

SANYO
Japan
Colour TV
Transfin Trading Ltd.
Tel: 815307-10, Fax: 813062
Installation Facility Available

The Daily Star BUSINESS

Beauty & Barber Salon
10 am-7 pm for Ladies
10 am-8 pm for Gents
Tk. 200 for Lady's & Gent's Haircut
Beauty Packages • Bridal Make-up & Decoration • Skin Care Program
Manicure & Pedicure • Facial • Wax & many more...
THE PAN PACIFIC SONARGAON
Dhaka • 8111005 Ext: 4144 (Gents) 4143 (Ladies)

DHAKA, WEDNESDAY, MARCH 8, 2000

SCB expresses concern over Chittagong port situation

Chairman of the Shippers' Council of Bangladesh, Hasan Maniruzzaman, has expressed his deep concern over the prevailing situation in Chittagong port, says a press release.

The port is facing problems due to virtual closure of Chittagong Custom House for the last few days as a result of work stoppage by all Chittagong custom employees.

Imported goods cannot be cleared and exportable items cannot be shipped as the Custom House is not functioning. A 24-hour strike threat by the port workers from 8 am tomorrow is also a matter of great concern because for the last few months Chittagong port has been suffering from congestion of foreign ships due to political strike and port labour unrest, according to the Chairman.

For such congestion, foreign shipping companies decided to avoid Chittagong port, leaving serious impact on the country's foreign trade.

"If the imported industrial raw materials are not cleared and the exportable finished products cannot be shipped timely before the ensuing Eid holidays, our industrial production and export market will be affected very badly," Zaman said.

The chairman urged the concerned authorities to take immediate steps for making the Chittagong Custom House work round the clock with a view to help clear up the accumulated foreign trade cargo and stop the threatened strike of the port workers.

Commemorative coin on silver jubilee of independence

Bangladesh Bank has issued a commemorative coin of Tk 10 denomination on the occasion of silver jubilee of independence of the country, reports BSS.

Finance Secretary Dr Akbar Ali Khan and Governor of Bangladesh Bank Dr Mohammad Farashuddin presented the coin to Prime Minister Sheikh Hasina at her Ganobhaban residence yesterday.

The coin, made of fine silver bears the image of the father of the nation Bangabandhu Sheikh Mujibur Rahman on one side and the National Memorial at Savar on the other side.

British trade team calls on Motia

The visiting trade delegation from the British Consultants Bureau led by Jim Robinson, a leading consultant in agriculture and rural development of UK, called on Agriculture Minister Motia Chowdhury at her office in the city yesterday, says BSS.

They discussed the agricultural system and production in Bangladesh with special reference to agro-business.

The agriculture minister apprised the delegation that the total agricultural system and production in Bangladesh is run by private sector. The government's role is to promote the farmers for growing Boro crops by utilising modern technology, mechanisation, balanced fertiliser, irrigation, and integrated pest management.

"We grow crops round the year... So we have vast scope for referring international market off our products," she added.

The minister outlined some British-aided projects and sought more assistance and co-operation in agricultural production and in agro-business.

"Assured market help double the vegetables production in Bangladesh," she observed.

US congressional report slams IMF, WB

NEW YORK, Mar 7: A special advisory committee to the US Congress is expected to issue a scathing report concerning efforts by the International Monetary Fund and World Bank to bring financial stability to developing nations, the Wall Street Journal reported today, reports Reuters.

The report, scheduled to be released Wednesday, also recommends the two organisations sharply curtail lending, the Journal said.

"The IMF has given too little attention to improving financial structures in developing countries and too much to expensive rescue operations," the Journal said, quoting the report. "Its system of short-term crisis management is too costly, its responses too slow, its advice often incorrect and its efforts to influence policy and practice too intrusive."

Call for easing mutual fund regulations

'No. of parties should be reduced to 2-3'

Star Business Report

A sub-committee of the Parliamentary Standing Committee on the Finance Ministry Monday called for relaxing the mutual fund regulations and bringing the number of parties of such funds to 2 or 3 from the existing 4.

The suggestion came at a meeting of the sub-committee with officials of the Securities and Exchange Commission (SEC) at the Commission board room, says a press release of the Commission.

The meeting aimed at finding ways to increase the number of mutual funds in the country's stock market.

Earlier, the formation of a mutual fund required four parties - sponsors, custodian, asset manager and trustee. But the meeting said that reduction of the parties to two will both facilitate and encourage floating of mutual funds in the private sector.

"Things will become much easier if a single party like asset manager is asked to bring in sponsors and the trustee is allowed to act as the custodian," one meeting source quoted a sub-committee member as say-

ing. The meeting also decided to submit a report on the fees given so far to its legal advisor, Dr Mohammad Ali. The SEC legal adviser was not asked to attend the meeting and was rather asked to leave the meeting room at one stage, the source said.

The meeting was chaired by AHM Mustafa Kamal, MP while Convenor of the sub-committee, Alhaz Syed Masud Reza, MP was also present.

Among others, Manir Uddin Ahmad, acting SEC Chairman, Rakibur Rahman, Chairman of DSE, Ziaul Haque Khondoker, Managing Director (current charge), ICB, and other high officials of SEC and DSE attended.

The meeting discussed in detail the issue of lock-in on private placement of IPO. Taking into consideration all aspects of the issue, it was suggested that better alternatives should

be looked for. The discussants also called for bringing into the fold of the proposed procedure all purchase/sale of shares outside the public market i.e. stock exchange.

The meeting agreed in principle that there should be explicit distinction between selling and the buying of shares both outside and inside the stock exchanges.

The meeting was informed about the progress of the measures being taken for introducing market-maker in the capital market. SEC will hold a meeting with all concerned to propose the rules and regulations in this regard.

The issue of lack of good governance of the listed companies and want of rules relating to the acquisition and mergers etc. also came up for discussion.

In this connection, non-utilisation of funds raised by the companies were also discussed in the meeting. It was suggested that SEC should pursue such cases and take appropriate measures to frame guidelines and regulations for good governance and acquisition of companies.

GrameenPhone launches new billing format, credit policy

GrameenPhone Limited recently introduced a new billing format and credit policy, says a press release of the company issued yesterday.

The new simplified billing format will provide details about the different types of charges. It has three perforated sections, allowing payment in a GP partner bank without a deposit slip. The upper portion is to be retained by the subscriber while the two bottom portions are to be kept by the bank and GP respectively, with a "paid" stamp placed by the bank on all three portions.

The corporate clients of GP will receive the total charges of all the mobile phones under the account on the first page, while details of the charges for each individual mobile phone will be provided in subsequent pages.

According to the credit policy introduced from January 1, 2000, the credit limit of a subscriber will be equal to Tk 1,000 plus the amount of the security deposit, if any.

Once the total charges (billed or to be billed) exceeds the Credit Limit, the connection will automatically be barred at any period of the month. The barring is not related to the monthly bills and can happen any time after the credit limit is crossed.

The service will be restored immediately after receiving the payment information. A subscription will be permanently disconnected if the outstanding dues are not paid within three months of barring of the service.

Catechu seen has huge potential in Panchagarh

PANCHAGARH, Mar 7: Catechu, a little known plant from which a costly substance is prepared for various purposes, has huge farming potential in Debiganj thana of the district, says UNB.

Catechu extract, better known as *khoer*, is widely used by the rural and elderly people. It is also used in making colour and tanning animal skins apart from its medicinal use.

The Forest Department had set up a catechu garden on 120 acres of lands in the thana in 1968, planning 30,000 saplings as it found it most suitable for catechu farming.

Officials said of the planted trees, 10,000 have either died or logged by the authorities while the rest are going to wither for lack of maintenance.

There have been reports that local people are cutting down the trees as the entire garden is left unprotected for years.

Talking to the UNB correspondent, some of the villagers said they know little about catechu tree and its use although they always take *khoer* with betel leaves. "We cut it down as hedge... we know nothing about its value," said an elderly villager.

Extraction from catechu trees is made when they become 8-10 years old. Some 20-25 kgs of *khoer* can be produced from a matured tree while 15/18 kg from an immature one. The market price of a 1kg ball of *khoer* ranges from Tk 2,000-7,000.

Local demand of a catechu is now met by Charchat *khoer* industry in Rajshahi. Experts said catechu could also be planted in Pabna, Iswardi and Natore region.

They said the local catechu industry is now under threat as the imported catechu like Joipur, Jakkuri, Tush *khoer* of India, Malai *khoer* of the Maldives and another low-grade one from Africa captured the local market.

They said the Debiganj garden could play an important role in reviving the market of local *khoer*.

Vietnam business registrations up under new law

HANOI, Mar 7: Registrations of local private businesses in Vietnam have surged under a new law that took effect on January 1, official media reported today, reports Reuters.

The Vietnam News daily said many provinces and cities recorded a fourfold increase in business registrations from January 15 to February 15 under the Enterprise Law compared with the same period last year under previous regulations.

The Enterprise Law allows local businessmen to register their operations simply, instead of trying to navigate the country's licensing maze.

Under previous laws, local businessmen needed approval from 13 different government authorities before they could start their business, the Vietnam News said.

It gave no overall figures for business registrations, but said there had been more applications in the country's more free-wheeling south.



CM Alam, FCA, Vice-President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), delivers the inaugural address at the three-day training course on "Marketing Strategies and Sales Promotion" organised by the chamber under its Management Development Programme at MCCI Conference Hall Monday. Santosh Kumar Dutta, Deputy Secretary of MCCI, and Abdus Samad Chowdhury, Resource Person, are also seen in the picture. Forty-three participants attended the training course. — MCCI photo

Local cycle-maker plans to take on EU market

Star Business Report

Despite all odds, a local cycle manufacturing industry has taken the initiative to export its products to the European market.

Excess freight charge, lengthy customs and port processes, political unrest and non-cooperative attitude of the port and customs officials usually discourage the European buyers to import cycles from Bangladesh.

But relentless efforts by the management of Meghna Cycle Industries Ltd (MCIL), one of the country's leading cycle manufacturers, did not go in vain in winning export deals.

Recently MCIL signed an export agreement with Britain's Concept Cycling Company (CCC). The British company will look after the marketing of cycles, being produced by MCIL with the technical help of CCC, in Europe.

"There's a huge scope for the local industries to export cycles. But lack of policy support, unfavourable tariff structure and other obstacles keep the local entrepreneurs from exploring international markets," Mizanur Rahman, MCIL Managing Director, told the Daily Star.

CCC entered into the deal with MCIL as the company thought it would be cheaper to import cycles from Bangladesh. But it identified political problems, excess freight rate and harassment by the port and cus-

tom officials as discouraging factors for foreign buyers, CCC Quality Control Manager John Kain said.

He said that it takes a ship 19 days to go from Sri Lanka to London and the freight charge is US\$ 1500. But the jaunt of a ship from Bangladesh to the same destination takes 35 days with \$3,500 freight charge. Besides, lengthy port and customs systems trigger price rises and it becomes difficult for a product to remain competitive in overseas markets, Kain added.

Under the agreement, CCC will take 70,000 cycles this year from Meghna. It also has plans to buy some 1,50,000 cycles for the European market next year.

The first consignment (2,400 units) of locally-made cycles are already on its way to London. The cycles were sent in containers to the port on Sunday and Monday last.

This is the first time any Bangladeshi industry is exporting cycles to the international market. But a Taiwanese company at Chittagong EPZ, Alita Bangladesh Ltd, is already engaged in exporting cycles.

Officials of MCIL and CCC said that there was a huge cycle market in the European Union (EU) countries. The annual sale of cycles in the EU is 1.5 crore. The EU countries produce some one crore cycles each year, while the rest are imported from other exporting nations.

Meghna Group took over the ownership of the state-owned

Bangladesh Cycle Industries under the government's privatisation programme in 1997 and started producing cycles for the local market under a new name, Meghna Cycle Industries Ltd.

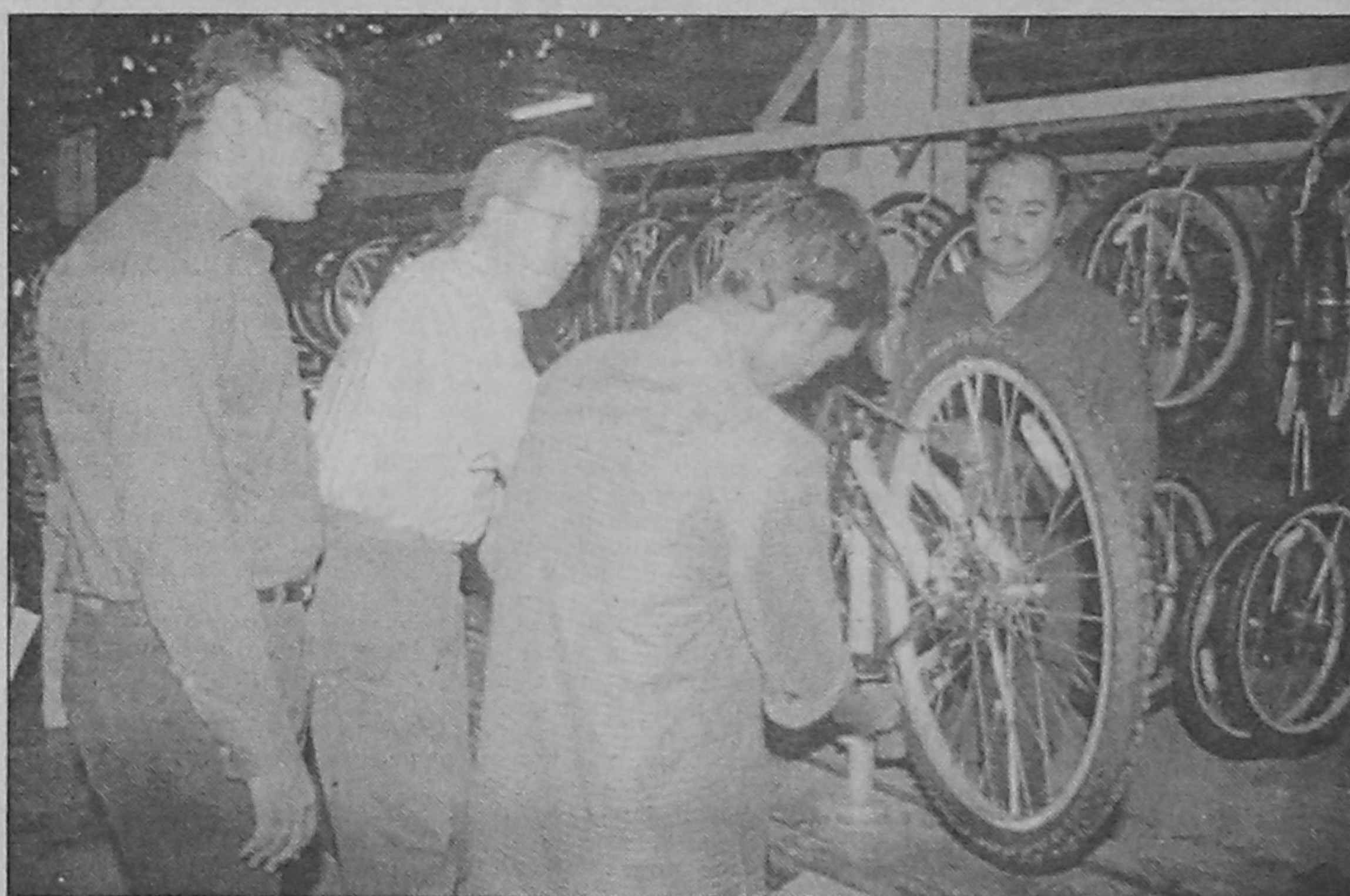
Under a dynamic management, Meghna Group has succeeded in transforming the loss-making cycle industry into a profitable one despite unfavourable tariff structure and absence of proper policy support.

When the industry was in the public sector, its yearly loss was more than Tk one crore while the per year production capacity stood at only 3,000 units. After taking over the charge, MCIL managed to increase the production capacity to 1,80,000 units.

Apart from finished products, Meghna also produces different sorts of spares like rear, spoke, frame, pedal, tyre etc.

Drawing attention of the government for extending support to cycle production and export, the MCIL MD said that it could also arrange export incentives for this sector. "If the government introduces this incentive many entrepreneurs will come forward to invest in this sector."

He said that now there was only 25 per cent duty on import of cycle, but duty on parts stands at 37.5 per cent. "This duty structure increases our production cost," he said.



Quality Control Manager of Concept Cycling Company (CCC) John Kain having a look at the cycle manufacturing process at the factory of Meghna Cycle. —Meghna Cycle photo

Swift US Senate vote seen on China trade pact

Clinton keeps his pressure on

WASHINGTON, Mar 7: The White House is Pressing for a swift vote in the US Senate on a landmark trade agreement with China, hoping to score an early victory that would put pressure on a bitterly divided house of Representatives, reports Reuters.

President Bill Clinton is expected to meet with key senators on Tuesday before submitting legislation this week asking Congress to grant China permanent trading privileges in the US market.

Trade Representative Charlene Barshefsky said the Senate Finance Committee could "proceed immediately" to deliberations. Republican and Democratic leaders said the panel could vote later this month.

The legislation is sure to pass the Finance Committee, which is responsible for trade and tax issues in the Senate.

Fifteen senators on the 20-member panel told Reuters they would support the pact.

In the 100-member Senate, the vote may be close, but Democratic Leader Tom Daschle said he expected at least 60 senators to support the White House, enough to override a filibuster.

"I think we have the votes," the South Dakotan told reporters.

The White House is counting on an easy victory in the Finance Committee to give the trade legislation momentum in the House, where support has eroded.

It remains to be seen whether the agreement would garner a 218-vote majority in the 435-member House, though administration officials were optimistic in the face of stiff opposition from labour unions and other groups.

Under the trade agreement, hammered out last year, China would open a wide range of markets.

In exchange, Clinton says the Republican-led Congress must grant China permanent normal trade relations, a status Beijing now gets only after an annual congressional review.

Permanent NTR would guarantee Chinese goods the same low tariff access to US markets as products from nearly every other nation.

The trade deal is crucial to China's application to the World Trade Organisation, though Beijing must still wrap up talks with the European Union and other WTO members.

The Senate Finance Committee could vote on the pact as soon as late March, Sen. Charles Grassley, who chairs the trade subcommittee, said.



ACME laboratories has agreed to patronise the annual national photo exhibition and competition, 'Rupasi Bangla', of the Bangladesh Photo Journalists Association. Picture shows Managing Director of the company, Mizanur Rahman Sinha, handing over a cheque to the president of Bangladesh Photo Journalists Association Salauddin and General Secretary A K M Mohsin in the city yesterday. —ACME photo

EU candidacy for top IMF post

Schroeder woos EBRD chief to replace Koch-Weser

LONDON, Mar 7: German Chancellor Gerhard Schroeder is wooing European Bank for Reconstruction and Development president Horst Kohler to lead the IMF and replace Germany's candidate Caio Koch-Weser, the Financial Times reported today, reports Reuters.

It quoted reports close to the issue as telling Financial Times Deutschland that Schroeder telephone Kohler at the weekend and offered to propose him to the EU as Germany's official candidate.

German Deputy Finance Minister Koch-Weser was unanimously backed by the European Union as its candidate to succeed Michel Camdessus as

managing director of the International Monetary Fund, but international monetary sources said Koch-Weser took only 43 per cent of the vote in a straw poll of IMF members.

Countries representing 36 per cent of the votes of the international lender, including the United States, abstained. Sources said there was little sign the former World Bank official, who is not favoured by the US, would overcome opposition from around the world.

Schroeder's efforts to promote Kohler were said to show the chancellor would not accept the defeat handed to him by the US veto of Koch-Weser, and that he was intent on promoting more Germans to important

international posts, the Financial Times said.

It said other German candidates talked of recently as replacing Koch-Weser included Otmir Issing, chief economist of the European Central Bank and Jurgen Stark, vice-president of the Bundesbank.

The Financial Times' sources said Issing had declined and Stark would be unlikely to gain US support.

Schroeder and EU Commission president Romano Prodi met for talks on Monday which were expected to examine the issue of who would lead the IMF. Neither leader commented to reporters on the outcome of the two-hour long meeting.



The first conference of the managers of Mercantile Bank Limited was held at the bank's head office in the city recently. Acting Chairman of the bank, Towfiq Rahman Chowdhury, was the chief guest at the conference. — Mercantile Bank photo