



\$4.75b projects registered with BOI in 4 years

Local investment registered with the Board of Investment between 1996 and 2000 amounted to US\$4.75 billion, up from the previous five years tally of US\$ 2.65 billion, reports UNB.

Giving the figures at an investment seminar in the northern frontier district of Dinajpur, BOI Executive Chairman M. Mokammel Haque on Wednesday said the pragmatic industrial policy and aggressive incentive package attracted the investment.

In a bid to promote region-based industrial ventures, BOI in association with Dinajpur Chamber organised the day-long seminar on "Investment opportunities in the northern region of Bangladesh."

A significant number of representatives from different district chambers of the region also attended the meeting presided over by Deputy Commissioner of Dinajpur Azizur Rahman.

BOI Executive Council member M. Khalequzzaman was the keynote speaker. Dinajpur Chamber Vice President Abul Hossain Patwari and Rangpur Chamber President Md. Madsaue Hossain Babu also spoke.

The participants viewed that Bangabandhu Bridge brought a new dimension in the communications of the northern region and opened up new vistas of economic activity.

They observed the region, with its improved communications system, mineral and agricultural resources offer tremendous potential for agro-processing and local mineral resources-based industries.

"Besides, it also has potential for being a cultivating zone of superior quality tea like 'Darjeeling tea' grown just across the border," the investment-promotion meeting noted.

Participants hoped that natural gas supply and transmission would be extended up to Dinajpur via Rangpur on priority basis.

Jalil proposes
export to
Morocco

Commerce Minister Abidul Jalil has proposed to export various products, including jute and jute goods, to Morocco, says UNB.

"We can export these products to your country on a competitive basis," he told Mohamed Seghrouchni, Moroccan Ambassador to Bangladesh, who met the minister at his office in the city Thursday.

The Commerce Minister called upon the African country to increase import from Bangladesh, saying that "trade volume between the two countries is minimal despite having vast scope."

The Ambassador also showed keen interest in increasing the volume of bilateral trade and investment.

During the meeting, they discussed in detail different aspects of increasing bilateral trade and investment.

Country to export food-grains soon, says Tofail

BHOLA, Oct 27: Industries Minister Tofail Ahmed has said Bangladesh will soon be able to export food-grains since the country is expecting another bumper crop this year, reports BSS.

"We have produced 25 million tons of food-grains last year and we are expecting another bumper crop this year," he said adding that this wonderful success in the agriculture sector resulted from the government's stringent policy featured especially by sufficient supply of fertiliser at fair price round the year and the record amount of agricultural loan for the farmers.

The minister was addressing a large public meeting on the premises of local town hall yesterday marking the inauguration of Obaidul Hoq Babul Mollah Bridge on Bhola Khal here. District Awami League President Principal Mofazzal Hossain Shahin, President of Bhola Chamber of Commerce Fazlul Kader Maznu, Principal of Bhola Government College N N Tazol Islam and Principal of Bhola Fatima Khanam College Afzal Uddin Babul, among others, also addressed the meeting.

Alitalia cancels 103 flights for attendants' strike

ROME, Oct 27: Italy's national carrier Alitalia today cancelled 80 domestic and 23 international flights from its Rome Fiumicino hub after flight attendants went on strike, airport officials said, reports AFP.

The industrial action was called in protest at an alleged failure by Alitalia to manage to apply new work contracts.

It began early today and was expected to last 24 hours.

Meghna signs joint venture deal with Chinese co to make Phoenix cycles

Co to produce 300,000 pieces a yr, create 2000 jobs

Star Business Report

A local company has taken an initiative to produce world-famous Chinese Phoenix bicycles in the country with the hope to export a large portion of its products to neighbouring countries.

Meghna Group signed an agreement in this regard with Chinese cycle maker Phoenix Co Ltd, in the city on Thursday to set up the US\$ one million industry with a projected production capacity of 300,000 cycles every year.

Group Chairman Mizanur Rahman Bhuiyan and Vice Chairman of Phoenix Co Ltd, Chen Zhi Hong struck the deal on behalf of their companies.

Finance Minister SAMS Kibria, Chinese Ambassador in Bangladesh Hu Qian Wen and Managing Director of Meghna Automobiles Ltd - a sister concern of Meghna Group - Akhtarruzzaman MP along with other officials of the two companies were present on the occasion.

The new Meghna Group industry, with technical as well as financial help from its Chinese counterpart, will create 2,000 jobs in the country. Both the parties will invest about US\$ 0.25 million while the rest of the amount is expected to come from bank finances. Meghna Group officials said.

The group is poised to start producing bicycles at its new plant from mid-2001. In the first year, the company will produce about 100,000 cycles and it has plans to start utilising its full capacity from the third year.

Meghna Group has already fetched US\$ 1.4 million for the country by exporting 35,000 bicycles to Europe. This is the first such move by any local company.

The company has export orders of 60,000 pieces for 2001 and negotiations are also on with European buyers to export 1,40,000 pieces of bicycles in the future, said Group Chairman Mizanur Rahman.

However, he said that they were in a disadvantageous position in the export market due to high freight charges and the 20 per cent cash incentives being enjoyed by companies in the neighbouring countries for exporting cycles.

Speaking on the occasion, Finance Minister SAMS Kibria said the country's entrepreneurs should take advantage of the low wage market to compete in the world market. He also urged them to modernise their company management and cut production costs to face globalisation challenges.

AGREEMENT SIGNING CEREMONY

between
Meghna Group & Phoenix Co. Ltd., Shanghai,
Chief Guest
Mr SAMS Kibria
Hon'ble Finance Minister, Govt of the People's Republic of Bangladesh



Meghna Group Chairman Mizanur Rahman Bhuiyan and Vice Chairman of Chinese Phoenix Co Ltd, Chen Zhi Hong sign a deal on behalf of their companies for launching production of Phoenix bicycles in the city on Thursday. Finance Minister SAMS Kibria is also seen, among others.

— Meghna Group photo

China's WTO entry talks restart in Geneva next week

US, Chinese hopeful about access this year

GENEVA, Oct 27: A new round of talks to pave the way for a determined China to join the World Trade Organisation will begin in Geneva next week, the WTO said, reports AFP.

China's 14-year-long bid to join the global trade body has been held up most recently by concerns among some WTO members that Beijing might try to evade the market-opening commitments it has agreed to in bilateral deals.

In Paris, European Trade Commissioner Pascal Lamy told journalists on Friday that talks between the European Union (EU) and China on WTO membership were moving ahead.

Things are moving forward. The Chinese told us they want these issues to be wrapped up by the end of the year.

"We are working well with them in this direction," he added after meeting with President Jacques Chirac, who currently holds the rotating EU presidency.

Furthermore, we will announce in a few hours the bilateral part of all that, which went rather well," said Lamy, while declining to comment further.

Negotiations on drawing up a multilateral protocol for China's membership to the WTO ended in Geneva last month without real progress.

After that meeting, the Swiss ambassador to the WTO, Pierre-Louis Girard, who heads the working group, said the limited nature of the progress achieved on these vital issues tends to put into question our target of concluding this accession process this year.

The meeting of the WTO's working group on China's accession, which begins on November 2, will take stock of the negotiations so far and decide on a timetable for membership, on a timetable for membership, trade sources said.

The working group is likely to meet until November 8 but bilateral and plurilateral meetings between Chinese negotiators and other WTO members are also expected to take place.

On Tuesday, Chinese and European Union officials failed in Beijing to agree on how to resolve problems dogging the process, particularly those concerning insurance licences.

On Friday, Lamy said that is moving ahead. But a

substantial multilateral part remains."

A bilateral Sino-EU deal and

another between China and the United States, both of which have been finalised, were the two major pacts China needed with WTO members before acceding.

But China still needs to conclude a bilateral deal with Mexico and conclude talks on the multilateral protocol in Geneva.

There is a common feeling in both countries to see China in the WTO as soon as possible, said Treasury Secretary Lawrence Summers, but there also has to be a "recognition that it has to be in the right way with all of the obstacles overcome."



Three fair hostesses pose next to the new Audi A4 3.0 Quattro, which celebrates its world premier at the Berlin Auto Show AAA, yesterday. The show officially opens on November 28 and will last until November 5.

— AFP photo

Developing world still vulnerable to major currency swings

Malaysia raises growth forecast from 5.8pc to 7.5pc

KUALA LUMPUR, Oct 27: Developing economies are still fragile and vulnerable to major currency swings but the overall outlook for the world economy in 2001 remains positive. Malaysia's finance ministry said today, reports AFP.

The ministry warned in its annual economic report that economic, financial and structural imbalances continued to exist between the United States, the euro area and Japan.

These are mainly in terms of uneven pattern of development, different rates of demand growth, imbalances in external current accounts, misalignments among currencies and a high level of equity valuations.

"Any sudden correction of these imbalances, if not addressed appropriately, will pose

moderate to three per cent from 3.9 this year, while growth in developing nations is projected to remain strong at 5.7 per cent from 5.6 per cent.

In transitional economies, such as Russia, it projected 4.1 per cent growth, down from 4.9 per cent this year.

The ministry also cited rising oil prices as another concern.

"It continued unabated, it could derail global demand and send inflation spiralling," it said, but added that OPEC's move to increase production was expected to stabilise prices next year.

It forecast 4.2 per cent growth in the world economy in 2001, down from a projected 4.7 per cent this year.

Economic growth in industrial countries was projected to

moderate to three per cent from 3.9 this year, while growth in developing nations is projected to remain strong at 5.7 per cent from 5.6 per cent.

The figure given in the report, released as the 2001 budget was presented in Parliament, was a sharp revision of the government's earlier prediction that gross domestic product would increase by more than 5.8 per cent in 2000.

The ministry added that the economy will grow by a slightly lower 7.7 per cent next year, in line with most analysts' expectations of a rise in inflation and a looming global financial slowdown as supercharged growth in the United States eases back.

Malaysia's economy bobbed up 5.8 per cent last year after sinking 7.5 per cent in 1998 at the low point of Asia's financial malstrom.

— AP photo

A look into hundi business - Part-II

Smuggling controls dollar demand in kerb market

By Monjur Mahmud

On October 17, customs officials at ZIA seized gold worth Tk 1.30 crore from a Biman flight coming from Kuala Lumpur. The next day, dollar price at city's Motijheel kerb market plunged to Tk 58.30 from Tk 58.70.

The connection between the two incidents is insidious, as much of the kerb market dollars are used to settle smuggling payments. Two mafia groups - Five Star and Seven Star - are dominating both the dollar's kerb market and the smuggling channel in city.

Any row between the two can lead to the seizure of a smuggling consignment.

But more often, the underworld works in tandem and when a chunk of smuggled goods - particularly gold bar and machine-made ornaments - land in the country successfully, it pushes dollar demand as well as its price in the kerb market.

Dollar demand in the kerb market was very strong over the past few months with the price hovering around Tk 59.50 till September 27, said a kerb market dealer.

But dollar price started declining when floods affected the Benapole border. It was selling between Tk 58.60 and Tk 58.80 for several days, a trend which continued till October 17, he added. "The dollar price is generally linked with any incident at ZIA."

An anti-smuggling drive by the law-enforcing agencies on October 18 and October 22 also pushed the greenback further down and it is now selling at between Tk 57.50 and Tk

57.60.

"Presently, smuggling is the main source of gold in the country and almost 95 per cent of the total demand is being met from smuggling," said a top leader of Bangladesh Jewelry Manufacturers and Exporters Association (BJMEA), preferring anonymity.

Of the total gold entering the country illegally, a major part usually goes to a neighbouring country as payment for other goods, he added.

According to sources, there is a regular supply of gold and machine-made ornaments, mainly from Dubai and Singapore.

There are many Bangladeshi shops in the UAE which receive dollar from workers there and their agents in Bangladesh pay the equivalent in take in Bangladesh to designated persons according to Bangladeshi working in Dubai.

The dollar collected from the Bangladeshi is partially used to procure gold and machine-made ornaments in the UAE. The rest is transferred to other countries to pay for the under-invoiced consignments of other imports, they state.

When there's a big deal between unscrupulous customs officials and importers on under-invoicing, the customs officials do not take the risk of keeping the money in the treasury, said a corporate executive requesting anonymity.

The officials buy dollar from the kerb market at high rates and send the same out of the country to deposit in their bank accounts abroad. This creates huge demand for dollar in the

kerb market, he maintained.

When contacted, a high official of the National Board of Revenue (NBR) could not provide any figure regarding revenue collection from gold imports, but he said that the amount would not be much.

To encourage legal gold import, the government has changed the Non-tourist Baggage Rules from the current fiscal year (2000-2001), allowing Bangladeshi passengers to bring 10 kg gold in their baggage on payment of Tk 200 as duty per tola instead of previous limit of five kg with Tk 300 per tola duty.

In the case of importing machine-made ornaments, a person is supposed to pay 37.5 per cent import duty, 10 per cent supplementary duty and 15 per cent value added tax for which the price of machine-made ornaments would be higher than the local hand-made ones.

But the reality is that local goldsmiths as well as jewelers are struggling to survive due to availability of machine-made cheap ornaments coming mainly from Singapore and Dubai," said a leader of Bangladeshi jewelers Association.

Bangladesh unofficially imports goods and services worth US\$ 2.5 to 3 billion from India annually. This huge underground trade (smuggling) is increasing demand for dollar in the country, mentioned Prof Rehman Sobhan, Chairman of Centre for Policy Dialogue (CPD) at the thirteenth biennial conference of Bangladesh Economic Association (BEA) in August this year.

IBBL course on rural scheme concludes

The 'closing' ceremony of a training course on 'Rural development scheme' for the officers of Islami Bank Bangladesh Limited was held at the auditorium of Islami Bank Training and Research Academy (IBTRA) on Thursday, says a press release.

Mir Quasem Ali, Vice Chairman of the Board of Directors of Islami Bank Bangladesh Limited, was the chief guest on the occasion.

The course was inaugurated by Tajul Islam, Executive Vice President and in charge of investment Division of the bank, as chief guest.

Earlier, an inaugural function of the bank's newly-recruited probationary officers was held recently at the IBTRA auditorium. M. Kamaluddin Chowdhury, Executive President of the bank, was present as chief guest.

Sanyo to recall 200,000 fridges with defective doors

TOKYO, Oct 27: Sanyo Electric Co., a