

StanChart inks collection services deal with Uttara Bank

Standard Chartered Bank, Bangladesh has signed a National Collection Services (NCS) agreement with Uttara Bank, says a press release.

Under the deal, Standard Chartered corporate customers will be able to use 198 Uttara Bank branches in addition to the 19 branches of Standard Chartered Bank in Bangladesh to collect their dues.

SAA Masrur, head of Corporate and Institutions of Standard Chartered Bank Bangladesh, and Md Abdus Sattar, deputy general manager Uttara Bank, signed the agreement on behalf of their respective sides in the city on Sunday.

Mohammad Aminuzzaman, managing director of Uttara Bank, Muhammad A (Rume) Ali, chief executive officer, Bangladesh of Standard Chartered Bank, and senior officials of both banks were present on the occasion.

NCS of Standard Chartered Bank is designed to help corporate clients with the collection requirements throughout the country by providing faster fund availability in a cost-effective manner and improve the company's liquidity.

NCS offers a centralised system where a corporate client can maintain a single concentration account with Standard Chartered for all their countrywide collections.

FedEx named Global Express Carrier of the year

Philips has named FedEx the Global Express Carrier of the year, says a press release.

This accolade recognises the high quality of overall service that FedEx provides for their express shipping, both domestic US and international.

The award of this title was based on the feedback provided by key staff throughout the logistics and supply chain community within Philips. Every aspect of the performance came under scrutiny from the service provided by the FedEx system to the physical service quality.

The survey results demonstrated tremendous support from Philips for FedEx's strategic approach and ability to positively impact the many needs of a large conglomerate organisation.

Nick Gennari, Director Worldwide Accounts, received the award from Philips on behalf of FedEx.

This is a great achievement for FedEx as it acknowledges FedEx's success and partnership in both in the US and worldwide.

With an annual revenue of 20 billion US dollars, FedEx Corporation is the global provider of transportation, e-commerce and supply-chain management service.

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

China's exports rise 18.4pc in May

AFP, Beijing

China's exports increased 18.4 per cent in May from the same month a year earlier on rapidly growing trade with the United States and most Asian countries, state media said Tuesday.

In May, exports reached 24.6 billion dollars, resulting in a trade surplus of 2.2 billion dollars, the Xinhua news agency said, citing customs statistics.

China's economy, Asia's second largest after Japan, expanded 7.6 per cent in the first three months from the same period last year, sustained mainly by exports.

Since early this year, exports to the US, Hong Kong and the 10 members of the Association for Southeast Asian Nations have been particularly brisk, the customs statistics said.

On the other hand, according to the bureau, growth in shipments to Japan and Europe has slowed down, but no specific figures were given.

In the first five months of the year, exports increased 13.2 per cent to 116 billion dollars.

Imports during May rose 19.3 per cent from a year earlier to 22.4 billion dollars, while they gained 10.9 per cent in the January-May period.

Shop owners threaten non-cooperation

Demand for refixing VAT at retail level

STAR BUSINESS REPORT

Shop owners yesterday said they will not co-operate with the government in the VAT collection process unless the government re-fixes VAT at 1.5 per cent from the proposed 2.25 per cent at retail level.

In a reaction to the proposed budget for 2002-2003 fiscal, Bangladesh Shop Owners' Association (BSOA) yesterday also told a press conference the budget has disappointed small and medium entrepreneurs and the middle class

people.

The BSOA leaders also urged the government to improve the law and order situation for the sake of the economic development.

Amir Hossain Khan, chairman of the BSOA, said during the pre-budget talks with the finance minister and National Board of Revenue (NBR) officials the BSOA leaders promised they would help the government to increase the number of shops under VAT net from existing three thousand to 25 thousand, subject to implementation of the

association's reasonable recommendations.

But most of the recommendations of the association were ignored in the proposed budget," Amir said, adding the BSOA urged the government to fix the rate of VAT at 1.5 per cent at the retail level.

Amir Hossain said, "The government has no such mechanism that can collect VAT from around 20 lakh shops of the country without our cooperation."

The BSOA members also protested the proposal of reducing the

income tax exemption limit to Tk 75 thousand from Tk one lakh.

The association termed the decision to ban import of reconditioned vehicles 'unrealistic'.

They also protested increasing of duty on fish, fruit and printing materials.

Among others, BSOA secretary general SA Kader Kiron, President of Dhaka Mahanagar Shop Owners Association Helaluddin Helal and other leaders of the association were present during the press conference.



Amir Hossain Khan, chairman of Bangladesh Shop Owners' Association, speaks at a press conference in the city yesterday.

Dealers allegedly provide low-quality taxicabs

STAR BUSINESS REPORT

Taxicab owners yesterday alleged the dealers of new cars have provided them with low-quality vehicles.

After first year of operation condition of the vehicles become extremely bad that pushes the maintenance cost to intolerable level, they said at a press conference at Jatiya Press Club in the city.

"After imposition of ban on import of reconditioned vehicles as taxicabs, the operators were forced to buy poor quality cars at the higher prices from the dealers. A vehicle is supposed to run for eight years as per taxicab rule, but most of the three year-old vehicles now are not fit at all to ply on roads," said Md Khorshed Alam Khan, president of Association of Taxicab Owners of

Bangladesh (ATCOB).

Besides, these vehicles supplied by the dealers pollute the environment extensively, consume much fuel and these need repair on a regular basis because their carburetor engines face trouble within a few months, he mentioned.

The ATCOB leaders urged the government to allow reconditioned taxicab import and reduce the duty for importing such vehicles.

In order to make high profit, the dealers imported very low quality vehicles from India and Japan and sold them in local market at much higher rates, they said.

Many of air conditioners of such vehicles do not work properly and negative impression is on rise among the people because of unsatisfactory services of taxicabs, the ATCOB president said.

The taxicab operators are supposed to make minimum profit but presently they are not in a position even to repay the bank loans.

They said some dealers, including owners of Navana and Shohag, are behind the Cab Association of Bangladesh (CAB) which is collecting monthly Tk 1000 toll. Besides, the CAB is charging Tk 450 for sticker, Tk 250 for identity card and Tk 750 for uniform.

Upon filing a case, court has issued injunction in favour of ATCOB. But ignoring the injunction, the dealers continued to collect toll, he mentioned. "As a result, we filed a miss violation case against them."

The CAB is also collecting T&T satellite fee but they misappropriated the money and did not pay it to the T&T.

BoJ to raise economic assessment

AFP, Tokyo

The Bank of Japan (BoJ) is expected to revise upward its assessment of the economy for the fourth straight month, a news report said Tuesday.

The central bank will also probably decide against additional monetary easing measures during its two-day policy board meeting to start Tuesday as fears about credit risks have eased, the Nihon Keizai Shimbun said without citing sources.

The central bank is likely to maintain its current policy of setting a target for the balance of current accounts deposited at the bank at 10 trillion to 15 trillion yen (80.2 billion to 120.3 billion dollars), the financial daily said.

Policy board members at the meeting will also discuss their assessment of the economy, to be included in the BoJ's monthly report of economic and financial developments for June, the newspaper said.

PRSP may turn into a donor-driven strategy

People's Empowerment Trust observes

STAR BUSINESS REPORT

People's Empowerment Trust (PET), a non-government organisation, apprehended that the government's poverty reduction strategy paper (PRSP) would ultimately turn into a donor-driven strategy.

MM Akash, Chairperson of the PET, said the government already prepared a draft paper on PRSP titled "A National Strategy For Economic Growth and Poverty Reduction" where some positive things are stated. "But I doubt whether the donors will agree with many of those issues. So ultimately, I fear, we have to accept totally a changed strategy."

MM Akash, an eminent economist of the country, was speaking at a press conference titled "Proposed Budget: Topic PRSP" held at Reporter's Unity in the city yesterday.

"The strategy will be subsequently converted to PRSP, which will provide the basis for holding dialogues with the development partners, he quoted Finance and Planning Minister M Saifur Rahman as saying in his budget speech.

He criticised the finance minister for his contradictory comments about the donors before and in the budget document. "Before the budget he heavily criticised the donors on various issues. But on the

budget document he expected 'valuable support and cooperation' from the donors."

There is no specific vision for reducing poverty in the proposed budget 2002-03, he opined.

The PET chief, who is also a Professor of Economics at the University of Dhaka, also urged the government to finalise the poverty reduction strategy paper by holding open discussion in the Parliament.

Describing the proposed budget as ambitious one, MM Akash said there is no contingency plan for garment sector which is going to face serious problems in the post-MFA era after 2004.



SAA Masrur, head of Corporate and Institutions of Standard Chartered Bank Bangladesh, and Md Abdus Sattar, deputy general manager of Uttara Bank Ltd, sign a national collection services agreement on behalf of their respective sides in the city on Sunday.

US under assault on farm bill at world food summit

AFP, Rome

Canada's agriculture minister Lyle Vanclief slammed the United States at the UN World Food Summit in Rome on Tuesday, saying its farm bill would not only hurt Canadian farmers but also those in developing nations.

"We know that a fair and market-oriented international trading system is vital to eliminate poverty and hunger," Vanclief told reporters on the summit sidelines.

"The US farm bill and higher

European Union subsidies distort world commodity markets and hinder the capacity of developing nations to participate actively in this system," said Vanclief, who was flanked by Argentina's agriculture minister Rafael Delpech, Brazil's Vincius Pratini de Moraes and Uruguay's Gonzalo Gonzales.

"New support payments for some American pulse crops will especially impact developing nations that are significant producers of these crops," Vanclief said of the bill, which provides tens of

billions in subsidies to US farmers.

He said last November's World Trade Organisation (WTO) ministerial conference in Doha, Qatar, had moved towards achieving substantial improvements in market access, a reduction of food subsidies and trade-distorting domestic support, which Canada would continue to seek.

"The US played a strong leadership role in Doha in developing a negotiating agenda to help level the international playing field."

Indonesia to raise tariffs on food, agro commodities

AFP, Jakarta

Indonesian President Megawati Sukarnoputri has agreed to increase import tariffs on all food and agricultural commodities in the near-term, a report said Tuesday.

"We must adjust our stance by implementing higher tariffs for all food and agricultural commodities and the president has already agreed to this to ensure our food products are more competitive," Agriculture Minister Bungaran Saragih was quoted by the Kompas daily as saying.

Saragih who was in Rome with Megawati to attend an international food conference said the country currently had low import tariffs and other countries were providing hidden subsidies to protect their farmers.

Indonesia currently has tariffs of 30 per cent for rice and sugar and five per cent for raw sugar, while there are no tariffs for soybeans and corn, he said.

Indonesia does not provide any subsidies, while Europe and the US generally set high import tariffs and give export credit subsidies to their farmers, he added.

Tata Engineering truck sales up 82pc in May

AFP, Bombay

India's largest truck maker, Tata Engineering and Locomotive Co Ltd (TELCO) said Tuesday commercial vehicle sales in May surged 82 per cent to 7,230 from a year earlier.

Medium and heavy commercial vehicle sales in May were up 102 percent, while light commercial vehicle sales rose 49 percent.

"If it is driven by a genuine demand pick-up then it indicates that even the economy is in a turnaround phase," an automobile analyst with a foreign brokerage said.

Tata Engineering said its total domestic vehicle sales in May were up 12 per cent to 12,453.

Domestic passenger car sales amounted to 5,223 vehicles in May, of which 3,018 were for its popular Indica model.

The company's utility vehicle sales in May were down eight per cent to 2,205.

BUDGET QUIPS

"What is the latest about separation of judiciary from the executive?"

"The high-powered committee is seeking more time from the Supreme Court, but the Finance Minister has already started the process. An amendment to Income Tax Ordinance dropping judicial member from the Taxes Appellate Tribunal has already been tabled. The tribunal will now be manned entirely by the executive branch."

MMI

FICCI against untaxed income investment

UNB, Dhaka

Foreign Investors' Chamber of Commerce and Industry (FICCI) expressed disappointment over the budgetary proposal allowing investment of untaxed income without any question.

"Such funds arise out of untaxed income at best or illegal means at its worst and could be seen as being against natural justice in the context of law-abiding citizenry," the chamber said in its post-budget reaction.

FICCI said the measure would only act as a disincentive to honest taxpayers and frustrate genuine businesses since such practices would definitely tilt the playing field in favour of the tax-evaders. The chamber urged immediate withdrawal of the proposal.

It termed withdrawal of tax-holiday scheme in excuse for its monitoring difficulties a retrograde step as far as rapid industrialisation is concerned.

The chamber strongly felt that the scheme should be left as it is with strong monitoring measures set up by the authorities with severe consequences for abusers.

It observed that the proposal for

new entrants in an industry in the form of a new company to have the tax-holiday facility is unjust and would create an uneven playing field for the existing investors in the industry.

The chamber strongly recommended the withdrawal of the proposal to avoid distortions.

The chamber demanded continuation of zero-duty facility for generators in recognition of the shortage of PDB power supply.

"This is relevant especially in view of the government's own declaration that power situation is unlikely to improve over the next 2/3 years," it noted.

However, FICCI acknowledged that the revenue targets for next fiscal are challenging. In the face of the encouraging reductions in tax rates, tax collection efforts will need to be increasingly vigilant and tax-dodging activities will need to be further checked.

The chamber considered the budget as a whole business-friendly, welcomed certain initiatives, particularly some "ground-breaking" moves to rationalise and simplify tax administration.

Lack of enforcement hampers Asian corporate governance

AFP, Kuala Lumpur

Asian corporate governance has improved dramatically since the region's 1997-1998 financial crisis, but a lack of enforcement is hampering progress, a top banker said Tuesday.

Edward Baker, chief executive of investment bank Alliance Capital Ltd. in London, said there was still room to improve the practices of regional stock exchanges, regulators and companies.

"In the early to mid-90s, corporate governance was very poor and was one of the reasons why investors quickly became disenchanted

with Asia during the 1997 financial crisis," he told a news conference.

"Since that time, there has been tremendous progress especially in Malaysia and South Korea where it has jumped from very poor to quite good... but there is still a lot of room for additional improvement."

Baker was speaking on the sidelines of a one-day meeting here of regional financiers under the Institute of International Finance (IIF), a global association comprising some 320 financial institutions.

He said the IIF earlier this year drew up a corporate governance code to help emerging markets improve their practices and trans-

parency.

"But you cannot rely on a code to improve governance. You also need an enforcement framework, an interest on the government's part to regulate and that's still lacking in this part of the market," he said.

The code includes policy recommendations on stock exchange rules and listing requirements, as well as security and company laws.

The IIF would push for implementation of the code first in China, South Korea, Mexico, Brazil, Russia and South Africa before expanding to other countries, he added.