.

CHINESE YUAN: The yuan ended at 7.8163 to the US dollar in the over-the-counter (OTC) market Friday, compared with Thursday's 7.8170.

In the exchange-traded market, the yuan closed at 7.8151 to the dollar, compared with Thursday's close of 7.8175, according to a

Guangdong-based trader.

The central bank set the yuan central parity rate at 7.8189 to the dollar Friday, compared with 7.8190 Thursday.

SINGAPORE DOLLAR: The dollar was at 1.5400 Singapore dollars from 1.5404 the previous week.

THAI BAHT: The Thai baht fell against the dollar over the past week due to the government's draconian currency control measures, which triggered panic selling in the stock market.

The army-backed government introduced the new capital rules on Tuesday as the baht jumped to a new nine-year high of 35.12 to the dollar on Monday.

The Thai baht closed at 36.40-48 to the greenback on Friday, sharply down from 35.25-27 a week earlier.



The 11th annual general meeting (AGM) of MIDAS Financing Ltd was held on Wednesday in Dhaka. Samson H Chowdhury, director of the company, presided over the AGM, which was attended, among others, by Rokia A Rahman, Shaikh A Halim, AJ Masudul Haque Ahmed, Md Shamsul Alam and Md Majibor Rahman, directors of the company.