

Weekly tea sale Foreign buyers active

BSS, Chittagong

The weekly tea sale held here Tuesday witnessed more interest from foreign buyers, especially Afghans, although the rates were generally lower, market sources said.

According to sources, loose tea buyers were less active but Blenders lent fairly good support. Pakistan was virtually absent while buyers from CIS countries were selective. Dust was a good market with the better Liqueuring types tending dearer.

The detail sale report is as follows:

CTC Leaf: 2459 chests, 13,714 gunnysacks and (47 gunnysacks of old season) on offer met with good demand at easier rates.

Brokens: All clean well made Brokens met with a fairly good demand but eased by Tk 2 to Tk 3 in line with quality while other declined by Tk. 1 to Tk 2 however, plainer types tended dearer. Large brokens were a slightly easier market.

Fannings: Clean grainy Fannings met with a good demand but eased slightly whilst others were easier by Tk 1 to Tk 2 following quality. Plainer types, however, remained firm.

CTC Dust: 305 chests, 2723 gunnysacks and (247 gunnysacks of old season) on offer once again met with a good demand. Well made good Liqueuring RDs/Ds were fully firm. Whilst eased by Tk 1 to Tk 3 Plainer varieties met with good competition and tender dearer. CDs met with less demand and were easier. Both Blenders and the loose tea traders operated in the auction.

The next sale will be held at the country's lone auction house in the port city on July 2.

AAT Bangladesh launched

A new professional organisation styled "Association of Accounting Technicians of Bangladesh" has been formed with an aim to groom mid-level accounts in the country, says a press release.

The ICAB, the ICMAB, chartered secretaries and managers and university teachers have set up the AAT Bangladesh, which was launched at a press conference held at a city hotel on Friday.

Presided over by AAT Bangladesh President Saleh Ahmed Bhuiyan, the press conference was addressed, among others, by Md Liaquat Ali Khan, executive director, councilors Md Abu Kaiser, Md Muzahidul Islam, Md Bashiruddin, Md Rafiqul Islam and Mahbuba Hasnat.

The new organisation has already got approval of the ministry of commerce as a self-governed institution and applied for membership of IFAC and CAPA.

It offers a three-year course, which is divided into three levels—foundation level, intermediate level and final level.

ICAB seminar on communication skills held

The Institute of Chartered Accountants of Bangladesh (ICAB) organised a Continuing Professional Education (CPE) seminar on "Communication Skills" at its auditorium in the city on Thursday.

Akhtar Matin Chaudhury, managing director of Organon (Bangladesh) Limited, acted as session chairman, says a press release.

Prof M A Mannan, Dean of the Faculty of Business Studies of East West University and former vice chancellor of Chittagong University, presented the key-note paper at the seminar.

M A Barea, President-ICAB, welcomed the participants. The seminar was largely attended by the members of the Institute.

Akhtar Matin Chaudhury summed up the discussions in the seminar.

Afghan currency falls 12pc

REUTERS, Kabul

Afghanistan's currency has lost more than 12 per cent of its value after the country's central bank announced plans to introduce new bank notes, traders said on Wednesday.

After weeks of stability, the Afghani fell on Tuesday to 40,000 per US dollar from 34,000 a day earlier. The local currency regained some value on Wednesday, standing at 39,000 to the dollar.

Central Bank governor Anwar Ahady told Reuters on Tuesday of plans to restructure the Afghan currency and increase its nominal value more than 1,000-fold in a bid to establish monetary stability and attract foreign investment.

Accord on cash incentive issue, discord still over yarn import

FBCCI chief agrees to mediate RMG exporters-BTMA talks

STAR BUSINESS REPORT

Three associations of apparel exporters along with Bangladesh Textile Mills Association (BTMA) yesterday expressed common concern over the cash incentive issue while the BTMA opposed the views of the three associations on the ban on Indian yarn import through land ports.

Leaders of the four associations the BGMEA, BKMEA, BTTLMEA and BTMA yesterday reached a consensus that all outstanding cash incentives should be disbursed immediately and that reduction of cash incentive from 25 per cent to 15 per cent will put the country's apparel export sector at stake.

In a Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)-brokered negotiation all the four associations, however, expressed equal concerns about their business after the year

2004 when there will be no quota protection.

At the meeting, FBCCI President Yussuf Abdullah Harun said he would work as a mediator if the associations act with a give-and-take spirit.

"If you agree to do so, only then I will be ready to take up the issue with the finance and commerce ministers and, if required, with the Prime Minister," Harun told the leaders of the four associations.

The FBCCI president also blamed different associations for making the policymakers confused by giving them contradictory suggestions in different times.

Bureaucrats also take chances to further confuse all quarters by issuing obscure circulars having no practical meaning, the FBCCI president said.

He urged the associations to make their respective stands available to the FBCCI office in written by

next Saturday and hoped he would be able to come to an agreeable situation within a week.

BTMA Chairman A Matin Chowdhury said a consensus on all the issues is unlikely to be reached as business approaches are different. "But we have agreements in 80 per cent of issues where we can work together," he said.

He also observed "If the cash incentive is 15 per cent, 90 per cent of the knitwear industries will not use local yarn for cash incentive because they will not be able to cover the cost."

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Kutubuddin Ahmed said an arbitrator is required when interests of various groups do not match at one point and FBCCI, being the apex body of the private sector, should take the lead to broker a dialogue to devise a way out.

Among others Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) president Manzurul Huq and Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA) president Anisuzzaman also expressed their concerns over how the ban on yarn import through land ports and non-disbursement of cash incentives are damaging their industries.

Apparel manufacturers and exporters under the leadership of BGMEA have been in the movement to realise their demands as all other ways to make the government respond have failed.

They also marched towards Prime Minister's Office last week, but there is no response so far, they said. "We, the businesspeople, are not supposed to go to street. But we are being forced to go for movement," said Kutubuddin Ahmed.



M Matiuil Islam, chairman of the Board of Directors of Industrial and Infrastructure Development Finance Company Ltd, inaugurates the second unit of Shetu International (Pvt) Ltd at Adhuria, Rupganj in Narayanganj on Saturday.

Second unit of Shetu Int'l goes into operation

The second unit of Shetu International (Pvt) Ltd, a flexographic printing and packaging industry, started its commercial operation on Saturday, says a press release.

M Matiuil Islam, chairman of the board of directors of Industrial and Infrastructure Development Finance Company Ltd (IIDFC), inaugurated the unit at Adhuria, Rupganj in Narayanganj.

Total project cost of the unit has stood at BDT 183.75 million, in which a syndicated financing of Tk 133.83 million has been arranged under the leadership of International Leasing and Financial Services Limited (ILFSL).

Other participants in the syndication are IIDFC, Bangladesh Industrial Finance Company Ltd (BIFC), Investment Corporation of Bangladesh (ICB), Mutual Trust Bank Limited and ONE Bank Limited.

Among the officials of the above institutions and different client companies of Shetu International, Mafizuddin Sarkar, MD of ILFSL, AKM Nozmul Haque, MD of IIDFC, Ziaul Haque Khandakar, MD of ICB, Inamur Rahman, and vice president of BIFC, were also present on this occasion.

Jahangir Kabir Khan, chairman, and Sohrab Hossain, MD of Shetu International Limited, briefed the guests on manufacturing process and the prospect of the company.

Holcim becomes corporate client of GrameenPhone

Holcim Bangladesh Limited, a concern of Holcim of Switzerland, recently signed an agreement with GrameenPhone Limited under its corporate sales package initiative to avail itself of mobile phones, says a press release.

Under the agreement, Holcim has been provided with GP mobile phones. Holcim, a leading cement manufacturer of the country is using GP Voice and data service to run internal communication network between its head office and plant at Mongla Port.

The company is willing to bring its other plants at Meghnaghat under this network. Ramit Budhraya, CEO of Holcim, and Kafil HS Mueyed, general manager Sales and Marketing Division of GrameenPhone, signed the agreement on behalf of their respective organisations.

Niaz Uddin Mahmood, general manager administration and HR Shakhawat Hossain, manager-IT of Holcim, Mahboob Hossain, additional general manager-distribution, and Hassan Md Zahid, head of corporate sales department of GrameenPhone, were present at the signing ceremony.

Japan passes corporate tax bill

REUTERS, Tokyo

Japan's parliament on Wednesday enacted landmark legislation to change the country's corporate taxation system after years of heated debate and compromise among policymakers and business leaders, but few companies are expected to take advantage of the system this business year.



Toufiq M Seraj, president of Real Estate & Housing Association of Bangladesh (REHAB), at a press conference at the Jatiya Press Club yesterday said the discretionary power given to the sub-registrars for fixing the price of land may totally jeopardise whatever positive measures for the housing sector proposed in the budget.

Equity & Entrepreneurship Fund conditions relaxed

STAR BUSINESS REPORT

In the face of cool response, the central bank has relaxed the terms and conditions for the Equity and Entrepreneurship Fund (EEF) so that the entrepreneurs can get financing easily.

The government allocated Tk 100 crore for the EEF in the outgoing budget (2001-2002) to help develop software, food-processing and agro-based industries but it produced a little result.

The central bank disbursed hardly Tk 10 crore for such projects and withdrew Tk 50 crore. Despite poor response, the present government has allocated fresh Tk 300 crore for the fund in the proposed budget for the 2002-2003 fiscal.

According to new guidelines, a software project with minimum cost of Tk one crore will now be eligible for the EEF support, said a central bank circular issued on Tuesday.

Earlier, the minimum project cost was Tk 1.50 crore.

An entrepreneur will get up to 49 per cent of total project costs from the fund if the project is not bank-financed, it said. Earlier, they got 33 per cent of the project costs or 49 per cent of the equity, which was lower.

The company formed with the help of the EEF will give dividends as per declaration, not at the pre-terminated rates. The dividends, as per previous guidelines, used to be paid by the company after three years at a declared rate or 5 per cent, which was higher.

The EEF support will be released after ensuring full utilisation of the equity portion of the respective entrepreneur instead of full utilisation of the entrepreneur's equity and bank loans.

Bangladesh Bank will transfer the fund to the assisting commercial banks after 70 per cent utilisation of

the entrepreneurs' equities. Earlier, the funds were released after commercial banks had released first instalments of their term loans.

The central bank will select the co-operating banks or financial institutions. And in the process, choice of the companies concerned or their previous relationship with banks will be given priority.

For the EEF service, banks or financial institutions will not have to bear any loss rather they will be refinanced for the services. There will be no need of new co-operation agreements between EEF Unit of Bangladesh Bank and the commercial banks.

As per the EEF guidelines, the central bank will provide funds to projects against shares of the company, which will be required to payback within six years. Until paid back fully, Bangladesh Bank will be entitled to get profit of the company against its share.

SAARC free trade area may be delayed: Secy gen

BSS, Dhaka

The preparation of a draft text of a treaty for creation of a SAARC free trade area in the region may be further delayed beyond its targeted deadline by December 2002, indicating that economic and business integration in the subcontinent is going very slow.

Originally the target was by the end of 2001, the visiting SAARC Secretary General Q A M A Rahim told a discussion arranged at the Bangladesh Institute of International and Strategic Studies (BISS) in the city yesterday.

Strategic and economic experts watching development in this region attended the meeting with BISS chairman Mufleh R Osmany presiding over the gathering. Major General S M Sahabuddin, director general of the institute, opened the discussion titled "Economic cooperation in SAARC: Getting Our Act Together."

Explaining why the set targets and goals of the seven nation regional forum are falling behind scheduled timeframe, the SAARC secretary general blamed the leadership for making ambitious promises without serious commitment to implement them.

"We make declarations of intent but the real progress that we have to show is peripheral," he pointed out.

About the difficulties in drafting the text of a treaty for creation of a free trade area in the region, the

SAARC secretary general referred to a number of complex issues. These are procedural and legal matters to be worked out and cleared by individual member states before taking up for the draft, he said.

The SAARC secretary general said that the ultimate goal is to create an economic and monetary union in the region to be governed by a single currency. It will come in successive stages through the creation of a customs union and a free trade area from the existing preferential trading system now in force.

Referring to three rounds of trade negotiations and the goals set for the fourth round, Rahim said the first one was more symbolic, the second identified quota and other non-tariff restrictions and the third round really dealt with tariff concessions and removal of trade restrictions.

The SAARC secretary general said the first meeting of the fourth round took place in April this year although it was scheduled for July 1999. Pointing to difficulties of individual member states in agreeing to a schedule for a meeting, he said the fourth round will broaden the negotiation from product to product approach to include services, besides further deepening of tariff concessions to promote substantial intra-regional trade and investment.

Removal of non-tariff barriers and other trade barriers will critically

dealt with in this round for intra-regional trade facilitation, he said, adding "what we want is trade creation and not trade diversion."

Rahim said the business community of the member states are the important stake-holders and they are having significant interactions with SAARC chamber of commerce and industries (SCCI) and the secretariat as part of consultations on major issues.

About SAARC poverty reduction strategy, he said the SAARC commission on the poverty reduction will sit in Pakistan and Bangladesh in September and November respectively. Meanwhile, a report on the subject is being prepared by the SAARC secretariat, he informed.

To a question about India's emphasis on bilateralism instead of multilateral approach to the promotion of intra-regional trade, Rahim said he was not sure if it was undermining the SAARC. It depends on the time and the nature of things, he said.

He said regional cooperation is possible to continue despite the flare up of conflicts between some member states. On a question, that India is not allowing Bangladesh to use a small strip of land to enter Nepal for business, the SAARC secretary general said a technical committee is looking into the matter.



Syed Anisul Huq, managing director of Bank Asia, is seen with the participants of a training course on 'Lending Risk Analysis' held in the city recently. Senior officials of the bank and the guest speaker were also present.



Mahbubur Rahman, chairman of Eastland Insurance Company Limited, addresses the company's 15th annual general meeting at BIAM Auditorium in the city on Wednesday. Managing Director M Azmal Hoque and Acting Secretary Mia Fazle Karim are also seen.

Market, economy determine dollar rate, says Bush

REUTERS, Kananaskis, Alberta

The US dollar will seek its level based on market forces and the ability of the United States to rein in spending, President George W Bush said on Tuesday.

Speaking during a meeting with Canada's Prime Minister Jean Chretien, Bush also highlighted the need to revitalise the US manufacturing base.

"The dollar will seek its level based upon market forces, and based on whether or not our country can rein in spending, can recover,

can revitalise our manufacturing base," said Bush, who is in Canada to attend a summit of world leaders.

The dollar fell in North American trade on Tuesday and slid further as trade opened in Asia on Wednesday, battered by accounting concerns after telecoms giant Worldcom WCOM.O said an internal audit had uncovered improper accounting.

The Canadian dollar has risen as the US dollar falls, and Chretien said Canada's currency was influenced by the same factors. "I say the same thing about the Canadian dollar," he said.

Eastland Ins okays 15pc dividend

Eastland Insurance Company Ltd yesterday declared a 15 per cent dividend for the year 2001, says a press release.

The dividend declaration came at the 15th annual general meeting (AGM) of the company held at the auditorium of the Bangladesh Institutes of Administration and Management (BIAM) in the city. Chairman of the company Mahbubur Rahman presided over the meeting.

In the AGM, Eastland chairman disclosed that the company earned a gross premium income of Tk 12.86 crore during 2001 through its 31 branches.

Eastland invested an amount of Tk 20.67 crore till the end of 2001.

Total assets of the company as on December 2001 stood at Tk 40.71 crore. Eastland's contribution towards the national exchequer was Tk. 2.56 crore as income tax, VAT and stamp duty for 2001, the AGM was told.

BEF hails closure of Adamjji

Bangladesh Employers' Federation (BEF) President Iftekharul Alam in a statement yesterday welcomed the government decision to close down the Adamjji Jute Mills, says a press release.

"This decision will stand out to be a landmark in the process of saving the national exchequer from severe financial strains arising out of the losses of the state-owned enterprises," he said.



Grameenphone and Holcim officials sign an agreement in the city recently.