

Annual sales confce of Kai Aluminium held

STAR BUSINESS REPORT

Annual sales and marketing conference of Kai Bangladesh Aluminium was held in the city on Thursday, with some 700 dealers taking part.

On the occasion, Chairman of Kai Bangladesh Aluminium Asfaq Ahmed thanked the marketing agents for the continued success of the company.

Managing Director Sabbir Ahmed Aga said Kai has established Kai Project Management Services Ltd for technological development of local structural industry.

Director of the company Sharif Aziz was also present at the function.

Three agents -- Alloy International, Rampura; Goodluck Engineers Company, Panthapath; and Aluminium Furniture, Chittagong -- were awarded for their business performances in 2001 at the function.

Virgin ranks 9th best brand in Asia-Pacific

Virgin ranks 9th best brand in Asia-Pacific region, says a press release.

According to a 2001 inter-band survey, Virgin also becomes 4th best European band and 11th best global brand.

Andrew Craissati, Virgin group's regional chairman and CEO, said "No brand can truly be called global until it is accepted in this diverse market and our recent successes in the region (especially Japan and Australia) clearly demonstrate that Virgin's core brand values of fun, freedom and innovation resonate on a local level throughout the region. Consumers in each disparate market are making an emotional connection with the brand."

Virgin drinks was launched in Bangladesh by Global Beverage Company Limited in 1999.

The Virgin Colours soft drinks distributor and manufacturer stuck to the core brand values of fun. Targeting teens and young adults, the Virgin Colours range is currently composed of Virgin Red (Cola), Virgin White (Diet Cola), Virgin Blue (Lemon Lime) and Virgin Orange (Juicy Orange).

Consumers can also expect more wild taste sensations in zingy fruit-flavoured combinations due to be launched in the second half of the year.

Manufacturing output in India declines sharply

AFP, New Delhi

India's industrial production slumped to 2.7 per cent growth in the financial year ended March, with sharp falls in the manufacturing and electricity sectors, a government statement said Friday.

The industry grew by five per cent in the previous year.

While the electricity segment saw a decline in overall growth for the year with growth dipping from four to 3.1 per cent, the manufacturing sector fell to 2.7 from 5.3.

Growth in the consumer durable industry declined to 11.6 from 14.5 in the previous year.

The production of capital goods also declined marginally.

However, nine out of the 17 industry segments showed positive growth during March.

India's industrial growth rate had registered a 10-year low of 2.3 in the nine months to December.

Despite the fall, Indian industry has predicted it would achieve higher growth in the coming year on the back of a turnaround in the global economy.

British trade deficit widens in March

AFP, London

The British trade deficit shot up unexpectedly in March to 3.0 billion pounds (4.8 billion euros, 4.4 billion dollars) from 2.6 billion pounds in February, official figures showed on Friday.

The National Statistics office also reported a trade deficit with non-EU countries of 2.2 billion pounds in March, against a revised shortfall of 2.1 billion in February.

Analysts had been expecting a global trade deficit of 2.6 billion and a non-EU trade shortfall of 2.0 billion.

National Statistics said that the deterioration in the trade balance was largely the result of a widening deficit with other European Union countries, notably because of lower exports of oil and consumer goods other than cars.

Textile mill owners demand ban on grey fabric import

UNB, Dhaka

Owners of specialised textile mills and powerloom industries proposed a complete ban on the import of grey fabrics alleging that leakage of the foreign cloths posed a threat to domestic industries.

The plea came from the Bangladesh Specialised Textile Mills and Power Loom Industries Association, which suggested amendment to the relevant provision of the existing import policy that allows the import of grey fabrics.

It said such grey textiles should in no way be importable considering the interest of local powerlooms and handlooms as well as for the sake of adding more local value to garment exports.

Besides, "most of the grey fabrics imported in the name of the garment factories are released in the open market," the Association said in its proposals sent to the Ministry of Commerce recently.

Private-sector bodies and government agencies have put forward 23 such proposals and amendments as the government is working on a new, updated import policy to fit in the WTO regime guiding world trade.

"Proposals in many cases varied widely as different associations tried to safeguard their conflicting interests," one source in the ministry said.

The National Board of Revenue and

Bangladesh Bank also made some amendments to the existing policy.

Dhaka Chamber suggested percentage of value addition in knitwear exports should be raised up to 50 viewing the recent development in backward-linkage industry in this sector.

As the existing five-year import policy is expiring this June, the government has been consulting the business bodies and other stakeholders to have their views reflected in the new policy, a senior Commerce Ministry official told UNB.

In the first consultative meeting on March 5, various trade forums felt the coming policy must be prudent enough because it will have to deal with quite different trade rules after 2004.

Meanwhile, various trade chambers and associations have put forward their sector-wise recommendations for the next policy.

They viewed that no other option is left for Bangladesh but to go for further liberalisation of trade to fulfil the World Trade Organisation requirements.

Abrupt withdrawal of tariffs or protections would hit hard the local industry, some business leaders also cautioned.

Besides, the WTO Cell in the Commerce Ministry must be manned with efficient people who are well-versed in the changing global trade patterns.

A follow-up meeting of import advisory council

on Wednesday with Commerce Minister Amir Khosru Mahmud Chowdhury in the chair reviewed the proposals, sent by FBCCI, DCCI, BGMEA and various other trade bodies.

BGMEA sought import of fixed amount of specimen fabrics, yarn, wool and acrylic knit fabrics without prior permission and permit. In case of import on no-cost basis, BGMEA sought amendment to relevant article of the Import Policy to end requirement of customs authority's taking prior permission from the Chief Controller.

It proposed relaxation of value-addition limit up to 5 per cent in case of local procurement of cartons and accessories through inland back-to-back LCs.

The apparel-sector apex body also sought permission for inter-bond transfers of imported raw and packaging materials, and transportation of grey, white and knit fabrics to and from dyeing and processing plants.

The garment manufacturers and exporters also proposed amendment to the existing policy to allow import of knit fabrics in rolls.

Bangladesh Textile Mills Association suggested slapping a ban on pocketing and interlining fabrics through bonds and making such imports conditional.

To protect the sick embroidery industries, FBCCI suggested a moratorium on the import of new embroidery machines and a total ban on import of old machines.

Rahimafrooz markets electric scooter

STAR BUSINESS REPORT

In a move to make environment-friendly vehicles popular in the capital, a local company has started marketing of two-wheel electric scooter, the first of its kind in the country.

"We have already imported some of the electric scooters from Thailand and many are on the roads," said an official of Rahimafrooz Batteries Ltd.

Driven by a 24-volt DC motor running on two lead acid batteries, the vehicles can travel at a speed of 25 to 30 km per hour and cover a distance of 60 km with a single charge. The bike has a built-in charger that allows charging the batteries at any time and anywhere.

These electric vehicles, with zero emission and minimal noise, will be popular if the government cuts duty on these items to promote environment-friendly transports in the country, the Rahimafrooz official added.



Two-wheel electric scooter

The company is now selling a scooter at Tk 80,000. "But it is possible to reduce the price to Tk 50,000 if the government provides duty exemption to these vehicles," he noted.

Presently, the importers have to pay 15 per cent import duty and 15 per cent value added tax (VAT) for the vehicles. "We hope that the government would take necessary

steps soon and announce duty exemption in the next budget," he said.

The battery recharging and maintenance cost will be 50 per cent lower than the present fossil fuel cost, the official said.

Rahimafrooz Batteries Ltd, the country's largest lead acid battery manufacturer, produces extensive range of automotive and specialised industrial batteries. The manufacturing of over 300 different types of batteries with excellent export growth record has put the company in the front line as a regional player in South Asia.

"The world is gradually converging towards non-conventional, renewable energy sources. Rahimafrooz has dedicated itself to making that transition possible in Bangladesh," the official observed.

The company has a plan to launch other electric vehicles like three wheelers, cars and buses in phases.

Govt targets \$1b farm export, \$550m leather in 5 years

UNB, Dhaka

The government is now consulting with the exporters on a target of earning about one billion US dollars from agro-products and another 550 million dollars from leather, leather goods and handicrafts in next five years.

Export Promotion Council recently set the provisional targets and devised guidelines to chase those on the basis of recommendations by various export sectors.

The guidelines would be thoroughly discussed in sector-wise meetings and included in the long-term export policy to chart the future road map of country's export trade, Export Promotion Bureau (EPB) sources said.

Agro-based sector that included vegetables, jute and jute goods, frozen foods, tea, tobacco and cigarettes is one of the four broad divisions of export sector, which the council divided in a recent meeting for the convenience of consultations.

Another broad division comprised leather and leather goods, handicrafts, chemical and chemical products.

The council projected an earning of US \$684 million from agro-

products in the next fiscal (2002-2003) while the export is expected to gradually rise to about one billion dollars in 2006-2007.

The target for frozen foods, fixed at US\$325 million for 2002-2003, is likely to rise to US\$450 million in 2006-2007. The sector registered an export earning of US\$191 million during July-February period of the current fiscal year.

For jute goods, the target has been set at US\$260 million for 2002-2003 and the gradual increase is estimated to reach US\$325 million in 2006-2007. During first eight months of the current fiscal, the item earned US\$161 million.

Raw jute export stood at US\$43 million in July-February period of the current fiscal, but the target has been fixed at US\$65 million for 2002-2003 with a growth of up to US\$75 million in 2006-2007.

The target for tea export remained static at US\$24 million, both for fiscal 2002-2003 and 2006-2007.

Vegetables is expected to contribute US\$30 million in 2002-2003, rising up to US\$45 million in fiscal 2006-2007. Vegetables earned about US\$10 million in July-February period of the current fiscal.

The provisional target for leather,

leather goods and handicrafts is set at US\$425 million for fiscal 2002-2003 against an export of US\$215 million in first eight months of the current fiscal. The target up to fiscal 2006-2007 is set at US\$550 million.

Meanwhile, Export Promotion Council has listed the recommendations submitted by various export sectors to devise a strategy to achieve the targets.

The recommendations call for privatisation of jute mills and measures to develop skills in the mills, increasing productivity and product quality, and setting up sales centres for jute products in Asia, Africa and Latin American countries with the help of Bangladesh missions abroad.

For the development of the frozen food sector, suggestions were made for allocation of 100 acres of khas land to each export-oriented frozen food factories, formation of shrimp board, and research and remedial measures for preventing shrimp diseases.

For processed fruits and vegetables, the export sector called for vigorous drive to get duty-free market access like India in Nepal, demarcation of export village allocating khas land to vegetables and fruits exporters and taking up pilot

projects to set up seasonal fruit processing factories.

Measures should also be taken to get duty-free market access in Bhutan and Myanmar, activate Bangladesh missions abroad and appointing professional commercial officers in the missions, they suggested.

Leather sector exporters recommended setting up of water treatment plant, establishing an environment-friendly leather town to transfer tanneries from city's congested Hazaribagh area, formulation of a separate leather policy and establishing a leather fashion institute.

All the sectors stressed the need for bank credit, cash incentives, withdrawal or reduction of value added tax (VAT) and customs duty, and other policy support to facilitate imports against export orders.

In addition, they recommended giving priority in air cargo booking to exports and reducing freight charges of national flag carrier Biman, Railway and ships.

They also urged rapid development of Chittagong and Mongla ports, increasing cargo space in Biman and setting up of cold storage and documentation counter at the Cargo Complex of Zia International Airport.

Andersen Vietnam to merge with KPMG

AFP, Hanoi

Andersen Vietnam Ltd., the Vietnamese arm of troubled accounting firm Andersen, plans to merge with KPMG, the firms said in a statement Friday.

The transaction was subject to finalisation of the terms of a memorandum of understanding, but the two parties expect the deal to be concluded before June 2002, the statement said.

"The transaction with KPMG would be complementary in terms of the services and experience of each firm, and clients would benefit from even higher levels of industry specialisation and access to a broader range of services and expertise", said Brook Taylor, senior partner of Andersen Vietnam.

The combined firm is to operate under the name of KPMG, which already one of the largest professional services firms in Vietnam with 180 staff providing services to over 300 clients.

"The expansion of KPMG's business comes at a critical time for Vietnam, where reforms implementing the Vietnam-US Bilateral Trade Agreement are bringing renewed interest in the country", KPMG's managing partner for Vietnam, Bob Ellis said.

KPMG Consulting Inc. announced Wednesday that it has signed a letter of intent to buy the business consulting units of Andersen Worldwide Societe Cooperative, also known as Andersen Worldwide.



PHOTO: AGRANI BANK

ASM Imdadul Haque, managing director of Agrani Bank, speaks as chief guest at a branch managers' conference of the bank's Jessore Zone recently. Md Aminur Rashid, general manager-Khulna Circle, is also seen in the picture.

US recession may be over, says nat'l research body

AFP, Washington

The US recession may be over, the official arbiter of US business cycles, the National Bureau of Economic Research (NBER), said Thursday.

"Payroll employment steadied from January to March and then increased slightly in April, the first increase in nine months," the bureau said in a statement.

"Other signs indicate that the decline in activity that began last year may have come to an end."

The statement is hardly news to most people, after US economic output shot up 5.8 in the first quarter of this year.

The highly conservative NBER, however, remains the final referee of when US recessions begin and end.

The bureau officially dated the start of the last US recession from

March last year, although many analysts and officials have since argued that the downturn was too mild to qualify as a recession.

US Treasury Secretary Paul O'Neill, for example, deliberately refers to the period as a slowdown, not a recession.

Many economists define a recession as two consecutive contractions in quarterly gross domestic product (GDP).

But the US economy shrank only in the third quarter last year, when GDP fell 1.3. GDP then grew 1.7 in the last quarter of 2001 before leaping ahead in the first quarter of this year.

The NBER, however, considers GDP to be unreliable as an indicator of the economy. Instead, it bases its views on monthly data, particularly

on employment, to determine when the economy is in a slowdown.

The NBER said it had not yet officially determined the date for the end of the recession.

"The committee waits for many months after an apparent trough to makes its decision, because of data revisions and the possibility that the contraction would resume," it said.

Separately, the Detroit-based Comerica Bank said its Recession Watch Index (RWI), which forecasts the likelihood of a recession in the next six to 12 months, registered zero probability in April.

"The RWI has remained at or near zero for eight consecutive months, suggesting considerably better-than-consensus real GDP growth rates in the year ahead," the bank said in a statement.