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BB should control micro-credit activities of NGOs

WB-UNDP study suggests

Star Business Report

The NGOs involved in micro-credit activities should be brought under the control of the central bank, a World Bank-UNDP study said.

A national monitoring authority should be created for overseeing and guiding micro-credit programmes in the country.

An independent 'one stop' authority, namely Company Law Board, should be set up for quick disposal of company matters and better running of the firms, the study, 'Review of Accountancy and Education in Bangladesh', said.

It is authored by ABM Azizuddin and Iftekhar Hossain as the background paper for the Country Financial Accountability Assessment (CFAA) being jointly conducted by the World Bank and

UNDP. At present, there is no single principal agency that is concerned with the administration of the Companies Act. The Act specifies three separate regulatory authorities namely the Registrar of the Joint Stock Companies, the government and the court.

The involvement of different authorities for disposal of issues means unnecessary delays and harassment for the public, the study stated.

Both the regulatory and professional bodies lack the technical competence and the institutional strength to monitor the compliance of laws, rules and regulations, it said.

These bodies also lack concerted and coordinated efforts for securing a high standard of

accountability in the country. It said the legal and regulatory environment, particularly corporate laws, should be congenial to promote business growth in Bangladesh.

The Companies Act 1994 and Securities and Exchange Rules 1987 should be amended to incorporate group accounts provisions requiring consolidation of subsidiary and associated companies.

Moreover, mandatory audit committees should be introduced for all listed companies to ensure good corporate governance, it said.

The Companies Act, 1994 should be amended to enforce compliance of Bangladesh Accounting Standards (BAS) for non-listed public limited compa-

nies, it further said. The Act may also be further modified to bring certain 'Private Limited Companies', enjoying distinctly identified thresholds (turnover, paid-up capital) to fall under the ambit of BAS.

The office of the Registrar of Joint Stock Companies should be upgraded and strengthened. The Registrar has virtually no power to enforce submission of returns and documents.

The SEC should be adequately strengthened through engagement of qualified competent professionals (chartered accountants) to ensure appropriate implementation and monitoring of adopted accounting and auditing standards.



Mustafa Kamalul Alam, General Manager of Pragoti Industries Ltd, and Bill Jennings, President of Olympia Industries Inc, sign a deal on manufacturing low-cost passenger vehicles in Bangladesh. BSEC Chairman Sultan A Sikder, Director (Production and Engineering) Kh. A R M Nurunnabi, Director (Finance) Mohammed Shahjahan, Director (Commercial) ATL Kabir, other senior BSEC officers and Dr Zia U Ahmed, Managing Partner, Delphos-SYF Group, are also seen at the ceremony held Tuesday.

Haroon formally declared FBCCI president

Star Business Report

Incumbent FBCCI President Abdul Awal Mintoo, Vice President MA Mumun, President elect Yusuf Abdullah Haroon and an influential businessman Mir Nasir chose the lucky 15 from among the 35 contestants.

Yusuf Abdullah Haroon's election to the FBCCI top post was a matter of formality as none of the top contenders submitted their nominations due to reported government interference. His lone contender, Aminul Haq of Natore Chamber, was declared disqualified due to flaws in nomination paper filing.

However, Aminul Haq has been chosen as executive committee member on consensus along with 14 others.

The business community elect the 30-member FBCCI executive committee along with a president and vice president for a two-year term. The president and vice president alternately come from the chamber and association groups. From each group 15 EC members are also elected.

Agrani Insurance Local Office opened

The opening ceremony of the Local Office of Agrani Insurance Co Ltd at Moon Mansion, Dilkusha C/A, was held recently, says a press release.

Mr Nasir Hossain, Chief Advisor of the company, opened the office while Mustafizur Rahman, Chairman, Razaul Karim, Managing Director, along with other members of the Board of Directors were present.

Japan readies \$37b package to boost economy

TOKYO, Sept 20: Japan is priming the pump again.

Top policymakers on Wednesday agreed on a government spending package of about an extra 4 trillion yen (US\$ 37.4 billion) this fiscal year to keep the fragile economy moving toward recovery, reports AP.

US farm sales to China may get a boost

WASHINGTON, Sept 20: US farm sales to China could return to record levels and help boost the sagging US farm economy over the next few years after Senate approval of permanent normal trade relations on Tuesday, US agriculture officials said, reports Reuters.

American farm groups lined up firmly in favour of normalising trade relations with China, which must import vast amounts of food and commodities for its growing population.

"We estimate... an additional \$2 billion in sales by 2005," said Patrick Steele, assistant administrator of US Agriculture Department's Foreign Agricultural Service. "And that number continues to grow over the ensuing years."

US farm groups are anxious for China to become a more reliable market after the whipsaw years of the past decade.

The drop in US farm exports to China from a record \$2.41 billion in fiscal year 1995 to only \$1.0 billion in fiscal 1999 was matched by sharp declines in world commodity prices.

No one felt the pain more than US cotton farmers, who saw a record \$813 million in sales to China in fiscal 1995 dwindle to just \$21 million by fiscal 1999. But US wheat and corn farmers also saw exports to China plummet from around \$500 million to less than \$50 million over the past half decade.

One bright spot in US farm sales to China has been soybeans. In just the first nine months of fiscal 2000, the United States exported a record \$637 million of soybeans to China, compared to zero in fiscal 1995.

Even that success has come at a cost. US soybean oil sales to China have plunged from record levels over the past five years as demand has shifted to the raw commodity.

Average Chinese tariff levels for all farm producers will decline from 22 per cent to 17 per cent by 2004, while tariffs for certain US priority items like beef, pork, poultry, ice cream and cheese will fall even further.

China will also establish tariff-rate quotas to increase access for wheat, cotton, corn, rice and soyoil. It has pledged to allocate a portion of each quota to private sector traders and stop its use of agricultural export subsidies.

Buoyed by the sharp increase in soybean shipments, the US Agriculture Department now forecasts US farm exports to China to total \$1.5 billion in fiscal 2000, which ends Sept. 30, up about 50 per cent from last year.



Finance Minister SAMS Kibria addresses the inaugural function of Padma Life Insurance Company Ltd at a city hotel on Tuesday. Industries Minister Tofail Ahmed is also seen. -- Padma Ins photo

Pragoti signs deal on low-cost vehicle production with US company

Pragoti Industries Ltd, an enterprise of Bangladesh Steel and Engineering Corporation, signed an agreement with M/s Olympia Industries Inc, USA, for local production of low-cost 12-seat passenger vehicles in Bangladesh on Tuesday, says a press release.

The body of the vehicles will be made of fibre glass/jute plastic. The vehicles with environment-friendly, fuel efficient, and 4-stroke engines will offer the option to run either by petrol or CNG.

50 such vehicles will be manufactured and marketed in Bangladesh on trial basis. On the basis of market response, Pragoti and Olympia Industries will go for long-term collaboration.

ECNEC approves Tk 1484cr projects

The Executive Committee of the National Economic Council (ECNEC) on Tuesday approved seven development projects worth about Tk 1,484 crore, reports BSS.

The total expenditure Tk 1,483 crore 73 lakh and 94 thousand includes project assistance amounting to Tk 753 crore 64 lakh and 77 thousand, a Planning Ministry release said.

The approval was given at a meeting of the ECNEC presided over by Prime Minister Sheikh Hasina, who is also chairperson of the Council. It was the 89th ECNEC meeting held by the present government.

The projects are: Establishment of Comilla Betar Bhaban, Development of four existing police training centres, paving of Panchagarh Sugar Mill Bengali-Maria-Shaldanga-Debiganj Road, Dhaka Integrated Flood Protection Project (Dhaka WASA part), Greater Chittagong Power Distribution Project (Third phase), continuation of post literacy programme for human resources development and

Modernisation of signalling and inter-locking system of five railway stations of the western zone.

State Minister for Planning Dr Mohiuddin Khan Alamgir placed the Siddhgarh Manuknagar 132 KV transmission line construction project and the project for connecting Tongi Ulan second circuit with Basundhara station for information of the ECNEC.

The transmission line involves an approved expenditure of Tk 45 crore 99 lakh and 80 thousand.

Finance Minister Shah AHS Kibria, Education Minister ASHK Sadique, Food Minister Amir Hossain Amu, Industries Minister Tolal Ahmed, Agriculture Minister Motiul Chowdhury, Communications Minister Anwar Hossain, State Minister for Information Prof Abu Sayeed, State Minister for Power, Energy and Mineral Resources Prof Rafiqul Islam and State Minister for Planning Dr Mohiuddin Khan Alamgir attended the meeting.

Cabinet secretary and secretaries of the concerned ministries were present.

Fuel protests launched from North Sea to Mediterranean

EU ministers shift crisis meet from Brussels

LONDON, Sept 20: Truckers, farmers and fishermen launched fuel price protests from the North Sea to the Mediterranean yesterday as divisions deepened among European governments on how to deal with the continuing unrest, reports Reuters.

"It is not very sensible to react with tax cuts in such a situation," Bundesbank president Ernst Weilke, head of the German central bank, told foreign correspondents in Berlin.

A senior official in Chancellor Gerhard Schroeder's Social Democrat Green coalition which has resisted calls to abandon plans to raise so-called 'ecology taxes' also lambasted the giveaways.

EU transport ministers moved the venue of a crisis meeting planned for Wednesday from Brussels to Luxembourg amid fears truckers could repeat protests that brought the Belgian capital to a standstill last week.

Ministers will discuss measures to ease the hardship caused by high fuel prices on agriculture, trucking and fisheries.

Germany launched a broad-

side against other European governments for caving in to demands for fuel tax cuts from truck drivers and farmers angered by oil prices hovering near 10 year highs.

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France cut taxes on diesel fuel by 15 per cent after a week of protests by hauliers and farmers. Italy averted protests by temporarily cutting fuel taxes and speeding up rebates on earlier fuel tax reductions.

Spain appeared hardest hit by Tuesday's protests.

Germany launched a broad-

An estimated 100,000 farmers drove tractors through Madrid and dozens of other Spanish cities, warning of more aggressive action if there were no agreement to compensate them for higher fuel costs by October.

"We are the first ants of the swarm... in October we'll cut off roads wherever we have to in order to reach our objective," farmers' leader Manuel Carlon, told a rally in Madrid.

One of the biggest demonstrations was in Seville, where about 4,000 tractors blocked all the main access routes to the south.

In Barcelona, fishermen who staged a port blockade warned of more protests if talks stalled, state radio reported.

German truckers and farmers held up traffic but there was little sign the governments was about to yield to demands to slash fuel taxes.

Spain appeared hardest hit by Tuesday's protests.



Nasir A Choudhury, Managing Director of Green Delta Insurance Co Ltd (4th from left), speaks at the mid-term conference 2000 of the company's zonal, regional and branch managers at a hotel in Chittagong recently. Azam J Chowdhury, chairman, Farid A Choudhury, Deputy Managing Director, Monimul Haque, Executive Director, Moizibul Mowla, Addl. Managing Director, and Sultanuddin Chowdhury, Executive Director of the company, were also present. -- Green Delta photo