

MCCI to help BEPZA attract investment

BSS, Dhaka

The Metropolitan Chamber of Commerce and Industry (MCCI) has underscored the need for close cooperation with the Bangladesh Export Processing Zones Authority (BEPZA) with a view to attracting more investments in the EPZs of the country.

It was expressed at a meeting between the Metropolitan Chamber's President Tapan Chawdhury and the Executive Chairman of BEPZA Brig General (Retd) M Mofizur Rahman in Dhaka on March 7, a press release Monday said.

During the meeting, the two sides identified the problems BEPZA is facing and their possible solutions. Both BEPZA and MCCI agreed to hold regular meetings to share their ideas.

Brig Gen Mofizur sought cooperation of the MCCI to attract both foreign and local investors in the EPZs of the country.

MCCI and BEPZA also agreed to arrange investment seminar jointly both at home and abroad.

The meeting was also attended by C K Hyder, Secretary General of MCCI and Md Azmal Chawdhury, Member (Investment Promotion) of BEPZA.

CCCI, ATDP-II sign MOU

BSS, Chittagong

The Chittagong Chamber of Commerce and Industry (CCC&I) and Agro-based Industries and Technology Development Project Phase-II (ATDP-II) Monday signed a memorandum of understanding (MOU) for five-year at the CCC&I office to expand and develop the agro-based industry in private sector.

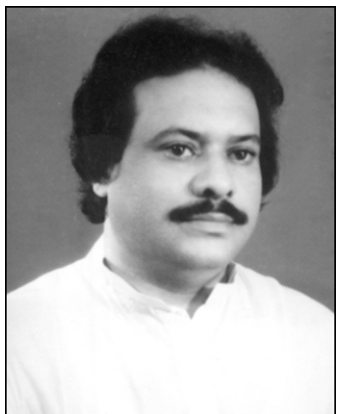
CCC&I president Farid Ahmad Chowdhury and Chief of delegation of the ATDP-II James Dowson signed the MOU on behalf of their respective sides.

The Project ATDP-II, is a joint initiative of the Ministry of Agriculture and USAID, a press release said.

Under the MOU, CCC&I and ATDP-II will undertake and implement different programmes for development of the agro-based industries including Fisheries, Livestock and Poultry in the greater Chittagong region.

The two sides also agreed to arrange training and consultation oriented workshops to enhance skills and managerial capacity of the entrepreneurs engaged in this sector and to help them in diversification, increase of standard of products and marketing at home and abroad.

New office-bearers of yarn merchants' association



President

Al-Hajj Md Jahangir Alam has been elected President of Bangladesh Yarn Merchants' Association from general group while Al-Hajj Md Shahjahan Bhuiyan Senior Vice President from general group and Al-Hajj Saiful Alam Vice-President from associate group.

The election of the office-bearers for the year 2002-2004 was held at a meeting of the association in the city yesterday, says a press release.

The election of the Executive Committee of the association was held on March 5, 2002.

The members elected from the general group are: Al-Hajj Md Ajmal Hossain, Sri Jiban Chandra Saha, Sri Gobinda Chandra Saha, Moazzem Hossain, Sri Shanker Kumar Saha, Sultan Uddin Bhuiyan, Md Masudur Rahman Masud, Syed Mahabubur Rahman Pervaz, Hamidul Huq and Sri Nani Gopal Saha.

Others who were elected from associate group are: Al-Hajj Abul Hossain Liton, Md Abdul Hannan (Momen), Md Shahidul Islam (Shimul), Md Mahfuzur Rahman and Md Zaman Mia. 1

Industries minister for careful study of SAARC cumulation

STAR BUSINESS REPORT

Industries minister MK Anwar yesterday said the issue of regional cumulation for the SAARC countries needs careful examination and analysis on whether it would have any adverse impact on the growth of the country's textile industry.

The minister expressed his fear that the regional cumulation might affect the development of backward linkages that are essential for sustainable growth of garment industry. He, however, said the regional cumulation could be helpful for the country's exporters in the short run.

"It has to be ensured that the garment industry gets the necessary growth facility and the textile industry is not deprived of its due role in helping the garment industry", the minister said.

MK Anwar was speaking at the inaugural session of a workshop on "European Union's GSP Scheme and Regional Cumulation" organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in cooperation with the SAARC Chamber of Commerce and Industry (SCCI).

Among others, Charge de Affaires of European Commission (EC) delegation in Dhaka Jorg Volker Ketelsen, FBCCI President Yussuf Abdullah Harun, Commerce Secretary Suhel Ahmed Chowdhury, delivered speeches at the inaugural session.

Two EC consultants Fiona Carmichael and Mike Humphrey conducted workshop. The EC charge de affaires informed session that yesterday's workshop was the last of a series of workshops held in different cities of the SAARC countries.

Speaking on the occasion, the FBCCI president said the SAARC cumulation under EU-GSP scheme has already sparked a debate. Bangladesh Garments Manufacturers' and Exporters' Association (BGMEA) and Bangladesh Textile Mills Association (BTMA) have come up

with 'dramatically opposite' views.

Yussuf Abdullah Harun explained the two sides' stands on EU-Generalised Scheme of Preferences.

The BGMEA says the bulk of the raw materials for readymade garments (RMG) have to be imported because inadequate local supply capacity, Harun mentioned. "The RMG sector of the country could enhance its global market share if the regional cumulation is allowed."

On the other hand, the BTMA is of the opinion that under government patronage and through indigenous entrepreneurial involvement, the backward linkage industries in the textile sector has gradually been developed in a modest way, he explained.

As, the BTMA says, protection and promotion have played a crucial role in development of backward linkage industries, such protection needs to be continued for further growth of the textile sector. Import of fabrics from regional countries under the cumulation would retard the growth of country's textile industry.

The FBCCI president hoped that the workshop would reduce the gap between the two sides.

Commerce secretary Suhel Ahmed Chowdhury said, "Time is running out first. We need to come to a consensus on the issue of regional cumulation before it is too late."

The speakers said there has been no disagreement over utilising the regional cumulation in the other sectors like electronics, leather, agro-processing and IT.

The EC charge de affaires said the European Union attaches great importance to ensuring that the least developed countries are better beneficiaries of the multilateral trading system.

He said regional integration and co-operation can help achieve peace, especially by reducing economic and social disparities.



Chief Executive Officer of Holcim (Bangladesh) Ltd Ramit Budhrajia speaks at a press conference in the city on Monday. Other officials of the company are also seen in the picture.

Holcim Ltd asks Jamuna Group to pay dues

Allegation of unethical business practice

STAR BUSINESS REPORT

The Holcim (Bangladesh) Ltd officials have urged the Jamuna Group authorities to pay their outstanding dues of about Tk 30 lakh immediately.

They alleged that instead of making payment against cement delivery, the group took refuge in an unfounded allegation and issued bank cheques which were dishonoured.

Addressing a press conference in the city on Monday, Chief Executive Officer of the company Ramit Budhrajia said Holcim would be compelled to take legal action against Jamuna Group if their dues are not settled. Martin Mengede, Senior Consultant, P N Iyer, Vice-President, Marketing and Sales, Zeeshan Kingshuk Huq and other Senior officials, consultants and Engineers of Holcim were present in the press conference.

Holcim supplied cement to Jamuna Group strictly in accordance with the stipulated specifications, Ramit Budhrajia said.

The Holcim CEO told newsmen that the company started supplying cement to Jamuna Builders Ltd for their Future Park Project on February 11, 2002. Payment for the cement was supposed to be made along with each work order.

A work order dated February 14, 2002 for 500 tons of Holcim Black cement was forwarded by Jamuna with a cheque for Tk 22,80,000 issued by Shamim Composite Spinning Mills Ltd with a request by Jamuna that the cheque should not be presented to the bank before February 17. When the cheque was produced before the bank on February 17, 2002, it was dishonoured. Holcim then requested

Jamuna to issue a new cheque. After receiving the new one, Holcim presented the cheque on February 26, 2002 and on March 3, 2002, it was dishonoured on both the days, he added.

He said Holcim received a letter from Jamuna dated February 25, 2002 stating that the Holcim Black cement was used by them on February 18 and 19, 2002 at the Plot No. 8, Road 67, Gulshan 2 site (Gulshan), where Holcim had not delivered its cement. All its deliveries were made at the Future Park site as designated in the work order.

Jamuna alleged that "some cast" concrete of Holcim Black cement did not condense even after about hundred hours in the Gulshan site, and made the unfounded allegation that they presumed that this was due to the cement supplied by Holcim not being as per specification, he added.

Instead of making payment of dues despite repeated requests and their cheque having been dishonoured, Jamuna, took refuge in an unfounded allegation, Ramit said.

By that date, more than 800 tons of cement Jamuna received from Holcim had been used and a complaint was raised after repeated requests for payment he said adding that the cement supplied by Holcim was strictly in accordance with the stipulated specifications.

Upon receiving the complaints, Holcim's technical team visited the sites and proposed for taking samples to test the concrete and its components, but Jamuna did not co-operate.

"On the basis of its stringent self-monitoring system, we can assert without any fear of contradiction that the cement supplied by Holcim was strictly in accordance with the

stipulated specifications and any alleged problem could not be attributed to the cement supplied by Holcim," Ramit said.

Jamuna suggested a meeting on March 2 but before the meeting a defamatory report was published in the daily Jugantor, a newspaper owned by the Jamuna Group, containing wholly unfounded allegations against Holcim, Ramit told the press conference.

At the meeting on March 2, 2002, instead of responding to the request for payment of outstanding dues, Jamuna made an "extortionate demand" and threatened to publish further defamatory articles, he said.

Jamuna Builders sues Holcim
Meanwhile, Jamuna Builders has filed a compensatory lawsuit of Tk 120 crore against Holcim Ltd.

Jamuna Builders filed the case with the First Additional Session Judge Court bringing an allegation that the Holcim Black cement used in Future Park of Jamuna Builders could not get hardened even after 100 hours.

The amount of compensation consists of loss in materials, labour cost, losses incurred by other 18 units of Jamuna Group due to psychological tension of the plaintiff, which disrupts production in those plants, tarnishing the goodwill of Jamuna Group, etc.

PN Iyer, Vice-President (Marketing and sale), and Jing Kawsai, Corporate Manager of Holcim, were accused in the case filed by Nurul Islam, Managing Director, and Salma Islam, Director of Jamuna Builders.



PHOTO: EXIM BANK

Md Giashuddin Ahmed, MP, formally inaugurates the 12th branch of EXIM Bank at Shimrail in Narayanganj on Monday. Md Nazrul Islam Mazumder, Chairman, Alamgir Kabir, Advisor, and Mohammad Lakiotullah, Managing Director of the bank, were present.

Nitol, NZ firm sign MOU to set up 100 gas stations

A memorandum of understanding (MOU) was signed on Monday between Nitol Group of Bangladesh and Rix Services Ltd of New Zealand for installation of 100 "Nitol-Srabuni" gas stations in Bangladesh, says a press release.

Abdul Matlub Ahmad, Chairman of Nitol Group, and Graeme C. Brickell, Managing Director of Rix Services Limited, signed the MOU in the conference room of the Ministry of Energy and Mineral Resources, on behalf of their respective organisations.

Nitol Group will be investing an amount of Tk 125 crore in the 100 gas stations to be established in Dhaka, Chittagong and other areas. The first five stations are expected to start operation by July.

A K M Mosharaf Hossain, State Minister for Energy and Mineral Resources, Khairuzzaman Chowdhury, Secretary In-charge of Ministry of Energy, Syed Shajedul Karim, Chairman of Petrobangla, Engr Md Raihanul Abedin, Managing Director of Rupantarita Prakritik Gas Company Limited, Sayeful Islam, Technical & Project Director of Srabuni, were present on the occasion.

EXIM Bank opens its 12th branch

Export Import Bank of Bangladesh Ltd opened its 12th Branch at Siddhirganj in Narayanganj on Monday, says a press release.

Md Giashuddin Ahmed, MP, was chief guest at the inaugural function, which was presided over by Md Nazrul Islam Mazumder, Chairman of the bank.

In his speech, Md Giashuddin Ahmed urged the people of the locality to take the taste of modern private banking services from Exim Bank.

Md Nazrul Islam Mazumder pledged to extend modern banking facilities.

Mohammad Lakiotullah, Managing Director of the bank discussed various schemes of EXIM Bank.

Among the guests, Mahabubur Rahman Khan, Chairman of Mahabub Group of Industries, and Tayebur Rahman, Managing Director of A Rahman Super Shopping Complex, spoke on the occasion.

Chief Advisor of Paramount Insurance

M A Hamid has been appointed Chief Advisor of Paramount Insurance Co Ltd, says a press release.

Prior to his present appointment, he was the Managing Director of the company.

His appointment was given at a meeting of the company held in the city recently.

Hamid started his career with erstwhile Pakistan General Insurance Co. in the then East Pakistan in 1960 as an accountant. During his long service career, he held various responsible positions in different insurance companies including Sadharan Bima Corporation.

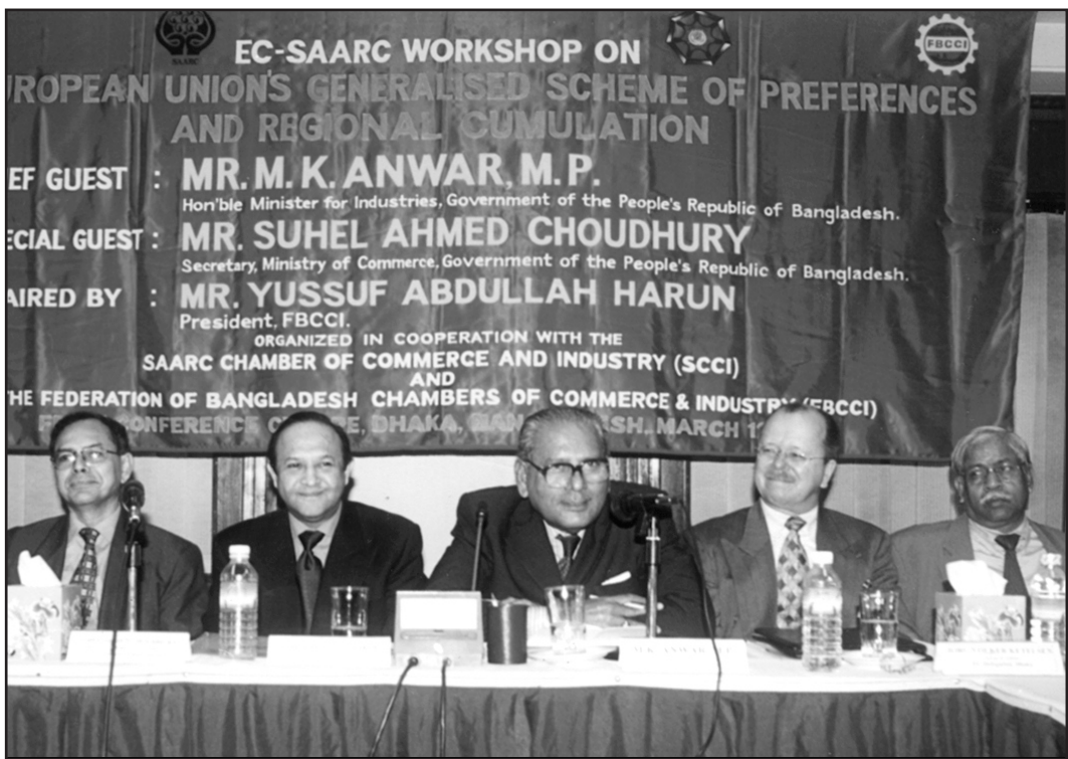


PHOTO: FBCCI

Industries Minister M K Anwar addresses the inaugural session of a day-long "EC-SAARC Workshop on the European Union's GSP Scheme and Regional Cumulation" organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at FBCCI auditorium yesterday. Yussuf Abdullah Harun, President of FBCCI, Suhel Ahmed Chowdhury, Secretary of the Ministry of Commerce, Abu Saleh, Vice-Chairman of Export Promotion Bureau (EPB), Jorg Volker Ketelsen, Charge d'Affaires of EC Delegation in Dhaka, and Mohammad Ali, Vice-President of FBCCI, are also seen in the picture.

'Dhaka-Delhi accord on joint venture power plant soon'

UNB, Dhaka

Dhaka and Delhi are likely to sign an MOU shortly for a joint venture power plant, involving over Tk 1,000 crore, but its main thrust is not power export from Bangladesh to India.

"India approached for the joint venture project, but it categorically said Bangladesh can go for power export only when there will be surplus production," State Minister for Power Iqbal Hasan Mahmud told UNB Monday.

He returned home Sunday night from New Delhi where he had talks with Indian Power Minister Suresh P. Prabhu about the proposed plant, which initially will be 450-megawatt and be raised to 1,000-mw one in phases.

Prabhu will visit Dhaka sometime in March or April when the memorandum of understanding

(MOU) is likely to be signed between National Thermal Power Company (NTPC) of India and Bangladesh Power Development Board.

Mahmud informed that India offered for constituting a joint working committee for the project with proposed equity of 70 per cent to be shared by NTPC while the rest 30 per cent by PDB. "However, the option is also open for 50:50."

As Bheramara was initially proposed for the project, the minister said no site has been finalised yet. "The Indian side approached that the plant can be set up anywhere we want to do," he said.

Apart from Bheramara, according to him, the other possible sites are Sirajganj and Baghabari in western region and Shahzibazar and Haripur in eastern zone of the country.

"We have to study which one will

be cheaper: setting up a gas pipeline for the power plant or grid in case of export to India," said the State Minister for Power Division.

He, however, made it clear that India proposed that Bangladesh could go for export only after meeting domestic demand. "We will need another 2,000 mw of electricity by the year 2005," he said.

He said Bangladesh agreed with the proposal, as there is a clear offer that the electricity from the plant can be exported after meeting local demand. "Otherwise, we would not have agreed."

Asked about the volume of investment, the minister said no study has been done so far. He said a detailed study would determine the volume whether it would be Tk 1,000 crore or Tk 1,200-1,300 crore.



PHOTO: NITOL GROUP

Abdul Matlub Ahmed, Chairman of Nitol Group, and Graeme C. Brickell, Managing Director of Rix Services Ltd of New Zealand, exchange the documents after signing an MOU in the city on Monday.

WB admits mistakes that slowed development

REUTERS, Washington

The World Bank, accused by some top US officials of wasting foreign aid money, yesterday admitted it and other donors have made mistakes that have slowed development, but maintained that aid is more effective than ever before.

It noted the effectiveness of aid handed out through the bank's lowest-cost financing arm, the International Development Association.

The bank has asked rich nations to boost IDA funding by \$12.5 billion this year, but the request has been delayed by a dispute between US President George W Bush and European leaders on the shape the aid should take.

The report came less than a week after World Bank President James Wolfensohn blasted rich countries for their meager foreign aid budgets, which he urged them to double.

The United States, which is the bank's largest shareholder, has said it needs to ensure that funds are being used efficiently before it will provide cash increases.

"We must learn from past failures,

as well as understand the origins of the successes," said the bank. "Like aid recipients, who have often followed weak policies or allowed institutions to deteriorate, donors also have made mistakes that slowed development."

Sub-Saharan Africa saw no increase in its per-capita incomes between 1965 and 1999, even with some improvement in the 1990s, said the report, entitled "The Role and Effectiveness of Development Assistance".

Many transition countries in Eastern Europe and Central Asia also suffered deep declines in living standards and sharp rises in poverty during the 1990s, the bank said.

The bank said too often in the post Cold War period aid allocations were driven by geopolitical aims, that too much focus was placed on isolated projects, and too much money was given to governments that were not truly committed to reform.

US Treasury Secretary Paul O'Neill has been highly critical of the bank, calling for reforms and saying the money that US plumbers and carpenters pay in taxes should not

be used to fund projects that do not work.

On Monday, O'Neill, who had not yet seen the report, said he would be "delighted" if it showed demonstrated success of past efforts.

"For a very large fraction of the world population, people are still living under a dollar a day. That doesn't sound to me like 50 years worth of success," he said at a news conference on the financial war on terrorism.

United States gives 0.1 per cent of gross domestic product to foreign aid, well short of the 0.7 per cent recommended by the United Nations. Other leading industrialised countries also fall short of the target.

Wolfensohn said an additional \$40 billion to \$60 billion a year is needed to reach the Millennium Development Goals, which aim to slash by half the number of people living under a dollar a day by 2015.

He also said the events of Sept 11 show that there is no wall between rich and poor countries, that events in countries where people are living in poverty can impact on rich countries.