

Cox's Bazar BPC hotel management going private

BSS, Dhaka

State Minister for Civil Aviation and Tourism Mir Mohammad Nasir Uddin said here yesterday the government decided to hand over the management and catering service of hotels and motels of Bangladesh Parjatan Corporation (BPC) at Cox's Bazar to the private sector.

"The decision was taken to encourage the private sector to promote the country's tourism industry", he said while inaugurating a two-year diploma course on hotel management at a city hotel.

M Shafayat Ali, Secretary of the Ministry, MAbdur Razzaque, Chairman of BPC, and Basudev Battacharya, Principle of the National Hotel and Tourism Training Institute, also addressed the function.

Nasir Uddin said the government would retain administration of the hotels and motels under BPC and hand over its management and catering to the private sector in phases.

The minister said tourism is the highest important income generating sector in the present world. This diploma course will meet the increasing demand for trained personnel in hotel and tourism industry both at home and abroad.

He said late President Ziaur Rahman had taken various steps for the promotion of tourism in the country.

M Shafayat Ali said the National Hotel and Tourism Training Institute (NHTTI) will meet the growing demand of the new millennium for trained and skilled manpower in the tourism sector.

About 26 students are taking part in the course.

Leaders pledge draft SAFTA treaty by Dec

AFP, Kathmandu

South Asian leaders at a key summit here pledged Sunday to establish a free trade area in the region and agreed to finalise a draft treaty by the end of 2002.

The seven member nations of the South Asian Association for Regional Cooperation (SAARC) -- Bhutan, Bangladesh, India, the Maldives, Nepal, Pakistan and Sri Lanka -- also said in a declaration that tariff and non-tariff barriers would be removed step-by-step to create a free trade area.

"They recognised the importance of achieving a free trade area and reaffirmed that the treaty regime for creating a free

trade area must incorporate binding timeframes," the declaration said.

"The leaders made a commitment to widen and deepen the scope of regional network of activities in trade and financial matters," it added.

A draft of a South Asian Free Trade Agreement (SAFTA) has to be made ready by the end of this year.

The declaration said any free trade agreement must not disadvantage the smaller states in the regional bloc.

It also urged an inter-governmental body on trade liberalisation to start work as early as possible.

The seven nations have already signed an agreement for a South Asian

Preferential Trading Agreement (SAFTA), which is a forerunner to a free trade area. But it has not yet been fully implemented.

So far trade within the grouping of seven nations, which has nearly one-fifth of the world population, is just four per cent of the total volume of trade conducted between the countries and the rest of the world.

The countries agreed to have a framework for investments in the region to reduce bureaucratic hurdles.

They also agreed to improve transportation, such as air links, between the countries to make trade easier.

Bangladeshi Prime Minister Khaleda Zia had earlier urged all members to reduce taxes on duties of main export items

in order to give a strong boost to trade in the region.

Three rounds of preferential trade talks have helped reduce taxes on more than 5,000 commodities, but not the main export items of the member nations.

Indian Prime Minister Atal Behari Vajpayee on Sunday said it was his wish that the South Asian nations quickly take steps to establish a common market, similar to the European Union.

"We should protect our interests so we should work together," he added.

Present restrictions of imports of certain products and high tariffs between several SAARC members mean unofficial trade is sometimes six times greater than the

official figure.

Pakistan's President Pervez Musharraf earlier Sunday, during an acceptance speech for holding the next SAARC meeting in Pakistan, stressed the need for economic cooperation and for removing any irritants to peace.

SAARC was originally expected to establish a framework treaty for a free trade area by the end of last year.

However, bilateral bickering between India and Pakistan held up the process.

The regional body was due to hold its 11th summit November 1999, but Indo-Pakistan tensions stalled the meeting which finally opened here Saturday and closed Sunday.

RMG to get free access to US once war ends: Khosru

Seminar on Health, Safety and Welfare Services for Garment Workers held in Chittagong

STAFF CORRESPONDENT, Chittagong

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday said Bangladesh readymade garments may find way into the US market, once the war against terrorism is over.

Addressing a seminar titled "Health, Safety and Welfare Services for the Garment Workers", the minister also said the US has assured Bangladesh of considering its proposal for duty and quota-free access of its apparels to the US market.

The US had allowed duty and quota-free access of 72 sub-Saharan and Caribbean countries' goods to its market in October 2000 under the USTDA Act. Since then Bangladesh has been lobbying for similar trade facility.

Bangladesh needs to keep pace

with stiff global competition and bolster its economic outlook as well, the minister told the seminar here organised by Bangladesh Garment Manufacturers & Exporters Association (BGMEA) and UNFPA. BGMEA President Kutubuddin Ahmed presided over the seminar, which was attended by large number of businessmen, entrepreneurs and top government officials.

"The country has to gear up efforts and initiatives to explore new international markets in near future," the minister added.

"Besides EU nations and the US, Russia, Myanmar and neighbouring India could be our immediate targets for boosting trade," he said, adding that economic relations with the EU should also be strengthened.

In this context, the minister underscored the need for closer and

increasing trade relations with the regional countries. "Nowadays, regional trade has become very important phenomenon," Amir Khosru said referring to successes of some well-known regional trade bodies.

Urging business community to search for new market, Khosru said the country's future goal and mission would be fully economic. "Gone are the days of politics. It's time to expand business and improve the country's image globally"

"We should project our skills to the best of our capabilities in the international market," he said.

The minister said information technology (IT) could a diversified sector for Bangladesh's export.

"I'm sure IT will definitely boom like garment sector as Bangladesh has abundance in talented youths," the minister said.

EXIM Bank opens branch at Tanbazar

Export Import Bank of Bangladesh Ltd, opened its 11th branch at Tanbazar in Narayanganj on Thursday, says a press release.

On the occasion, a function was held at the Narayanganj Club, which was largely attended by valued clients, patrons, and business elite. Abdul Matin Chowdhury, Minister for Textiles was the chief guest while Advocate Abul Kalam, MP, was the special guest. Md. Nazrul Islam Mazumder, Chairman of the bank, chaired the function.

In his speech, Abdul Matin Chowdhury highly praised the bank for its outstanding performance in the year 2001. He urged the local businessmen to avail themselves of the bank's modern technology and quality services.

Advocate Abul Kalam, MP, and Ataur Rahman Khan, MP, also spoke on the occasion. They promised to provide all co-operations to EXIM Bank.

Mazumder welcomed the guests and pledged modern banking through.

Alamgir Kabir, Advisor to the bank, briefed the audience about the performance of the bank and mentioned that the bank has earned a profit of Tk. 28.38 crore in the year 2001.

Mohammed Lakotullah, Managing Director, said EXIM Bank is pledge-bound to serve the customers with devotion and dedication.

Sales confce of Aventis Pharma held

The annual sales conference of Aventis Pharma (Rhone-Poulenc Rorer Bangladesh Limited, Hoechst Marion Roussel Limited and Fisons Bangladesh Limited) was held at a City Hotel on Saturday, says a press release.

The daylong programme was inaugurated by AKM Shamsuddin, Managing Director of Aventis Pharma. In his address Shamsuddin highlighted the global presence of Aventis its progress and future plans and activities.

Shamsuddin said prospect of Aventis business growth, both in local and global markets, in coming years is bright.

Shamsuddin also appreciated the medical marketing and sales staff for their efforts in popularising the company's drugs.

Iftekhharul Islam, Director-marketing and Sales, discussed the company's 2001 performance and objectives of 2002.

The programme was also addressed, among others, by M Nasiruddin, National Sales Manager and AA Siddiqi, Marketing Manager.



Textiles Minister Abdul Matin Chowdhury inaugurates the 11th branch of Export Import Bank of Bangladesh Ltd at Tanbazar in Narayanganj on Thursday.

Mixed reaction to taka devaluation

AFP, Dhaka

There were mixed reactions in Bangladesh to a devaluation of the country's currency, the taka, by 1.6 per cent against the US dollar which came into effect Sunday to boost foreign exchange reserves.

"The devaluation was necessary to boost exports and remittances when the country's foreign exchange reserves remained uncomfortable," said Yusuf Abdullah Harun, chief of the Federation of Bangladesh Chambers of Commerce and Industry.

Economist Abul Barkat, quoted by the private UNB news agency, said devaluation might help the macro-economic balance in the short term, but in the long run it would increase inflationary pressures.

"Price hikes of fuel, (cooking) gas and electricity have already pushed inflation to around 4.5 per cent, and devaluation would fur-

ther add to that," Barkat said.

The cost of living in Bangladesh rose by 5.4 per cent in 2001, the Consumers Association of Bangladesh (CAB) said Saturday.

CAB said the increase was mainly due to a steady hike in the cost of imported consumer goods, utilities and house rents, and came despite a fall in the prices of rice and other agricultural products.

The devaluation, the first by Prime Minister Khaleda Zia's three-month old government, was announced late Saturday by the central Bangladesh Bank.

The rate for the taka will be 58.40 to the dollar, compared to 57.50 previously. The buying and selling band remains at one taka.

Bangladesh devalued its currency in May last year by 5.5 per cent.

Central bank officials Sunday said that Bangladesh's foreign exchange reserves stood at 1.34 billion dollars.



Photo shows Anis Ud Dowla, Managing Director of ACI Limited, Anil Ganu, Head-New Geographies of Colgate Palmolive, S Alamgir, Executive Director of ACI Consumer Brands, and Shamsuzzaman, Sales Manager of ACI Consumer Brands, attending the annual sales and marketing conference-2002 of ACI Consumer Brands held at a local hotel on Sunday.

IT'S BUSINESS...

Ship-breaking industry: Going through transition

MAMUN RASHID

While passing by Dhaka's Panthapath or Chittagong's Faujerdhat areas, one would easily see shops selling foreign ships' furniture and appliances.

The items are all coming from foreign ships brought to Bangladesh for scrapping. In fact, ship-breaking is a good business in the country, especially for traders in the port city. Ocean going passenger vessels, cargo carriers or oil tankers are being imported and scrapped into pieces, raw materials of MS rod, bars, coils and low cost steel products.

Though the ship-breaking started back in 1962, it got organised shape in early eighties. The government declared it as an 'industry' in 1987, giving a boost to the trade.

The industry has also emerged as the largest supplier of low cost steel in Bangladesh. Each year the country requires about 1.5 million tons of steel products and the demand is growing at an average rate of 10 to 15 per cent annually.

The major share of this demand is met from the recycled scrap metals for which the largest source is old ships. Scrap metals are being used to feed re-rolling mills.

Ships weighing 5000 to 65,000-LDT (light displacement tonnage) are being imported and scrapped in

sea shore areas from Bhatary to Shitalpur in Chittagong.

The import prices of the vessels range from USD 130 to 210 per LDT. Tax or duty on the scrap vessel import amounts to approximately 30 per cent.

The technology applied for cutting the vessels is pretty traditional and indigenous.

Oxygen is used for cutting the vessels and therefore many traders have installed oxygen plants adjacent to their yards.

Due to huge financial involvement, the entire business is concentrated in the hands of a group of established.

Though there are some 18 to 20 importers of old vessels, only five to eight are active in the trade.

ABC Steel, Kabir Steel, PHP & Habib Steel in Chittagong and Rahim Steel in Dhaka are prominent houses.

The major suppliers for the scrap vessels are Eckhardt GMBH in Germany, Sylvia Shiptrade in Singapore and Anslern in the UK.

There is an international market for old vessels based in London, where all interested parties go for selling their vessels meant for scrapping.

The market agents fix a price range for each vessel, contact their agents in different countries to look for buyers.

The interested buyers then negotiate with the agents, fix the terms and conditions and finally sign MOUs with the agents. Unlike other imports, LCs are opened only after vessels come to destinations and thus the importers have a sort of control on the goods and the LC opening to payment settlement time is very short.

The country imports old vessels to the tune of 1 to 1.2 million tons every year.

However, there had been an import of almost 1.7 million tons in 2001. Import is expected to be little low this year due to dull construction scenario in Bangladesh.

The overall law and order situation is also reported to be impacting this business of ship cutting.

The traders have long demanded the setting up of a police station or post and a fire brigade.

They are also appealing to government for reduction of taxes and duties for this profitable business segment.

At times, non-availability of old ships, frequent price movement both in international and local markets, fire hazards due to traditional way of cutting ships and growing concern about compliance of environmental standards are the major challenges facing the traders.

Agrani Bank cuts remittance collection fees

Agrani Bank has taken a decision to withdraw all collection charges except postage and telex charges on remittance money sent from abroad, says a press release.

The decision has been made effective from January 1, 2002. The step has been taken with a view to encouraging the wage-earners living abroad to remit their money home through the banking channel, according to the release issued yesterday.

NCCBL earns Tk 56.76cr operating profit

National Credit and Commerce Bank Limited (NCCBL) earned an operating profit of Tk 56.76 crore during the year 2001, registering a growth of more than 32 per cent over the previous year, says a press release.

The bank procured deposits of Tk 1318.03 crore as against Tk 1075.60 crore of 2000 which is 23 per cent higher than the previous year.

Total loans and advances stood at Tk 1078.87 crore at the end 2001 as against last year's Tk 796.50 crore, showing a rise of 35 per cent.

The bank handled Tk 1900 crore import and export business and Tk 25.00 crore inward foreign remittance business during the year 2001.

Pubali Bank branch renamed

Pubali Bank Limited Nalshodha Branch in Tangail has been shifted and renamed as Pathrail Branch to new premises, says a press release.

The Deputy Managing Director of the bank, Ansaruddin Ahmed inaugurated the premises recently.

In his speech, Ansaruddin explained different steps that have taken by bank for better customer service.

He said that all branches of PBL would be computerized by this year.

A milad mahfil was held on the occasion.

Among others, Nurul Haque, Deputy General Manager and RM-Mymensingh, and Himangshu Shekar Roy, Deputy General Manager of Head Office, were present on the occasion.

Japan to propose economic talks with China

AFP, Tokyo

Japan plans to propose a comprehensive economic dialogue with China in a bid to avoid trade friction between them, government sources said in a newspaper Sunday.

Tokyo hoped that the planned dialogue would be led by top bureaucrats from the two governments, the Mainichi Shimbun said, quoting government sources.

"We will be more often urged to have close talks with China over economic policies," a foreign ministry source was quoted by the daily as saying.

The dialogue may also cover financial issues related to the two countries, the source said.

Japanese firm plans world's first floating LNG plant

AFP, Tokyo

Japan's Ishikawajima-Harima Heavy Industries Co. (IHI) plans to build the world's first floating liquefied natural gas (LNG) plant, a daily newspaper said Sunday.

The comprehensive heavy machinery manufacturer hoped to complete the plant as early as 2005, the Yomiuri Shimbun said, quoting sources closed to the company.

The floating plant, which would be as large as a 300,000-tonne tanker, would be equipped with a system to pump the gas from under the seabed and to cool and liquefy it, the mass-circulation daily said.

Royal Dutch/Shell was also considering a floating plant to process LNG in the Timor Sea off Australia, the newspaper said. So far, liquefaction of natural gas has only been carried out on land.

Construction costs of a floating plant are some 30 per cent or 40 per cent lower than those of a current LNG plant, the newspaper said, adding production costs would be also reduced considerably with a floating plant.

Demand is growing for LNG, which contains little nitrous oxide and other environment-damaging substances.



Engr Anwar Hossain has become the Country Manager of Sony Ericsson Bangladesh, says a press release.

Prior to his present position, he was the General Manager of the Consumer Products Division of the company.

He also served as the Divisional Manager for the Consumer Products Division of Siemens Bangladesh Ltd.

The new office is the branch office of Sony Ericsson International Communications AB. It will operate its function including sales and service of Sony Ericsson handsets within the country while Flora, Butterfly, Lipro, Discovery and AKTD will work as its distributors to import Sony Ericsson handsets and Discovery will look after all of its service issue in Bangladesh.

Meanwhile Sony Ericsson has started its new operation in Bangladesh. The new company started globally on October 1, 2001.



AKM Shamsuddin, Managing Director of Aventis Pharma, addresses the Annual Sales Conference-2002 of the company in the city on Saturday.

Indian tea industry looks to Afghan market

AFP, Guwahati, India

India's recession-hit tea industry is hoping the export beverage could provide a boost to diplomatic ties with Kabul and help re-establish trade links with Afghanistan, officials said Sunday.

"Afghanistan is indeed a potential market for Indian tea and export of the beverage could not only help trade but is also expected to promote bilateral links between the two countries," said D. Chakrabarti, secretary general of the Indian Tea Association (ITA).

"We are examining the prospects in Afghanistan very seriously."

An expert team was engaged in preparing a draft, highlighting the potential of trade with Afghanistan under the direction of India's commerce ministry.

"We are yet to decide on the exact details of the volume of tea that could be exported to

Afghanistan but we presume it will be quite substantial," Chakrabarti told journalists in Guwahati, capital of the tea producing northeastern state of Assam.

India's tea industry, reeling from a sharp plunge in prices, has decided to launch an aggressive marketing strategy to renew customer demand.

"The market scenario is alarmingly depressing as of now and we don't know how long the crisis will continue and what the future holds for planters," K.R. Bhagat, chairman of the Assam Branch of the ITA, said.

In the weekly auctions, tea failed to attract firm prices with huge stocks remaining unsold during the better part of last year.

A kilogram (2.2 pounds) of top quality Assam tea was selling at least 12 to 15 rupees (25 to 35 cents) lower than the amount it fetched three years ago.

India's tea production dropped

from 870 million kilograms in 1998 to 823 million kilograms last year, while exports accounted for just 25 per cent of the production.

Assam accounts for more than half of the total tea produced in India.

"The export scenario looks dismal as the markets are flooded with cheap quality teas from countries like Sri Lanka and Kenya," Robin Barthakur, secretary general of the ITA's Assam chapter, said.

"We are not getting into new markets although our focus is on the Middle East which is our traditional market."

Tea exports have also been affected due to escalating military tensions with Pakistan.

"We had several outlets in Gujarat and Rajasthan through which tea was exported to Pakistan. But give the acrimonious relations between the two sides, export of tea has stopped totally," Chakrabarti said.