

Govt sees software-led growth while US suggests enegry, IT sector deregulation

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday said the country is set to enter the developed world through software export.

However, US Ambassador to Bangladesh Mary Ann Peters said Bangladesh has better chances of reducing poverty and increase per capita income through deregulating its energy, telecom and IT industry.

She thought the political stability and deregulating of these sectors will attract foreign investors in Bangladesh in increasing numbers. "Doing business in Bangladesh is really challenging, as some unwanted incidents like hartal halt business of foreign entrepreneurs," she said.

They were both speaking at the inaugural ceremony of the US Trade Show-2002 at Sheraton Hotel.

Amir Khosru said increased number of foreign IT companies are coming here and the young people can tap the opportunity to develop their IT skills.

"If the unskilled and illiterate women of Bangladesh can make revolution in RMG sector earning over two billion US dollars a year, the educated and prodigious young people can certainly bring about dramatic change in the country's economic condition and lead the



Commerce Minister Amir Khosru Mahmud Chowdhury (extreme left) and US Ambassador Mary Ann Peters (extreme right) open the US Trade Show-2002 at the Dhaka Sheraton Hotel yesterday.

nation to the developed fold," the commerce minister said.

The minister invited US IT com-

panies to take advantage of local programmers who travel to the USA or other developed countries looking

for better opportunity

Referring to big trade imbalance with the US, the minister said it is not

a good sign and hoped the US trade show will help offset the present imbalance.

"As the world especially the US is going through a period of economic downturn, increased consumer buying in such trade fair can mitigate the recession spell," Chowdhury said.

The US envoy said huge participation of American companies in the fair for the last ten years reflects the US businessmen's great interest in Bangladesh.

She said the aim of the annual fair is to showcase the American products and services currently available in Bangladesh and to introduce an exciting array of new products.

"The trade volume between the two countries is increasing in recent months after a hiccup last year and Bangladesh will reap the benefit of more presence of US companies in the country," she said.

Afatab ul Islam, President, and A Gafur, Executive Director, of American Chamber of Commerce in Bangladesh (AmCham) also spoke on the occasion.

AmCham and the US embassy in Bangladesh are jointly organising the trade show that ends tomorrow.

A total of 68 exhibitors representing 140 companies are taking part the three-day event.

Jul-Dec exports clock 11.47 per cent negative growth

Target missed by 16.45 pc

STAR BUSINESS REPORT

The country's export earnings in the first half of the current fiscal trailed by US\$ 388 million compared to the corresponding period of the last fiscal, clocking 11.47 per cent negative growth.

According to Export Promotion Bureau (EPB), exports in the first half of FY02 fetched US\$ 2,995.12 million, down 16.45 per cent from \$3,585 million target. The earnings trailed by around \$388 million compared to last fiscal earning of US\$ 3,383.21 million.

The month of October witnessed the massive shortfall due to the aftermath of September 11 terrorist attack on the US in the global economic scenario. Export fetched \$399.19 million in October falling against an average monthly target of \$97.50 million US dollar.

The export performance started picking up from November fetching 399.19 million US dollars. December fetched 535.26 million US dollars and it was \$621.68 million US dollar in January.

"Although export earning is gradually picking compared to past two months, it witnessed 13.90 per cent negative growth in December

compared to the corresponding period of the last fiscal," said an EPB official.

He said both export volume and price index went down by 9.97 per cent and 1.5 per cent respectively during the July-December period of FY02. "In fact, there is no sign of improvements so far."

All major sectors including readymade garment, knitwear, frozen foods, leather, jute goods, chemical products, raw jute, tea and handicrafts showed negative growth of as high as 34 per cent and trailed by as high as 34 per cent from the target during the period.

RMG exports fetched \$1,583.67 million, down 14.40 per cent from \$1850 million target and also 11.28 per cent lower than same period of last financial year.

Knitwear worth \$706.18 million was exported till December, marking 16.92 per cent short from this fiscal's goal, and 8.23 per cent less than last fiscal's same period.

In the first half of FY02, frozen foods worth \$157.32 million were exported, fell 19.32 per cent short from \$195 million target and also a massive 30 per cent fall from last fiscal's corresponding period.

Leather export fetched \$100.42 million, posting a 30.26 per cent less than the current fiscal's \$144 million target and also posted 13.34 per cent negative growth from last fiscal's corresponding period.

Jute goods worth \$114.92 million were exported against \$137.50 million target. The earning is 16.42 per cent less than the target and also 4.61 per cent less from last fiscal's corresponding period. During the July-December period, chemical products worth \$36.12 million were exported against the \$55 million target.

In the first half of the current financial year, raw jute worth \$25.03 million was exported against the target of \$35 million, a massive 28.49 per cent short of the goal and showed a 21.61 per cent decline from last fiscal's same time.

Tea export amounted to \$10.39 million during the period against the \$15 million earning target. This is a 30.73 per cent fall from the goal.

Handicrafts worth only \$2.89 million were exported during the period against the \$4 million target. This showed a 24.15 per cent decline than last fiscal's earning and it fell 27.75 per cent short of the target.

Shahjalal Bank lends Tk 20cr to IDLC

UNB, Dhaka

Shahjalal Bank Limited (SBL) has sanctioned an investment facility worth Tk 20 crore for Industrial Development Leasing Company (IDLC) for purchase of equipment and vehicles for lease financing.

SBL Managing Director Matin Uddin Ahmed and IDLC Managing Director M Aminul Islam yesterday signed an agreement to this effect.

Chairman of SBL Board of Directors Sajjatuz Jumma, Chairman of Executive Committee Anwar Hossain Khan, Chairman of Policy Committee MAMannan and senior officials of the bank were present.

DCCI training course ends

A seven day training course titled 'Garments Merchandising: Operations & Management' organised by the DCCI Business Institute (DBI) under DCCI-GTZ Partnership Programme, concluded on Sunday, says a press release.

DCCI Director Manzur-ur Rahman (Raskin) distributed certificates among the participants.

In his speech, Rahman underscored the need for professional merchandisers to promote the export of ready made garment (RMG).

A total of 29 participants from different business organisations attended the training course.

Rupali Insurance branch in-charge confce held

The Annual Conference-2002 of branch in-charges of Rupali Insurance Company Limited was held at a city hotel on Saturday, says a press release.

The Chairman of the company MG Quddus, Management and Financial Consultant M Azizul Huq, Managing Director PK Roy, Additional Managing Director GFM Shawkat Ali, and Deputy Managing Director Mohd Alamgir were present in the conference.

the managing director spoke of various activities and achievement of the company during the last year. The management and financial consultant advised the officers to cut down the excess expenses and to abide by the financial discipline.

The chairman of the company expressed his satisfaction at the progress of business during the year-2001.

The chairman awarded General Manager Md Zahirul Islam with "Chairman Gold Medal" and cash money for commendable performance during the year 2001.

He also awarded 32 officers of different branches for their laudable performances during the year.

LPG prices double in Ctg despite increased supply

Dishonest dealers trade on demand ahead of Eid

OUR CORRESPONDENT, Ctg

Despite abundance supply of liquefied petroleum gas (LPG), dishonest dealers in the port city are charging the product more than double price ahead of Eid.

Each cylinder of LPG is being sold for Tk 600 to Tk 800 in the retail market of the city against the usual price of Tk 300 per cylinder.

Officials of LP Gas Plant in Chittagong said there is no reason for the increased price as they have increased production ahead of Eid ulAzha.

"We have increased the production from normal 75 tons or 6000 cylinders to 118 tons or 9500 cylinders a day," an official said seeking anonymity.

As such, there is no reason for the huge price hike of LP gas in the country at present, he said.

There were, however, production shortages last month due to maintenance reason and technical problems. The production of LP gas at the LPG Plant at Koilashtila in Sylhet had been suspended as the plant went under an overhauling on January 11. There were also production shortages by one third at the other plant at Potenga in the port city at the same time due to some technical problems.

The officials said the problem was no longer there and that some dishonest dealers are realising several times higher the normal price for each cylinder from the consumers.

But the plant at Chittagong restored its normal production in the same month while Koilashtila plant also went for full production on February 13.

According to the BPC sources, at present Koilashtila LPG plant is producing 40 tons (3200 cylinders) per day against its normal production of 25 tons (2000 cylinders) while the LPG Plant at Potenga is producing around 80 tons (6400 cylinders) as against normal quantity of 50 tons (4000 cylinders) daily.

Besides, two other private LPG plants Jamuna Spacetech Joint Venture Ltd and Bashundara LPG Limited are also producing LP gas selling in cylinders in the northern and southern regions of the country.

CDF, Sonali Bank sign MOU

Credit and Development Forum (CDF), a national network of microfinance organisations of the country, yesterday signed a five-year memorandum of understanding (MOU) with Sonali Bank, to channel collateral-free fund to NGO-MFIs through an innovative guarantee mechanism where CDF stands as a guarantor, says a press release.

A A Fazle Rabbi, General Manager, (RCD) of Sonali Bank, and Md Abdur Rouf Bhuiyan Executive Director of CDF, signed the MOU at the bank's head office.

Under the deal, Tk 3 crore will initially be lent to selected member NGOs of CDF to operate microfinance programmes.

At the signing ceremony, Professor Amirul Islam Chowdhury, Chairman, Mohammad Farhad Hossain, MD (Current Charge) of the bank, and Md Enamul Haque, Chairman of CDF, were, among others, present.

StanChart workshop on corporate finance held

Standard Chartered Bank, Bangladesh, organised a workshop on corporate finance on for the senior and mid-level executives of 14 private commercial banks held in the country on Thursday, says a press release.

SAA Masrur, Head of Corporate & Institutions of Standard Chartered Group in Bangladesh, welcomed the participants to the workshop.

The workshop was aimed at transfer of technology and skills for improvement of overall service standard of the syndicated debt market.

It also focused on development of more hands-on ideas about each bank's policies, procedures and people, and sharing of common vision to make a more meaningful contribution towards the economic development of Bangladesh by fostering good investments.

Muhammad A Ali, Chief Executive Officer Bangladesh of Standard Chartered Group, Anisur Rahman Sinha, Chairman of Opex Group, spoke at the Workshop, Mr Ali said.

In his speech, Ali said it has been a tradition of Standard Chartered Bank to share information and knowledge with fellow bankers of the country as part of its commitment to contribute to the development of the banking industry. He also emphasised on the importance of syndicated debts as a solution to the long-term financing problems existing in the country.

Anisur Rahman Sinha who distributed certificates amongst the participants, expressed his satisfaction that such flow and exchange of information took place amongst the banks, which would greatly benefit the members of the banking community and also the entrepreneurs.

Imran Rahman, Associate Professor of Institute of Business Administration, and Kaiser Islam, Head of Syndication and Structured Finance of Standard Chartered Group, Bangladesh, conducted the workshop.

Banderole system reduces tax evasion by tobacco cos

BSS, Dhaka

The evasion of revenue payment by the cigarette manufacturers has decreased significantly with the implementation of the stamp and banderole system.

An official at the NBR Value Added Tax (VAT) section told BSS that the revenue collection has gone up with the introduction of the banderole system in September last year. The NBR hopes to attain the projected increase of revenue by 300 to 400 crore taka at the end of this year. The trend of increase has been set and the government is confident about getting the desired results, he said.

The official said at present the nation earns nearly Tk 1700 to 1800 crore annually from the cigarette manufacturing sector. The revenue collection would exceed Tk 2000 crore mark with the introduction of

the banderole system, he said.

However, the functionaries who are working in close cooperation with the government to implement the system, told BSS that some influential and vested quarters funded by the smugglers, few dishonest cigarette manufacturers and tax evaders' racket are active to foil the NBR's laudable efforts sensing government's firm determination to continue this tax collection system with uncompromising security feature.

They said with the inception of this project last year the same quarters posing as a potential supplier took NBR and the concerned government bodies to the court on some lame reasons to foil the project.

The same quarters, in the guise of new suppliers, are again raising complaints with NBR and relevant government bodies against the

already-introduced approved secured tax stamps and banderole by offering a "so-called" new system to dismantle the ongoing tax collection system, the functionaries alleged.

The National Board of Revenue (NBR) introduced the system in two phases. On September 1 last year, it introduced the tax stamps system and on January 1 last banderole system was introduced.

Under the system, the government empowered the law-enforcing agencies to seize the unstamped/unapproved stamped cigarette packets and penalise the offenders accordingly.

The new tax collection system has been actively supported and implemented first in their factory by the leading cigarette manufacturers like British American Tobacco and Dhaka Tobacco Company.



Lt Col Mokhesur Rahman (Rtd), General Manager of Rangs Industries Ltd, inaugurates a showroom of Rangs Group at Tejgaon in the city on Thursday. Regional Manager Munir Ahmed Khan and other Rangs officials were present at the inaugural ceremony.

Minister sees bright beach mineral prospect

BSS, Dhaka

State Minister for Energy and Mineral Resources AK M Mosharruf Hossain yesterday said exploitation of beach minerals in the country has bright prospect and great potentials.

Quoting some Australian experts, he said the country could earn millions of dollars by exploiting the minerals found in beach sand in the coastal areas of the country.

The minister was opening a seminar titled 'Advances in Beach Minerals Research in Bangladesh' at the Council Bhaban of Bangladesh University of Engineering and Technology (BUET) in the morning.

Organised by the Department of Materials and Metallurgical Engineering as part of its golden jubilee of founding, the seminar was also addressed by Professor AS M A Haseeb, head of the department, and Professor A S W Kurny, chair-

man of the seminar organizing committee.

The Bangladesh coastline is rich in heavy mineral sand deposits including of zircon, ilmenite, rutile, magnetite, monazite and garnet, experts said.

But their characterization, identification of standard and areas of use are yet to be determined, they added.

The state minister also said the country is also rich in coal, china-clay and silicon sand. "The resources should be used for the economic development of the country," he added.

Professor Haseed said beach sand minerals which carry heavy price tags has great demand in international markets.

The prices of the minerals are stable and growing by three per cent a year, he said.

Stressing the need for a coordinated research by concerned quarters, he said it is necessary for

exploiting the minerals locally of striking favourable deals with foreign firms.

"If we don't have proper knowledge on our minerals, we will have to give in to unfavourable conditions as poor seller," he said.

Australia, South Africa and India are earning or saving huge amounts of foreign currency by exporting and using the minerals in domestic purposes, he said.

Professor Kurny demanded formation of a national committee bringing together experts on various disciplines to suggest ways and means to exploit the vast untapped resources.

Experts from BUET, Jahangirnagar and Rajshahi universities, Atomic Energy Commission, Bangladesh Council for Scientific and Industrial Research, Geological Survey, Petro Bangla and Beach Sand Exploitation Centre, Cox's Bazar also attended the seminar.



Photo shows senior and mid-level executives of 14 private commercial banks attending a workshop on corporate finance organised by Standard Chartered Bank, Bangladesh in the city on Thursday.

'Enron hid \$3.9b loans from Wall Street firms'

Debts classified as "financial hedges"

AFP, Washington

Bankrupt energy titan Enron hid some 3.9 billion dollars in loans from Wall Street firms between 1992 and 2001, by classifying them as "financial hedges" instead of debt, the US media reported Sunday.

At least 2.5 billion dollars' worth of that money came during the three years before the energy-trading firm filed for bankruptcy protection when it already had some eight to 10 billion dollars in long-term and short-term debt on its books, the New York Times said.

If the firm had included those billions as debt, it would have been seen by credit-rating agencies, analysts and investors as being a riskier investment.

Timothy Lucas of the Financial Accounting Standards Board told the Times the accounting practices were in accordance with recommendations from the board, which is

in the process of revising its recommendations.

Lead congressional investigator Billy Tauzin told Fox News Sunday that, "in almost every case," Enron "literally took an accounting standard and stood it on its head," adding that this has led officials to re-examine accounting standards overall.

"We're beginning to understand the accounting standards are not good enough, and maybe we'd better revisit them across the country," he told Fox.

"We have to somehow come up with better ways to identify what is real income and what is phoned-up income," he added.

Tauzin said the hearings in Congress have let people know, "basically, who the culprits were."

"We know who the gang of thieves were within the corporation," he told Fox. "And we have a better sense now of how they orga-

nized their work and how they got away with it."

Meanwhile, The Washington Post reported Sunday that, prior to the 2000 election, Bush campaign adviser Ralph Reed had offered to help Enron deregulate the electricity industry for a 380,000-dollar fee, by rallying support for the cause among his "good friends" in the US capital.

Enron's collapse, the largest corporate bankruptcy in US history, left more than 4,000 unemployed and wiped out the retirement savings of thousands more, yet seemed to have left the company's upper echelons unscathed.

The company's troubles began after it revealed it had been keeping financial losses -- incurred in relationships with private partnerships run by some of its own officers -- off its balance sheet.