

Businesses seek trade restrictions on India

STAR BUSINESS REPORT

Business leaders yesterday urged commerce minister to impose tariff and non-tariff restrictions on Indian goods to stop their free flow into Bangladesh market.

Apparently frustrated by Indian attitude in restricting Bangladesh export to its market, they said such restrictions may yield benefit in the long run.

The business leaders were speaking at a roundtable on merits of the tariff concessions recently given by the Indian authority and national preparedness to meet the contractual obligations under the GATS of WTO. Commerce Minister Amir Khosru Mahmud Chowdhury attended the roundtable as the chief guest.

The participants also said Bangladesh is maintaining liberal approach to the foreign companies, including India. But India has imposed several restrictions on investment and import from Bangladesh and other neighbouring countries, they added.

Such one way trade traffic to Bangladesh should be stopped, they said.

"If we make it difficult for them to enter our market, it may leave a negative impact in the short run, but we can reap benefit from it in the long run," said Rokia A Rahman, former advisor to the caretaker government.

International Chamber of Commerce

(ICC), Bangladesh President Mahbubur Rahman said time has come to take initiatives to protect Bangladesh market from Indian goods.

The participants also observed that Bangladesh is maintaining liberal approach to the foreign companies, including India, that imposed several restriction on investment and import from Bangladesh and other neighbouring countries.

"Their attitude towards us is very strict while our attitude towards them is open. It sometimes seems like we are working for their (Indian) interest", said Anjan Chowdhury, president of Bangladesh Cosmetics and Toiletries Manufacturers Association.

Speaking on the occasion, the commerce minister said that India being the biggest economy of the region have a very important role to play for building up regional co-operation. "But they are not responding to the demands of other countries."

Regional cooperation everywhere helped in development of regions in different parts of the world. "But when it comes to South Asian region nothing moves."

"Even the business community of India are not against opening up their market to Bangladeshi products, excepting a few who would be affected," he said.

In this regard he mentioned the anti-dumping duty imposed by the Indian authori-

ties on Bangladeshi battery.

"The issue could be taken up at the international bodies for settlement since it is absolutely a trade related issue and this should not have any dent on bilateral relationship of the two countries," Khosru said.

Manzur Elahi, former advisor to the caretaker government, Firoz Afroz of Rahim Afroz along with some other businessmen shared their experience on how the Indian authorities foiled their attempts to export Bangladeshi products to India in different pretext.

ICC president Mahbubur Rahman said there had been a number of commitments from the Indian side during last thirty years with no achievement in terms of trade cooperation so far.

Speaking on recently given duty free offer on 40 Bangladeshi items by Indian authorities, he expressed suspicion that non-tariff and para-tariff barriers would make it difficult for Bangladesh to reap benefit from free access. "I am not at all optimistic," he said.

He suggested that Bangladesh take up the anti-dumping duty issue at WTO for settlement.

Syed Nasim Manzur a member of Subcommittee on Export of Metropolitan Chamber of Commerce and Industry (MCCI) also spoke similarly. "We have nothing to lose because we are not getting anything. Indian is not offering us a level playing field. They only want to use sell their goods in our market."

MCCI Secretary General CK Hyder informed that a cabinet committee of Indian government is working to enact a law that would restrict investment from a number of countries, including Bangladesh, to India. "It is a clear violation of WTO agreement."

Sharing her experience on Jamdani sari export to India Rokia A Rahman said soon after beginning of export a huge lobby started campaigning against the product. "We should have our own lobby in Bangladesh against Indian products."

DCCI president Motiur Rahman also spoke in favour of imposing restriction on import of Indian products.

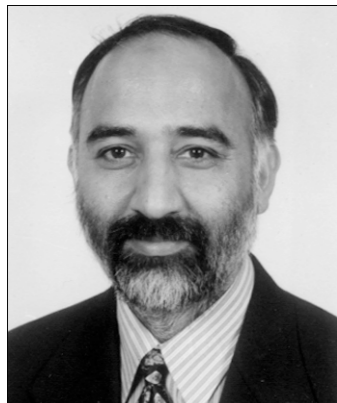
MCCI President Tapan Chowdhury said that the Indian policymakers should understand that para-tariff and non-tariff barriers may go unchallenged when imposed on Bangladeshi products but in two year's time, this could lead to serious trade problems with other countries.

According to him China would soon have a profound impact on the South-Asian economy. "India being the most overwhelming economy in the region, should foresee this threat and contribute through pro-active policies to improve the supply response of the sub-region" he said.



Commerce Minister Amir Khosru M. Chowdhury speaks at a roundtable on merits of the tariff concessions recently given by the government of India and national preparedness to meet the contractual obligations under the General Agreement on Trade in Services (GATS) of the WTO, organised by Metropolitan Chamber of Commerce and Industry, Dhaka at the chamber conference hall yesterday. MCCI President Tapan Chowdhury and ICC-Bangladesh President Mahbubur Rahman are also seen in the picture.

New CEO of GMG Holidays



Virendra Nautiyal has joined GMG Holidays, a subsidiary company of GMG Airlines, as its chief executive officer, says a press release.

With a rich international experience, Virendra, an Indian national, has an expertise in whole gamut of travel management.

GMG Holidays is a leading name in Bangladesh offering tour packages to Nepal and India, besides organising Umrah and Hajj packages.

The company also has plans to enhance the range of travel related services, in addition to promoting inbound tourism to various tourist places in Bangladesh.

Citibank, Prime Bank sign cash management agreement

Prime Bank has signed a cash management agreement with Citibank NA, says a press release.

Shah Md Nurul Alam, managing director of Prime Bank, and Mamun Rashid, chief executive officer of Citibank NA, inked the deal on behalf of their respective organisations in the city recently.

Under the accord, customers of Citibank NA will have access to use 23 branches of Prime Bank across the country for their cash management.

This will also result in speedy, more efficient and centralised operation throughout Bangladesh.

Global Insurance chairman, vice-chairman reelected



Chairman Vice-chairman

The Board of Directors at a meeting held recently in the city unanimously reelected SM Abdul Mannan Chairman and Mahabub Morshed Talukder vice-chairman of the company, says a press release.

SM Abdul Mannan is the Chairman of Living Plus Ltd, Piu de Fashionova Ltd, Managing Director of Techno-Foki (Bangladesh) Ltd, Manar Associates Ltd, and Director of Technoon Ltd, Delta Millers Ltd, Uttara Food and Fisheries Ltd and Delta Medical Centre.

Mahabub Morshed Talukder is a Director of Creative Engineers Limited.

Show cause notice on Chittagong Cement

Allegation of engaging auditors who acted as valuer, financial advisor

MONJUR MAHMUD

The Securities and Exchange Commission (SEC) yesterday served a show cause notice on Chittagong Cement Clinker & Grinding Company Limited on charges of violating securities law in appointing an auditor for a publicly traded company who had been engaged in other affairs of the company.

The SEC officials said the company has engaged Huda Vasi Chowdhury as auditor of the company who had acted as the valuer as well as financial advisor to the company.

The officials said SEC made such regulations to ensure transparency in the companies as well as to prevent conflicts of interest.

"But by appointing the company to act as its auditor, such restrictions have been violated," the official said seeking anonymity.

Talking to The Daily Star, AK Chowdhury, managing partner of Huda Vasi Chowdhury & Co, said

there is no such legal bar. "And since there is no bar, so no offence has been committed," Chowdhury said.

In the show cause notice, the SEC asked the company to respond within seven days why it would not be penalised for such violation.

In June this year, Chittagong Cement informed the SEC that the company would take over Scancem International Ltd and Scancem Bangladesh Ltd through process of amalgamation.

Heidelberg Zement AG owns both Scancem International Ltd and Scancem Bangladesh Ltd. Heidelberg also has 51 per cent holding in Chittagong Cement while Bangladeshi general shareholders and institutional investors own 49 per cent.

The proposed amalgamation will be accepted if two third shareholders of the company approve it at the EGM.

The SEC on Sunday directed the company to inform its shareholders that Chittagong Cement could be

burdened with Tk 12.92 crore liabilities once its proposed amalgamation with Scancem International Ltd and Scancem Bangladesh Ltd takes place.

The SEC said the liabilities of Scancem Bangladesh Ltd might benefit the controlling shareholders at the cost of minority ones of the company, as the minority shareholders have not been informed of the assets and liability position of the companies.

The SEC had also launched an investigation into the affairs of the company where the committee also observed that "Scancem Bangladesh Ltd with no assets backing but with a liability equivalent to a huge negative net worth of Tk 12.92 crore would go against the interest of the investors."

"Moreover, Scancem Bangladesh Ltd's historical profitability from the normal operational activities was negative," it said.



Shah Md. Nurul Alam, managing director of Prime Bank, and Mamun Rashid, chief executive officer of Citibank NA, sign an agreement on cash management on behalf of their respective organisations in the city recently.

BGMEA-ILO deal to better working condition

STAR BUSINESS REPORT

The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and the International Labour Organisation (ILO) yesterday signed an agreement to improve working conditions in the garment industry under a project.

The three-year project will be implemented at a total cost of \$2.1 million of which the ILO would provide \$1.5 million and the BGMEA \$600,000.

BGMEA President Kutubuddin Ahmed and ILO director Gopal Bhattacharya signed the agreement on behalf of their respective organisations at a ceremony held at the Sonargaon Hotel.

Speaking on the occasion, Commerce Minister Amir Khosru Mahmud Chowdhury praised the garment sector for eliminating child labour from all factories.

Amir Khosru observed that con-

sumers in western countries have become very conscious about the working condition of the places where products are made.

"To survive in this competitive world, the garment owners will have to improve the working conditions and be careful about the health of the workers as well."

Referring to the pre-condition of eliminating child labour from the factories in the third world countries, the commerce minister observed that child labour also exists in the developed world where the children work on holidays.

"But they never take the issue into consideration. The only difference is that our children work for bread and their children do so for other purposes," he said.

Lutfur Rahman Azad said the garments sector will be facing serious challenges in days to come because of a new set of conditions the buyers have imposed regarding working atmosphere.

Kutubuddin Ahmed termed the project timely as the garment sector is at a crossroads facing the challenges of globalisation and immense competition.

He said both European and US buyers are insisting on strict compliance with local laws as a pre-condition.

In order to maintain market share, the Bangladesh garment industry must be in a position to compete on the same basis as the industries in Asia, America and the Caribbean.

Bangladesh can succeed by improving and maintaining quality and demonstrating commitment towards social compliance, he observed.

State Minister for Labour and Employment Lutfur Rahman Khan Azad, Deputy Chief of the US mission in Dhaka Christopher W. Webster, ILO Director Gopal Bhattacharya and BGMEA President Kutubuddin Ahmed also spoke on the occasion.

Purabi General Ins okays 12pc dividend

STAR BUSINESS REPORT

Purabi General Insurance Company Limited has declared a 12 per cent dividend for the year 2001.

The dividend declaration came at the 14th annual general meeting of the company held at LGED auditorium at Agargaon in the city Sunday.

The company earned over Tk 5 crore premium last year, the AGM was told.

Vice Chairman of Purabi General Insurance Company Ltd Mujibul Islam chaired the meeting that also reviewed the financial statement of 2001.

Among the directors and shareholders, Selim Reza spoke at the AGM. The shareholders expressed their satisfaction over the growth of premium income, life fund and assets of the company.

Managing Director SA Khan, Company Secretary Nimal De Costa and other directors of the company were also present at the meeting.

Sandhani Life approves 12pc Dividend

STAR BUSINESS REPORT

Sandhani Life Insurance Company Limited has declared a 12 per cent dividend for the year 2001.

The dividend was declared at the company's 12th annual general meeting held at LGED auditorium at Agargaon in the city Sunday.

The company earned Tk26.22 crore premium last year, the shareholders were told.

Vice Chairman of Sandhani Life Insurance Ahsanul Islam chaired the meeting that also reviewed the financial statement of 2001.

Among the directors and shareholders, Golam Faruq, Delwar Hossain, Syed Liakat Ali and Abul Bashar Talukdar spoke at the AGM.

Managing Director MA Karim, Company Secretary Dr Mazharul Hossain and other directors of the company were also present at the meeting.

Business confidence up in Japan

AFP, Tokyo

The Bank of Japan said Tuesday its latest Tankan survey showed business confidence had risen in the past three months, with the large manufacturers' index improving to minus 14 from minus 18.

The index of large non-manufacturers' confidence edged up to minus 13 in the September survey from minus 16 in the previous Tankan in June, it said.

The consensus view among economists is that the index of business confidence at large manufacturers will come in at minus 12 and investors hardly reacted to the outcome of the Tankan survey.

The yen traded at 121.81 to the dollar around 9:20 am (0020 GMT) in Tokyo, compared with 121.72-76 in New York and 121.77-80 in Tokyo late Monday.

"There is a lack of direction in Tokyo trade since the result of the Tankan was well within expectations among investors," said Masato Imai, a dealer at banking giant UFJ Holdings.

Aftab IT gets Tk 2.65cr Danish grant

STAR BUSINESS REPORT

Danish government has approved a grant of Tk 2.65 crore to a Bangladeshi IT firm to support training and technical assistance activities for a project.

Danish Ambassador to Bangladesh Niels Severin Munk yesterday handed over the documents of the approval to Manzurul Islam, chairman of the firm, Aftab IT Limited.

Aftab IT Ltd signed a five-year contract with a Danish company, Vestergaards Bogtrykkeri, in July this year to provide off-shore pre-press graphics production for the two leading Danish newspapers, Jyllands Posten and Berlingske Regional News.

The IT firm is expected to earn around 2 million US dollars in the five years.



Dr Peter E Albrich, managing director and CEO of Siemens Bangladesh Ltd, inaugurates a Siemens showroom in Chittagong yesterday.

BKMEA for improving Dhaka-N'ganj road

STAR BUSINESS REPORT

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) has requested Communications Minister Barrister Nazmul Huda to improve the road communication between Dhaka and Narayanganj.

The request was made when a delegation of BKMEA, led by its president Monjurul Haq, met the minister at his office on Sunday.

They said although Narayanganj, a hub of the country's knitwear industries, is only 15 kilometres away from Dhaka, it takes two to three hours to reach the capital.

They also urged the minister to implement the proposed road

project beside Dhaka-Narayanganj rail-track.

They also urged the minister to take steps rehabilitation of different connecting roads between Dhaka and Narayanganj.

Besides, the BKMEA leaders sought help from the communications minister to resolve the issue of their outstanding cash incentive and to withdraw the ban on import of yarn through land ports.

Barrister Nazmul Huda assured them of solving their road communication problems.

Among others, BRTC Chairman Taimur Alam Khandakar and BKMEA vice presidents -- Sabir Alam Khandakar and Mohammad Hatem -- were present at the meeting.

Siemens opens showroom in Chittagong

A new exclusive Siemens showroom was opened at Lalkhan Bazar in Chittagong yesterday, says a press release.

Dr Peter E Albrich managing director and CEO of Siemens Bangladesh Ltd, inaugurated the showroom.

Aminur Rashid General Manager of consumer product division, and Tofazzul Hossain, Manager of home appliance of the company, were also present on the occasion.

All Siemens consumer durable products like refrigerators, washing machines, small and kitchen appliances as well as Osram lighting products will be displayed and sold from this showroom.

Pakistani rupee hits 2-yr high

AFP, Karachi

The Pakistani rupee hit a two-year high against the dollar in open markets Tuesday after the country received almost half a billion dollars from the United States and Asian Development Bank (ADB), analysts said.

The currency broke through a two-year barrier of 59 rupees to the dollar when it strengthened by trade among money-changers. In the banks it climbed 0.04 to 59.08.

Since last year's September 11 terror attacks in the US, the rupee has improved by 12.1 per cent in the open market and 7.7 per cent at official counters.

In September 2000 the dollar bought 58.96 rupees.

Head of research at InvestCap securities, Mohammad Sohail, said the central bank had been buying dollars to shore up the greenback in response.

"The State Bank of Pakistan bought dollars from the inter-bank market to bolster the dollar against the rupee to protect exporters," Sohail told AFP.

"The bank's dollar buying on both (open and official) markets may have amounted to three billion dollars up to June 30."

Pakistan's foreign currency reserves have almost tripled over the past year, boosted by an influx of capital from overseas Pakistanis and aid from the West, especially the US, in reward for its support of the military campaign in Afghanistan.

The reserves rose to 8.1 billion dollars last week, compared to 3.2 billion dollars in September last year, after the US gave Pakistan 317 million dollars in payment for the use of its airbases by US-led coalition troops operating in Afghanistan.

Indicators show sluggish US economy, experts upbeat

AFP, Washington

More data pointed Monday to sluggishness in the world's largest economy, but a poll of key economists shows most believe a double-dip recession is not in the cards.

One report that sparked concern was the Chicago Purchasing Managers index, a barometer of regional US economic activity, which slipped to 48.1 in September from 54.6 in August, the organization reported Monday.

The slide is an ominous sign for

the region and possibly for the US economy.

A figure below 50 indicates declining activity, while a number above 50 indicates growth.

The Chicago survey is important to financial markets as a precursor to the larger national survey released by the Institute for Supply Management, to be released Tuesday.

Anthony Karydakos of Bank One called the report "disturbing," and added: "If taken literally, this suggests that the manufacturing sector

is contracting, confirming suspicions that had been raised recently that the sector is running into trouble."

Also disappointing was a US Commerce Department report showing that consumer spending rose 0.3 per cent in August, while personal income increased 0.4 per cent.

"Wage and salary growth is still exceptionally weak, rising just 0.6 per cent over the past year and at a 1.4 per cent annual rate over the past three months," said Mark Vitner of Wachovia Securities.