

BGMEA to welcome steps against unscrupulous RMG exporters

STAR BUSINESS REPORT

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday said it would welcome punitive measures against its members if they are found involved in over-invoicing.

Addressing a press conference in the city, the BGMEA President Kutubuddin Ahmed said the association is an organisation of honest entrepreneurs and it does not patronise dishonest ones.

He however said the association was not aware of wrong doings by any of its members.

"If there is any such incident, the central bank must be aware of it and the government should punish those who are involved in illegal activities," said Kutubuddin Ahmed.

He said Bangladesh Bank has all necessary information and is aware of the actual volume of export and the actual money received. "The BGMEA does not have such statistics,"

he maintained.

Finance Minister M Saifur Rahman at a meeting with the bankers recently alleged that the readymade garment (RMG) exporters did not bring US\$50 crore back in the country and kept it abroad by over invoicing back to back LCs.

Addressing the briefing, the BGMEA president said RMG is playing the key role in the economy and the present government also treats the sector with priority and is making all out efforts to ensure easy access of RMG to some larger economies. Besides, the government in its election manifesto pledged to form a separate ministry for the RMG, he mentioned.

"But the recent remarks by the finance minister have hurt the RMG exporters and did not reflect the government's efforts for the sector. Rather, the image of BGMEA members was hampered at home and abroad," Kutub went on.

RMG did not face such major challenges earlier, he said, adding that the finance minister made harsh comments at a

time when the exporters were going through severe crisis due to global recession.

If there is an anomaly, it can be solved through discussion and the BGMEA is committed to ensuring transparency and protecting its image, Kutubuddin Ahmed said.

He said the association believes that the finance minister would play very important and effective role in facing the challenges after 2004 for the RMG sector.

Responding to a question regarding figures mismatch between the Export Promotion Bureau (EPB) and the central bank, Kutubuddin said an integrated system should be developed to remove confusion. The export earning from the sector clocked 11 per cent negative growth in the first five months of the current financial year, he added.

On another question, the BGMEA President said, the government should take step to pay the cash incentive, adding that if it has any other plan that should also be announced as early as possible.

Bitumen prices raised BPC officials defend move

SHAHIDUL ISLAM, Chittagong

Bangladesh Petroleum Corporation (BPC) has increased the prices of different grades of bitumen by Tk 2,000 per ton from its previous rate.

The new hike came into effect on Saturday.

Following this decision, the price for bitumen of 'Grade 80/100' was increased to Tk 17,000 from Tk 15,000 a ton while 'Grade 60/70' will be sold at Tk 17,500 from its previous price of Tk 15,500 per ton. These two grades of bitumen are generally used in roads and high-ways carpeting.

Besides, the price of 'Grade 10/20', used in the emulsion works

of residential houses, has been increased to Tk 18,000 per ton from Tk 16,000.

The decision of price hike was taken in an emergency board meeting of the BPC in Dhaka on Thursday.

The sources said the board members unanimously agreed to increase the bitumen price in the backdrop of massive irregularities and corruption, sources said.

The BPC was 'compelled' to increase the bitumen price in the backdrop of massive irregularities and corruption, sources said. Three BPC-controlled marketing companies Padma, Meghna and Jamuna have been informed officially of this decision.

BPC officials, however, tried to defend their decision saying it was

justified. "The hike would remarkably lessen huge pressure we used to face from different quarters in the administration," a high official said.

"Moreover, it would create a balanced competition between BPC and private bitumen importers in selling bitumen to the customers," he commented. Last time BPC increased bitumen price on November 21, 2001 by 20 to 25 per cent.

Against the total annual requirement of 1.6 lakh ton, the BPC, at present, could only able to supply maximum 70,000 ton, produced at its asphalt plant. The more than 50 per cent shortage had to be fulfilled through private-sector import, sources said.

Sony Ericsson Corporate VP in city



Kazuo Nakai, Corporate Vice-President and Head of Asia Pacific Region for Sony Ericsson Mobile Communications International AB, arrived in the city yesterday, says a press release.

During his visit, he will see the activities of Sony and Ericsson handsets both around the globe and Bangladesh.

He will meet high officials of GrameenPhone, AKTEL and Sheba, distributors of Sony Ericsson in Bangladesh and journalists.

A graduate in law, Nakai has been engaged with Sony since 1979. Prior to his present position, he held the post of General Manager of Marketing Department for Sony Corporation HQ.

2001 termed good year for Citibank NA

Citibank NA, Bangladesh, a banking arm of Citigroup Inc, termed 2001 a good year for its operations.

David E Rees, Chief Executive Officer of the bank, in a press statement said, "We are more organised, committed and set to serve our clients better in the coming days."

Citigroup Inc reports a \$3.86 billion core income for the fourth quarter ending December 31, 2001 and \$14.13 billion for the year. The fourth quarter income marked a 16 per cent rise over the corresponding period of 2000.

"Despite the continued global recession, Enron's bankruptcy and economic turmoil in Argentina, Citigroup performed extraordinarily well in the fourth quarter, with earnings per share up 14 per cent," said Sanford I. Weill, Chairman and Chief Executive Officer of Citigroup, New York, USA.

Citigroup absorbed \$1.8 billion in reduced revenues, higher losses and increased provisions as a result of September 11 attacks on the US, Enron and Argentina crises and still achieved record result in 2001, the Chairman added.

3-day jute product show opens in the city Wednesday

A three-day exhibition and seminar on diversified jute products will begin in the city on Wednesday, says a press release.

Prime Minister Begum Khaleda Zia is expected to inaugurate the function at Bangladesh-China Friendship Conference Centre at Sher-e-Banglanagar in the city.

The exhibition and seminar is being organised by the Ministry of Jute in association with Export Promotion Bureau, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Trust for the International Jute Study Group (former IJO) and Delegation of the European Commission, Bangladesh.

The Exhibition will remain open for public from 1-00 pm to 6-00 pm on 23 January 2002 and from 9-00 am to 6-00 pm on January 24-25, 2002.

3-day textile, garment fair begins in Ctg Friday

22 companies to showcase products and services

STAR BUSINESS REPORT

With a view to promoting Bangladesh garment and expanding its market, a three-day fair titled "Tex-Tech'2002, begins at the Chittagong Engineers Institute on Friday.

The fair will be participated by 22 companies to showcase garment products and services.

Garment machinery, garment accessories and fabrics from both home and abroad will be put on display, said Meherun N Islam, Managing Director of Conference and Exhibition Management Services (CEMS), the organiser of the exhibition, while addressing a

press conference in the city yesterday.

She said the fair would be the first of its kind in the port city.

The participants at the exhibition are Eastman Technocrats Ltd, Energypac Power Generation, Fair International, Jes Machinery, LSI Industries Ltd, Looptex Ltd, Modern Erection Ltd, Nayeem Engineering Works, Noorani Enterprise, Oldman BD Ltd, Pacific Associates Ltd, Pandora Associates, Pegasus Sewing Machine Pte Ltd, Savar Dyeing & Finishing Inds. Ltd, Shahid Trading, Smart Machinery Co. Ltd, Multibiz Ltd, Shore to Shore BD Ltd, South China Blessing & Dyeing Factory Ltd, Siam

Computerised Elastic Industries Ltd, ZSK Dhaka, Daika Chamiland Ltd and Nakshbhandi Industries Ltd.

CEMS has been organising such fairs since 1992 to promote various business sectors in the country.

This market development effort has been facilitated by the Business Development Services (BDS) Programme-Bangladesh of Swisscontact.

"Most exhibitions in private initiatives usually are centred in Dhaka and we are trying to decentralise the marketing medium outside Dhaka in co-operation of Swisscontact", Meherun N Islam noted.

Government to explore jute market abroad

BSS, Dhaka

The government Sunday decided to explore more foreign markets for exporting raw jute and jute products with a view to earning increased amount of foreign exchange, official sources said.

The decision was taken in the first meeting of Jute Advisory Committee held in the Jute Ministry with the Jute Minister Hafiz Uddin Ahmed in the chair.

The meeting was attended by

senior government officials and representatives of Bangladesh Bank, Nationalised Banks, Bangladesh Jute Mills Association, Bangladesh Jute Spinners Association, Bangladesh Jute Exporters' Association, Bangladesh Jute Goods Association, Jute Research Institute and Jute Growers' Association.

The meeting constituted a committee headed by the jute secretary to boost jute export and develop the jute sector.

It decided to hold a meeting after three months to find out problems of the jute sector and solve those. It also decided to ensure quality of jute and diversify jute products with a view to widening their export market.

The meeting emphasised the need for increasing production of raw jute and ensure the supply of quality jute seeds since the demand of the raw jute has been gradually increasing in the country and at the same time in foreign markets as a result of non-use of polythene bags.

IT'S BUSINESS.....

Curbing hundi: Better customer service needed at banks

MAMUN RASHID

Newspaper reports say despite 11 per cent drop in the country's exports and around six per cent fall in imports, remittance sent by non-resident Bangladeshis has increased by almost 20 per cent. Sources concerned say this could be due to (a) uncertainty faced by Bangladeshis staying abroad after the September 11 terrorist attacks on the US or (b) drastic drop in deposit rates during recent times. However, majority people want to give credit to the timely steps taken by the central bank to curb inward remittance through informal channel i.e. hundi. Our new Governor Dr Fakhrudin Ahmed, in his first audience with the press on December 6, 2001, made firm commitment towards curbing hundi business and expediting enactment of laws in this regard.

The country receives USD 1.9 to 2 billion every year from non-resident Bangladeshis, with around 1 billion of the amount coming from Bangladeshis working in Saudi Arabia. Other contributing centers are the USA, Malaysia, the UAE, the UK, Singapore, South Korea, Italy, Japan, Kuwait and Germany. Sources close to Bangladesh Bank confirm this figure may easily reach USD 2.5 billion, if official channel of inward remittance could be encouraged and ensured.

People in Saudi Arabia send remittance through AL-Rajhi Banking & Investment, Al-Rajhi Exchange LLC, Saudi American Bank, besides various exchange houses. In the USA, most people use Sonali Exchange, Moneygram & Western Union for Bangladesh-bound business. In other Gulf

countries, people mostly use exchange houses.

In Malaysia, remittance takes place through Standard Chartered, May Bank, Pacific Bank and other Malaysian banks. In the UK, remittance is supposed to be taken care of by Sonali Bank and Natwest Bank, although most of the amount is reportedly coming through informal channel.

In absence of proper legal status and banking channel people in South Korea, Japan, Italy and even Singapore reportedly depend on informal channel. This writer's own study carried out in co-operation with Sonali Exchange in New York, Natwest Bank in London and Standard Chartered Bank in Tokyo revealed that the target population in the USA are mostly educated, can enjoy required holidays to take care of banking needs and therefore usually restrict themselves to formal way of inward remittance or they remit through friends and relatives, while people in Tokyo have tough time in sending remittance due to absence of proper legal and banking status, whereas in the UK, people, who are mostly restaurant workers, usually avoid official channels.

Above all, this informal channel came out to be more rewarding in the context of timely receipt of funds as well as better rates. For example, a recipient in greater Sylhet needs to come to Sonali Bank head office in Dhaka, then to Sonali Bank in Sylhet. In some cases, the recipient has to wait for 7 to 15 days to get remittance. Also come with this, the hassle of account opening, statement monitoring and queuing in the banking halls. Why they take all these troubles, when there are

other channels to reach them the money far quickly at village homes at far better rates. So, despite tremendous pressure from the central bank, people usually resort to illegal but 'more rewarding' channel.

In order to curb the hundi we need to ensure: a) quick and timely payments against inward remittances, b) better rates against foreign currency remittances and above all c) better treatment and services by the bank officials to the relatives or beneficiaries of the remitter, who might not be aware of the banking norms or care for more costly and uncomfortable way of handing patriotism with regard to remittance. None of the banks seems to have specified service package or investment programmes for non-resident Bangladeshis. Plus central bank's latest decision to widen the gap between USD selling and buying is also reportedly helping the banks to get away with payment of less money against an unit of foreign currency remitted.

Though the purpose of this is deemed to bring in competition, this in reality is helping the wholesale clients, not the retail or individual ones, since they can't bargain. Attached to this, there are various form-filling formalities with regard to inward remittances, which could be waived, considering instant conversion of in-bound foreign currency into Bangladesh taka. Major banks should take service package specially suiting this target segment. And all banks, to help the government, need to improve their customer services, inviting more people to come to banks for day to day financial need management.

Mercantile Bank holds branch managers' yearly conference

A day-long yearly conference-2002 of the branch managers of Mercantile Bank Limited was held in the city recently, says a press release.

Md Abdul Jalil, Chairman of the bank, inaugurated the conference.

In his address, the chairman expressed his satisfaction at the performance of the bank during the year 2001 and asked all the executives and officers to achieve higher goals in future.

Md Aman Ullah, Chairman of the Executive Committee and Golam Faruk Ahmed, Chairman of the Policy Committee of the Board of Directors, thanked the branch managers, executives and officers for their excellent performance during the year 2001.

Lutfar Rahman Sarkar, Chief Advisor of the bank, asked the executives and officers to identify their problems and make all-out efforts to solve them.

The Managing Director, M Taheruddin, highlighted the performance of the bank during the year 2001 and asked for achieving the business target set for the year 2002.

The Deputy Managing Director M Nurul Islam and S M Nurul Alam Chowdhury and Executive Vice-President A K M Shahidul Haque alongwith the branch in-charges, executives and officers of the bank attended the conference.

BB T-bill auction held

UNB, Dhaka

The 176th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here Sunday.

A total of Tk 534 crore, Tk 17 crore, Tk 80 crore, and Tk 211 crore were offered respectively for the 28-day, 364-day, 2-year and 5-year bills.

Of these, Tk 484 crore, Tk 16 crore, Tk 26 crore, and Tk 70 crore in total of Tk 596 crore of 28-day, 364-day, 2-year and 5-year bills were accepted respectively.

The range of the implicit yields of the bills were 2.76-4.50 per cent, 5.15-5.32 per cent, 6.66-6.80 per cent and 9.49-9.50 per cent per annum respectively. No bid was offered for the 91-day and 182-day bills.

Outstanding amount of premature encashment stood at Tk 99 crore as on 20-01-2002 and due to maturity of the bills, the total amount of Tk 413 crore will retire in this week. So, the net amount of the issuing bills will stand at Tk 84 (Tk 596 crore -- Tk 99 crore -- Tk 413 crore) during this week.



Md Abdul Jalil, Chairman of Mercantile Bank Limited, inaugurates the annual branch managers' conference-2002 of the bank in the city recently.

BSB sanctions Tk 2.41cr loan

BSS, Dhaka

Bangladesh Shilpa Bank (BSB) has sanctioned Tk 2.41 crore for establishing a pharmaceutical unit at Gazipur, a press release of the bank said Sunday.

The amount was sanctioned at a meeting of the Board of Directors of the bank held at its head office Saturday, a press release added.

The newly appointed chairman of the bank, Prof Abu Ahmed, presided over the meeting.

The new pharmaceutical unit will create employment opportunity for 195 persons and is expected to contribute Tk 5.36 crore to the GDP annually.

During its economical life, the unit would save foreign exchange equivalent to Taka 43.05 crore, the press release said.

Japan to continue support in textile sector

UNB, Dhaka

Japan will continue to invest in the textile sector of Bangladesh and assist in the overall development of the country.

The assurance came when Japanese Ambassador in Dhaka Jiro Kobayashi called on Textiles Minister Abdul Matin Chowdhury at the latter's office Sunday.

During the meeting, they discussed issues of mutual interest with special emphasis on the problems and potentiality of textile sector in the country.



Azizul Haque Chowdhury, Director of The City Bank Limited, opens the new premises of the bank's Imamganj branch at 44-45/2, Imamganj recently. Chairman of the bank Deen Mohammad, Vice Chairman Aziz Al-Kaiser, Director Saleh Ahmed Chowdhury, Managing Director Abbas Uddin Ahmed, Deputy Managing Director A H M Nazmul Quadri, Consultant Habibur Rahman and Executive Vice President M Shafiqul Alam are also seen in the picture.