

**PSI starts today**

**Star Business Report**  
The long awaited preshipment inspection system (PSI) will start from today.

The National Board of Revenue (NBR) has already issued a notification in this regard and the Bangladesh Bank has informed all the commercial banks about the introduction of mandatory PSI from today.

The system will operate without the planned appointment of an auditor. However, the auditor will be appointed at a later stage, sources said.

The NBR hopes that with the mandatory PSI in place, the government's revenue will increase while corruption in fixing tariffs will decrease. There will be transparency in duty fixation and as a result, harassment of business will stop," said a high NBR official.

The date for introducing the system was shifted several times since October last year due to lack of preparation and legal procedures. Finance Minister KSM Kibria had declared in his budget speech in June last year that the government would introduce compulsory PSI on imports.

**DCCI course on marketing ends**

A 5-day training course on 'Marketing is Everything' organised by the Business Advisory Service (BAS) Project of the Dhaka Chamber of Commerce and Industry (DCCI) with the technical and financial support of German Technical Cooperation (GTZ) ended in the city recently, says a press release.

The training course incorporated topics like: Caring for customers; Strategic Marketing Research and Market Forecasting; The Marketing Plan; Competition Analysis and Competitive Advantage; Consumer Behaviour; Market Segmentation; Product Planning and Development; Product Pricing Strategy; Distribution Management and Marketing Communication and promotion.

At total of 37 participants from private enterprises attended the training course.

Vice-President Muhammed Golam Mustafa distributed certificates amongst the participants.

Addressing the participants, the vice-president underscored the need for learning techniques of marketing for the survival of the business enterprises under the present free market economy.

The certificate-awarding ceremony was attended by Director of DCCI Syed Moazzam Hossain, DCCI Secretary Mirza A Matin, Course Coordinator Md Emdadul Haque and concerned officials of the chamber.

**JB Dhaka Zone managers' confce held**

The annual conference of the Dhaka zone of Janata Bank was held in the city on Sunday with M Farid Udding, General Manager of Dhaka Division of the bank, in the chair, says a press release.

SA Chowdhury, Managing Director of Janata Bank, was the chief guest while Younus Ali Howlader, Deputy Managing Director, and Nurul Islam Molah, General Manager of the bank were special guest in the conference.

In his speech, SA Chowdhury urged all concerned to collect low-cost deposit, gear up the recovery of classified advances and attain 2000 profit target.

**Cold storage problem****Shariatpur poultry farming in bad shape**

SHARIATPUR, Feb 14: Poultry farms in six thanas of Shariatpur have been incurring heavy losses for lack of cold storage, marketing and treatment facilities, says BSS.

There are at least 3,000 poultry farms in the district but there is no sufficient facilities to preserve the huge number of eggs.

Besides eggs produced in the poultry farms face serious problems with broilers.

It is alleged that poultry die of various disease like gambo, bowl pox, cholera, ranikhet and thread worms. Proper treatment facilities in order to protect the poultry are totally absent in the district.

The local livestock officers are not capable of providing treatment to the affected poultry for lack of necessary medicines in the local market.

Some poultry farm owners urged the concern authorities to provide them with some facilities for poultry farming, they also added that they are to sell their poultry and eggs at a throw away price simply for want of cold storage and treatment facilities.

More verifiable meal is essential for proper rearing of the poultry. But there is acute shortage of the locally produced fish meals in the area. The available fish meals in the local hats and bazaars are highly adulterated. The poultry often die from eating these adulterated local fish meals and the quantity available in the market cannot meet the requirement of the poultry farmers.

**BB plans asset management firm for classified loans****Star Business Report**

Bangladesh Bank Governor Dr M Farashuddin yesterday said the central bank is planning an asset management company which will look after the classified loans of the commercial banks.

"This will separate the bad debt burden from the banks. This type of initiative has so far been taken in Indonesia, Malaysia, Thailand and Philippines. Before we finalise the company we will collect information from those countries and analyse the data," the governor said.

The governor was speaking as the chief guest at a national seminar on 'The Role of Commercial Banks in Development Financing in Bangladesh' organised by Bangladesh Institute of Bank Management (BIBM) at its auditorium in the city yesterday.

Referring to the high amount of classified loans in the commercial banks, Dr Farashuddin

said banking laws were not being applied to restrict insider lending.

Talking about the current trend of project financing, the governor said: "We basically had equity-based development financing system and did not have bond market or debt market. It may be one of the reasons for higher classified loan."

AKN Ahmed, former Bangladesh Bank Governor, Shah M Farid, Member of the Planning Commission, Dr Abu Abdullah, DG of Bangladesh Institute of Development Studies (BIDS) and SA Chowdhury, MD of Janata Bank were also among the discussants at the seminar.

AKN Ahmed said defaulters are rewarded with fresh loans and banks loans were forgiven by the government for political purposes disregarding the financial viability of banks.

Even in monetary control,

the central bank's attempt to check credit expansion was thwarted by the government due to misdirected credit that led to non-performing loans," he added.

Ahmed observed that the commercial banks have burnt their fingers in providing the so-called development finance mostly in the form of term loans.

He said such unsound loans have been provided without much consideration for debt-equity ratio, debt servicing capacity of the project and without supervision over the fund use after the loans were disbursed.

There is now lack of will both at political and technical level to change the course, the former governor said.

He noted that neither the central bank nor the government is giving any thought to defining more clearly the role

of foreign banks in the development process.

Member of the Planning Commission Shahi M Farid said the present economic situation of the country is approaching a serious crisis because of poor industrial and export growth.

He mentioned that the Fifth Five Year Plan (FFYP) targeted a 12 per cent export growth in dollar terms and 14 per cent industrial growth.

But the annual export growth target has now been cut to eight per cent and the achievement was even worse — only three per cent. He added that industrial growth rate is also insignificant against the target.

In both cases, we are far behind from the actual targets, which may pose a serious crisis for the economy."

"According to FFYP, we have to achieve a seven per cent GDP growth rate to reduce poverty."



Finance Minister SAMS Kibria gives away prize to Islami Bank's Ramna branch official AKM Mahbub Morshed, who stood first in the Prothom Alo-Standard Chartered Bank quiz competition held at the CIRDAP auditorium yesterday. The picture also shows Chief Executive of Standard Chartered Bank Sethu Venkateswaran and Head of the bank's Institutional Banking Mamun Rashid.

**Airlines assoc demands cut in fuel prices****Star Business Report**

Bangladesh can increase its export of non-traditional items by at least threefold if the government reduces jet fuel prices along with ground handling and other charges for the airlines, the President of the newly-formed Airlines Association of Bangladesh (AAB) MA Mannan said yesterday.

He said fuel prices in New Delhi and Bangkok are around US\$ 220 and US\$ 200 per tonne respectively. But it is US\$ 610 in Bangladesh.

The charge for ground handling in Bangladesh is US\$ 2600 while the same is US\$ 900 in New Delhi and US\$ 800 in Bangkok, the president said while speaking at a press conference yesterday.

Land, navigation and parking charges for aircraft are also high here. New Delhi charges US\$ 580 and Bangkok US\$ 200 while the Dhaka airport charges the airlines US\$ 835, MA Mannan, who is also the

managing director of Bismillah Airlines, said.

He said crab export has already increased by 60 per cent with the start of private cargo operation in the international routes.

"But we could increase it further if the charges come down and we are allowed to operate on new routes," Mannan said.

He said that the government was losing money by keeping the jet fuel price high as many foreign airlines buy fuel from the neighbouring countries.

The average fuel price in the international market is US\$ 130 per tonne and if the government fixes the price at a higher level of US\$ 230, it could still make a good profit by selling fuel to foreign airlines, the president said.

He said that the government could save huge foreign currency if the private sector airlines were allowed to operate

regionally.

"Foreign airlines come to Dhaka and take passengers to the Far East. The local private airlines could perform the same task and keep the foreign currency at home if the government allow such operations."

Abdus Sattar, Treasurer of the association Haider Uzzaman, who is also the Managing Director of GMG Airlines, said deregulation of the sector would expand its activities and more companies would come to the aviation business.

General Secretary of the association Haider Uzzaman, who is also the Managing Director of Best Aviation Ltd, said the sector had already started witnessing growth with the operation of the private sector airlines.

The two other executive committee members of the association, formed on Saturday, are BH Haron of Aero Bengal Airlines and Nadera Alam of Air Parbat Ltd.

**Businessmen's team off to Bangkok**

A four-member private sector delegation led by Abdul Awal Mintoo, President of FBCCI, left Dhaka yesterday for Bangkok to attend the 10th conference of UNCTAD being held there, reports UNB.

Apart from attending the conference, Mintoo will exchange views with business leaders from other countries, said a press release.

**NZ envoy meets FBCCI chief**

New Zealand High Commissioner to Bangladesh Adrian Simcock yesterday met with Abdul Awal Mintoo, President of Bangladesh Chamber of Commerce and Industry (FBCCI), at the Federation of Fice, reports UNB.

Welcoming the High Commissioner, Mintoo explained the role of FBCCI as the apex body representing the entire private sector in Bangladesh.

He briefed him about the recent meeting organised by FBCCI with Prime Minister and Leader of the Opposition.

The High Commissioner appreciated the efforts of FBCCI president for resolving different issues and thanked him for extending warm welcome to him.

He also hoped that the existing friendly cooperation between the two countries would be further consolidated. He however, spoke of the high rate of duty imposed on milk products from New Zealand.

FBCCI director Aminul Hoque Sohel and acting secretary general Syed Jamaluddin were present, said a press release.

**US ambassador meets FICCI president**

US Ambassador in Bangladesh, John C Holzman, called on the President of the Foreign Investors' Chamber of Commerce and Industry (FICCI), Walur Rahman Bhuiyan, in the city yesterday, says a press release.

During the meeting, they exchanged views on the prevailing investment and trade scenario in Bangladesh with particular reference to foreign direct investment.

FICCI Committee Member Paul Kirkham, Chamber Secretary Jahangir Bin Alam and Second Secretary of the US Embassy Pushpinder Dhillon were present on the occasion.

**Dhaka urges int'l community to give attention to LDC plight**

Commerce minister at UNCTAD X conference

Commerce Minister Abdul Jalil Sunday urged the international community to give attention to the plight of the LDCs in the emerging world of liberalised trade and complete interdependence, reports BSS.

Making his opening statement at the UNCTAD-X conference, the forty-eight-nation LDCs ministers meeting at the Queens Sirikit National Convention Centre in Bangkok, Jalil reminded the global community that despite expected benefits of globalisation and free-market supremacy, the condition of the LDCs have continued to deteriorate further.

Their share of world trade since the birth of WTO, he said, has fallen by half and incidents of poverty increased in these countries.

Arrangements included in the Marrakesh agreement to provide for special and differential treatment for the LDCs have not been implemented fully, the Minister said.

Their access to developed

economy and upper income developing country markets has been hampered by ever increasing trade and tariff barriers, he said. The Minister said new conditions against their smooth entry into these markets are being imposed in new areas of discrimination like child labour, social standards, environment and human rights.

The Minister strongly advocated for immediate and enhanced flow of ODA to the LDCs. He said unsustainable debt burden of the LDCs has been holding back the fate of development in their community while noting that the World Bank and the IMF have launched the programmes for reducing the debt burden of some LDCs through selective process.

He said the programme needs to be expanded to all LDCs if it has to become meaningful. He pleaded for immediate and total debt forgiveness for all LDCs.

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Elmer Funke Kupper, Managing Director of ANZ Grindlays Bank and Head of International Division, Arun Nangia, Regional General Manager, Middle East and South Asia of ANZ Grindlays Bank, and Muhammad A Ali, General Manager and Country Head, ANZ Grindlays Bank, Bangladesh, are seen with the recipients of quarterly recognition awards and the prize winners of a Vision 2000 campaign under personal financial services.

— ANZ photo

**Annan asks companies to share costs of globalisation**

are condemned to live in," the UN leader added.

Annan's warning against unchecked globalisation came two days after another senior UN official made a dire connection between widening markets and politics, blaming it partly for the rise of far right political parties in Europe.

"There is something that is particularly created by globalisation, which is insecurity, the precariousness of jobs," Rubens Ricupero, leader of the UN Conference on Trade and Development, said Saturday at a debate between leaders of international organisations in Bangkok. The Bangkok meeting is discussing the effects of globalisation.

"People are feeling that the control over their own lives is escaping their hands, that they could be suddenly threatened by decisions that no one — not even their national governments — control," Ricupero said.

"They are right above all, to be concerned about desperate poverty in which so many countries in developing countries are two sides of

Far-right groups with strong anti-immigrant policies have grown in popularity in several European countries. Austria's Freedom Party, led by Joerg Haider, came to power in a coalition government earlier this month, leading fellow members of the European Union to impose unprecedented political sanctions on a member country.

Poor nations have repeatedly complained that they are being left behind by rapid economic globalisation and that markets in the rich countries should be more open to products from the poorer ones.

Many Southeast Asian leaders, such as Malaysia's Prime Minister Mahathir Mohamad have warned that multinational corporations — some of them financially more powerful than medium-sized countries — will keep getting bigger through mergers and acquisitions, although countries themselves may not benefit as much.

The report warned, however, that much overseas direct investment into Britain came with the intention of exporting, something which could be discouraged by the low export margins. But it said there was no evidence yet of this happening.

It forecast manufacturers' exports would grow eight per cent this year, broadly in line with world trade, if competitiveness did not worsen further.

The pound, however, has gained further against the euro since the turn to the year and is currently around 61.5 pence, equivalent to around 3.20 marks.

The report forecast manufacturing output would grow almost 2.5 per cent this year, slower than the economy as a whole but considerably better than last year. Productivity would rise by five per cent, compared to 3.5 per cent last year.

Separately, the Confederation of British Industry said in its latest quarterly survey of small and medium-sized enterprises that such firms were seeing higher output and orders. The report also said domestic prices continued to fall, as they have done for three and a half years, the survey said, and firms expect them to continue to fall over the next four months, although at the slowest rate for April 1998.