

Plastic goods manufacturers call for continuing bond facility

STAR BUSINESS REPORT

Fearing withdrawal of bond facility for the export oriented plastic goods manufacturing companies, manufacturers yesterday urged the government to continue the system for healthy growth of the sector.

They also opposed the government move to replace the facility with duty draw-back system.

"If the government changes the existing bond facility almost 300 export-oriented factories will be closed and thousands of labourers engaged in those factories will face serious problem", said Yusuf Ashraf, president of the Bangladesh Plastic Goods Manufacturers Association (BPGMA).

He also said introduction of duty draw-back system will add 30 to 40 per cent extra cost in producing plastic items.

The BPGMA leader was speaking at a meeting on "Problems in Exporting Plastic Items and Future Plan" at a city hotel.

FBCCI Director ASM Kamal Uddin, BPGMA General Secretary KM Iqbal Hossain, Vice President Jasim Uddin, and Chairman of Export Sub-Committee of BPGMA Shahidul Islam Helal were also present on the occasion.

Co-Chairman of Export Sub-Committee of BPGMA Zahirul Kayum Khan presented the keynote paper at the meeting.

The BPGMA also came up with various demands that include 25 per cent cash export incentive, bank finance on soft terms and other facilities to double plastic product export.

The BPGMA leaders urged the government to give a place in the recently closed Adamjee Jute Mills

(AJM) area to set up an electricity producing centre from waste plastic goods.

They also demanded to withdraw the ban on the use of 20-micron polythene shopping bags.

Citing example of many countries like China, India, Indonesia, Thailand and Malaysia which provide cash incentives facilities to the industry, they urged the government to give 25 per cent cash incentives to the sector.

"Now we export plastic goods worth about Tk 500 crore annually and we will be able to increase it five times in 5 years if we get 25 per cent cash incentives", said the BPGMA president.

"We also supply various types of accessories to the RMG exporters like hanger, polybag, neckboard and backboard. In this way, we contribute almost 20 per cent to total

RMG export," he added.

The plastic goods manufacturers also called for arranging bank finance at the rate of seven per cent interest and re-arrangement of electricity rate for the sector.

They said Ministry of Environment and different agencies of the government relating to environment are not fully aware of what plastic is. They all harbour a false conception that plastic is not environment friendly, they added.

The plastic goods manufacturers said if any institution tests the standard of plastic items it will be proved that plastic is environment friendly.

To ward off the misconception they demanded of the government to set up a polymer institute and plastic testing laboratory with modern equipment.

The BPGMA president also

informed they have already formed a committee on "Waste Plastic Management and Environment" to save the environment and the committee has already started its operations.

"We have prepared a concept paper for plastic waste management project with all modern technological facilities at an estimated cost of US\$ five million. We have acquired the knowledge from Italy, one of the successful countries for plastic waste management," said Yusuf Ashraf.

He also said the association has handed over the concept paper to the environment minister and secretary and sought government cooperation. "But we have not received any respond from them."

Apparel exporters seek govt response to SOS call

Announcement of joint action plan tomorrow

UNB, Dhaka

Growing worries about existence spurred the apparel manufacturers and exporters into taking to street as all their appeal to the government for paying them cash incentive arrears fell on deaf ears.

Four associations in the apparel sector---BGMEA, BKMEA, BTLMEA and BSTMEA---are going to announce a joint action plan tomorrow trying to secure government's response to their SOS calls.

Their initial programmes may include half-day work abstention, black-flag and sit-in demonstrations, an association leader hinted.

The associations representing apparel manufacturers-cum-exporters viewed that their back had been pressed to the wall following non-disbursement of cash incentives and ban on yarn import from India through land ports.

They said they met the Finance and Commerce ministers several times, even marched towards Prime Minister's office, but failed to draw a sympathetic attention of the government to their concerns.

Meanwhile, an FBCCI attempt to broker a negotiation between the government and the crisis-ridden apparel sector also failed to make headway so far.

The association leaders met Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) president Yusuf Abdullah Harun on June 26 for devising a strategy to face the emerging market threats.

Associations were supposed to furnish their respective positions to the Federation by June 29 and

some already did, but FBCCI-brokered deal is yet to yield any fruit.

Finding no hope for any better deal, the associations of apparel manufacturers and exporters will now opt for demonstrations.

"We aren't supposed to be in the street. But our existence is threatened and we're now being forced to go for agitation," Monzurul Huq said.

Authorities' "obstinacy" regarding disbursement of cash incentives has pushed their back to the wall, said the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) president.

"It is not a privilege, it's our right to ask the government for the money, because we've already spent the amount for buying local yarn at higher prices," said Huq, whose knitting sector is the worst hit by the prolonged holdup on the cash perks.

Cash incentives were introduced to encourage apparel manufacturers to use local yarns and fabrics only for export purpose. As the local yarn appears costlier than imported ones, the government decided to compensate users for the price differences in the form of 25 per cent cash incentives.

But the disbursement of government's committed cash incentives remained stalled for over last one year amid allegations of gross misuse of the funds, and the arrears would amount close to Tk 500 crore now.

The Finance Minister has committed twice to releasing Tk 100 crore, but no progress has so far been seen as the central bank says it has not got the money yet from Finance Ministry to disburse.

"We don't know why the Finance

Minister is so hostile to us," a frustrated Huq said.

Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTLMEA) Anisuzzaman and BGMEA President Kutubuddin Ahmed also aired their grave concerns about the future of the industry at the meeting with FBCCI president last month.

"You will see the extent of damage in terms of export loss in next two months," Kutubuddin said, forewarning of a dire future of the largest export-earning sector.

BTLMEA President Anisuzzaman was hurt to see Finance Minister questioning the real value addition of garment sector and calling the sector a mere tailoring business. "These sorts of comments cast aspersions on us, undermine our business publicly," he told the meeting that day.

While government offers repeated rescheduling defaulted loans of Tk 24,000 crore, it hesitates to give Tk 600 crore as cash incentives to the biggest export earning sector, he regretted.

BTMA President A Matin Chowdhury warned that non-disbursement or withdrawal of cash incentives would prompt local users to rather opt for imported yarns, hitting the existence of the local yarn and fabric industry.

"Or else there will be no business. Knitwear industry will not find feasible use of local yarn and the total local yarn industry will be at stake," Chowdhury told the FBCCI-sponsored meeting on June 26.

Jute mill closes down in Khulna

UNB, Khulna

Jute Spinners Limited, a private mill in the city, was announced layoff on Saturday retrenching about 150 workers.

Mill authority said it was forced to announce the layoff, as the workers have in fact done no work in the mill since July 4.

The workers, however, alleged that the owners have been dilly-dallying in paying of their outstanding arrears including salary, which they committed to disburse from July during last meeting with the mill authority in last February.

Following the layoff, the workers staged demonstration in front of the mill area on Saturday and demanded reopening of the mill.

Programme taken up to boost tea production

UNB, Sylhet

Bangladesh Tea Development Board has taken up an ambitious 20-year programme (Vision-2021) to boost tea production in the country.

Under the program from the current fiscal year, a total of 8,000 hectares of land will be brought under small-scale tea cultivation scheme during the period.

Of the total land, 1,000 hectares will be brought under cultivation in greater Sylhet district, 5,000 hectares in Dinajpur and 2,000 hectares in the three hill districts Rangamati, Bandarban and Khagrachhari.

About 7.45 million kg more tea are expected to be produced by 2017 with the successful implementation of the plan.

BCCI scandal Initiative taken to settle disputes

The negotiations between the creditors of the collapsed Bank of Credit and Commerce International (BCCI) and the BCCI Campaign Committee (for employees) has resulted in an initiative to settle the disputes over longstanding claims and loans, says a press release.

"This (negotiations) has resulted in a settlement initiative that involves withdrawal of litigation by all parties to disputes over claims and loans enabling the liquidators to release the blocked funds for payment of the next dividend to creditors", said the BCCI Campaign Committee in a press statement issued on Thursday.

It is expected that the details would soon be notified to the employees by the liquidators who are facilitating this initiative to achieve this settlement, the statement said.

The creditors have so far been paid an aggregate dividend of around 60 per cent. As a result of this settlement initiative, they are likely to receive a further dividend next year, the Committee added.

The Bank of England decided to close down the BCCI on July 5, 1991, for fraudulent and dishonest trading.



PHOTO: BATB

The 29th annual general meeting of British American Tobacco Bangladesh was held at a city hotel recently. The meeting was presided over by Chairman of BATB M Mujibul Huq (fourth from left in front row). Others sitting in the front row are (from left) A B M Abdul Latif, additional secretary of industries ministry, Alan King, finance director of BATB, Stephen Daitith, managing director of BATB, Golam Mainuddin, deputy managing director of BATB, Md Nurur Nabi, additional secretary of finance ministry, Ziaul Haque Khondker, managing director of ICB, and Mahbubur Rahman, company secretary of BATB.

Asian, European ministers see economic recovery ahead

AFP, Copenhagen

Asian and European finance ministers were optimistic Saturday about a global economic recovery later this year, while backing closer economic and financial cooperation in Asia, for which European integration could serve as a model.

The two-day Asia-Europe Meeting (ASEM) of finance ministers hosted by EU president Denmark predicted that global economic activity would accelerate in the second half of this year, according to a closing statement.

The meeting, intended to prepare for a fourth ASEM summit, to be held here in September, con-

cluded on Saturday. Danish finance minister Thor Pedersen told a news conference that Asian countries would enjoy economic growth rates higher than those seen in the European Union.

But the pace of reform in the Japanese economy, the second biggest in the world, remained a source of concern.

The statement said the ministers had urged "the Japanese authorities to press forward with the implementation of (its reform) program, in particular with reforms in the financial sector and in the fiscal and structural fields".

European economic and monetary affairs commissioner Pedro

Solbes dismissed concern that the dollar's weakness could become a risk to recovery in the European Union.

Although the dollar's weakness could have "a certain impact on exports in the short term", Solbes explained, in the medium term a stronger euro was a positive development.

Denmark's Pedersen said that European financial and economic integration could be a model for closer cooperation in Asia although Solbes explained that the meeting had aimed more to exchange information than give advice.

SB recovers over Tk 403 cr in 6 months

Sonali Bank has recovered more than Tk 403 cr classified loan in 6 months from January 2002 to June 30, 2002, says a press release.

Sonali Bank management launched an integrated programme under an action plan which has reduced its classified loan up to the satisfactory level.

In continuation of the programme, the Bank deputed 58 DGMs and AGMs from the head office to field level who actively participated in the recovery programme of classified loan.

The recovery of classified loan from 18th May, 2002 to 30th June 2002 was Tk 300 crore 94 lakh, which has raised its position for recovery of classified loan up to 403 crore 55 lakh from the period from January 2002 to June 30, 2002.

The classified loan recovery position for the same period in the year 2001 was only Tk 135 crore 49 lakh and the recovery position of classified loan increased to 297.84 per cent during the corresponding period of this year.

Emirates becomes official carrier for C'wealth law confce

Emirates, the award-winning international airline based in Dubai, has been selected Official International Carrier for next April's XIII Commonwealth Law Conference in Melbourne, the first time this prestigious international meeting will be held in Australia, says a press release.

The airline was chosen to receive the coveted accolade after a competitive tender against Australian national carrier Qantas as well as Malaysian and Singapore Airlines, amongst others.

More than 2,500 delegates from all parts of the Commonwealth are expected to attend the conference between 13th and 17th April 2003 at the Melbourne Convention Centre.

Keynote speakers include Cherie Booth QC, lawyer and wife of British Premier Tony Blair, Rt. Hon Christopher Patten, External Commissioner, European Commission; and Geoffrey Robinson QC.

The Hon Murray Gleeson, Chief Justice, High Court of Australia, and top members of the judiciary from England, New Zealand, Canada and US are also expected to attend.

Emirates flies daily from Melbourne and four times a week from Sydney to Dubai International Airport, named last week as "best for overall passenger satisfaction" by the International Air Transport Association representing the world's top airlines.



PHOTO: JANATA BANK

Dr Kamal Siddiqui, principal secretary to the prime minister, speaks at a special session on "Poverty Reduction" of Executive Development Programme of Janata Bank in the city on Saturday. Managing Director of Janata Bank Murshid Kuli Khan is also seen in the picture.

Smuggling from India, China Nepal losing \$76m a year on textiles

AFP, Kathmandu

Nepal is losing six billion rupees (76 million dollars) a year on textiles, one of the kingdom's key industries, because of smuggling from India and China, industry officials say.

And the industry, which employs 700,000 workers, is seeing massive shutdowns despite the infusion of 15 billion rupees (192 million dollars) of investment over the past two decades, they say.

"Over 75 per cent of the industries have either voluntarily closed or are preparing to shut down as the smuggled textiles are much cheaper than the domestically produced goods," the president of the Nepal Textiles Industries Association, Mahesh Lal Pradhan, told AFP.

He said some 300 million metres (one billion feet) of textiles were brought into Nepal each year, but only one-sixth of this was recorded

for customs tariffs.

"This has adversely affected the domestic textiles industry and caused a heavy loss in revenue to the government," said Ram Krishna Maharjan, executive director of the Rati textile industry.

At the same time, Nepal's textile industry has been in decline. In the mid-1990s, the kingdom produced 80 million metres (264 million feet) of textiles but production has now gone down to 20 million metres (66 million feet).

More than 75 per cent of Nepal's textile industries -- including what was the largest, Butwal -- have since shut down, and the remaining 25 businesses are incurring losses, Pradhan said.

Textiles from neighbouring India and Chinese-administered Tibet are significantly cheaper than those made domestically, in part because of lower material costs.

Computer software show held at ICMAB

Dhaka Branch Council of the Institute of Cost and Management Accountants of Bangladesh organised a day-long computer software exhibition at ICMAB Bhaban in the city on Friday, says a press release.

The ICMAB members involved in the software development process brought their programmes to show in the exhibition.

The inaugural session was presided over by the Chairman of Dhaka Branch Council AKM Nazrul Islam. Rafiq Ahmad, President of ICMAB, was the chief guest on the occasion.

Among others Md Abdur Rashid, AKM Delwar Hussain, Vice Presidents of the Institute, Ruhul Ameen, Secretary of ICMAB, and Gulam Mohammad Chowdhury, Chairman of Dhaka Branch Computer Committee, spoke on the occasion.

The inaugural session was conducted by Mamunur Rashid secretary Dhaka Branch Council of ICMAB.

First Round Gono Quiz prize handed over

The prize distribution ceremony of Gono Quiz 1st Run was held at the National Press Club recently, says a press release.

Saeek Hasan won the first prize of Tk 1,00,000.00 in the online quiz held at 09.00 pm Bangladesh, in which 36572 people took part.

Delwar H Kan, MD of Gonophone Bangladesh Ltd., hand over the cheque to Saeek Hasan. Munmun Raman, MD of inspirations Ltd., was also present.

This contest was sponsored by The City Bank Limited, LG, Eastern Bank Limited, Planet Fashion and In2it.

Court investigation finds Leading Irish businessmen, politicians involved in financial scandal

AFP, Dublin

A major Irish court investigation published on Saturday says former prime minister Charles Haughey and some of the country's leading businessmen and politicians were involved with one of Ireland's biggest financial scandals.

The report, which took court-appointed inspectors three years to complete, examines a secret, illegal tax-dodging banking system involv-

ing hundreds of millions of euros that was operated during the 1970s, 80s and 90s by Ansbacher (Cayman) Ltd., which it says "came on banking business in Ireland without holding a licence to do so".

The scheme was used by a so-called golden circle of some of the richest, most powerful and influential people in Irish life, some 190 of whom are named as Ansbacher clients.

The report says the Ansbacher's affairs were "deliberately complex

and secretive" and were "conducted with intent to defraud" the revenue authorities. It said it set up "sham" trusts and there was the trust scheme "facilitated widespread tax evasion".

"Approximately half of those interviewed readily admitted that they had availed of Ansbacher's services for the purpose of evading their tax liabilities either in Ireland or elsewhere," it says.

The inspectors conclude those

named constitute the "larger proportion of the clients they are required to identify".

Those named live in Ireland, Northern Ireland, Britain, the US, Spain, France and Australia. Some of those named are dead.

The report makes no finding as to whether the individuals named might be guilty of tax evasion.

The report criticises a number of leading banks, including Ireland's Central Bank.

US, European farm subsidies jeopardise Mercosur

AFP, Buenos Aires

Developed nations should expect a fight if they insist on subsidies that undermine South America's agriculture, Mercosur ministers said Saturday.

"We will go to the World Trade Organization," said Brazil's agriculture minister Marcus Pratin de Moraes.

"We won't import subsidized products," he said. Mercosur's agriculture minis-

ters stayed on after Friday's half-day summit of Brazilian, Paraguayan, Uruguayan and Argentine presidents who invited Mexican President Vicente Fox to join them in discussion of admitting Mexico to the free-trade zone.

"Weakening our economies" reduces "our ability to pay" our debts, said Rafael Delpech, agriculture minister of Argentina.

Gonzalo Gonzalez of Uruguay called Mercosur, which includes most of South American's econ-

omy, "the last, best food reserve on the planet and we have to make our worth felt."

Walter Nunez Rodriguez of Bolivia said Europe and the United States were "exercising an illicit trade policy."

"With the equivalent of three months' worth of the subsidies that they provide -- some 90 billion dollars -- they could resolve hunger and poverty all over the world," he said.