

JBIC DG in city to initiate dialogue on key issues

UNB, Dhaka

Director General of Japan Bank for International Cooperation (JBIC) Jun'ichi Hasegawa arrived here Sunday on a three-day visit to Bangladesh to initiate dialogue with the new government on key development issues.

Possible future assistance in different sectors and progress of various projects undertaken with JBIC assistance will be discussed, an announcement said.

Hasegawa will hold discussions with high government officials, including the Finance Minister, the State Minister for Power and the Secretary of Economic Relations Division (ERD).

As part of international financial operations, JBIC signed a loan agreement of seven billion yen on March 29 this year with Bangladesh for the construction of Di-Ammonium Phosphate fertilizer complex.

It would contribute to the promotion of plant exports from Japan to Bangladesh as well as to the steady economic growth of this country by establishing the domestic production and stable supply of phosphate fertiliser.

Bangladesh is one of the largest recipients of Official Development Assistance (ODA) administered by JBIC. Until now, 68 projects have been undertaken with JBIC assistance, amounting to 547 billion yen equivalent to US \$4.8 billion in cumulative ODA loan commitments to the country.

Some of the major projects completed with JBIC loan include Jamuna Multipurpose Bridge, Chittagong International Airport and Greater Dhaka Telecom Project.

Currently important projects like construction of Paksey and Rupsa Bridges are under implementation with JBIC finances.

Daily Star now official publication of DTM-2002

The Daily Star, one of the leading English language dailies of the country, signed a Memorandum of Understanding (MOU) with The Bangladesh Monitor to act as the Official Publication of the Dhaka Travel Mart-2002, says a press release.

Syed Fahim Munaim, Managing Editor of The Daily Star, and Kazi Wahidul Alam, Editor of the Bangladesh Monitor and Chairman, DTM-2002, signed the MOU on behalf of their respective sides.

Mahfuz Anam, Editor and Inam Ahmed, Business Editor of The Daily Star, were also present on the occasion.

The Bangladesh Monitor is organising the first-ever international travel fair of the country from February 1-3, 2002 to project Bangladesh as a tourist destination and to highlight the various products the country has to offer.

The PATA Bangladesh Chapter and Tour Operators Association of Bangladesh are the co-organisers, Bangladesh Guest House Owners Association is the Co-sponsor, Amadeus the Technical Partner, Dhaka Sheraton Hotel the Official Hotel, DHL the Official Courier, FTV the Official Channel of the three-day fair to be held at the Winter Garden of Dhaka Sheraton Hotel.

The DTM-2002 will be participated by a large number of airlines, Travel Agents, National Tourism Organisations, Tour Operators, Hotels, Cruise Operators, Resorts, GDS Companies, Car Rental Companies, Soft Drink Bottlers and various other service providers in tourism sector from home and abroad.

BSB reduces lending rates

Bangladesh Shilpa Bank (BSB) has reduced its lending rates by 1.50 to 3.50 per cent depending on the nature of loans, says a press release.

The decision was taken at the 364th meeting of the Board of Directors of the bank chaired by its Chairman Prof Dr Ashraf Uddin Chowdhury.

BSB has reduced its lending rates from 13.50 per cent to 12 per cent for term loan for both large and medium scale industries.

The lending rate for 16 priority sectors has been reduced from 13.50 per cent to 10 per cent. The rate has been reduced from 10 to 7 per cent for export credit.

In case of Small and Cottage industries it has reduced lending rate from 11.50 to 10 per cent.

Lending rates for other types of loans has been reduced from 16 to 14 per cent.

Interest rates for various deposits have also been reduced from .75 to 2 per cent.

Cut lending rates further or face levies on profit

Saifur warns banks

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday blasted banks for making an 'eyewash' interest rate cut and still keeping lending rates high.

He also warned that the government would impose levy and supplementary tax on profits if the banks do not further reduce rates within three months.

"I will wait for another three months to see if they further cut rates of their own. If they don't, I am going to impose different tax measures on their profits. The borrowers today cannot suffer for bad loans the banks sanctioned in the past," he said.

Saifur was speaking as chief guest at a workshop on 'Understanding Tax Payers Problems on Value Added Tax (VAT)' jointly organised by the National Board of Revenue (NBR) and the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI) at Purbani Hotel in the city.

The Department for International Development, Bangladesh (DFID) sponsored the event.

Pointing to the foreign commercial banks (FCBs) operating in Bangladesh, the minister said free market economy is not functioning here. FCBs are taking advantage of high lending rates. Although their bad loans are not significant, they still charge interest rates as high as Sonali Bank or other inefficient banks and making huge profits, he maintained.

Saifur blamed the immediate past government for allowing so many new banks.

"A second-grade banker of a nationalised commercial bank has today become deputy managing director of a private bank and thus the efficiency of the bankers did not improve," he added.

NBR Chairman Dr Shoaib Ahmed, FBCCI President Yussuf Abdullah Harun, Head of DFID Paul Ackroyd, and Member (VAT) Fakhrul Abedin, among others, spoke on the occasion.

Commenting on the poor tax collection system, the finance minister said the immediate past government did not do much to improve the situation. Rather it preferred to borrow heavily from the banking system.

Saifur blamed both the tax payers and the collecting authorities for the dismal situation. About tax dodging, he said by opening letters of credit, goods more than the quantity entitled in the LCs are illegally brought in.

If the multinational companies and the public sector are excluded, the contribution of the country's private sector to revenue collection is very frustrating at around 20 per cent of the total, he mentioned. It is very much possible to reduce VAT rate from 15 to 10 per cent if the number of taxpayers increases.

NBR Chairman Dr Shoaib Ahmed said leakage VAT in manufacturing and service sectors is high.

Paul Ackroyd underscored the need for expanding tax net and said DFID is about to approve a new project in this regard.



Fazle Hasan Abed, Chairperson of BRAC, inaugurates the 8th outlet of Aarong on Friday at Mascot Plaza at Uttara.

Give LDCs free access, ease rules of origin for garment export

Khasru places 7-point proposals at WTO meet

UNB, Dhaka

Bangladesh has strongly advocated free access of LDC products to rich markets and making rules of origin condition for garment export affordable to poor countries.

Bangladesh Commerce Minister Amir Khasru Mahmud Chowdhury placed seven-point proposals Saturday, the second day of the five-day WTO conference in Qatar capital, seeking scope for wider exports from least developed countries.

The proposals include creating favourable environment for LDCs to comply with the WTO rules, imposing no barrier like anti-dumping on LDC exportable, amending the Agreement on Trade and Clothing (ATC) for garment-

exporting countries and allowing free movement of human resources like that of capital and product.

Also proposed is increase in financial and technical assistance for LDCs to enhance their capability.

Khasru said LDCs put topmost priority on the market access without any tariff and non-tariff barriers, according to a message received here from Doha, where the fourth WTO ministerial meet began on November 9.

LDCs' share of world trade fell from 0.7 per cent in 1990 to 0.4 per cent in 1999 and the decline is still continuing under the global trade regime.

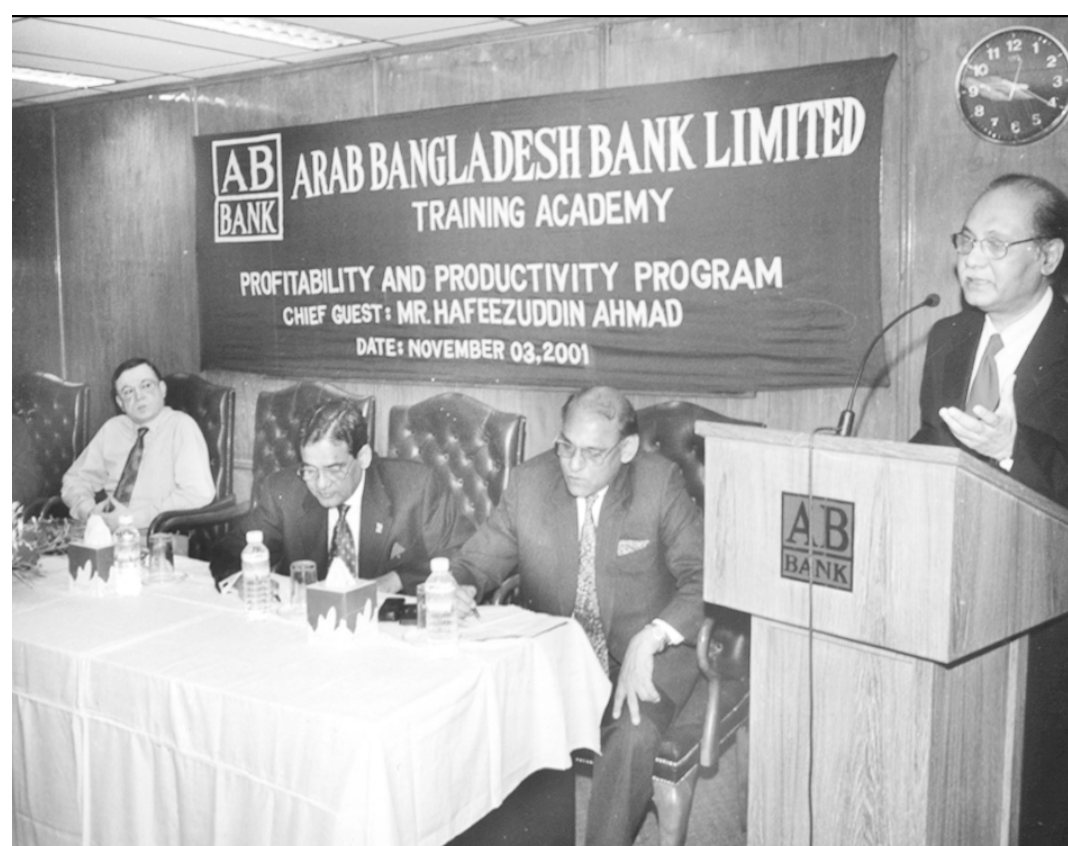
"Increased market access is the only way to prevent further

marginalisation of the LDCs in world trade," said the Bangladesh commerce minister.

Bangladesh has started feeling the ripple effects of September 11 attacks and aftermath, with export orders for garments and frozen foods plummeting the minister told the meeting of WTO trade ministers.

"It is imperative that this meet must find ways and means to assist the low-income countries that are least able to weather the recessionary storm," he said as the LDC spokesman.

The current ministerial meet should instruct on effective mechanism to address the commitments in favour of the LDCs made earlier on various WTO platforms, he suggested.



A day-long training programme on profitability and productivity organised by Arab Bangladesh Bank Limited was held at its Training Academy in the city recently. Pictures shows Hafeezuddin Ahmed, Country Manager of International Finance Corporation, speaking on the occasion as chief guest. CM Koyes Sami, President and Managing Director of AB Bank (2nd from left), was also present.

IFIC Bank engages agents to recover default loans

IFIC Bank has engaged private collection agents for recovery of its default bank loans, says a press release.

In a resolution adopted recently, the Board of Directors of the Bank has authorised the bank management to engage M/s The Peoples Development Services Corporation Limited, and M/s Idris Bhuiyan & Associates (IBA) for realising default loans lying with different enterprises in private and public sector.

Md Abdur Rahman and Muhammed Idris Bhuiyan, Managing Director and Managing Partner respectively of the firms, and K M Badrudduza Senior

BB T-bill auction held

UNB, Dhaka

The 166th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here Sunday.

Tk 4569.50 crore, Tk 27 crore, Tk 30 crore, Tk 161 crore and Tk 8 crore were offered respectively for the 28-day, 182-day, 364-day, 2-year and 5-year bills.

Off these, Tk 3,811 crore, Tk 10 crore, Tk 11 crore and Tk 37 crore of 28-day, 182-day, 364-day and 2-year bills were accepted respectively.

No bids were offered for the 91-day while bids offered for the 5-year bills were not accepted.

Due to maturity of the bills, an amount of Tk 2,135 crore will retire this week. So the net amount of the issuing bills will stand at Tk 1,734 crore, said a Bangladesh Bank press release.

AB Bank holds training programme

Arab Bangladesh Bank organised a day-long training programme on profitability and productivity at its training academy in the city recently, says a press release.

Branch managers and midlevel executives participated in the programme.

Hafeezuddin Ahmed, Country Manager of International Finance Corporation, was the chief guest on the occasion.

Welcoming the chief guest C M Koyes Sami, President and Managing Director of AB Bank, said the bank is the flag carrier of private banking in Bangladesh setting new trends in different areas. This year the bank made a turnaround in profitability with high point of success being reduction of percentage of classified loan below 20.

Representing the private wing arm of World Bank, Ahmed appreciated the efforts being put in by the private banks which shoulders responsibility to support industrial undertakings.

He said IFC will play more and more dominant role towards the development of Bangladesh economy.

M A Rais Khan, Executive Vice President and Abu Hanif Khan, Joint Managing Director, also spoke on the occasion.



PHOTO: IFIC BANK

KM Badrudduza, Senior Executive Vice President of IFIC Bank Limited, exchanges documents after signing an agreement in the city recently with Md. Abdur Rahman, Managing Director of M/s. Peoples Development Services Corporation Limited and Md. Idrish Bhuiyan, Managing Partner of M/s. Bhuiyan and Associates, for realisation of default loans lying with different enterprises in private and public sectors. Ataul Haq, Managing Director, and other senior executives of IFIC Bank Limited were present on the occasion.

Main export-earning industry in worst ever crisis BGMEA sends SOS to govt

UNB, Dhaka

Garment manufacturers and exporters Sunday made a SOS call and urged the government to help the country's main export-earning industry get rid of the worst ever crisis the sector is facing owing to global recession coupled with September 11 attack on US.

Besides pursuing outside lobbying, they sought emergency domestic support for the crisis period to relieve the sector to some extent of the death throes.

They urged the Prime Minister to undertake visit to USA, if necessary, demanded 25 per cent cash incentive on FOB (freight on board) value of exports, central bonded warehouse, and requested all commercial banks to reduce charges and commission.

"We'll be able to overcome the crisis with sincere efforts by all," BGMEA president Engr

Kutubuddin Ahmed told a press conference at BGMEA office before joining a Bangladesh trade delegation to be led by the Commerce Minister to the United States.

A six-member BGMEA team, led by its president, would assist the trade delegation in November 14-17 trade talks with US authorities prominently on getting duty-and-quota-free access of apparels to US market.

Kutubuddin leaves Dhaka today (Monday) for Doha to join the trade delegation members, who are now there to attend the WTO ministerial conference.

"We are ready to provide all-out support to the Commerce Minister...I think we'll be able to make a good ground to get the facility," he said, adding that one or two meetings with US authorities would not be enough.

He said it requires a law that

should be passed by the US Congress. Bangladesh is now trying to merge its cause with a bill likely to be submitted by Pakistan to the US congress.

"I believe we could achieve the target unless we get frustrated and give up hopes," he told newsmen, explaining bailout measures both at home and abroad.

He said European Trade Commissioner is due here this month when Bangladesh will get a chance to strongly raise the issue of relaxing the rules of origin.

Bangladesh apparel items need 50 per cent value addition to get duty-free market access in EU. If the restriction comes down to 25 per cent, it could be great breakthrough for the country's RMG industry, he said.

He said introduction of a central bonded warehouse would also help reduce lead-time of export by 50-60 days to cope with the international market unrest. It's nothing but the garment exporters importing fabric stored in advance by the fabric manufacturers from abroad.

He urged the commercial banks to cut bank charges and commissions to half during the exigencies saying that they would be able to make business again if the sector survives.

First credit rating co gets SEC approval

M SHAMSUR RAHMAN

After six years of delay, the Securities and Exchange Commission (SEC) yesterday gave approval to a credit rating company.

The company Credit Rating Information and Services Ltd (CRISL) with a paid-up capital of Tk 1.40 crore has affiliation with Rating Agency of Malaysia and JCR-GIS Credit Rating Company of Pakistan. It is expected to start operation shortly.

The company will operate under the Credit Rating Company Rules, 1996. According to the rule, a company will have to have rated by a proper rating company before floatation of shares for public

subscription.

The rule also calls for getting ratings from the company prior to offering rights shares or issuing debentures.

"We will grade the companies by judging their overall activities, expansion plans, and profit situation among other things," said CRISL Chief Executive Officer (CEO) Mozaffar Ahmed.

The CEO also said companies would be continuously rated at certain time gap to assess their performances.

The fees for such ratings would be kept minimum. "Obviously it would be less than the fees charged in other countries of the region," the CEO said.

New chairman of Pubali Bank



Renowned businessman and social worker Monir Uddin Ahmed has been elected Chairman of the Board of Directors of Pubali Bank Limited, says a press release.

The election was held at a meeting of the Board held Saturday.

M U Ahmed was engaged in real estate business in UK for more than 30 years.

In the middle of 1980 he returned from UK and encouraged some Bangladeshis living abroad to make local investment and purchase shares of Pubali Bank Limited.

He established a private cadet college 'Monir Ahmed Academy,' in Sylhet with his own source.

New FICCI committee

Walior Rahman Bhuiyan, Managing Director of BOC Bangladesh Ltd, and Paul Kirkham, Managing Director of British American Tobacco Bangladesh, have been elected President and Vice-President of the Foreign Investors' Chamber of Commerce & Industry (FICCI) respectively for the year 2001-03, says a press release.

This was announced at the 38th Annual General Meeting of the Chamber held at the Pan Pacific Sonargang Hotel in the city on Sunday.

A nine-member FICCI Committee for the period including Wali Bhuiyan and Paul Kirkham was elected earlier.

Other seven members of the Committee are: Managing Director of GlaxoWellcome Bangladesh, Syed Fazlul Haque, Chairman & Managing Director of Singer Bangladesh, Mahub Jamil, Managing Director of KAFCO, Richard W Arnold, Chief Executive Officer of Citibank N A David E Rees, Chief Executive Officer of James Finlay plc, AQI Chowdhury OBE, Managing Director of Bureauveritas (Bivac) Bangladesh, Dr A Quayyum Khan and regional Vice-President and General Manager of American Life Insurance Co, Md Nurul Islam.



Wali Bhuiyan (left), Managing Director of BOC Bangladesh Ltd, and Paul Kirkham (right), Managing Director of British American Tobacco Bangladesh, have been elected President and Vice-President respectively of the Foreign Investors' Chamber of Commerce & Industry (FICCI) for the year 2001-03.