

## Writ against Sugar Merchant Assoc: HC issues show cause

The High Court has issued a show cause notice on the Director of Trade Organisations and the government as to why the registration of Bangladesh Sugar Merchant Association will not be cancelled, says a press release.

Upon a writ petition filed on behalf of Azgar Ali of Bangladesh Wholesale Sugar Dealers, the High Court Division Bench comprising Justice J.R. Modassir Hossain and Justice Syed Mahmud Hossain has also issued a show cause as to why the notification asking all the sugar wholesale merchants to join the Bangladesh Sugar Merchant Association should not be declared without lawful authority.

It is alleged in the petition that Bangladesh Sugar Merchant Association obtained the licence which does not allow countrywide membership of wholesale sugar dealers. The association has only 24 members and most of them do not have any business in sugar trade and some of them are even fake traders, the petition said.

Barrister M Amir-ul-Islam appeared for the petitioner.

# Bangladesh's future linked to rule of law, human rights

## US envoy tells FICCI luncheon meet

STAR BUSINESS REPORT

The US Ambassador in Dhaka yesterday said Bangladesh's future economic performance and prosperity of the people are inextricably linked to the rule of law and human rights.

"Bangladesh has already several advantages especially flourishing democratic institutions and respected higher courts. But much more can be done in the country to attract investment," Mary Ann Peters said while speaking as guest of honour at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (FICCI) at Sonargaon Hotel in the city.

The US envoy also said the investment and business cannot survive for long without the rule of law.

Citing example of Russia and Indonesia, the US Ambassador mentioned countries which fail to establish the rule of law are crippled both economically and politically because they often lack the means to quickly carry out needed political or economic reforms.

"Countries that have shown the greatest respect for the rule of law have succeeded in attracting the lion's share of foreign investment and have been the most successful in growing their economies," she went on.

Speaking at the function, FICCI Vice-President David E. Rees said there is a mismatch between policy and ground reality in Bangladesh which often make doing business difficult.

"Although the investment and trade related policies of the government on

paper are excellent and among the best available in the region, the ground realities are different from that" said Rees, who is also the Chief Executive Officer of Citibank NA.

Rees said Bangladesh needs double digit growth rate in the next few years in order to get out of the poverty trap. Domestic resources alone do unfortunately appear to be inadequate to achieve this, he added.

"Moreover, there has been gradual decline in the official development assistance (ODA) over the last several years. So, it is apparent that there is a necessity for private sector foreign direct investment (FDI) in increasing amounts."

Existence of an enabling environment is the sine quo non for attracting such FDI and unfortunately Bangladesh has some weaknesses in this respect, Rees said.

FICCI considers that excessive bureaucracy, corruption, inadequate infrastructure facilities like power, energy and telecommunication, an inefficient port, outdated judicial system are all standing in the way of enhanced FDI, Rees mentioned. The situation calls for reforms in the administrative, financial, fiscal, legal and other social sectors.

There has been substantial US investment in the energy and power sectors over the past few years. At an operational, level these have been great successes, a showcase for US industrial capabilities, he observed.

Unless existing investors' experience is satisfactory it is impossible for them to act sincerely as FDI ambassadors for Bangladesh and catalyse additional FDI that is so important to the future of this country, Rees said.



US Ambassador to Bangladesh Mary Ann Peters speaks at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (FICCI) held at the Pan Pacific Sonargaon Hotel yesterday. Seen on her left are FICCI Vice-President David E. Rees and Secretary Jahangir Bin Alam and on her right is FICCI Committee Member Dr A Qayyum Khan.

## BJIT pledges to create IT jobs for Bangladeshis in Japan

An 11-member team of the Bangladesh-Japan Information Technology (BJIT) recently met with the President of Bangladesh and assured him that they would make dynamic IT professionals and assist skilled professionals to get jobs in Japanese IT market, says a press release.

BJIT has taken a step to recruit about 100 software professionals every year in Japan after fulfilling the demand of the local IT market.

Besides, BJIT has a plan to bring a huge number of software development work from Japan so that IT personnel of the country can earn millions working on their own backyard. The delegation discussed this plan with the President Professor Dr. AQM Badruddoza Chowdhury at Bangabhaban.

Chairman of K.K. Labros Co, Japan and BJIT Ltd. Bangladesh Kazuo Kanayama led the delegation and expressed his firm commitment to improve the IT sector of Bangladesh.

To churn out quality software developers, Bangladesh-Japan Information Technology started an IT school at Banani in the city in September last year.



Commerce Minister Amir Khasru Mahmud Chowdhury is received by Shahudul Haque, Managing Director of Syscom, authorised distributor for Dell, at the company's US Trade Show booth on Sunday.

## Artisti Collection top in DITF best stall category

Artisti Collection was adjudged top in the best stall category at the recently concluded Dhaka International Trade Fair (DITF)-2002, says a press release.

At the closing ceremony of the month-long fair, LGRD and Cooperatives Minister Abdul Mannan Bhuiyan, Commerce Minister Amir Khasru Mahmud Chowdhury and State Minister for Commerce Barkatullah Bulu handed over the trophy to the firm.

Artisti started its operation in April, 1996 with the objective to manufacture high quality clothings to establish a brand image in the country.

## Koizumi, BoJ governor vow to tackle deflation

AFP, Tokyo

Japanese Prime Minister Junichiro Koizumi and Bank of Japan governor Masaru Hayami on Tuesday vowed to tackle deflation.

"We discussed overall current economic and monetary issues. We confirmed our efforts to implement anti-deflation measures," Koizumi told reporters following 30-minute talks with Hayami.

Koizumi said during the talks he did not ask the central bank to further ease monetary policy to help support the Japanese economy.

He gave no further details on the talks.

The government is expected to unveil this month an anti-deflation package centering on banking bad loan disposals and ways to stabilize the financial system.

On Monday, Koizumi held talks in Tokyo with US President George W. Bush and promised he would continue to press ahead with structural reforms and bad loan write-offs.

## Indonesia may post 3pc growth this year

AFP, Jakarta

Indonesian Finance Minister Budiono said Tuesday that economic growth this year was likely to remain similar to last year's at around three per cent.

His comments contrast with the government's earlier forecast for gross domestic product (GDP) growth of 4.0 per cent.

Budiono said he was not optimistic about the hoped-for recovery in the US economy in the second half, which is expected to act as the locomotive for global economic growth.

"For 2002, I expect that economic growth will not be that different from last year because of the continuing slow global economy," Budiono told reporters.

"The economic condition in Asia and the world is not that supportive" of Indonesia's recovery, he said.

Bank Indonesia, the central bank, has forecast GDP growth of 3.5-4.0 per cent this year while the government forecasts 4.0 per cent.

Indonesia announced Monday its economy grew by 3.32 per cent last year, down from 4.77 per cent in 2000 and lower than the government's forecast of 3.5 per cent but higher than many of its neighbours.

Indonesia has suffered less than its regional neighbours from the US slowdown, partly because its exports are less centred on high-technology items.

# Govt to study duty-free exports to EU, Japan

BSS, Dhaka

The government has decided to conduct a study of how Bangladesh could be benefited by availing itself of duty-free facilities and ceiling scopes in the European Union countries and Japan while exporting goods to those countries.

The study will focus on the potentialities of exporting diversified products to the member countries of the EU and Japan as the concerned business community believes that country's export volume could be increased significantly by enjoying the facilities of the two big markets.

The Export Promotion Bureau (EPB) has assigned "Centre for Policy Dialogue (CPD)", to conduct the study, Commerce Ministry officials said.

The Board of Management of the EPB at its 92nd meeting last week approved the proposal for carrying out the study at a cost of five lakh taka. Commerce Minister and

Chairman of the EPB Amir Khasru Mahmud Chowdhury presided over the meeting attended by high officials of the ministry and the EPB.

The EU recently decided to import goods from 49 developing countries including Bangladesh on duty and quota-free basis under its "Everything but Arms (EBA)" package. The Japan government has also decided to follow the EU decision.

"But, we are not fully aware of the merits and demerits of the facilities since all most all of our products enjoy GSP facilities and the country does not have any quota for its any product to the EU and Japan markets," said Secretary of the EPB Sheikh Muhammad Wahiduzzaman.

So, the country should first acquire relevant information on how it can get additional benefits using the facilities, he added.

The CPD has been asked to submit its study report to the govern-

ment within the next two months, sources said. The government would then decide its next course of action on the issue.

Meanwhile, the EPB has also decided to participate in the "New York Fashion Fabrics Fair 2002", scheduled to begin on March 4 in the United States.

Bangladesh has been participating in the fair for last three years, where Bangladeshi manufacturers of textile products got spot orders.

"Bangladeshi entrepreneurs got spot orders for textile products worth about 1.35 lakh dollars in October 2000, 1.2 lakh dollars in March 2001 while 60,000 dollars in October last," an EPB official said.

Bangladesh could not get proper response from the US buyers in the last fair due to the World Trade Centre tragedy in New York but this time the manufacturers are hopeful of positive results, the official said.

# Malaysia cuts international call rates by up to 67pc

## Bid to become regional communications hub

AFP, Kuala Lumpur

Malaysia announced Tuesday it would cut rates for fixed-line international calls by up to 67 per cent from March in a bid to become a competitive regional communications hub.

But local call charges would be raised by 33 per cent in the first tariff review since 1996 to improve revenue for fixed line operators and encourage investment in rural networks.

The move is expected to cause state-owned Telekom Malaysia, which dominates the fixed-line sector, to lose some 14 million ringgit (3.7 million dollars) in revenue a year, official figures showed.

From March, international call charges would fall by between seven and 67 per cent with substantial cuts for calls to the US, Japan, Britain, Germany, France, Australia and China, said Energy,

Communications and Multimedia Minister Leo Moggie.

"The move reflects the government's intention to transform Malaysia into a competitive communications hub and a preferred destination for investment in the region," he told a press conference.

Moggie said the ministry's figures showed that the new tariff structure would lead to a loss of 1.2 million ringgit a month for Telekom.

"The main purpose of the adjustment in rates is not, as many people think, to help Telekom Malaysia. It is to provide competitive rates in an international environment," he said.

Rates for national calls would be 23 to 54 per cent lower but tariffs for local calls -- those made within a 25 kilometer radius -- would be raised to four sen a minute from three sen previously.

"The increase in tariff for local calls... is necessary to reduce the

existing cross subsidies of about 150 million ringgit from other telecommunications segments," Moggie said.

If local calls were not subsidised, he said their current tariff would be five sen a minute.

Existing monthly rebates will be abolished while line rentals for residents and businesses would be slightly raised.

Tariffs for mobile services, which are unregulated, remain unchanged. Internet rates of 2.5 sen a minute will also be maintained to promote usage.

Moggie said the tariff adjustment was aimed at giving "incentives to industry players to invest on infrastructure roll-out particularly to the rural areas".

## Village Phone subscribers top 10,000

The number of subscribers of Grameen Telecom's Village Phone Programme has crossed the 10,000-mark, says a press release.

Presently, 10,006 village phones are in operation in nearly the same number of villages in over 115 upazilas in 40 districts, according to the release issued yesterday.

The number of village phones increased by more than 5,300 last year, bringing the total number to over 8,700 in December.

The village phones provide access to telecommunications facilities to more than 15 million people living in remote rural areas in the country.

The Village Phone Program is a unique effort to provide telecommunications facilities in rural areas while providing the phone operators, mostly rural poor women, a good income-generating opportunity.

The program is administered by Grameen Telecom in cooperation with Grameen Bank, the world famous micro-credit lending institution.

The average bill of a Village Phone subscriber in January this year was nearly Tk. 5,000. The highest bill paid during the period was over Tk. 61,900 by a VP operator in Sonargaon, Naryanganj.

## BRAC Bank, Int'l Leasing sign deal

BRAC Bank Limited recently signed a loan agreement with International Leasing and Financial Services Limited, says a press release.

The signing ceremony was held at the head office of the bank. Aziz Ahmed, Managing Director of BRAC Bank Limited, and Mafizuddin Sarker, Managing Director of International Leasing and Financial Services Limited, signed the agreement on behalf of their respective sides.

The credit line will be utilized for extending lease financing for development of productive enterprises.



Aziz Ahmed, Managing Director of BRAC Bank Limited, and Mafizuddin Sarker, Managing Director of International Leasing, sign an agreement on behalf of their respective sides recently.



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# Corporate governance crucial for FDI to Indonesia: WB

AFP, Jakarta

Corporate governance reform is crucial to the Indonesian government's effort to attract more investors to the country, the World Bank said Tuesday.

"Corporate governance reform is key in attracting more investors to Indonesia," the World Bank said in a statement citing the conclusions of a workshop organised by the bank here Tuesday.

The workshop, co-organised by the National Committee for Corporate Governance (NCCG), said poor corporate governance in East Asia, including in Indonesia, had contributed to the Asian financial crisis that swept the region from 1997.

It said the main elements of corporate governance, including transparency, accountability, fair-

ness and responsibility, had been missing in the way many businesses operated in the country.

Related party transactions, especially in bank lending, had also contributed to the collapse of Indonesia's banking system.

"The state must rise to the same challenges as the private sector in appointing competent commissioners and board members to state-owned enterprises," said the World Bank's country director for Indonesia, Mark Baird.

Baird also said in his address to the workshop that setting high standards was also a "key requirement" for accountants, auditors and lawyers.

Indonesian Coordinating Minister for Economic Affairs, Dorodjatun Kuntjoro-Jakti said that Indonesia has special problems of its own in corporate governance.

"It seems to be in a continual 'catch up' mode," Kuntjoro-Jakti said.

The government, he added, was facing a lot of limitations in promoting corporate governance and the private sector should lead the initiative.

"The government can play its part in consolidating financial sector oversight and addressing weaknesses in the tax collection system," the World Bank statement quoted him as saying.

NCCG chairman I Nyoman Tjager in his speech stressed the importance of competitiveness in efforts to draw investment into Indonesia.

"Indonesia is competing globally for scarce capital investment. Investors are concerned about transparency and disclosure in the use of funds," Tjager said.