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Star BUSINESS

DHAKA MONDAY MAY 28, 2001

BFFEA welcomes
taka devaluation

UNB, Dhaka

Bangladesh Frozen Foods Exporters Association (BFFEA) has welcomed the devaluation of Taka by 5.5 per cent against the US dollar.

Terming the central bank's decision on devaluation "timely and realistic", BFFEA president Salauddin Ahmed in a statement issued yesterday said it would make fish export more competitive.

He said the country's frozen food exports have been facing serious problems for the last couple of months due to fall in prices of shrimp in the international market.

The exporters of frozen foods will be able to make up their losses with this devaluation, he said.

Farid Ahmed Chy
elected Ctg
Chamber chief



Farid Ahmed Chowdhury has been elected new president of Chittagong Chamber of Commerce and industry.

He was elected at an emergency meeting of the Board of Directors of the chamber held in Chittagong on Thursday, says a press release.

SM Nurul Hoque, Senior vice-president of the chamber presided over the meeting.

Earlier the out-going president of the chamber, Saifuzzaman Chowdhury, tendered his resignation and proposed the name of Farid Ahmed Chowdhury as the new chief of the chamber.

MA Malek, Director of the Chamber and the Managing Editor of the Daily Azadi seconded the proposal.

All the directors present in the meeting unanimously supported the proposal.

Vice-president MA Latif, chamber directors Jafarul Islam Chowdhury MP, Belal Ahmed, Alhaj Nazmul Islam Babul, Mohammad Iqbal Dada, Morshed Murad Ibrahim, Sarwar Maqsood Nizam, Farid Ahmed Chowdhury, Mohammed Amirul Haque, M Salim Ullah, Syed Ahsanul Hoque, Yakub Ali Manto, Nurul Alam, Nur Mohammed, Rahbar A Anwar, Mazharul Islam Chowdhury and Abdul Mannan Rana were present at the meeting.

Farid Ahmed Chowdhury started his business career with shipping trade in the year 1967 and over the years he has involved himself in trade industrial undertaking known as "Frank Group" with its several units.

He is the chairman of the group.

He is the former Chairman of Bangladesh Master Stevedore Association, Director of Chittagong Stock Exchange, Executive Committee member of Bangladesh Steamer Agents Association, Adviser to the BGMEA, Board Member to Dock Workers Management Board, Member of the Port Advisory Committee, Member of Port Task Force and above all the Chief Advisor to the Editorial Board for monthly English New Magazine "Ports & Shipping Review".

He is also associated with many social and cultural organisations.

Malaysia keen
to help improve
Ctg Dry Dock

UNB, Dhaka

Malaysian Port Klang Authority is keenly interested to help make the Chittagong Dry Dock more active and developed under joint venture.

The interest was shown when a delegation of the Authority called on Privatisation Commission Chairman Kazi Zafarullah at his office here Sunday.

Led by Malaysian High Commissioner in Bangladesh Dr Mohd Yusof Ahmad, the delegation members were Director of Port Klang Authority A Kanesan and Ahmad Damanhury Ibrahim.

The delegation is likely to visit the shipbuilding-and-repairing industry today to see its present condition.

No more FDIs if violence, political influence in deals on

Canadian envoy says at FICCI meet

STAR BUSINESS REPORT

Bangladesh will no longer attract foreign investors if street violence, criminal activities, and influencing business contracts by power lobby continue, said David Preston, Canadian High Commissioner in Bangladesh.

These reflect a weakness in governance and low respect for rule of law which undermine Bangladesh's position as a secure and safe place for economic activities, he observed.

The Canadian businessmen tell me of problems they encounter in participating government procurement process, and in do-

ing business in Bangladesh. Bureaucratic obstacles and undue influence too often stymie foreign business. When this happens, investors turn quickly to other opportunities," Preston said.

The Canadian High Commissioner was speaking as the guest of honour at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (FICCI) at Sonargaon Hotel in the city yesterday.

"The harsh reality is that aid is falling. As a consequence, it is increasingly becoming competitive for countries to attract foreign assistance," he added.

"If Bangladesh wants to attract investment, the answer is clear - improve your image."

Preston said investors need

level playing field and look for disruption-free environment. They need assurance that deals will be signed fairly, and abided by.

Investors look at the domestic business environment before they commit investment. If the situation is not conducive, they put their money elsewhere.

"The harsh reality is that aid is falling. As a consequence, it is increasingly becoming competitive for countries to attract foreign assistance," he added.

"If Bangladesh wants to attract investment, the answer is clear - improve your image."

Bangladesh has many strong

attributes, the ambassador said. "It has made steady economic progress, and achieved significant gains in social indicators, population control and women's education."

There is a tremendous possibility of expanding bilateral trade between the two countries through product diversification, he added.

FICCI President Wali Bhuiyan mentioned that the balance of trade between Bangladesh and Canada has been in favour of Bangladesh for the last five years.

He said that the balance of trade between the two countries through product diversification, he added.



PHOTO: FICCI
David D Preston, Canadian High Commissioner in Bangladesh, speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (FICCI) held at the Pan Pacific Sonargaon Hotel yesterday. Seen on his left are FICCI President Waliur Rahman Bhuiyan and Secretary Jahangir Bin Alam and on his right is Managing Director of FICCI member company, Lafarge Surma Cement, Michel Folliet.

Stocks fall as court rejects alleged scamsters' petitions

SEC advises investors not to pay heed to rumours

M SHAMSUR RAHMAN

The Dhaka bourse witnessed a major price correction yesterday after hitting a new high of 725 points in the morning session. The DSE All Share Price Index lost 21 points.

Market operators attributed the price erosion to the rejection of discharge petitions of three companies, accused of manipulating the share market in 1996, by the Second Additional Metropolitan Sessions Judges Court.

"But soon after the information about the court order reached the market, the market witnessed

massive sell pressure," a market operator said.

Traders said the market was full of rumours for the last few days about these three accused securities.

Soon after the trading began, share prices continued to rise, pushing the price index to 725.76 points from the previous day's 720.

"The investors may be advised to know the financial strength of the companies, their future pros-

pects and the background of the sponsors before deciding to invest in a company," the SEC said, asking the DSE to caution investors through the online trading terminals.

As a result, the Securities and Exchange Commission (SEC) yesterday advised the Dhaka Stock Exchange (DSE) to warn investors not to pay heed to rumours.

"Don't invest on the basis of rumours," the SEC said, directing the bourse authorities to identify and release the names of companies which are not in operation and the accumulated losses of which have surpassed their paid-up capital.



Dr Abu Syed Khan, Chief Accountant of BTTB (L), and Zahir Ahmed, Chairman of Electronic Transactions Networks Ltd (R), exchange the documents of an agreement for payment of phone bills through shared ATM network.

Deal signed on paying BTTB bills thru' shared ATMs

Bangladesh Telephone and Telegraph Board (BTTB) and Electronic Transactions Networks Ltd signed an agreement on Sunday, facilitating the payment of BTTB telephone bills through the Electroway Shared ATM Network, says a press release.

A Shared ATM Network is an innovative concept, which permits customers of many banks to use the same ATM.

National Bank Ltd, Islami Bank Bangladesh Ltd, National Credit and Commerce Bank Ltd, Dhaka Bank Ltd, Southeast Bank Ltd, Al Baraka Bank Bangladesh Ltd and Credit Agricole Indosuez have joined the shared ATM network system.

Starting from 1 July 2001 customers of the above banks will be able to use all the ATMs of the Network for cash withdrawal and payment of utility bills from July 1 this year.

In the first phase, 20 ATMs will be set up in Dhaka, Chittagong and Sylhet and the network is expected to grow continuously with over 500 ATMs in future.

The ATMs will remain open 24 hours and will be located at convenient sites in key cities in the country.

In the next month, Electronic Transactions Network Ltd and the member banks will also be working intensively to launch the E-cash ATM/Debit Card system so that customers of the banks will be able to enter the new era of card-based electronic banking.

Member of the Privatisation Commission SM Zakaria, Secretary MA Mazid and Director (Chemical and Engineering) Mostafa Kamal Haidar were present in the meeting.

Jeffords, a moderate from Vermont, has decided the rightward shift of his party, choosing to abandon his life-long affiliation because of disagreements with Bush on "very fundamental issues" including abortion, judicial appointments and the environment.

"We cannot afford to be wrong on this one," Democrat John Lewis of Georgia told his colleagues before the vote.

Bush has said he will sign the bill once it reaches his desk.

The US Senate voted 58-33 to pass the bill, with nine senators not voting.

In a 239-154 vote, the lower chamber of the US Congress passed a compromise version of the bill, with 27 Democrats breaking ranks with their party to support the controversial tax cut.

The bill slashes taxes by an estimated 1.35 trillion dollars over 11 years by dropping top tax rates.

The top income bracket will see its tax rate shrink from 39.6 percent to 35 percent, although Bush had originally asked that rate to be trimmed to 33 percent.

The plan also reduces the "marriage penalty," the higher taxes two-income couples pay

over two single earners, and eliminating inheritance taxes.

Democrats have condemned the bill as risky, because it is based on estimates of future spending surpluses generated by a US economy now in a downturn. They also say the bill largely benefits the wealthy and will lead to deficit spending.

"We cannot afford to be wrong on this one," Democrat John Lewis of Georgia told his colleagues before the vote.

Leaders from the House and Senate late Friday reconciled the bills that passed separately in each chamber, a requirement for the bills to move forward to become law.

In a statement released after the compromise was reached, Bush said tax cuts would give taxpayers more money "in their pockets to save and invest."

Jeffords' decision will have a domino effect on power in the Senate by automatically returning powerful committee chairmanships to the Democrats for the first time since 1994.

The Democrats are likely to elect Senate Minority Leader Tom Daschle to lead the chamber, a position that offers sweeping powers to set the agenda.

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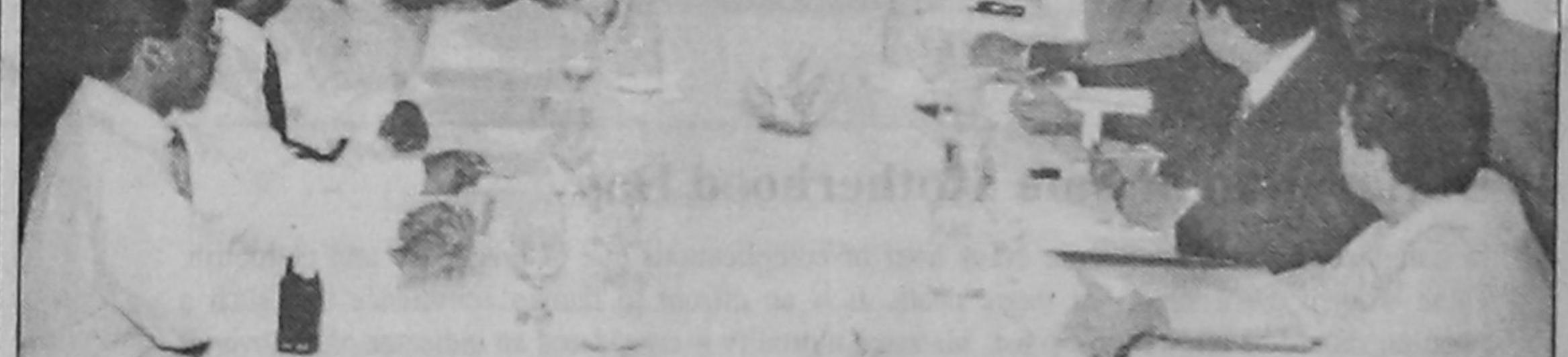


PHOTO: SBL
Chairman of Shahjalal Bank Limited (SBL) Sajiduzz Jumma addresses the first meeting of the Board of Directors of the SBL at a local hotel on Thursday. Directors and Managing Director Matin Uddin Ahmed are also seen in the picture.

Bush plans African trade summit in Oct

AP, Washington

African leaders from 35 countries will come to Washington for an Oct 4-5 trade and economic development forum being organised by the Bush administration.

President George W Bush, Secretary of State Colin Powell and a few African ambassadors were announcing the planned assembly in a Rose Garden ceremony Wednesday.

The inflation rate inched up by 0.06 percentage points to 5.47 per cent during the week ended May 12, due to "costly primary and manufactured items," an official release said here on Sunday.

The inflation rate, based on the Wholesale Price Index for all commodities, was 5.41 per cent in the previous week and much higher at 6.38 per cent in the same week a year ago, said the release.

The Wholesale Price Index also rose by 0.1 per cent to stand at 160 points as against 159.8 in the previous week, the release added.

manufacturers and farmers in sub-Saharan nations that meet free-market and labour-rights requirements.

Each of the 35 qualifying countries will be invited to send three ministers to the Washington forum.

Bush, an ardent free trade supporter, wanted to highlight the scheduling of the forum in order to demonstrate his support for the African Growth and Opportunity Act and its potential promote democracy and economic development on the continent, White House officials said.

When Bush submitted his trade agenda to Congress last week, he said the African legislation "holds real promise for helping to integrate African economies into the world trading system. The Congress should consider whether more progress can be made along these lines."

Nepal's trade deficit narrows

XINHUA, Kathmandu

Nepal's trade deficit narrowed during the first nine months of the current fiscal year (ending on July 14) when export registered a decelerated growth of 21.5 per cent and the growth rate of import declined to 6.9 per cent, according to a press release issued by NRB, Rastra Bank (NRB) Sunday.

The export during the review period reached 43441.0 million rupees (580 million US dollars) while import amounted to 41117.2 million rupees (1135 million dollars), said the release by NRB, Nepal's central bank.

As the growth rate of exports was higher than that of imports, trade deficit declined by 5.0 per cent, amounting to 41674.2 million rupees (556 million dollars), comparing with the growth of 22.2 per cent in the previous year, said the release.