

MCCI suggests comprehensive policies for bettering economy

Devaluation, price hike of petroleum products, gas criticised

Kul boroi, or plum, from Satkhira is available in city markets. A wholesaler at

Indian states delay

chairman of a panel of state chief

ministers examining the taxation

following the attack on parliament in

which 14 people died. New Delhi

has blamed the attack on Pakistani-

multiple layers of sales tax that often

lead to revenue losses and tax

evasion. It would also end the "rate

wars" among states seeking to lure

Sinha, who chaired the state finance

ministers' meeting, said the

enabling measure would be passed

in the budget session which starts

would increase revenue collection

100 share index down 13 points at

5,136 and the pound steady at

\$1.296 and 61.97 pence to the euro.

countries of the European Union

grew to 762 million pounds in

November from 731 million in

October, the worst shortfall since

Exports to the EU were the lowest since Feb 2000 and imports

were the lowest since October

the economies of many of Britain's

trading partners who are buying

fewer British goods. The relative

strength of the British economy

means the country is still importing

Patricia Hewitt said in a newspaper

interview: "I have made it very clear

that there are real potential benefits

of membership of the euro, particu-

larly for manufacturing industry, in

terms of things like currency stabil-

ity, transparency of coasts and

simplification of the trading regime."

Trade and Industry Secretary

This is due to the weakness in

The trade deficit with the other 14

because taxes will be uniform.

He said the introduction of VAT

Finance Minister Yashwant

based Kashmiri separatists.

investors with tax incentives.

next month

June 1999

UK trade deficit widens

The session was adjourned early

The new tax would remove

plans, told reporters.

Badamtali sells the seasonal fruit for Tk 120-Tk 150 a kg.

VAT to 2003

Sixteen Indian states said

Wednesday that they would post-

pone by a year introduction of a

value-added-tax (VAT), seen as

crucial to the country's economic

simplify the current multi-tier taxa-

tion system will now take effect in

the 16 states in April 2003 instead of

this April because the bill to pass the

measure was delayed by a deadly

ward" states such as newly formed

provinces and the troubled north-

eastern states where not due to

bring in VAT until 2003 to give them

not be passed," Asim Dasgupta,

"The necessary legislation could

in November

Britain's trade balance with the rest

of the world slid further into the red in

November as exports fell faster than

imports, official data showed

key government minister reiterated

her backing for Britain to join the

euro, saying the country's hard-

pressed manufacturers suffering

from the strength of the pound

(ONS) reported a global goods

trade deficit up to 2.84 billion

pounds in November from 2.4 billion

the month before and worse than

the average forecast from analysts

under 15 billion pounds from 15.7

billion in October while imports fell

less sharply to 17.8 billion from 18.1

Financial markets showed little

reaction to the data with the FTSE

The ONS said exports fell to just

for a shortfall of 2.6 billion pounds.

The Office for National Statistics

against the euro would benefit.

The figures were released as a

The other 12-so-called "back-

attack on parliament last month.

The uniform tax that would

reform programme.

more time to prepare.

REUTERS, London

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday said government effort to improve the prevailing situation of the economy by devaluing the currency is unlikely to succeed unless it adopts a set of comprehensive policies.

At a meeting with the Finance and Planning Minister M Saifur Rahman, MCCI President Tapan Chowdhury also protested the recent government decision to increase the prices of petroleum products and gas

Terming the recent devaluation of taka by 1.58 per cent against US dollars 'controversial', the MCCI President suggested adoption of fiscal and monetary policies and timebound measures to improve infrastructure facilities, law and order, governance, curb smuggling, and check hundi opera-

The MCCI President said there has been a traditional explanation that the devaluation provides protection to local industries. "In our case, whatever protection has come from devaluation has been neutralised by the cascading effects of

tax on imports required by local industries," Chowdhury said. He said instead of getting tax relief, local industries have been subjected to levies and surcharges, which made the effective rate going up significantly.

"Even after the latest devaluation, 10 per cent to 25 per cent extra additional duties have been imposed on 30 items. Other industries will have to pay 20 per cent regulatory duty and 55 commodities have been subjected to 100 per cent increase in LC margins." the MCCI President said.

He said it is contradictory that the government in one hand assures public of taking tough steps to improve governance and bring the troubled economy back on track, and on the other hand it supports the culture of 'systems loss' and bad governance by increasing prices of fuels and other utilities.

"By raising the prices of petroleum products the government has apparently ignored the mismanagement of the Bangladesh Petroleum Corporation (BPC). There is no announcement as to what objectives will be achieved by increasing the prices of petroleum products." Chowdhury said.

He said the only reason cited is that it will curb smuggling of

fuel oil into India. "But even after this massive increase in prices, petroleum prices in India will remain about 50 per cent higher than those in Bangladesh and therefore, the incentives for smuggling fuel oil will still remain.'

The MCCI President also pointed out the BPC's Tk 4.3 billion bills lying unrealised with different government and semi-government organisations. He also drew the attention of the finance minister to Tk 4.9 billion, which the National Board of Revenue (NBR) was still to reimburse on different heads of

"Recovery of these outstanding arrears would have greatly improved the BPC's liquidity position and thus the price increase could have been avoided at a time when the economy is in recession. Similarly, mismanagement in the power and gas sectors are more responsible for their financial problems." The MCCI President also called for a comprehensive action

programme to tackle the slow-down in the country's trade and He said the decision for reduction of bank rate and interest

rate on export credit has been very timely but said that should not remain in paper and pen only as the requisite circular had



Tapan Chowdhury, President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), along with other leaders of the chamber called on the Finance and Planning Minister M Saifur Rahman at his secretariat office yester-

Janata Bank gets approval to start remittance business in Italy

Janata Exchange Company of Janata Bank has been given approval to start remittance business in Italy, says a press release.

The company will start its activities soon and the Bangladeshi expatriates working in Europe and European economic euro zone countries will be able to remit their money quickly at low cost.

Effective measures have been taken to introduce electronic fund transfer system for speedy disposal

Lafarge, CNRS sign research agreement

Lafarge, the world leader in building materials, and French National Centre for Scientific Research (CNRS) have signed a scientific and technological framework agreement to strengthen their research cooperations, says a press release.

CNRS is Lafarge's primary scientific partner because of its expertise and scientific resources and now roughly ten new collaborative projects are launched each

The new framework agreement would facilitate launching of joint research projects and cover a wide range of issues including that of participation of personnel in research and co-funding.

CNRS is a public scientific and technological research institution and is recognised as a genuine breeding ground for scientific and technical innovations.

Lafarge employs 85,000 people in 75 countries. In Bangladesh Lafarge is implementing a 240 million US dollars integrated cement project at Chhatak.

New MD of Renata Ltd



Syed S Kaiser Kabir has replaced Dr Sarwar Ali as Managing Director of Renata Limited, says a press

Dr Sarwar Ali had led the company since 1995 and goes for retirement on January 28 upon reaching 60 years of age

Kabir is currently Managing Director of BRAC-Renata Agro Industries Limited. He shall be holding the position of Managing Director at both the companies.

Born on February 15, 1963, Kabir was initially trained as an economist. He earned the degree of MPhill in Economics from Oxford University, UK. He also holds a BA degree in economics and international relations from Claremont

McKenna College, USA. Kabir has been an active board member of Renata Limited since

New Chairman of Mongla Port Commodore Mohammad Khurshed

Alam has joined on deputation as Chairman of Mongla Port Authority and Mongla Dock Labour Management Board on January 18,

He joined the then Pakistan Navy

US Postal Service using FedEx

US Postal Service (USPS) is using FedEx Express planes to carry outbound mail from Hawaii, USA says a press release

FedEx will set up drop boxes in the post offices. The deal will generate \$ 1 billion each year for FedEx during the seven year contract. The arrangement comes after USPS expressed its disappointment at services provided by airline carries. Mail is a big part of cargo carriers' business as all airlines, expect Hawaiian and Alaska, were obliged to make mail a priority over other cargo, according to federal regula-

And during peak seasons like ready to dump their regular load to accommodate the mail. USPS found FedEx to suit the most of their

With annual revenues of US\$ 20 billion, FedEx Corp is the premier global provider of transportation, logistics, e-commerce and supply chain management services.

The company offers integrated business solutions through a network of subsidiaries operating independently, including; FedEx Express, the world's largest express

ADB to lend China \$3.5b over 3 years

REUTERS, Beijing

The Asian Development Bank plans to lend China around \$3.5 billion over the next three years, mainly for projects in poorer inland provinces, ADB president Tadao Chino said Thursday.

Around 70 per cent of the bank's future lending in China would flow to central and western parts of the country to help reduce poverty, Chino told a ceremony in Beijing to mark 15 years of relations between the ADB and China.

Projects would include infrastructure, human resource development and environmental protec-

Honda's auto production up, but down at others

AP, Tokyo

Honda Motor Co's domestic production and exports rose in December, while domestic auto output dropped at the other

Japanese carmakers, the companies said Thursday. Honda's exports to North America's rose 18.5 per cent on year to 25,491 vehicles on the popularity of the CRV sport utility vehicle. Domestic auto production rose 5.1 per cent from the same month a year ago to 111, 544 vehicles. Overall exports rose 0.5 per cent to 35,563 vehicles.

Jute fair attracts large number of visitors Use of conventional method increases product costs

M ABDUR RAHIM

The second day of the three-day diversified jute products exhibition in the city yesterday attracted a huge number of visitors under the canopy of the newly built Bangladesh-China Friendship Conference Centre but most of them complain of high cost of jute products.

Talking to this correspondent, several visitors said customers avoid jute products mainly because of high cost of items. Increased use can reduce the high rate, the visitors, however, said. Banning of polythene bag has

opened new avenues for jute products in the country. To make best use of it jute bags of low prices have to launch in market to attract buyers, Asked for the reason of high

Karupannaya attributed it to dependence on manual system taking more time and ultimately increasing the cost. Adoption of modern technology would certainly help in lowering

price, an exhibitor at Desh

price but that would require huge investment, which is presently absent. An executive of Rishilpi, a jute

enterprise of Satkhira, complains that buyers demand high price in their showroom though they buy at cheap rate from small enterprises of

A total of 24 public and private companies are participating in the fair that concludes today.

The BJMC stall, the largest in the fair, is drawing the bulk of visitors attracted by its cheap jute bags, bed sheet and pillow covers, school bags, vanity bags and other items. Most of the children at the fair is

Christian Association (YWCA) stall which has rich collections of toys, flowers, carpets, in-house decors, bags, shoes and other fun items. Trust for International Jute Study Group (TIJSG) displays jute reinforced plastic products like glass,

gathering at Young Women

plastic, bleached pulp, blended varn, hammock, curtain, shoe, sofa. suitcase, sari, stick doors and other composite jute products that smack good prospect of diversification of Talking to this correspondent at

the fair vesterday, entrepreneurs of the jute industry said that regaining of jute market entirely depends on diversification of its products for domestic and international markets

and offering products in subsidised prices at the initial stage "Such prices will allure custom-

ers and create market for what was

once known as the golden fiber.' said one of the participating entrepreneurs in the fair He said the glory the fibre can not be regained overnight. Public and private investment has to be channeled profusely in the sector and

motivation campaign has to be launched to make behavioural change of the general people to use jute products side by side. Producers and designers, another participant said, have to give modern and smart outlook of ute products keeping aesthetic

sense in mind to entice fashionconscious customers. "Jute products have to shed its clumsy outlook first," he said. "With this purpose jute items can be intermixed with cotton, synthetic and

others to match the product." The Ministry of Jute in associa-

tion with Export Promotion Bureau (EPB), Federation of Bangladesh of Bangladesh Chamber of Commerce and Industry (FBCCI), Delegation of European Commission in Bangladesh and the Trust for the International Jute Study Group

organised the exhibition Bangladesh Jute Research

Institute. Bangladesh Jute Mills Corporation, Bangladesh Chemical Industries Corporation, the Trust for the International Jute Study Group, Young Women Christian Association (TWCA), Partex, Pubali Jute Mills Ltd, Esheeta Sonali Aanch, Banglar Meela, Tarango, Rishilpi (Satkhira), Grameen Uddog, Desh Karupannaya Ltd, Creation Pvt Ltd, Bina Handicrafts, Bengal Braided, Moni Jute Goods, Craftsvision Ltd, Concern Bangladesh, Uttama Ltd, Swajan and Sumiya Cottage are taking part in the fair

Bangladesh Jute Research Institute (BJRI) places some innovative jute products that create immense interest among the visitors. 'Jute plastic movable irrigation channel, a pipe made of jute but covered with plastic, fire resistant fabric, diabetic biscuit, dve, knitting wool substitutes are some of the innovations of the BJRL an institute under Agriculture Ministry which offers free training and know-how to interested investors

Japan's trade surplus plunges 38.3pc in 2001

Japan's trade surplus in 2001 plunged 38.3 per cent from a year earlier, marking the sharpest drop since 1970 as exports stagnated amid the global economic downturn, the finance ministry said Thursday.

In December alone, the surplus fell 18.4 per cent -- its steepest slide in 15 years -- casting doubt over hopes Japan's exporting power would improve, analysts said.

Last year the surplus sank to 6.6 trillion ven (49.3 billion dollars), with exports down 5.1 per cent to 49.01 trillion ven and imports up 3.6 per cent to a record high of 42.4 trillion ven, said the ministry.

"A slump in the IT (information

technology) industry spread to the world and severely hurt Japanese exports throughout the year," a ministry official said.

"Demand for Japanese hi-tech

products fell worldwide." said the official adding the trade surplus declined for the third straight year. Semiconductor exports plunged 20.3 per cent vear-on-vear and

telecommunications equipment fell 16.7 per cent. Japan's trade surplus with the

United States sank 6.8 per cent to 7.1 trillion yen, with exports tumbling 4.1 per cent to 14.7 trillion yen and imports down 1.5 per cent at 7.7 trillion ven.

US-bound shipments of Japanese semiconductors dropped

34.3 per cent and telecommunications equipment fell 32.2 per cent.

"We had a weak yen in 2001, but because of a global recession. effects of the weak currency were offset in the end," the ministry official

On average, the yen traded at 120.95 to the dollar last year, down 11.2 per cent from 2000. A weak yen makes Japanese exporters' products more cost-competitive abroad and boosts foreign earnings when repatriated.

"As long as Japan's trading partners remain in a slump export volume will fail to go up regardless of how much the yen weakens," said Barclays Capital chief economist Mamoru Yamazaki.

"The positive effects of yen depreciation will start to take hold when demand increases on economic recovery." he said.

On Thursday the ven was trading around a 39-month low to the dollar of 134.54 at 3:30 pm (0630 GMT). Japan's trade surplus with the

Furopean Union fell 29.1 per cent to 2.4 trillion yen with exports falling 7.3 per cent to 7.8 trillion yen and imports up 7.3 per cent to 5.4 trillion

With the rest of Asia, the country's surplus in 2001 nosedived 58.0 per cent to 1.8 trillion yen. Exports dropped 7.1 per cent to 19.7 trillion yen while imports grew 5.4 per cent to 18.0 trillion yen.



Managing Director of Bangladesh Commerce Bank Limited Anisa Hamed and Managing Director of Industrial Development Leasing Company of Bangladesh Limited (IDLC) M Aminul Islam sign an accord on behalf of their respective organisations on Wednesday in the city. Under the deal, IDLC will receive Tk 100 million as credit from the

BCBL, IDLC ink Tk 100m credit agreement

Industrial Development Leasing Company of Bangladesh Limited (IDLC) will receive Tk 100 million as credit from Bangladesh Commerce Bank Limited. An agreement to this effect was

signed between the two organisations in the city on Wednesday, says a press release The Managing Director of BCBL

Anisa Hamed, and the Managing Director of IDLC, M Aminul Islam, signed the accord on behalf of their respective organisations. Under the deal, the credit will be

for a period of five years. A R Gazi, Md Enayet Ullah,

Shaid Maksudur Rahman, Mustafizur Rahman, Senior Vice Presidents, M Ebadat Hossain, Vice President & Manager Dilkusha Branch BCBL, and Arif Khan, DGM and Arifur Rahman Manager Funding of IDLC, were also present on the occasion.