

SROs hamper business plans, investment flow

FICCI monthly luncheon meet told

STAR BUSINESS REPORT

The issuance of statutory regulatory orders (SROs) bypassing the parliament seriously hampers business plans and discourages investment, foreign investors said yesterday.

"The existing practice of fiscal policy changes through issuance of SROs after the finance act should be done away with," Waliur Rahman Bhuiyan, president of Foreign Investors' Chamber of Commerce & Industry (FICCI), said at the Chamber's monthly luncheon meeting.

Terming the tax and customs officials corrupt, the FICCI president asked why does it require having 25 signatures to release a consignment from customs. He also wanted to know why does it take more than the stipulated time to release a consignment supervised by PSI firm even when the consignment is not selected for physical inspection.

He also stressed the need for a level playing field for market participants and transparency in tax administration to encourage honest taxpayers.

National Board of Revenue (NBR) Chairman Dr Shoaib Ahmed, who attended the function as the chief guest, admitted corruption in revenue departments and said appropriate fiscal measures will be incorporated to encourage investment.

The government is preparing an investor-friendly budget for the fiscal 2003-04 to tap more foreign direct investments, he said. "We will do our best to attract foreign investors," the NBR chairman said.

The government will also create a congenial atmosphere for honest



PHOTO: FICCI

National Board of Revenue (NBR) Chairman Shoaib Ahmed speaks at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce & Industry (FICCI) held in Dhaka yesterday. FICCI President Waliur Rahman Bhuiyan, Secretary Jahangir Bin Alam and Committee Member Richard W. Arnold are also seen in the picture.

taxpayers, Ahmed assured the FICCI members when the association's president drew attention of the NBR chairman to eliminate 'the opportunities' where unethical business gets advantage.

The NBR chairman admitted there are some irregularities in tax collection and a section of revenue officials are corrupt. He said the NBR does not allow going free if any of the revenue officials are found involved in corruption.

"We have punished our officials,

many were made OSDs, even NBR filed cases with the Bureau of Anti-corruption's against its officials," Ahmed said.

He said the NBR will be able to provide better service to taxpayers and investors when it will recruit officials through the Public Service Commission (PSC).

"The efficiency of revenue officials will rise when we will depute new batch of officials in the field by the next six months," he added.

The NBR chairman said hotels

and entertainment industry will be exempted from tax net, which will later contribute to value added tax.

FICCI president also urged the government not to impose any new tax in the next budget, considering the slowdown of the global economy as an aftermath of September 11 terror attack on the US and current volatile situation.

However, he admitted the government is left with no other option but to expand the existing tax net.

Good investment climate, updated rules are urgent

IFC Vice-president tells The Daily Star

INAM AHMED

Bangladesh urgently needs to put in place a good investment climate and updated regulatory framework to rope in foreign direct investment (FDI), says Vice-president of the International Finance Corporation (IFC) Assad Jabre.

But for local investors, gaining competitiveness will be the key to stay in the global race.

"Foreign investors look for ease of operation. If they face too many obstacles, they won't invest," said Jabre. "This is why a good investment climate and regulatory framework is needed for large investments."

"When I met the garment exporters, I found them quite concerned about the phasing out of the Multi-fibre Agreement (MFA) because it will require them to be more competitive. This will need reduction in lead time by improving infrastructure, customs, transit and port handling," he said while talking to The Daily Star earlier this month.

Through such measures the lead time could be cut down to two weeks, which would mean a lot in competitiveness.

About the IFC's strategy to help develop the private sector, Jabre said it promotes small and medium enterprises (SMEs) by providing both technical assistance and capacity building services and financing through financial intermediaries.

The IFC has recently set up a special facility called South Asia Enterprise Development Facility in Dhaka.

The purpose is to facilitate access to finance for SMEs as well as to develop business services to meet their needs.

"Building a strong financial sector is our objective and for that we lend to financial institutions like IPDC and IDLC. We are also working with other partners like BRAC Delta Housing where we have equity participation," Jabre said.

"Our other main focus is to promote foreign direct investment by providing long-term finance. IFC involvement in the Lafarge cement project is one such example. When local funds are not available and foreign investors tend to shy away because of high country risk, IFC steps forward to help them out."

"We also promote sustainable development of natural resources including gas. We feel that Bangladesh can grow faster by utilising gas for power and export," he said.

Although interest rate is not the main issue hurting business, it could be lowered considerably through macroeconomic steps and financial sector reforms.

If the financial institutions are burdened with bad loans, they become reluctant in lending and penalise clients. So, it calls for cleaning up the bad loans.

The SMEs can also reform themselves and improve their own corporate governance, Jabre said.

"Improvement of business environment would increase capital flow and at the end reduce interest rate. There is no magic solution," he observed.

"The top priority (for Bangladesh) is to maintain comparative advantage in RMG and competitiveness in agriculture, ceramics and light engineering."

"The gas sector can make the real difference as an improved energy supply will make business



Assad Jabre

competitive," according to Jabre.

It is time to dismantle the various obstacles put up by the rich to stop agriculture import. Agriculture subsidy by the rich has not been helpful for the poor.

Potential for inter-regional trade

is very high and we must keep this in mind for long-term benefit. And again infrastructure development will need special focus for this to happen.

Dhaka Bank to receive CityCell bills

Dhaka Bank Limited signed an agreement with Pacific Bangladesh Telecom Limited to collect bills from the subscribers of CityCell mobile phones, says a press release.

Under the arrangement, the CityCell subscribers in Bangladesh will be able to pay their monthly mobile phone bills at any branch of the bank.

Azam Reza, executive vice-president of Dhaka Bank Limited, and Faisal Haider, chief financial officer of Pacific Bangladesh Telecom Limited, signed the agreement on behalf of their organisations. Mejedur Rahman, senior executive vice president of the Bank, and senior officials of both organisations were also present at the signing ceremony.

Dutch-Bangla Bank managers' confce held

A meeting of the managers of Dutch-Bangla Bank Limited was held at the bank's training centre in Dhaka on Thursday, says a press release.

Md. Yeasin Ali, managing director of the bank, presided over the meeting.

The meeting was attended by deputy managing director, branch managers and senior executives of the bank.

In his speech, the managing director exhorted the branch managers to make their best endeavour to acquire their respective business goals with the ultimate objective to strengthen the bottom line of the bank.

The deputy managing director Abul Hashem Khan also spoke at the meeting.

Pharmaceutical firms urged to invest in a bigger way

Three-day int'l exhibition begins

BSS, Dhaka

Health and Family Welfare Minister Dr Khandaker Mosharruf Hossain Sunday urged the pharmaceutical companies to invest more in research and development, and in manufacturing pharmaceutical raw materials.

"It will help the country export raw materials as well as medicines in sufficient quantities and earn more foreign exchange," he added.

Dr Mosharruf was inaugurating a three-day international pharmaceutical exhibition and seminar at the Bangladesh-China Friendship

Center auditorium.

The 'Asia Pharma Expo-2003' organised by Bangladesh Association of Pharmaceutical Industries (BAPI) is being participated by some 200 pharmaceutical companies from home and abroad.

The participating countries include USA, UK, China, Taiwan, Pakistan and India.

State minister for health and family welfare Amanullah Aman, state minister for textiles Mizanur Rahman Sinha, state minister for commerce Barkatullah Bulu and health secretary Fazlur Rahman also spoke at the inaugural function

chaired by BAPI president S M Shafiuzzaman. BAPI secretary general Nazmul Hassan made the keynote presentation.

Dr Mosharruf hoped the outcome of Asia Pharma Expo 2003 would have positive impact on health conscious, technical know-how of pharmaceutical research, production and packaging and all other pharma related services.

He noted that pharmaceutical companies of Bangladesh were exporting their products and raw materials to 52 countries around the world.



PHOTO: STAR

Visitors crowd a stall in the Asia Pharma Expo-2003, organised by the Bangladesh Association of Pharmaceutical Industries (BAPI) at Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

Seminar calls for quality garments to face post-MFA challenges

BSS, Dhaka

Speakers at a seminar yesterday underscored the need for manufacturing quality garments through application of modern technologies to face the challenges of globalisation after phasing out of quota facilities in 2004.

Bangladesh has been enjoying quota facilities in the USA, Canada and in the EU under the Multi-Fibre Agreement (MFA), they said and

added but with the withdrawal of the facilities, Bangladesh will have to face challenges in RMG sector from many developing countries.

All these necessitated giving more emphasis on human resource development in the field of readymade garments along with IT to increase productivity in the sector to face the challenges of the post-MFA era, the speakers told the five-day seminar at a city hotel.

The seminar on "The Application

of IT and Management in the Garment Production" was organised by the Association for Overseas Technical Scholarship (AOTS) in cooperation with JUKI Corporation Japan, JUKI Singapore and JUKI Bangladesh.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) vice president Atiqul Islam attended the function as the chief guest, while Japan External Trade Organization

(JETRO) representative in Bangladesh Sotaro Nishikawa, AOTS representative Dr A K M Moazzem Hussain, JUKI representative Sasaki Satoshi and BGMEA director Faruque Hasan spoke at the opening ceremony.

Two JUKI experts -- Shoji Nakamura and Suichi Utrana -- will conduct the business session of the seminar, being participated by 50 persons from different garment industries.

New DMD of EXIM Bank



Ekramul Hoque has been promoted to the post of Deputy Managing Director of Export Import Bank of Bangladesh Limited, says a press release.

Prior to his promotion, he was senior executive vice president of the bank.

He started his banking career with Uttara Bank in 1970 and worked as manager of different branches. He joined National Bank Limited in 1986. During his long career, he had the worked as principal of National Bank Training Institute and trainer of BIBM.

He joined EXIM Bank in 2000.

Rupali Ins holds annual confce

The annual conference 2003 of the branch in-charges of Rupali Insurance Company Limited was held at a local hotel on Tuesday, says a press release.

The Chairman of the company Mostafa Golam Quddus presided over the conference.

Management & Financial Consultant MAzizul Huq, Managing Director P K Roy and Deputy Managing Director Mohd. Alamgir were present in the conference.

Later the chairman distributed prizes amongst the branch in-charges and officers for their performances for last year.

He presented the Chairman's Gold Medal & cash reward to Zahirul Islam, general manager; Special Gold Medals and cash reward to Md Shamim Khan, general manager and S M Shahidul Haque, deputy general manager for their outstanding performances.

He also awarded cash reward to different categories of officers for their praiseworthy performances.

Workshop on money laundering

A workshop on money laundering was held at the Training Institute of Bangladesh Commerce Bank Ltd recently, says a press release.

Harun-Ur Rashid Chowdhury, general manager of anti-Money Laundering Department of Bangladesh Bank, conducted the workshop which was presided by Md Nurul Islam Khan, managing director of the bank.

Executives and officers from different branches in Dhaka area of the bank took part in discussion.