

## Online banking service in Dhaka EPZ

BSS, Dhaka

Standard Chartered Bank will launch its online banking service for entrepreneurs in Dhaka Export Processing Zone (DEPZ) very soon.

The bank signed an agreement with BEPZA Saturday to start banking service inside the DEPZ, a Bangladesh Export Processing Zone Authority (BEPZA) press release said.

Mohammad Didarul Anwar, member of investment promotion and finance of BEPZA, and Zakir H Joarder, head of administration and country security of Standard Chartered, signed the agreement on behalf of their respective sides.

Executive chairman of BEPZA Brigadier General (Retd) M Mofizur Rahman, member (engineering) Abu Reza Khan, general manager (investment promotion) AZM Azizur Rahman, and representatives from the bank, among others, were present on the occasion.

## AB Bank, Uttara Motors sign loan deal

Arab Bangladesh Bank Limited yesterday signed a memorandum of understanding with Uttara Motors Ltd on loan facilities, says a press release.

Under the deal, AB Bank Ltd will provide loan to the clients of Uttara Motors Ltd under its consumer loan programme.

Ali Reza Ittefakhar, senior executive vice president of AB Bank Limited, and Kazi Imdad Hossain, executive director of Uttara Motors Ltd, signed the MOU on behalf of their sides.

Arab Bangladesh Bank Ltd President and Managing Director Abu Hanif Khan and Uttara Motors Ltd Chairman and Managing Director Matur Rahman attended the signing ceremony.

## ACI Animal Health sales confec held

The Annual Sales Conference 2002 of Animal Health Division was held on Thursday at the ACI Centre, says a press release.

M Anis Ud Dowla, chairman and managing director, welcomed inaugurated the conference.

The conference was attended by Abdul Kader, Director General of Livestock, Directorate, and JL Blanch, general manager of INVESA Internacional Spain as chief and special guests.

Mirza Abul Hasem and Fazul Haque of Bangladesh Agricultural University along with Victor Pujadas, senior manager Export and Cesar Ares, area manager of INVESA also attended the conference as the faculty.

## BB T-bill auction held

UNB, Dhaka

The 230th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

A total of Tk 951.00 crore, Tk 14.00 crore, Tk 49.20 crore, Tk 29.70 crore and Tk 48.40 crore were offered for the 28-day, 91-day, 364-day, 2-year and 5-year bills.

Of these, Tk 926.00 crore, Tk 14.00 crore, Tk 41.00 crore, Tk 20.70 crore and Tk 40.40 crore of 28-day, 91-day, 364-day, 2-year and 5-year bills were accepted.

The ranges of implicit yields were 7.50-8.00 per cent, 9.00 per cent, 10.00-10.05 per cent, 10.80-10.90 per cent and 11.45-11.50 per cent per annum.

## SEDF, Dhaka Bank hold workshop

An in-house workshop on corporate governance was held at Dhaka Bank Ltd in the city on Sunday, says a press release.

The workshop was jointly organised by SouthAsia Enterprise Development Facility (SEDF), Netherlands Development Finance Company (FMO) and Dhaka Bank Training Institute (DBTI).

Acting Managing Director of Dhaka Bank Ltd. (DBL) KAM Majedur Rahman inaugurated the workshop. It was attended by senior executives of the bank.

The workshop was addressed by Dr. Dick Snijders, former chairman of the Supervisory Board of FMO, Arno P.J. de Vette, investment officer of Asia Department of FMO, Shamsad Begum, principal and senior vice-president of DBTI, and a number of senior executives of DBL.

# Restaurants in UK offer £3.5b export market

## BBCC delegation tells local entrepreneurs

STAR BUSINESS REPORT

The country can be a reliable source of quality products for some 12,000 restaurants owned by Bangladeshis in Britain, said Bangladesh-British Chamber of Commerce (BBCC).

The visiting members of the BBCC said yesterday local entrepreneurs can supply vegetables and food products worth around 3.5 billion pound sterling annually to the restaurants.

At present, the restaurant owners buy a few portions of products from Bangladesh.

"One single item can fetch billions of pound. I can sell your products if you come up with products that are competitive and good in quality," Saad Gazi, director of the BBCC, told the local entrepreneurs at a function.

The BBCC is a platform of non-resident Bangladeshis doing business in Britain.

The BBCC members are ready to set up joint venture companies with local partners, he said mentioning young entrepreneurs are doing very well in information technology and banking sectors.

BBCC Director General Dr Wali Tasar Uddin, Bangladesh Textile Mills Association President MA Awal, Frozen Food Exporters Association President Salauddin Ahmed, Foreign Investors' Chamber of Commerce and Industries President Wali Bhuiyan, Bangladesh High Commissioner to UK Sheikh Razzak Ali, among others, were present at the meeting. FBCCI President Yusuf Abdullah Harun presided over the meeting.

Tommy Miah, BBCC corporate member, said several British companies have already signed agreements with local companies.

Wali Bhuiyan stressed the need for combined efforts for successful investment by the BBCC

members.

Salauddin Ahmed said frozen food exporters are now producing value added products for the buyers in the UK.

FBCCI Director A Rouf Chowdhury has urged the BBCC members to increase their imports from Bangladesh.

As the domestic saving rate is very low because of the low income base and the prospect of ODA is gradually depleting, Bangladesh has to depend on increasing volume of foreign direct investment (FDI) to achieve the desired level of investment and growth, FBCCI President Yusuf Abdullah Harun said.

FDI is also necessary because it paves the way for management skill and modern technology, which are key to achieving and maintaining competitive edge in the global market, he added.

## IBBL Board recommends rise in capital

The Board of Directors of Islami Bank Bangladesh Limited (IBBL) has recommended that the bank's authorised capital be increased from Tk 1000 million to Tk 3000 million and paid-up capital from Tk 640 million to Tk 1920 million by issuing 1:2 rights shares, says a press release.

The recommendations were made at a meeting of the Board on Thursday.

Presided over by Shah Abdul Hannan, chairman of the bank, the meeting was attended by local and foreign directors including Yusuf Abdullah Al-Rajhi, representative of Al-Rajhi Co. for Industry & Trade, KSA, Professor Korkut Ozal, representative of Islamic Development Bank (IDB), Jeddah, KSA, and Sheikh Hamad Al-Hajeri, representative of The Public Institution for Social Security, Kuwait.

The meeting disclosed that the total deposit of the bank stood at Tk 5624.64 crore in 2002, registering a growth rate of 35 per cent over the preceding year. Investment of the bank reached Tk 4918.59 crore, showing a growth of 31 per cent. Total foreign exchange business handle by the bank during the year was Tk 6513.10 crore.

## SIBL profit up 39pc in '02

Social Investment Bank Limited (SIBL) has earned a profit of Tk 42.02 crore during the year 2002, says a press release.

This profit is 39 per cent higher than that of the profit of last year.

This was stated by the managing director of the bank Golam Mostafa while presiding over the Branch Managers' Conference-2003 held at a city hotel on Thursday. He said the deposit during the year 2002 was Tk 1514.32 crore which is 44 per cent higher than that of the year 2001.

Investment was Tk 750.40 crore which is 36 per cent higher and foreign exchange business Tk 1352.00 crore which is 118 per cent higher than that of the year 2001.

Ahmed Akbar Sobhan, chairman of the bank, inaugurated the conference as chief guest. The Vice-Chairmen Kamal Uddin Ahmed and Mohammed Shamsuzzaman were present as special guests.

Directors of the bank Humaun Kabir Khan, Shah Alam, Sultan Mahmood Chowdhury, Mohammed Afzal Hossain, Sadat Sobhan, Abdul Hakim, Taslima Akhter, deputy managing director, M Nazrul Islam, all the branch managers and senior executive of the head office were present in the conference.

## Malaysian police to enforce Money Lending Act

THE STAR/ANN

Police will have powers to enforce the amended Money Lending Act, to check on loan shark activities, once it is tabled and passed in the Malaysian parliament next month.

"Allowing police to enforce the act is one of the most important expansions to the proposed amendment," said Housing and Local Government Minister Ong Ka Ting.

He said the police would be the most effective enforcement agency to curb illegal money lending and loan shark activities in the country.

"The police will have records on applicants who may have links with gangsters or those with criminal records. We need to scrutinise and check on the background of future money lending licence applicants," he said during the Malaysia Chinese Association Chinese New Year Open House Saturday.

# Tk 51cr cost cutting steps in force at sugar mills

## 'Voluntary surrender of bonus' on agenda

UNB, Kaliganj, Jhenidah,

In a bid to save over Tk 51 crore this year, the authorities have taken various steps to cut costs of the 15 state-owned sugar mills.

Under the plan, Tk 24 crore will be saved through voluntary surrender of incentives and bonus by the workers and employees which they have been enjoying for many years.

Besides, Tk 27 crore will be saved by reducing overtime bills, maintenance cost of machinery and vehicles, cane development expenditure and cost of electricity and other utilities.

The cost cutting efforts are part of a massive reform programme being implemented in the 15 sugar mills to make them profitable, said an official handout.

The other components of the reforms include rightsizing of manpower, improvement of sugarcane production and development of management skills.

Meanwhile, Industries Minister MK Anwar visited Mobarakganj Sugar Mills here yesterday to see for himself the progress of the reform measures.

He reviewed the production and overall situation of the mill at a joint meeting with the management, employees and workers.

Managing Director of the mill M Rafiqul Islam informed the meeting that the mill would save Tk 5.11 crore in the current fiscal year and it had saved Tk 2.44 crore by December last.

The mill is expected to produce 18,000 tons of sugar in the current

crushing season (November-April). So far, 7,682 tons of sugar was produced.

Bangladesh Sugar and Food Industries Corporation (BSFIC) Chairman Mafzal Ahmed and other senior officials of the Corporation were present at the meeting.

The minister went round different sections of production process of the mill. He also addressed a gathering of cane growers, workers and employees of the mill at its premises.

Anwar said the government is supplementing the cost cutting efforts by withdrawing VAT and other taxes on sugar production which would be a tune of Tk 62 crore annually.

This will reduce production cost by Tk 2,741 per ton of sugar, he added.

# Major duty cutbacks on refined edible oil

## Desperate bid to tame price spiral

UNB, Dhaka

As a countermeasure against soaring prices, the government on Saturday announced major duty cutbacks on refined edible oil imports to cool down the bullish market.

The National Board of Revenue (NBR) slashed import duty on refined edible oil to 7.5 per cent from 32.5 per cent, and totally withdrew a 30 percent regulatory duty slapped on imports only a month back in support of local refiners.

Development surcharge (3.5 per cent) and advance income tax (2.5 per cent) have also been lifted, giving a total tax relief of 61 per cent.

The new tax rate came into immediate effect (from today), said an NBR circular issued Saturday on the urgent action, prompted by the fact that government's relentless effort to check price rises apparently proved futile.

"The measure was taken after repeated efforts by the government to bring down the prices (didn't work)... It is to control the up-trend of oil prices," an NBR official told UNB after lifting protection to the

local refiners.

Now, the refiners will have to face competition from the refined edible oil importers with a level duty structure 7.5 per cent import duty and 15 per cent VAT in both cases.

Edible oils, especially soybean oil, was selling at Tk 51-52 per litre on the local market following an upswing from below Tk 40 a year back.

Against the backdrop of the price spirals, the government relaxed import duty on crude edible oil from 15 per cent to 7.5 per cent in November and held negotiations with the local refiners several times. But the efforts failed time and again.

Bangladesh Oil Refiners' and Vanaspathi Manufacturers' Association president A Rouf Chowdhury was reached over telephone, but he was not aware of the decision.

"If this measure was taken, I don't know for whose benefit. It'll not ultimately benefit the consumers," he told UNB in an offhand reaction.

Officials said tariff measures had already cost the exchequer Tk 300 crore in lost revenues, and the government restricted the practice

of price manipulation using delivery order (DO) as a tool.

They, however, said soybean prices increased 35 per cent on local market, while it rose around 50 per cent on the international market, already stirring prices in neighboring countries.

Soybean oil sells at equivalent of Tk 60.50 per litre in Kolkata of India, Tk 65-70 in Islamabad of Pakistan and Tk 60-95 in Kathmandu of Nepal.

Price of crude soybean oil increased 48 per cent in seven months to December, from US\$ 395 per ton in May to \$585 in December 2002. Palm oil prices soared from US\$370 per ton in May to \$492 in December last year, marking a 33 percent increase.

Last year, a total of 4.11 lakh tons of crude soybean and 4.2 lakh tons of crude palm oils were imported—65 per cent higher than the country's annual consumption—according to figures in the Ministry of Commerce.

As of January 16 this year, stocks of crude soybean oil and palm oil were 45,000 tons and 53,000 tons respectively.



PHOTO: ISLAMI BANK

A meeting of the Board of Directors of Islami Bank Bangladesh Limited was held on Thursday at Islami Bank Tower in Dhaka with Shah Abdul Hannan, chairman of the bank in the chair.

# Financial markets in stress fatigue over Iraq factor

AFP, Paris

Stock markets and the dollar are in stress fatigue over Iraq following the Hans Blix report on inspections and revelations promised by the United States for Wednesday showing proof of deception by Saddam Hussein.

But there is also deep unease about the underlying state of the deficit-ridden US economy.

The revelations, expected in a speech by US Secretary of State Colin Powell to the UN Security Council, could weaken stocks and the dollar as did the critical report by Blix on the progress of UN weapons inspections in Iraq.

US financier Georges Soros summed up the essence of the Iraq fatigue factor, when he told the World Economic Forum during last weekend in Davos: "I think there is a negative impact right now because the market abhors uncertainty."

The forum, which brings together

the great and powerful in the world of finance, was marked this year by the gloom which has overhung the markets for months, and has grown increasingly oppressive as sabre-rattling has increased uncertainty over the prospects for war and the timetable of events.

In Europe, as in New York, stock markets have lurched nervously from session to session, and in general in a downward direction. The London market, the biggest in Europe, broke through the price level of seven years ago on Tuesday after 11 straight sessions of decline.

On Thursday growth figures for the US economy in the fourth quarter of last year were published: the usual dominant impact of this data was overshadowed by the weight of global tensions generally and of the Iraq factor in particular.

Gross domestic product -- or total economic output -- grew at a 0.7-per cent annualised pace, down sharply from 4.0-per cent growth in

the previous three months.

The market noted encouraging signs in the data, in particular a recovery of corporate investment, but then took fright again.

An analyst at Deutsche Bank on Wall Street, Owen Fitzpatrick, commented that given the angst over Iraq, the market would continue to be wary until the outlook was clearer.

Investors are on edge because they expect stocks to rally strongly as soon as any military action is underway. These financial strategists believe, as do the military generals, that the war, if war there is, will be short and decisive.

At Compagnie financiere LCF Rothschild in Paris, chairman Michel Cicurel says: "At the time of the Gulf War, as soon as the fighting began, financial markets recovered strongly. There is a belief that an outcome, of any kind, should liberate the markets."