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BUSINESS

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US-Bangladesh Business Council chairman at press confce Hartals making dent in country's image abroad

Star Business Report

The visiting US-Bangladesh Business Council (USBBC) Chairman Ambassador Frank G Wisner said that disruptions in workplaces caused by hartals were having a profound negative effect on the country's image abroad.

"Hartals increase the cost of capital, discourage investment, and affect day to day life of every Bangladeshi," he told a press conference organised by the American Chamber of Commerce (AmCham) at city's Sheraton Hotel yesterday.

Markets lost due to political instability will be hard to regain because of stiff international competition, he warned.

"Hartals have already made dent in sales of goods and services by American and Bangladeshi companies alike, as well as damaged the flow of Bangladeshi exports - especially textiles."

He also expressed his concerns about the effect of the current political controversy on the economy and urged the government and the opposition, which his delegation had already met, to find a way out of the standoff, he said.

Foreign investment depends

on the prevailing environment. Wisner said, noting that "in a situation of disruption in the workplaces and non-competitiveness, it is tough to attract foreign investment."

Wisner, however, said that no American or any other foreign company should get involved in the internal political affairs of an independent nation.

He was leading an 18-member business delegation now on a two-day visit in city. The USBBC team included corporate executives from AES, American Express Bank, Citibank, Enron, Gulf Resources America, Haliburton, Thelen Reid & Priest and Unocal, representing the financial services, insurance, petroleum, legal, and power-generation sectors.

Wisner also said the government should act swiftly to complete the projects already underway and added that many of these projects have been delayed for too long.

He recommended that the government proceed quickly to complete the second round of oil and gas exploration bidding, make smooth entry of investments into the sectors and decide how Bangladesh's resources

could best be used both domestically and internationally.

"Investors around the world are watching how Bangladesh decides to use its natural gas," he said, adding that the government had ample opportunities to move the country rapidly ahead by positioning it as the energy hub of Asia.

"During the course of our discussions with politicians and the business community, we underscored the existing international economic difficulties, global economic crisis, decline in hydrocarbon prices, and the tapering off of American corporate profits," the USBBC chief said.

"Any country wishing to attract foreign investment in such circumstances must work hard to make itself competitive."

Welcoming the wide range of reforms undertaken so far, he lauded government efforts to maintain a positive macro-economic environment and deal with the 1998 floods.

Mentioning the present situation at the 810-mw power plants at Haripur and Meghnaghat, Wisner said: "A rapid

completion of these plants will send strong signals to potential investors around the world."

The companies included in the delegation are substantial investors in the Bangladesh economy and have sent a senior executive on the USBBC mission to reaffirm their long-term commitment to Bangladesh. With business conditions permitting, these corporations intend to intensify their involvement here, Wisner said.

He added that in addition to their long-term intentions to engage in Bangladesh, these corporations comply scrupulously with the Foreign Corrupt Practices Act. They will not entertain or get themselves engaged in any questionable practices.

These American companies are also committed to fair employment practices and have a strong sense of social responsibility.

Speaking at the press conference, Ambassador John C Holzman said that US investment in Bangladesh was moving toward one billion US dollars from the present \$600 million.



Young visitors crowd a computer stall to have a look at the latest arrivals at the Dhaka International Trade Fair (DITF) '99 yesterday. — Star photo

US team meets PM Bangladesh's macroeconomic management hailed

The American business and trade leaders have lauded the Bangladesh government's macro-economic management, budgetary control and reforms in financial sector, reports BSS.

The appreciation came when the visiting US business council led by Ambassador Frank Wisner called on Prime Minister Sheikh Hasina at her Ganobhaban official residence in the city yesterday.

Wisner apprised the prime minister of the delegation's purpose of visit to Bangladesh with particular reference to US investment here.

"Bangladesh has terrific opportunities to develop its hydro-carbon sector," Wisner said.

Expressing their eagerness to initiate long-term business cooperation with Bangladesh, the leader of the delegation said that the American entrepreneurs are very much keen to promote investment here.

The Prime Minister appreciated the American business council for their initiative to promote investment in Bangladesh. The Prime Minister assured them of her government's full guarantee of their investment.

The Prime Minister said after long struggle we have been able to bring democracy in the country. People want peace and stability. We have provided attractive incentive packages to the investors, she said.

Present on the occasion among others were Finance Minister S A M S Kibria, Principal Secretary to the Prime Minister Dr S A Samad, US Ambassador in Bangladesh John C Holzman and FBCCI president Abdul Awal Minto.

USBBC urges politicians, businessmen Take stock of globalisation to woo investment

Star Business Report

The visiting US-Bangladesh Business Council (USBBC) delegation chief, Ambassador Frank G Wisner, yesterday asked the country's business community and politicians to take stock of the globalisation process to attract investment.

"This country has a business-friendly environment," said Wisner, adding that it must now overcome its problem abroad to woo foreign investment.

He was speaking at a luncheon meeting hosted by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) here yesterday.

He also urged the politicians to erase the irritants between them amicably to rid the country of the instability image abroad.

Ambassador Wisner is leading an 18-member USBBC delegation, formed just a year back, representing US private sector giants.

US Ambassador in Bangladesh John C Holzman, USBBC Executive Director Herbert Davis and Immediate-past President of FBCCI Yusuf Abdullah Harun also spoke on the occasion. FBCCI President Abdul Awal Minto presided over the meeting.

UNB adds: Herbert Davis gave a brief history of the founding of the USBBC and its

efforts in the USA to facilitate signing of a joint statement in Washington in December last year by US Energy Secretary Bill Richardson and Bangladesh's Energy Secretary Dr Tawfiq-e-Elahi Chowdhury.

Besides energy sector, Davis said, many US companies are showing growing interest in investing in telecoms, agro-based and food-processing industries and financial services.

US Ambassador John C Holzman felt the need for private-sector partnership in further improving the bilateral business ties.

FBCCI President Abdul Awal Minto said sub-regional cooperation among South Asian nations could open up opportunities for US companies to invest in gigantic infrastructure projects.

The idea of sub-regional operation mooted by Bangladesh and India has tremendous potential for turning Bangladesh and adjoining region into a powerhouse of development and investment," Minto told the touring Americans.

Bangladesh's impressive gas reserves, Nepal's hydropower potential and India's growing demand for power are some unprecedented opportunities now unfolding, Minto told them at the luncheon.

Giving a breakup of government policy supports and incentive packages for investment, Minto said Bangladesh presents a unique opportunity for foreign investment.

Besides, he said, the implementation of South Asian Free Trade Area (SAFTA) would widen the scope of a vast market in the region of billion-plus people.

The investment conditions here are quite favourable, and better than any other South Asian countries, he said. But, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) chief mentioned the weaknesses in infrastructure, mainly in power sector, and deficiencies in legal and financial systems. He, however, referred to government efforts to address these problems through various reform measures.

"Of late, political programmes like hartals are disturbing the business environment. But this is a short-term phenomenon and hope would soon be resolved," said Minto whose organisation has taken initiatives for a negotiated solution to the tangles.

He referred to the recent visit of US energy delegation led by Calvin Humphrey which signed three agreements with the government relating to power-and-energy-sector development.

BB says in its annual report Growth to falter unless flood-losses made up

The Bangladesh Bank yesterday said the overall growth might suffer a setback in the 1998-99 fiscal unless the government steps were implemented to cover losses in agricultural and other sectors caused by last year's devastating floods, reports BSS.

Despite increased growth in different sectors, the Gross Domestic Product (GDP) came down to 5.6 per cent in 1997-98 compared to 5.9 in the previous fiscal year, which stood at 3.1 per cent against 6.4 per cent in 1996-97.

The report said in its annual report, released here yesterday.

It, however, praised the government initiatives to provide soft loans along with ensuring supply of seeds among farmers and rescheduling of agricultural credits saying that the successful implementation of the policies would reduce the trend of lower growth despite the flood losses.

The report also hailed the government programmes like "Asrayan Prokalpa," Employment Bank, house building credit for the poor and allowances for elderly people and said these were likely to contribute substantially to poverty eradication in the 1998-99 financial year.

It also predicted a good result of the test relief and food for

works along with the post-flood VGF programme in activating the rural economy and reducing the poverty level.

The central bank report said the government steps in the last fiscal year had accelerated the pace of development in social and economic fronts.

But the delayed rainfall in the northern region and loss in Aman production due to pest attack disrupted the desired growth in the agricultural sector, which stood at 3.1 per cent against 6.4 per cent in 1996-97.

The report said due to different 'supportive' measures of the government, the growth in the industrial sector increased to 7.9 per cent, which was 7.5 in the previous fiscal.

It noted that the government took a 'cautious' monetary and credit policy to consolidate the economic activities which yielded a balanced growth in the flow of money and credit.

This played an effective role in ensuring balance in foreign trade, increasing the foreign reserve, and keeping the inflation within the tolerable limit.

The central bank appreciated the government emphasis on increased loan for the private sector ensuring normal flow of liquidity in the banks along with adopting effective steps to realise the outstanding

loans.

The report said the revenue activities were directed to accelerate the economic development introducing a modern and tolerable tax system, which was needed for increased government expenditure in social sector in the backdrop of 'open market economy.'

It said due to the steps, the revenue collection in 1997-98 increased by 9.5 per cent compared to the previous fiscal.

However, the increased revenue expenditure reduced the surplus by 7.2 per cent in the said fiscal against the previous one.

The bank said the external trading and transaction witnessed some progress in the said fiscal with the export earning of 5,172 million dollar, which was 4,427 million dollar in the previous fiscal.

The increased income came mainly from ready-made garments and tea reducing the external trade deficit to 2,352 million dollar.

The amount of foreign reserve also increased to Taka 1,223.10 crore, which was 9.9 per cent more than what it was in the previous year. The volume of internal savings in the said fiscal was Taka 1,632.90 crore, which was 15.5 per cent more than the previous year.

HSBC chairman due in city tomorrow

The Chairman of the Hongkong and Shanghai Banking Corporation Limited and Director of HSBC Holdings plc David G Eldon will arrive in the city tomorrow, says a press release.

Born at Inverness, Scotland, in 1945, he started his career with an Australian banking group in London in 1964.

He joined The British Bank of the Middle East, a principal member of the HSBC group, in 1968.

In the same year he was posted to Dubai, the first of four consecutive postings to the Middle East. He was appointed Manager of Sharjah branch in 1973 and manager of Ras Al Khaimah branch in 1977.

Eldon took up his first position in Hong Kong in 1979 as Manager Special Projects at the head office of The Hongkong and Shanghai Banking Corporation Limited.

In 1984 Mr Eldon was appointed Deputy Managing Director of The Saudi British Bank in Saudi Arabia.

In 1987 he returned to Hong Kong to take up the position of Senior Manager International Corporate Accounts.

At the end of 1988, he was appointed Chief Executive Officer Malaysia, and was promoted to General Manager in 1990. He returned to Hong Kong in June 1992 and after a temporary assignment as General Manager Hong Kong and China, he took up the position of General Manager in The Hongkong and Shanghai Banking Corporation's International Department.

Eldon was made an Executive Director of the Bank in January 1994. He was appointed a Director of HSBC Holdings plc on 1 January 1999.

DCCI course on import, indenting procedures ends

Star Business Report

The 5-day training course on 'Import and indenting procedures' ended in the city on Saturday.

It was organised by the Human Resources Development Programme (HRDP) of the Dhaka Chamber of Commerce and Industry (DCCI) at its training centre, says a press release.

Topics included in the course were: introduction to import trade in Bangladesh, formalities and legal documents for operating an import house, indenting business in Bangladesh, market exploration and apprising the principals/suppliers/manufacturers for the imported products and indenting, how to collect proforma invoice/indent and formalities of operating the L/C, marketing in import trade, duties and taxes for importable products in Bangladesh, functions of C&F agents, international tender-types and techniques of handling, indenting in private sector, negotiation for commission and realisation thereof.

In all, 36 participants from different private business organisations attended the training course.

DCCI Director Mamunur Rahman distributed certificates among the participants.

M Bashir Ullah Bhuiyan, Resource Person of the course and Managing Director of Shadow International Ltd, Md Emdadul Haque, Project Manager of Business Advisory Service (BAS) Project and concerned officials of the DCCI were present on the occasion.



The ILO feasibility mission on special fund for the workers affected by privatisation led by Dr Rizwanul Islam, ILO, Geneva, holds meeting with the members of Bangladesh Employers' Federation (BEF) at its office yesterday. Rokia A Rahman, President of BEF, and MA Hassanein, Director of ILO, Dhaka, are also seen in the picture. — BEF photo

Kohinoor Battery goes private

The documents of disinvesting the state-owned Kohinoor Battery Manufacturers Limited were handed over yesterday to its buyer, completing the process of privatisation of this industrial enterprise, reports BSS.

Foreign Minister Abdus Samad Azad formally delivered the documents to the highest bidder of the deal A K M Fazlul Huq of Maghbazar at a simple ceremony held at the Privatisation Board office.

The enterprise located at the Tongi industrial belt, Gazipur, was disinvested at a price of Taka 17 crore 96 lakh including about Taka two lakh long-term dues.

The industrial unit with 424 officials and employees incurred a loss of Taka 5.56 crore

in the year 1995-96. It now incurs an accumulated loss of Taka 45.92 crore.

Established in 1965 as a private limited company over an area of about 9.715 acres of land was nationalised in 1972.

Speaking briefly on the occasion, the foreign minister said the privatisation of the Kohinoor Battery Manufacturers Limited would help grow a strong private sector in the country.

Referring to the globalisation of world economic order, Azad laid stress on developing a strong private sector for strengthening the economic base of the country.

He said Bangladesh has a bright scope for healthy growth of private sector.

The foreign minister said

the nation cannot prosper without the improvement of its economy. The present government of Prime Minister Sheikh Hasina, he said, had been pursuing the policy of disinvestment to help the nation attain its desired economic growth.

Azad also assured the new buyer of the industrial unit of providing all possible government helps to make it a viable organisation.

Chairman of Privatisation Board Kazi Zafarullah and Mayor of Tower Hamlets, London, A Asad were present on the occasion.

Zafarullah said that the privatisation board would continue its process of privatising the losing state-owned enterprises as soon as possible.

Govt aims to halve textile sector workforce

The government is likely to initiate another retrenchment programme in the public sector textile mills soon to reduce the workforce to half from its present level in a desperate bid to cut back losses, reports UNB.

According to competent sources, the earlier retrenchment programme was yet to be completed, but the Textiles Ministry has decided to initiate another programme of voluntary retirement, popularly known as golden handshake.

"It's a desperate effort to make the sector at least free from loss," said an official of the Textile Ministry.

Talking to UNB at his office recently, State Minister for Textile AKM Jahangir Hossain said the government has taken up a number of steps including the golden handshake programme and the sale of excess lands within the mill areas.

He said whatever the government is doing in the sector is in consultation with the labour force and employees in the textiles sector.

"This (textile) is the only sector which is free from any labour unrest," the state minister added.

As of December 1998, the total workforce of the Bangladesh Textile Mills Corporation (BTMC) was about 12,414 people, including officers and employees of the corporation's head office.

There is an ongoing retrenchment programme costing Tk 55 crore. Under the programme, a total of 3,906 officers and employees of the textile mills under the state-owned BTMC were scheduled to go for retirement through "golden handshake."

So far, the BTMC received Tk 13 crore out of the total need of Tk 55 crore.

"The programme is moving slowly just because of the slow availability of funds," said an official of the BTMC.

Officials and employees of five mills are getting priority under the programme. These are:

- Kaderia Textile, RR Textile, Sundarban Textile, Kokil Textile and Chisti Textile.

Of them, Kokil and Chisti Textile Mills have been closed in last December. The remaining three will be closed soon.

The new programme, which has been taken up by the ministry is targeted to retrench 30 per cent workforce of the remaining 14 mills under the BTMC.

About 2,793 officials, employees and workers will get retirement through the golden handshake.

These 14 mills are: Amin Textile, Dost Textile, Darwani Textile, Orion Textile, Kurigram Textile, Dinajpur Textile, Bengal Textile, Tangail Synthetic, Ahmed Bawany Textile, Rajshahi Textile, Magura Synthetic, Sylhet Textile.

Finance Minister Shah A M S Kibria yesterday asked the newly-recruited bank officials of Sonali Bank to acquire modern banking techniques and knowledge and help the nation achieve a higher economic development to face the challenges of the 21st century, reports BSS.

The minister was addressing the new trainee officers of the bank at its Head Office in Dhaka. Sonali Bank Chairman Prof A I Aminul Islam and Managing Director Mahbubur Rahman Khan also spoke.

The finance minister described the bank as the premier nationalised bank and said the fresh officers should take up the initiative to build their careers,

Kibria asks new Sonali Bank officers Gain modern banking skills, knowledge

which is globally known as the elite service.

Kibria said the new bankers would guide the nation in the new century when competition would be more stronger and would have to face tough challenges from foreign and private banks.

The minister said that both foreign and private investments were increasing and this trend of the economy would raise the demand for more quality banking services in the country.

He asked the freshers to acquire skill and knowledge including electronic banking system and other modern devices to upgrading the quality of services of Sonali Bank.

New business drive of Janata Insurance

Zafar Ahmed Chowdhury, Chief Adviser of Janata Insurance Co Ltd and Chairman of United Commercial Bank Ltd, has called upon the officials to launch a new business drive with professional spirit for quick disposal of insurance claims for accelerating growth and development of the company, says a press release.

He was speaking as chief guest at a dinner arranged by the company for the branch managers of both Janata Insurance Company Ltd, and United Commercial Bank Ltd at a local hotel on Saturday.

Md Jahangir Alam Khan and M A Hashem, Advisers of JIC, K C Rezaul Huq, Managing Director of UCBL, Md Maqbul Husain, Managing Director of JIC, and executives and branch managers of both the organisations attended the function.

Another train service to go private

SYLHET, Feb 14: The government has decided to hand over a mail train to a private sector, says UNB.

Official sources of Bangladesh Railway said the Surma mail train operating between Dhaka and Sylhet will be handed over to a suitable private company.

Meanwhile, the tender has been called from the intending individual or organisation and it will be opened on March 1.