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Canada pledges telecom project cooperation

A five-member delegation headed by the visiting Canadian State Minister for Asia and Pacific Affairs Raymond Chan called on Home and Telecommunications Minister Mohammad Nasim at his official residence in Dhaka yesterday, an official press release said, reports BSS.

Talking to the members of the delegation, the home minister said that the government was encouraging private investment in the telecommunications sector side by side with government endeavours for increasing the number of telephones and providing better telephone facilities for the subscribers.

He said four private companies are running the mobile telephone business in the country.

"At present, the country provides four telephones for every one thousand people," Nasim told the delegation.

During the meeting, the minister requested the Canadian state minister for investment in prospective sectors like telecommunications.

Chan assured Nasim of all possible help and assistance in finalizing and implementing telephone projects in Bangladesh. "Canada's telecom sector is very strong and it has quality management as well as experience."

Law, Justice and Parliamentary Affairs Minister Abdul Matin Khasru, State Minister for Foreign Affairs Abul Hassan Chowdhury and acting Telecommunications Secretary Nazmul Ahsan Chowdhury participated in the meeting.

Bangladesh, Iran discuss quick implementation of cement project

Star Business Report

Bangladesh and Iran have discussed the ways and means for quick implementation of the proposed joint venture cement project in Chittagong.

The discussion between a high-powered Iranian investment delegation led by Ali Reza Shaikh Atar, advisor to the Minister of Industries of Iran, and officials of the Board of Investment of Bangladesh was held in the city on Sunday.

The project, Banglaran Cement Industries Ltd, was previously registered with the Board of Investment of Bangladesh, says a press release.

Welcoming the Iranian Delegation, BOI Executive Chairman Sirajuddin Ahmed explained the various facilities and incentives available for foreign investors in Bangladesh.

He thanked the delegation for their decision to set up this cement factory involving huge investment Bangladesh. He also urged them to invest in other sectors as well.

The leader of the delegation, in reply, expressed his gratitude to the BOI executive chairman for extending all possible cooperation to make their mission a success as well as for the steps being taken for implementation of their proposed cement project.

He informed that Iran has already approved this project.

He further informed that this project would be implemented soon and would be capable of producing 600,000 tons of cement per year.

The Iranian delegation also assured of exploring the possibility of setting up clinker manufacturing and luxury bus assembling/manufacturing projects in Bangladesh.

A Bangladesh-Iran Display centre is expected to be opened in Dhaka soon.

Course for new ADs

Kibria stresses BB role in bettering banking sector

Finance Minister Shah AMS Kibria has emphasised the leading role of the Bangladesh Bank in improving the standard of the banking system and guiding the national economic activities in the right direction, reports BSS.

The finance minister was addressing the inaugural session of the foundation course of the newly-recruited Assistant Directors of the Bangladesh Bank at Bangladesh Bank Bhaban here yesterday.

Bangladesh Bank Governor Dr Mohammad Farashuddin presided and Deputy Governor Dr Mohammad Shahabuddin and Bangladesh Bank Training Academy Executive Director Didarul Islam also spoke.

Kibria said the skilled and efficient central bankers are required to properly execute the central bank activities especially strengthening the supervision and monitoring of the banking system.

He said successful and qualified bankers could be created through training only.

The Finance Minister said irregularities, corruption and misdeeds in the banking system adversely affected the entire economy and indiscipline marred the banking system in the past because of those reasons.

Pre-budget talks with businessmen

NBR pledges to rationalise 3-tier tariff structure

Government's revenue administration yesterday agreed that an anomalous duty structure on the imports of raw materials, intermediary goods and finished products impeded the growth of local industries, reports UNB.

Responding to demand for a rational tax structure at the three levels, National Board of Revenue (NBR) Chairman Abdul Muyeed Chowdhury at a discussion with business people said the issue would be addressed in the coming budget.

Duties on importation of finished goods would be put at the highest among these three tiers, he declared.

Earlier, the business leaders said if the structural was not rationalised with import duty on finished goods fixed at the highest, the local industries would continue to die out in uneven competition.

The NBR chairman led the Board team while the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) president Abdul Awal Mintoo the business side.

Many of the business leaders urged the NBR to lessen the tax burden imposed on them for the survival of the local industries.

"Otherwise, Bangladesh would be the market of Indian products and our industries would die," said Anjan Chowdhury Pintoo of Square.

Shahid Surawardy of Bangladesh Patthya Pustak Samity said Indians were grabbing the whole printing market in Bangladesh because of the government's wrong tax policy.

Citing an example he said when import duty on plain paper is 51 per cent, it is only 5.5 per cent on printed books. "As a result, people are going to India to get their books printed."

As many as 12,000 printing presses are sitting idle here failing to find work, he told the pre-budget meeting.

Earlier, in his introductory remarks the NBR chairman urged the businessmen involved in the printing to develop the sector on a par with the ready-made garment industry.

He said the government would encourage development of the sector providing incentives.

"Get order from abroad, print in the country and export the products under back-to-back Letter of Credit (LC)," he said, adding that the sector has immense potential to become a productive sector like RMG.

Abdul Wadud of Jewellry Samity urged the NBR to make import of gold up to 10kg tax-free.

He said the sector had possibility of becoming another export sector but was failing to surge up only because of the government policy.

He suggested that the NBR lower its tax from Tk 300 to Tk 100 per 10 grams of gold.

Rafiqul Islam Ratan, the owner of a private-sector fertiliser factory in North Bengal, urged the government's tax authority to lower the tax levels on the raw materials used in the industry.

'Grubby MC' and 'Young MC', part of an army of hundreds of miniature Teddy Bears owned by distinguished officers and twin brothers Colonel Sir Guy Campbell, late Kings Royal Rifles (60th Regiment) and Major E.F. David Campbell, late The Black Watch (Royal Highland Regiment), are one of the most poignant group of toys ever to be offered for sale at an auction of Toys and Dolls Sunday in London. The sale in London later this month, of over 400 tiny bears, made in France and Germany, each measuring 9-10 cm, were given to Guy and David Campbell by their grandmother, Rosabell Rawlins, who gave them the bears instead of pocket money. The twins were particularly fond of Roundheads and Cavaliers. The boys grew to men but their affection for the bears did not diminish. When they joined the Army during the WWII, they each carried their favourite bears with them into battle and both men saw front line action and were awarded the Military Cross. —EPA photo

BB Governor for interest rebates to good borrowers

MCCI warns of grimmer days as govt borrowings rise

Star Business Report

Metropolitan Chamber of Commerce and Industry (MCCI) President Mahbub Jamil yesterday warned the Bangladesh Bank (BB) Governor that increased government borrowings from the banking sector would spell disaster for the private sector.

"Grimmer days appear to be lying ahead for the country in the wake of increased government borrowings from the banking sector, which have pushed banks' lending rates up, making equity borrowings costlier," Jamil told the central bank Governor Dr M Farashuddin at a meeting at the MCCI auditorium yesterday.

But the BB governor said that he did not see much crowding out effect on the private sector as feared by the Chamber.

Farashuddin mentioned that of the total Tk 55,000 crore loans disbursed, only Tk 11,000 crore went to the public sector.

But the governor emphasised the need for an interest rate policy which would prove as rewards for good borrowers.

There should be an option for two to three per cent rebates on interest rates for those who repay their loans on a regular basis, he said.

Welcoming the governor, Mahbub Jamil pointed out that the government's current practice of tightening money supply could lead to fall in growth in a time of economic slowdown and increased state-borrowings.

"We do not suggest any undue monetary expansion, but it should be remembered that money supply controls during an economic slowdown is not the only answer, as credit controls can lead to further drop in the growth momentum, resulting in low revenue earnings and even forcing the government to resort to further borrowings from the banking sector to meet its current expenditures."

He said there is little efforts to curtail the recurrent expenditures while implementing the ADP.

The cost of capital in the country is already higher in relation to the global standard, he added.

As Jamil termed the present savings rate low and proposed reduction of interest rates, the Bangladesh Bank Governor called it self-contradictory.

The MCCI President said that any undue slowdown in the flow of resources to growth sectors would pose serious problems to macroeconomic stability and the development of a competitive economy exposed to global markets.

"The government's fiscal policy is not in a desirable shape, mainly due to the deficits of non-financial public sector and the government's revenue needs to meet the currently increasing expenditures."

He said borrowing from the banking sector has become a regular feature in meeting fiscal deficits. Financing mode of this kind is risky if GDP growth stagnates in the face of increasing interest rate.

"A debt-trap is likely to envelope the economy and even if the fiscal deficits are sustainable, they will have the effect of crowding out investments, and thereby, reduce growth and market-orientation of the economy."

The governor also supported the view to cut current expenditures. "I agree on the issue of cutting down current expenditures most vigorously," he said.

About stable inflation, Farashuddin underscored the need for maintaining cautious monetary policy.

The inflation rate was 8.5 per cent last month. But, with the bumper boro yield, it would come down by 1.5 per cent to seven per cent soon, he hoped.

Terming lower domestic savings a problem, Farashuddin put emphasis on increasing investment to 24 per cent of the GDP from the current 14 to 15 per cent.

Mahbub Jamil said: "We strongly submit that a fund be created for meeting the long-term equity needs. The funds generated through floating of the industrial bonds ought to be used for productive purposes."

He also said that the Wage Commission award was likely to have a lasting adverse effect on the economy at a time when revenue collection had shrunk in real terms and there were symptoms of economic sluggishness with marked tendencies for higher inflation. "For the first time, the wage-earners' remittances are faced with slowdown."

The provision of the Bank Company Act 1997, which bars a defaulter of a company from getting loans for another non-defaulting company is ill-advised, the MCCI president said, adding that it was forcing many running industries to close down for lack of working capital.

The MCCI president said that the law should be changed, and in its place, the banks should be encouraged to increasingly use the new Bankruptcy Act.

The central bank governor did not make any comment on the MCCI president's proposal, but suggested that as a temporary solution a director could resign from a company if he becomes defaulter in another company.

"We must not compromise the interest of the banks and the nation," he said.

However, Mahbub Jamil reiterated the Chamber's support for any measure to tackle the loan default culture. At the same time, all support should be given to the running industries instead of forcing them to close down.

He said the exporters, many of whom are dependent on duty draw-back system to survive in the fiercely competitive world export markets, are being denied the refunds due to nonplacement of refinancing facilities by the central bank.

The MCCI president requested the governor to settle duty draw-back refund claims within 15 days to one month so that the exporters can reinvigorate their export efforts.

Bangladesh Bank Governor Dr M Farashuddin (C) speaks to the members of Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka at the chamber auditorium yesterday. MCCI President Mahbub Jamil (R) and Secretary General CK Hyder are also seen. — Star photo

APTECH launches new online training method

APTECH Limited a global technology major, has announced the launch of a comprehensive on-line training model of education which will be implemented through its network of over 1200 training centres in USA, Europe, Asia and Africa within a few months, says a press release.

APTECH on-line will combine the best elements of high-end digital content — audio, video and animation and use a unique combination of delivery methods — video/CD-ROM and the Internet to ensure that the quality of education delivered is superior to the best traditional method of training, it said.

Announcing the launch in Mumbai yesterday, Ganesh Natarajan, Managing director of APTECH Limited, said; "The new APTECH on-line methodology is the answer to the eternal problems faced by large training organisations in ensuring uniform quality of education across a large network of centres. It is the product of many person-years of research of our R&D groups in Asia and America. Our research has proved that this methodology improves the effectiveness of learning even in conceptual areas like software project management and quality assurance by 10 to 15 per cent and we are confident that this innovation will enable our students and corporate learners to become worthy players in the high growth software exports industry."

APTECH's on-line initiatives commenced in early 1998 with detailed studies conducted on the effectiveness of Internet courses in USA and Europe.

Through its collaborative efforts with US training majors, the knowledge and learning research group of APTECH found that while distance learning through the Internet provided many advantages over the earlier models of television, CBTs and CD-ROMs, the effectiveness of learning in comparison to the best charismatic trainers was less than 80 per cent.

This led to the development of AMEDA (APTECH Multimodal Education Delivery Architecture), which was used to develop the APTECH software engineering courses and successfully used in APTECH centres in Princeton, USA and Bangalore, India.

The new version of APTECH online, which is now being released, uses and optimal mix of all media as appropriate to the content and pedagogical needs of each set of courses and learner audience profile.

Dr. Meena Kumari, head of APTECH Research & Development, said: "After the success of this unique developmental effort which takes advantage of each available medium and overcomes the traditional shortcomings of Internet Training, our next milestone is to use Web-ROM Technologies to deliver this innovation on a worldwide basis. This will enable the combination of high quality video content resident on a local server or desktop with the vast repository of linked information sources on the World Wide Web, to provide a comprehensive learning experience for the learner."

APTECH online is a result of internal research and idea sharing with global pioneers in distance education like Pace University of New York and UOL Inc of Washington DC.

The company plans to roll out both short technology and methodology courses through this format as well as incorporate into the premier ACCP (APTECH Certified Computer Professional) programme.

The ACCP programme, which incorporates the global skill trends in information technology, is the result of detailed research on current and future needs of the software industry and the introduction of this new online capability will be one more step towards APTECH's goal of being the training provider of choice on a worldwide basis, the release added.

APTECH Limited and its subsidiaries in the USA, UK, Bangladesh and Singapore control the largest global training network of information technology centres. APTECH centres today spread across 21 countries and the company has a goal of training over a million students annually in over 40 countries by the year 2002.

Wall Street fall, US rate hike fears drag down Asian stocks

SINGAPORE, May 17: A slide on Wall Street and fears of rising US interest rates dragged Asian shares down today, while the dollar edged higher against the yen, reports Reuters.

Markets in Tokyo, Hong Kong and Sydney slid two per cent, while most other centres were down at least one per cent, taking their cue from Wall Street's third largest point fall this year.

"I think the market is anticipating some further weakness on Wall Street tonight," said Tony Russell, broker at Morgan Stockbroking in Brisbane.

By early Asian afternoon Tokyo's Nikei 225 average shed 2.17 per cent to 16,445.08 while Hong Kong's Hang Seng Index fell 1.99 per cent to 12,599.53 and Australia's All Ordinaries index lost 2.12 per cent to 2,990.3.

Dealers in Tokyo said a slowdown in US stocks could ripple into Japan's market, hurting exporters heavily dependent on the US economy.

The Dow Jones Industrials fell 193.87 points or 1.75 per cent to 10,913.32 on Friday after the US Labour Department reported the US April Consumer Price Index rose 0.7 per cent in April, its sharpest monthly gain since October 1990.

The data gives fresh evidence of US inflation to the policy-setting Federal Open Market Committee ahead of its meeting on Tuesday, and that could translate into either an interest rate increase or a shift in bias.

Expectations of a higher US rates lent strength to the dollar as investors focused on the prospect of a widening spread between US and Japanese interest rates.

The dollar was at 123.17/27 yen by 0530 GMT, compared with 122.75/80 yen late on Friday in New York.

The uncertainty over the next move in US rates and whether Wall Street will slide further rattled markets across Asia.

Malaysia's composite index fell 1.38 per cent to 756.23 by midday, weighed down by profit-taking, while Seoul's key index lipped 1.72 per cent to 725.15 and Manila's 33-share main index dropped 1.96 per cent to close at 2,453.59.

New Zealand's key market index was down 2.05 per cent at 2,205 in late trading, while shares in Jakarta were off 0.8 per cent and Bangkok's market was down 1.64 per cent.

Singapore and Taiwan bucked the trend and edged up.

Taiwan's TAIEX stock index ended up 0.31 per cent at 7,599.76 after flirting with a fresh 1999 high on unconfirmed reports that Morgan Stanley would hike its Taiwan weighting. Profit-taking later emerged to pared most of the day's gains.

The Singapore government unveiled a banking liberalisation package that breathed energy into local finance shares and helped push the Staits Times index up 0.34 per cent to 1,889.73.

Singapore shares were also benefiting from better than expected 1999 results from Singapore Airlines. Singapore banking shares were suspended.

Another report says: European share prices show signs of faltering in early trade today on continued anxiety over Wall Street's vulnerability to a possible US interest rate increase, traders said.

Germany's benchmark Xetra DAX stock index set the tone when it opened around 0.6 per cent lower after US stocks tumbled on Friday after a big jump in consumer prices rocked Wall Street.

Waves of selling were prompted in share markets around the world by a government report that the US April Consumer Price Index rose a surprisingly high 0.7 per cent in April, its sharpest monthly gain since before the Gulf War in October, 1990.

British shares were expected to open nervously, potentially giving up more ground on the US rate factor.

IT experts suggest govt-private sector coop

Global interaction for tackling Y2K glitch stressed

Noted Information Technology (IT) experts at a seminar in city yesterday stressed the need for global interaction in tackling the Y2K computer problem to ensure smooth transition into the new millennium, reports BSS.

The Year 2000 (Y2K) computer bug cannot be solved by any single country efforts since the world is now connected by international network. This problem can also cause significant global communications, economic, trade and financial disruptions" they told a seminar on "The Year 2000 Computer Problem" at a city hotel.

The IT experts called on both the government and private sectors to heighten public awareness of the Y2K compliance to minimise the possible risk of the Y2K glitch with only about 220 days to go.

The Association for Overseas Technical Scholarship (AOTS) of Japan organised the seminar in cooperation with the Dhaka office of Japan External Trade Organisation (JETRO), Bangladesh Computer Council (BCC) and Bangladesh AOTS Alumni Society (BAAS).

Noted IT expert and a former adviser to the caretaker government Prof Jamilur Reza Chowdhury attended the inaugural function as the chief guest, while Science and Technology Secretary M Fazlur Rahman addressed it as the special guest, a representative of the Embassy of Japan Tomohira Uchida, JETRO representative Daisuke Arai, AOTS representative Dr AKM Moazzem Hussain, BAAS President and Chairman of the Steering Committee Md Anwarul Haq and AQ Raziul Haq.

Computer expert from the NEC Corporation of Japan Masaaki Kashida conducted the technical part of the seminar, attended by about 100 persons from across the country who are connected with computer hardware, software and application.

Terming the computer problem as an unprecedented in human history, Prof Jamilur Reza Chowdhury said a day may come when many of the computers will not function. The first such alarm, he said, happened six years ago in 1993 at an insurance company here.

He said that computer was one of the country's thrust sectors and the government had already taken various measures for flourishing computer science and technology.

The Task Force formed for computerisation is now working at different ministries and agencies, he said adding it will submit its report with recommendations to the government shortly.

Prof Chowdhury said 500 billion US dollars pulled by the US multinational companies will be spent globally for the development of the computer sector and quite a big chunk of the money will go to India.