

BOI investment centres in Dubai, KL, Frankfurt soon

Move to woo foreign direct investment

MONJUR MAHMUD

In a bid to attract foreign direct investment in the country, the Board of Investment (BOI) is going to set up three investment centres in Dubai, Kuala Lumpur and Frankfurt soon.

"We are going to open the first investment centre at Dubai shortly. We have already got the approval from the United Arab Emirates government to open the centre there," BOI Executive Chairman Mahmudur Rahman told The Daily

Star Sunday.

Besides, two other centres will be set up at Kuala Lumpur and Frankfurt. The Board has plans to open another centre in New York. "Everything depends on what response we get from the first one," Rahman added.

BOI is eyeing US\$ one billion foreign direct investment in the country by 2006 and working to achieve the goal. It has set a target to attract \$250 million FDI in the current year against only \$72 million last year.

The annual targets for the next three years are \$400 million, \$600 million and \$800 million respectively and by the year 2006 the target has been set at one billion US dollars.

He mentioned a 22-member Danish business team just concluded their visit to Bangladesh. Chinese entrepreneurs are also showing their interests in the light engineering and textile sectors.

"I think it is very much possible to achieve the targets if everything goes well," the BOI chief said noting that the FDI would exceed the target

this year.

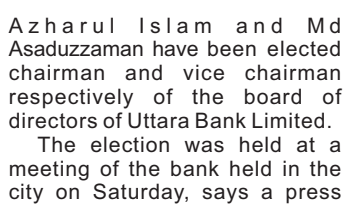
The Board is presently preparing a data bank on FDI that includes joint venture and 100 per cent foreign owned companies. Presently, the number of active joint ventures and foreign companies is around 530 and the BOI has already received information about 152 companies.

"Once completed, the data bank will give clear picture about the FDI. If we want to increase our per capita income, we have to attract more FDI," the BOI executive chairman observed.

New chairman, vice-chairman of Uttara Bank



Chairman



Vice-chairman

Azharul Islam and Md Asaduzzaman have been elected chairman and vice chairman respectively of the board of directors of Uttara Bank Limited. The election was held at a meeting of the bank held in the city on Saturday, says a press release.

Azharul Islam was previously the chairman of the Board of Directors of the same bank. Asaduzzaman was also the vice-chairman of the Board of Directors of the same bank. He is also the executive director of Islam Group.

Thailand okays income tax cut to boost economy

AFP, Bangkok

Thailand's cabinet on Tuesday approved a tax cut for low-income earners and a capital gains tax waiver for people changing homes, in moves aimed at boosting the economy and property sector.

Under the plan proposed by the finance ministry, the minimum five per cent point personal income tax rate will apply only to annual salaries above 80,000 baht (1,830 dollars), up from 50,000 baht currently.

"This tax cut measure will make the government lose some 4.0 billion baht in annual tax revenue, but it will stimulate consumption and the economy as a whole," Finance Minister Somkid Jatusritipak told reporters.

The new measure, effective from January, will put more cash in the pockets of some 3.1 million low-income taxpayers, the cabinet said in a statement.

Under the package, there is also a capital gains tax waiver on the profits from the sale of homes, provided the money is used to fund another home purchase.

The government's economic stimulus program, including cash funds for every village in the country, has been credited with helping spark an economic recovery this year.

ADB set to resume lending to Afghanistan

AFP, Manila

Afghanistan is set to get its first loan in 23 years from the Asian Development Bank (ADB), the Philippines-based lender said Tuesday.

The ADB board is expected to approve the loan on Wednesday, a bank statement said without elaborating.

ADB suspended lending operations to Kabul in 1979 as that country descended into war and chaos.

The bank has since pledged to play a major role in the country's post-war rehabilitation following the US-led campaign against the Taliban rulers and their al-Qaeda allies last year.

Ctg chamber to acquire BR land for World Trade Centre

STAR BUSINESS REPORT

The Chittagong Chamber of Commerce and Industry (CCCI) has received nod of the prime minister to acquire the Bangladesh Railway (BR) land for the construction of World Trade Centre in the port city.

The prime minister has already asked the Bangladesh Railway authorities to hand over the land earmarked for the centre to the chamber authority.

This was revealed at the extraordinary general meeting of the CCCI on Saturday in Chittagong.

CCCI President Amir Humayun Mahmud Chowdhury also disclosed, at the meeting, that the prime minister is expected to lay the foundation stone of the 3 rd bridge over Karnaphuli river sometime in

March next year.

He said in view of global and commercial prospects of Chittagong, the activities of the CCCI will be reorganised and upgraded technologically so that it can help the port city emerge as a commercial hub in the region.

Standing sub-committees on information technology, women entrepreneurs' development, environment and pollution, energy, power, telecom and infrastructure development and research and training have been formed to foster and promote local expertise in the key sectors, he said.

"General members of the CCCI have been made conveners of these committees overlooking board of directors to incorporate grassroots experience in development process," he said.

Mahmud Chowdhury said the CCCI has to play a vital role to

expedite development activities in Chittagong.

In this respect he mentioned success of American Week, initiatives to enhance trade and investment with Indian northeastern seven states by holding conventions and efforts for setting up new office of Bakhrabad Gas in Chittagong.

The CCCI also urged the government to modernise the infrastructure of the port city so that it can keep pace with global market.

At the meeting the tenure of directors has been fixed at two years.

Ershad Ullah, senior vice-president, Manzur-ul-Amin Chowdhury, vice-president, directors and members of the chamber were present at the meeting.

Arroyo proposes far-reaching free trade pact with Japan

AFP, Tokyo

Philippine President Gloria Arroyo on Tuesday proposed discussions on a possible free-trade agreement (FTA) between Japan and her country should go beyond the normal scope of such accords to include exchanges of human resources.

"The recent entry into force of the Japan-Singapore Comprehensive Partnership Agreement inspires our efforts to conclude a similar agreement between our two countries," Arroyo said in an address to the upper house of the Diet (parliament).

She is in Tokyo for a three-day state visit.

"In our view, an ideal for the proposed agreement is to go beyond the usual FTA so as to maximise more fully the many areas of complementarity between our two economies," she said.

For example, Japan's ageing population might be helped by Filipino health care workers, and skilled young Filipino workers could join Japanese hi-tech firms, she said.

She also emphasized the importance of economic recovery

in Japan for the rest of the world.

"The revival of the Japanese economy -- the resumption of its traditional role as a growth engine -- is of utmost importance, to the Philippines, to East Asia, to the world," she said.

Japan and the Association of Southeast Asian Nations (ASEAN) in January agreed to discuss comprehensive economic cooperation.

Since then, Arroyo made an unofficial visit to Japan in May, when she agreed with Japanese Prime Minister Junichiro Koizumi to set up a working group to discuss the economic relationship that included discussions about a possible FTA, a Japanese diplomat said.

The Philippine president also expressed her hopes that China's economic growth would stimulate the economies of the rest of the region.

"The emergence of China as a market economy is integral to the further growth and development of East Asia. Far from seeing it as a threat, the Philippines regards this as a catalyst for even more rapid economic expansion and

greater stability in Asia," Arroyo said.

The president told Diet members about her efforts to gain the Philippine public's trust in the government while fighting to restore the nation's financial health by economically opening the country to the rest of the world.

She also called on Japan and the rest of the world to maintain their united front to fight global terrorism.

Earlier Tuesday, the president and her husband Jose Miguel Arroyo were received by Japanese Emperor Akihito and Empress Michiko.

Arroyo is due to meet with Koizumi and hold a press conference on Wednesday.

The Philippine president was expected to ask Tokyo to raise its annual loan package to Manila for the coming Japanese fiscal year by about 8.8 per cent to roughly 617 million dollars.

Japan's latest loan package to Manila, its 25th, equalled some 567 million dollars.

It is Arroyo's third visit to Japan since coming to power in January 2001.



Rokeya Quader, chairman of the Board of Directors of Desh Garments Ltd, presides over the 25th annual general meeting of the company held at a city hotel on Monday.

High yielding silkworm eggs boon for rural women

STAR BUSINESS REPORT

Rural women involved in sericulture have witnessed gradual increase in their earnings over the past four years, thanks to high yielding silkworm eggs developed by Bangladesh Silk Foundation (BSF).

With the better quality eggs, a rural woman can now harvest up to one kilogram of raw silk from 12 kilograms of cocoon against 18 kilograms four years back.

Such development has helped

the women increase their daily earnings to Tk 71 from Tk 20, according to a recent publication of the Ministry of Textile.

The BSF has also imparted training to as many as 6,000 women involved in the sericulture trade.

Sources said Bangladesh market consumes around 300 tons of silk, 40 tons of which are produced locally.

Since the formation of the foundation, the sector suffered its worst during the 1998 flood that took

heavy toll on mulberry trees. The leaves of the tree are used as feed for rearing of silk worms.

The Bangladesh Silk Foundation was formed following a joint suggestion of World Bank and Food Agriculture Organisation (FAO) which in a study suggested formation of Silk Development Project as the Sericulture Board failed to perform up to the mark.

The Sericulture Board was formed in 1977 while the Silk Foundation was formed in 1997.

Palmco signs deal to acquire Unilever assets

THE STAR/ANN

Palmco Holdings Bhd Monday signed a deal to acquire Dutch consumer goods giant Unilever Plc's entire shareholdings in Unipamol (M) Sdn Bhd and Pamol Plantations Sdn Bhd, which together own more than 23,000ha of oil palm plantation land in the states of Johor and Sabah, for a total of RM567mil cash.

Palmco, a 52 per cent owned subsidiary of IOI Corp Bhd, said in a statement that it was buying the entire issued and paid up share capital of 65.5 million shares in Unipamol from Unilever's wholly-owned units, Blackfriars Nominees Ltd and The New Hovema Ltd.

The company said it had also purchased a 49.99 per cent stake or 75.4 million shares in Pamol Plantations, a 50.01 per cent subsidiary of Unipamol, from Pamol (Sabah) Ltd, another wholly-owned unit of Unilever.

Both Unipamol and Pamol, known collectively as the Pamol group, have 100 per cent interest in 9,590ha of oil palm plantations with a palm oil mill of 55 tonne/hour processing capacity in Kluang, Johor. The group also has 70 per cent interest in 13,455ha of oil palm plantation, and a palm oil mill of 60 tonnes/hour capacity in Labuk, Sabah.

With the acquisitions, Palmco's plantation holdings will increase significantly to 28,045ha from the present 5,000ha, the statement said. Palmco said the

deal would provide the group, a substantial user of palm kernel oil, with a greater degree of strategic hedge to its earnings volatility, which had subjected it to significant margin fluctuations resulting from the volatility in palm oil prices.

The proposed acquisitions would also provide an investment opportunity for Palmco to utilise its cash reserves more efficiently, the statement said, adding that the company

expected the purchase to "substantially enhance its future earnings." It also said the Pamol group had an established presence in the oil palm plantations business in Malaysia, and had built up a profitable enterprise well known for its yield, oil extraction rates and integrated research and development (R&D) breeding programme for high yielding planting materials.



US Ambassador to Bangladesh Mary Ann Peters presents a citation of the American Secretary of State's Corporate Excellence Award 2002 to Aes Bangladesh Managing Director Dale Sinkler at a ceremony held at the American Embassy in Dhaka on Monday. Aes Bangladesh has been recognised as one of the finalists for the award.

India unlikely to cut vegoil duty, boosts oilseeds

REUTERS, New Delhi

India, the world's largest edible oil buyer, is unlikely to reduce import tariffs in the near term despite rising prices as it wants to encourage local farmers to increase oilseed production, traders said yesterday.

"The government has got an encouraging response. Farmers in some states have opted for oilseeds instead of wheat because of attractive prices," said BV Mehta, executive director of the Solvent Extractors Association of India.

India, which has huge stocks of grain but spends precious foreign exchange on importing vegetable oils, plans to overhaul its farm output to boost oilseed production.

It imports more than two-fifths of the edible oil it needs. It buys palm oil, mainly from Malaysia and Indonesia, and Soyoil from Argentina and Brazil.

Traders said farmers in the western states of Rajasthan and Gujarat and the central state of Madhya Pradesh have sown more mustard and rapeseed than wheat this year because edible oil prices have firmed after three to four years.



President of Chittagong Chamber of Commerce and Industry (CCCI) Amir Humayun Mahmud Chowdhury addresses the extra-ordinary general meeting of the chamber at in Chittagong on Saturday. Ershad Ullah, senior vice-president, and Manzur-ul-Amin Chowdhury, vice-president, are also seen in the picture.

Desh Garments declares 5pc dividend

Desh Garments Ltd has declared a 5 per cent dividend for the shareholders for the fiscal year 2001-2002.

The dividend was declared at the 25th annual general meeting of the company held at a city hotel on Monday, says a press release.

The meeting was presided over by the Chairman of the Board of Directors of the company Rokeya Quader.

After a detailed discussion, the audited accounts for the year ending June 30, 2002 together with report of the directors and auditors were passed unanimously.

The meeting unanimously re-appointed the retiring directors Nurul Iman Khan and Vidiya Amrit Khan as per Articles of Association of the company.

As per new order of Securities and Exchange Commission M/s. Saha Mazumder & Co., Chartered Accountants was appointed unanimously as auditors of the company for next financial year ending June 30, 2003.

A large number of shareholders attended the meeting.

AES Bangladesh gets Corporate Excellence Award

US Ambassador to Bangladesh Mary Ann Peters has presented a citation to AES Bangladesh which was recognized as a finalist for the American Secretary of State's Corporate Excellence Award for 2002.

The citation was given at a ceremony held at the American Embassy in Dhaka on Monday, says a press release.

AES Bangladesh Managing Director Dale Sinkler received the award on behalf of his firm. Also in attendance were company personnel and members of the US Embassy American Trade Centre staff.

AES Bangladesh was cited for its "corporate citizenship, innovation, and exemplary business practices in Bangladesh."

Speaking on the occasion, the US Ambassador said the AES was being recognized for a number of best corporate practices including promoting social and economic development, protection of the environment, cultural sensitivity and addressing workers rights issues.

She pointed to AES Bangladesh's contributions to helping ease the country's electricity supply problems through the timely installation of the 360-megawatt power plant at Haripur.

The Haripur facility ran 55 straight days at 100 per cent capacity, one of the best records for an electricity plant anywhere in the world, Ambassador Peters added.

A second AES plant at Meghnaghat has begun supplying 450 megawatts of electricity to the national grid, which will relieve additional strain on the generating capacity of the country. With Meghnaghat now in operation, AES is charging Bangladesh one of the lowest electricity tariffs in the world, and providing the first six months free of charge.

The Award for Corporate Excellence was introduced by the US State Department in 1999 to recognize the important role that American businesses play abroad. In 2002, a total of 56 US companies were nominated for the community-minded work that they are involved in abroad.