

SANYO
Japan

Installation Facility Available

Transfin Trading Ltd.
Phone: 8115307-10, Fax: 8113062

Air Conditioner

Star BUSINESS

DHAKA WEDNESDAY FEBRUARY 21, 2001

PRINTRONIX
Line Matrix Printer

- * 500 Line Per Minute
- * 1000 Line Per Minute
- * 1500 Line Per Minute

COMPUTER SERVICES
FOR COMPLETE SOLUTIONS

Tel: 8116215, 9119861

BGMEA polls tomorrow, free market access tops agenda

SHAHRIAR KARIM

Against a fear that the country may face a setback in global apparel trade in the post-MFA era, the country's garment manufacturers and exporters will cast votes tomorrow to elect their leaders.

Some 2113 voters will elect the 27-member executive committee (EC) of the Bangladesh Garment Manufacturers' and Exporters' Association (BGMEA), the apex trade body of the RMG sector, for the next two years. Elections will be held separately in Dhaka and Chittagong. A total of 1799 voters will pick 20 members for the EC from Dhaka and 314 voters from Chittagong will choose the rest seven members.

Unlike the past years, four groups are contesting the polls this time that made the election battle tough for the leading two groups -- Sammilito Parishad and Forum. Beside these two traditional groups, two new platforms -- Progressive Forum and Members' Council -- also filed separate panels this year. There are also two independent candidates vying for EC member posts.

Observers and insiders believe that the four-way fight may lead to a hung committee with no one getting any single majority in the executive committee.

In the event of an absence of a clear majority by any of these traditional groups, the two new platforms may act as the balancing factor deciding the future leadership if they can bag a few posts in the EC. Although Progressive Forum and Members Council are new in the BGMEA election politics, but some of the observers believe that they might make a mark in this year's election.

Forum and Sammilito Parishad are contesting the polls with full panels led by Anisul Huq and Kutubuddin Ahmed respectively.

On the other hand, Members Council is contesting for 25 posts led by Muzaffar Siddique and Progressive Forum is vying for 21 posts with Engineer M Abu Taher as their panel leaders. Engineer Nurul Huq Shikder, a former stalwart of Sammilito Parishad and incumbent vice president of BGMEA, is contesting the election as an independent candidate. The other independent candidate is Captain KH Rabbani (rtd) who is contesting the polls under the banner of Trinamool BGMEA Sadasya Goshthi.

All the groups have put duty and quota-free access to the USA and other major markets including South and Southeast Asia on the top of their election agenda.

In fact, winning preferential market access and establishment of

backward linkage industry to face the future challenges have become the core issues that dominated the last minute campaign for the election. The demand for duty and quota free access to the USA, the second largest importer of the country's apparel, got momentum when the Sub-Saharan African and Caribbean countries got the access last year through a bill called USFTA-2000.

Beside duty and quota-free access to the US market, Progressive Forum leader Engineer M Abu Taher said that if elected he would try to persuade the government for a vigorous trade diplomacy with South Asian neighbours especially with India and Pakistan under SAFTA agreement for duty-free access of Bangladesh's apparels to their market.

Taher, a senior leader of the BGMEA who worked at the association's executive committee in various capacities, also promised that he would work out a plan with the government to bail out the non-performing garment units that have faced setbacks due to political turmoil and floods. According to him, only some 1300 garment industries out of total 3200 units are now active.

On the other hand, Forum leader Anisul Huq said that if elected he would pursue the government to have bilateral agreements with the developed countries to have duty and quota-free access. "Nothing comes free in the world trade negotiations. We have to give something to other countries to get duty free access of our apparels," Huq said.

Kutubuddin Ahmed, leader of the Sammilito Parishad that gained strength because of the reunion of two factions before the election, said that he would persuade the government to earmark at least Tk 2000 crore each year in the national budget for the development of backward linkage industry.

"We will also persuade the government to set up a separate RMG ministry and apparel board to help the garment manufacturers and exporters," Kutubuddin said.

On the other hand, Members Council vows to make the BGMEA totally transparent and accountable to its members.

"So far a coterie has been controlling the leadership of the BGMEA and failed to solve all the major problems of the sector. We want to make the BGMEA free from all sorts of coterie," said Muzaffar Siddique, panel leader of Members Council.

They also promised to take general members' view on all major policy decisions.

Panel leaders and their pledges



Anisul Huq

Panel leader, Forum

Chairman of Mohammadi Group and a leading garment manufacturer and exporter, Anisul Huq is a sitting vice president of the BGMEA. His group employs 5000 workers in 12 units. Other than RMG, Mohammadi Group has also invested a large amount in information technology. Huq is also a director of Mohammadi Housing. He is involved with BGMEA for about seven years. He is also well known to many as a TV programme presenter.

Major pledges of Forum

- Introducing 'green channel' facility at customs stations for all the garment units.
- Arranging funds for the small and medium units from the government equity development fund and also from international institutions for BMRE and relocation of the units.
- Reintroducing 25 per cent cash incentives for the RMG units which use local fabrics.
- Setting up BGMEA offices in the USA and Europe.
- Campaigning for tax-free vehicles for use in garment factories.
- Ensuring duty-free access of Bangladesh apparels to European market, if necessary, by changing the 'Rules of Origin Criteria'.
- Creating fund for backward linkage industry and making provisions for Tk 2000 crore fund in the national budget for the development of the woven sector.



Engineer M Abu Taher

Panel leader, Progressive Forum

Engineer M Abu Taher is a leading garment manufacturer and exporter working as an executive committee member of BGMEA for almost the a decade. Taher, Managing Director of Fortuna Group which is a major apparel exporter of the country, formed a new group Progressive Forum before the election as he thinks the two traditional groups failed to solve the problems of the RMG sector. Other than garment industries, Taher is also involved in leather and fishery projects.

Major pledges of Progressive Forum

- Rescheduling of bank loans without down payment and waiving of interest.
- Reintroducing 25 per cent cash incentives for the garment exporters.
- Pursuing a government-sponsored separate garment village outside Dhaka with all the infrastructure facilities similar to EPZs which will be leased out to garment manufacturers.
- Resolving port problems, setting up of private ports and removal of all sorts of customs complexities.
- Ensuring uninterrupted power supply and abolishing pick-hour rate.
- Ensuring quota for the garment factory owners only and duty and quota-free access to the US market.
- Introducing 'one licence system' for the garment factory owners and formation of a 'garment owners' help fund'.



Kutubuddin Ahmed

Panel leader of Sammilito Parishad

A mechanical engineering graduate from the Bangladesh University of Engineering and Technology, Kutubuddin Ahmed started his business journey in 1984 by forming a company called Envoy. Starting with 46 machines and 200 workers, Envoy is now one of the major RMG exporters in the country. Besides apparel export, he has made his mark in other sectors like textile-spinning, real estate, information technology, aquaculture, freight forwarding and trading. He received national Export Trophy for two consecutive years 1990-91 and 1991-92.

Major pledges of Sammilito Parishad

- Persuading the government to allocate Tk 2000 crore in the national budget every year for the development of backward linkage industry.
- Setting up separate garment villages in four places outside Dhaka with facilities like in EPZs.
- Establishing an Apparel Board and a separate RMG ministry.
- Setting up a separate BGMEA bank and a BGMEA complex.
- Working to make the commercial counselors in foreign missions in the USA and Europe as advisors of BGMEA and attaching a representative of BGMEA with them to look after the interest of the country's RMG sector.
- Setting up a consultancy centre at BGMEA to help the garment factory owners comply with work place standards.



Muzaffar Siddique

Panel leader, Members Council

Managing Director of Simco Group, Muzaffar Siddique is leading a new group in the ensuing BGMEA elections with the promise to make the association a platform for all the garment manufacturers. A Finance graduate from the Dhaka University, Muzaffar worked in different companies in England and Canada. After his return, he established the export-oriented Simco Bangladesh Ltd. He is also the founder of Capital Cab Co Ltd, one of the pioneers in taxi cab services in the country. He is also a founder member of the Independent University, Bangladesh.

Major pledges of Members Council

- Establishing a 24-hour help line cell to give service to the garment owners in case of any emergency.
- Setting up a 'One-Stop Service Centre' to renew fire, bond, EPB and factory licences of the members through BGMEA.
- Preparing a policy to solve bank-related problems on a case-to-case basis through negotiations.
- Involving small, medium and large garment owners in setting up backward linkage industries and arranging soft loans from local and international financial institutes.
- Pursuing the government for introducing flat rate instead of present pick hour rate.
- Formulating a new quota policy that would safeguard the interest of the small RMG units.
- Setting up BGMEA complex.



International Finance Corporation (IFC), Dutch development agency FMO (Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden NV) and Standard Chartered Bank signed an agreement in the city yesterday to commit a US\$ 52 million trade enhancement facility to private sector importers and exporters, mostly small and medium enterprises (SMEs), in Bangladesh. The signing ceremony was attended by Dr Muhammad Farashuddin, Governor of Bangladesh Bank, Cesare Calari, IFC's Director for Global Financial Markets, ND Kleitner, Director of FMO, Muhammad A Ali, Chief Executive Officer-Bangladesh of Standard Chartered Group, and the Managing Directors of six participating banks.

New executive president of IBBL

Abdur Raquib has taken over as Executive President of Islami Bank Bangladesh Limited (IBBL).

He joined the bank as Deputy Executive president.

Prior to his joining IBBL, Raquib was the executive director of Bangladesh Bank, says a press release.

Raquib joined the then State Bank of Pakistan as Class I Officer in 1967 and held many important positions.

He has had his Masters Degree with honours in Economics from Dhaka University in 1963. He secured MADE degree from Australian National University in Agricultural Development Economics in 1977. He was the part-time teacher of Finance & Banking Department of Dhaka University. He is a Diploma Associate of the then Institute of Bankers, Pakistan (DAIBP) and an overseas fellow of Economic Development Institute of World Bank.

He is a widely traveled person and visited USA, Switzerland, Australia, Thailand, Philippine, South Korea, Iran, Malaysia and India to attend seminars, symposia, workshops, training and executive courses both as speaker and participant.

EBL opens branch at Shantinagar

Eastern Bank Ltd (EBL) has opened a new branch at Shantinagar in the city.

With this the total number of the bank branches stands at 22, says a press release.

EBL has now 10 branches in the city to cater to the needs of its clients.

M Enamul Haq Choudhury, Director of the bank and Managing Director of Sonali Bank, and M Ghazali Haque, Director of EBL inaugurated the new branch on Tuesday.

The bank's net worth stands at Tk 1.8 billion.

Iraq-Egypt free trade deal in force: Baghdad

AFP, Baghdad

The free trade agreement between Iraq and Egypt, which calls for the end to all customs barriers between the two countries, is now in force, Iraqi Trade Minister Mohammad Mehdi Saleh stressed Monday.

"The agreement Iraq signed with its brother Egypt for the creation of a free trade zone between the two countries is in place," Saleh said at the beginning of talks with Egyptian Economy Minister Yusef Butros Ghali.

"Instructions have been given to Iraqi customs to exempt Egyptian products coming into Iraq from all taxes and tariffs," Saleh said, quoted by the official INA news agency.

"The importance of this accord is that it is without precedent ... and will lead to the development in bilateral trade and economic relations," he said.

Butros Ghali, who arrived in Baghdad on Sunday with 180 business representatives to promote trade between the two countries, said the agreement would help "increase investment and development with Iraqi companies in both the public and private sectors."

IFC, FMO, StanChart pledge \$52m trade facility for SMEs

International Finance Corporation (IFC), Dutch development agency FMO (Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden NV) and Standard Chartered Bank have committed a US\$52 million trade enhancement facility to private sector importers and exporters, mostly small and medium enterprises (SMEs), in Bangladesh.

Under the terms of the facility, IFC and FMO will jointly guarantee Standard Chartered Bank up to \$26 million of the total facility amount of \$52 million, says a press release.

As per an agreement signed yesterday by the three organisations, the facility will initially include six Bangladeshi banks -- Dhaka Bank, Dutch-Bangla Bank, Eastern Bank, National Credit and Commerce Bank, Prime Bank and Southeast Bank. These six banks will use this facility in getting their L/Cs confirmed by the overseas branches of Standard Chartered Bank. IFC and FMO will jointly guarantee up to 50 per cent of each transaction.

The two-year revolving facility will give businesses in Bangladesh better access to letters of credit confirmations. The facility will also ensure that local banks improve their reporting since one of the project requirements is that

participant banks provide regular financial and other reports to IFC.

The signing ceremony was attended by Dr Muhammad Farashuddin, Governor of Bangladesh Bank, Cesare Calari, IFC's Director for Global Financial Markets, Gerret Van Kampen, Senior Investment Officer of FMO, Muhammad A Ali, Chief Executive Officer, Bangladesh of Standard Chartered Group, and the Managing Directors of six participating banks.

Dr Muhammad Farashuddin in his address said that the agreement signed by Standard Chartered, IFC and FMO was a great initiative to encourage the importers and exporters of the country. The best part of the agreement is that it focuses on the small and medium-sized enterprises of the country, which will play an increasingly significant role in the future growth of Bangladesh economy.

Dr Farashuddin also said that it was very encouraging for Bangladesh to see that foreign organisations are coming forward to support its trade.

Cesare Calari said that the project would increase the availability of short-term trade finance to Bangladeshi importers and exporters by supplementing

country limits which restrict commercial banks operating in the country. The facility will help build the reputation of Bangladeshi banks in international markets and promote confidence in the private and commercial banking sector, through which IFC and FMO can reach many smaller businesses.

A technical assistance package is also being provided to help the banks move towards international accounting standards and strengthen corporate governance, he said.

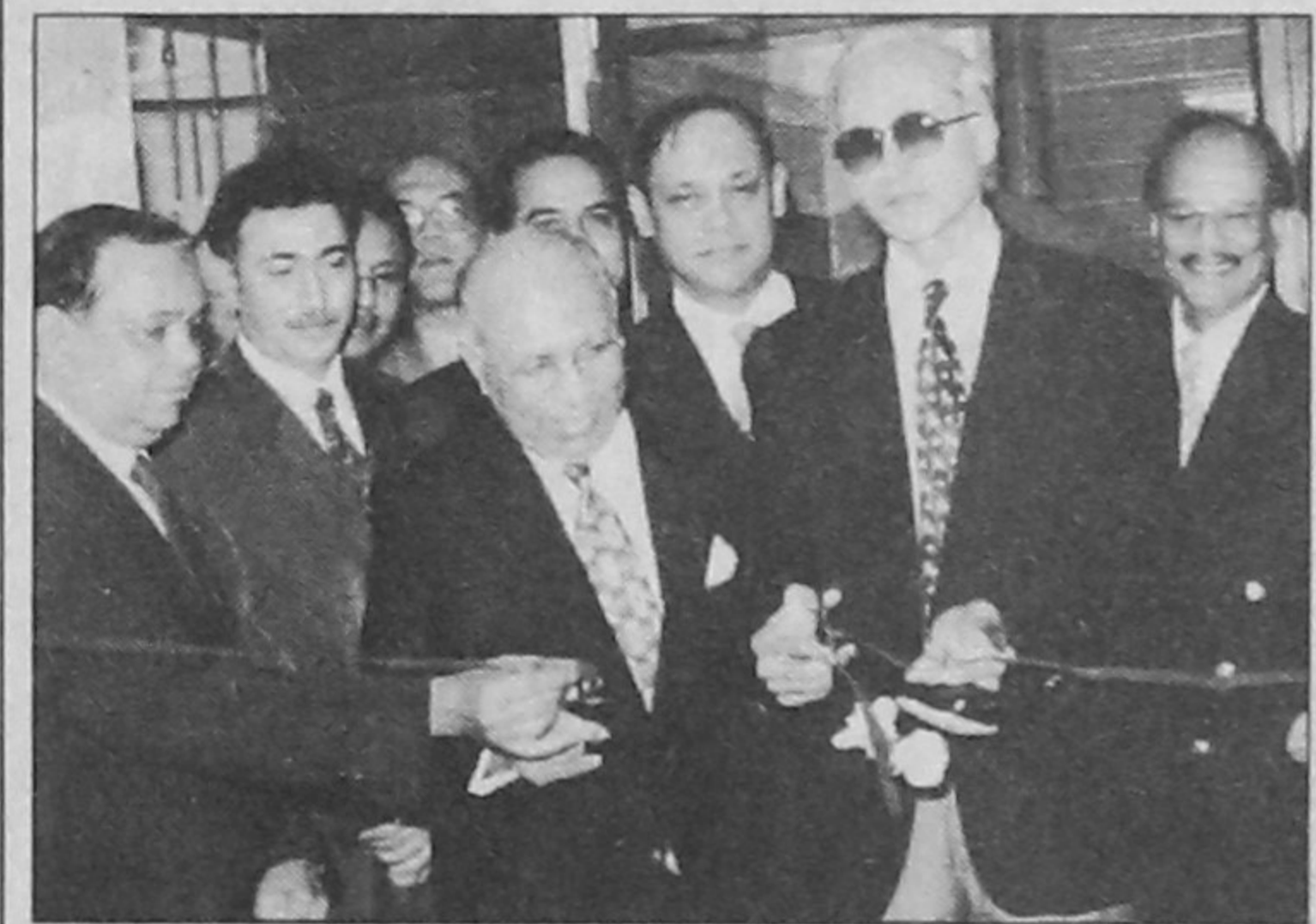
Muhammad A Ali, Chief Executive-Bangladesh of Standard Chartered Bank Group, said the project is a milestone in the history of Bangladeshi banking and that Standard Chartered Bank is pleased to be associated with it. It would help tap the economic potential of importers and exporters in the country and promote business initiatives, he added.

Standard Chartered Bank is one of the leading international commercial banks in Asia, the top provider of correspondent banking and trade services in the region and the largest international banking group in Bangladesh. It has a network of over 740 offices in more than 55 countries and assets of approximately US\$ 90 billion. With a presence in Asia and Africa that goes back nearly 150 years, Standard Chartered has an in-depth understanding of and a long-term commitment to the emerging markets.

FMO provides financial resources to private enterprises in developing countries. It is a specialist in financial sector investments with more than half of its portfolio currently outstanding in financial institutions.

IFC and FMO are considering participating in other projects that will help strengthen Bangladesh's economy and improve investor confidence, it said.

The mission of IFC, part of the World Bank Group, is to promote sustainable private sector investment in developing countries as a way to reduce poverty and improve people's lives. IFC finances private sector investments in the developing world, mobilizes capital in the international financial markets, and provides technical assistance and advice to governments and businesses.



M Enamul Haq Choudhury, Director of EBL and Managing Director of Sonali Bank, and M Ghazali Haque, Director of EBL, open the 22nd branch at Shantinagar in the city on Tuesday. K M Sattar, Managing Director (Current charge) of EBL, and Shantinagar branch Manager Ishtiaque Ahmed are also seen in the picture.

Country's RMG sector at crossroads

STAR BUSINESS REPORT

As the BGMEA elections take place tomorrow, the country's readymade garments (RMG) sector faces a number of critical issues to be dealt with by the next leadership.

The issues are getting free-access to developed markets, facing the challenge of workplace standards and making the industry ready to embrace the post-MFA era.

As the developing and least developing countries are positioning themselves in the global trade arena through different bilateral and multi-lateral preferential trade agreements, Bangladesh is losing grounds to countries which already enjoy free market access.

In recent months, some major buyers have shifted from Bangladesh for much cheaper duty-free options like NAFTA. The passage of the USFTA bill has also seen the emergence of a number of new competitors for Bangladesh.

However, for the last 15 years, the country's RMG sector has been able

to sustain robust growth of 12 per cent, which was about three times higher than the GDP growth over the same period, according to a policy paper of the country's leading think tank -- the Centre for Policy Dialogue (CPD).

The country's apparel exports registered a quantum leap from a meagre US\$ 1 million in 1978 to US\$ 4.2 billion in 2000 that account for 76 per cent of the total export of the country. There are indications that this year the export would cross US\$ 5 billion mark.

About 1.5 million workers are presently employed in the RMG sector. An industry that first started in late 1970s, RMG sector now accounts for a major portion of economic activities in areas such as banking, insurance, transportation, real estate, packaging, recycling, consumer goods and utility services.

According to a rough estimate of the Centre for Policy Dialogue (CPD), the RMG sector, through its linkage effects, currently generates about US\$ 2 billion worth of domestic economic activities. About 80 per cent of garment accessories, accounting for about US\$ 0.5 billion, are now produced locally.

Sonali Bank
Information Technology (Operation) Division
Head Office, Dhaka

Re-Tender Notice

Sealed tenders are invited from manufacturers/agents/dealers/resellers of 1.5 KVA online UPS in Bangladesh for supply, installation and commissioning of 21 (twenty-one) UPSs at different branches in Dhaka city as well as outside Dhaka to run Micro-Computer systems as per tender schedule.

1.00: Sale of tender schedule: Tender schedule will be available at the office of the undersigned, Information Technology (Operation) Division (6th Floor), Sonali Bank, Head Office, 35-44, Motijheel C/A, Dhaka on all working days from 10:00 AM to 4:00 PM on payment of Tk 1,000.00 (one thousand) only (non-refundable) per set in the form of Pay Order /Bank Draft purchased from any scheduled bank in Bangladesh favouring "SONALI BANK, HEAD OFFICE." Those who have purchased tender schedule earlier need not purchase the same again. No tender schedule will be sold on the date of opening of the tender.

2.00: Submission and opening: All offers should be dropped in the tender box to be kept at the Information Technology (Operation) Division, Sonali Bank, Head Office (6th Floor), Dhaka latest by 3:00 PM (local time) on March 12, 2001 after which no tender will be accepted. Offers will be opened on the same day at 3:15 PM (local time) in presence of vendors (if any).

3.00: Earnest money & warranty: Bidders must submit a Pay Order or Bank Draft purchased from any scheduled bank in Bangladesh @ 2% of the tender value favouring "SONALI BANK HEAD OFFICE" as earnest money (refundable). Any offer without earnest money will be rejected and will disqualify the offer for the bid. Comprehensive warranty period should be of three years.

Bank authority shall not be bound to accept the lowest tender and shall reserve the right to accept or cancel any or all tenders at any stage without assigning any reason thereof.

No. -SB:Jana/16/97/2001
GD-171

Jaglal Karim
Deputy General Manager