

## TCB windup plan put off

NAZMUL AHSAN

The government has shelved the plan to wind up the Trading Corporation of Bangladesh (TCB) after the Ministry of Law, Justice and Parliamentary Affairs objected to the move, saying the issue is sub judice.

The proposal had been referred to the Ministry of Law by the Cabinet Division, which received it from the Ministry of Commerce. The TCB was established in 1972 by an ordinance.

Twelve employees of the TCB filed several cases with the High Court last year challenging the move to wind up the corporation following forced retirement of 336 employees.

The High Court, in one of the cases, ordered to maintain status quo barring any further mandatory retirement under the winding-up move, TCB officials said.

Aggrieved TCB officials said the earlier process of forced retirement had ignored the government rules

of golden handshake, depriving employees of their actual dues.

They said many employees were forced to go into retirement whose length of service was less than 25 years.

At present, 230 employees are working with the state-owned trading organisation. As the government is no longer engaged with commercial import, employees are virtually left without any work.

Sources in the Ministry of Commerce said the government

has dropped the move to wind up the corporation for the time being.

"The government will take the next course of action after the court gives its judgement," said a high official in the commerce ministry preferring anonymity.

A number of experienced employees of TCB, who have good track record may be kept out of its future golden handshake programme, he said, adding the skilled staff will be absorbed in different government offices.

## Etra-Mercedes in bid to promote eco-friendly transportation

Etra-Mercedes, a joint venture between Italy and Germany, has decided to enter Bangladesh for promotion of environment-friendly transport system, says a press release.

To this effect, the joint venture company has signed an agreement with SK & Company to convert diesel-run buses and trucks into CNG dual fuel system all over Bangladesh.

"This will provide clean environment and save the people from air and other pollution by reducing carbon monoxide emission by 70 per cent. The converted vehicles are expected to save over 40 per cent of fuel cost and redeem the cost of conversion within a year", the press release said.

## Jamuna Bank extends Tk 95m credit line to Int'l Leasing

Jamuna Bank Limited (JBL) has extended a Tk 95 million credit line to International Leasing and Financial Services Limited, says a press release.

The credit line will be utilised for expanding lease financing for development of productive enterprises.

An agreement to this effect was signed between Jamuna Bank and International Leasing and Financial Services in Dhaka.

K S Tabrez, senior executive vice-president of the Bank, and Mafizuddin Sarker, managing director of the leasing company, signed the agreement on behalf of their organisations. S A Chowdhury, managing director of Jamuna Bank, other executives and officials of both the organisations were present at the signing ceremony.

## Business flyers give Emirates 3 top awards

Frequent business flyers, some of the world's discerning travellers and whose support is vital to an airline's success, have given Dubai-based Emirates three top awards for its service, says a press release.

Readers of Business Traveller Middle East, one of the region's leading business travel publications, voted the international carrier Best Airline in the Middle East, as well as Best Regional Airline and Airline with the Best Cabin Crew.

Tim Clark, emirates' chief director (Airline), received the awards from celebrity chef Anton Mosimann at a ceremony at Dubai's Emirates Towers Hotel.

## Maize assoc formed

Maize Association of Bangladesh (MAB) was formed recently, says a press release.

The Agro-based Industries and Telecom Development Project (ATDP) assisted to form the organisation.

AKM Azad and Ismail Hossain were elected president and general secretary of MAB with an 11-member executive committee.

Pushed by the growth of the poultry industry, maize farming is growing in Bangladesh, said president of the organisation.

## Pakistan vows new series of reforms

AFP, Karachi

Pakistan on Tuesday flagged a new series of economic reforms aimed at tackling rampant poverty among its 145 million people.

"We are going to introduce a new series of broad-based reforms at provincial and district levels, targeting a growth rate of six per cent to curb the menace of poverty," Finance Minister Shaukat Aziz told a business seminar in the Islamic republic's commercial capital Karachi.

"Over the next couple of years we want to bring the poverty level down to 28 per cent."

Using figures from 1999, the United Nations estimates that nearly 31 per cent of Pakistanis earn less than one dollar a day, its standard for measuring poverty. The government is in the process of measuring poverty for the year 2001 and 2002, according to the state Planning Commission.

## Export 4pc behind target

6.15pc growth registered in nine months

MONJUR MAHMUD

In the face of price fall in the international market, Bangladesh export earnings fell short of target by over four per cent in the first three quarters of the current financial year.

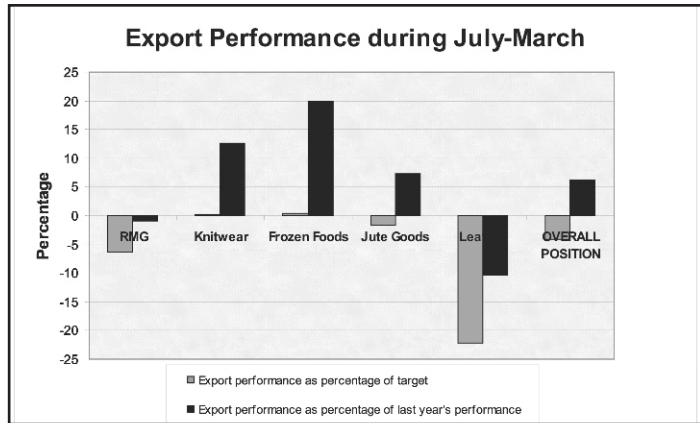
Exports fetched US\$4722 million during the July-March period of FY03, growing by 6.15 per cent from last fiscal's same period, according to Export Promotion Bureau (EPB).

"Prices of Bangladeshi products continue to slip, though export volume rose substantially," said an EPB official. On an average, prices dipped by 9.68 per cent but volume went up by 15.83 per cent in the first three quarters of this fiscal, he added.

Some major earning sectors, including woven garments, jute goods, leather, agricultural products, bicycle, handicrafts, and tea, could not achieve targets during the period while knitwear, frozen food, raw jute, chemical products performed better than last fiscal's same period.

RMG exports fetched \$2349.63 million, down by 6.30 per cent from the target and also 0.91 per cent lower than last fiscal's.

Knitwear worth \$1184.11 million was exported till March, crossing the target marginally by 0.12



per cent and recording a 12.59 per cent growth from last fiscal's same period.

In the first nine months of FY03, frozen foods worth \$241.90 million were exported, up by 0.41 per cent from the target and marking a 19.87 per cent rise from last fiscal's corresponding period.

Leather export fetched \$136.51 million, down by 22.09 per cent from the target and also posting 10.29 per cent negative growth from last fiscal's corresponding period.

Jute goods worth \$193.61 million were exported, down by 1.78 per cent from the target but recording a 7.41 per cent growth from the

earning of last fiscal's corresponding period. During the July-March period, chemical products worth \$70.82 million was exported against the \$58.40 million target.

Raw jute worth \$57.57 million was exported against the target of \$47.45 million, up by 21.33 per cent from the goal and showing a 22.99 per cent growth from last fiscal's same time.

Tea export amounted to \$12.71 million during July-March period of FY03 against the \$14.60 million earning target. This is a 12.95 per cent fall from the goal.

Handicrafts worth only \$4.22 million were exported during the period, showing a 22.99 per cent decline from the target.

## Air freight hike draws exporters' flak

NAZRUL ISLAM

The government announcement of a 15 per cent freight hike for export of perishable goods by Biman flights has drawn flak from exporters.

The national airline recently announced the hike with effect from June 1 citing a rise in its expenditure, officials explained.

Exporters claimed the unilateral announcement of freight increase has poured cold water on their interest in exporting fruits, vegetables and betel leaf.

Senior Vice-president of Bangladesh Fruits, Vegetables and Allied Exporters Association Mohammad Monsur yesterday said, "Imposition of the 15 per cent freight increase would force us to stop export of these products since

it would not be at all profitable."

He mentioned that export of these goods on the basis of annual contracts usually begins in January. The hike that would raise the export cost at the middle of the year has puzzled them, he said.

Some exporters said they would first take up the issue with the government. If their problem is not resolved, they would go for a movement, they added.

Earlier, the authorities had also increased handling charge for goods by 100 per cent in the name of newly introduced scanning charge. Exporters used to pay 0.2 cents per kg in handling charge and now they have to pay another 0.2 cents in scanning charge.

During the Afghan war, the authorities had also announced a war risk surcharge at a rate of five

cents per kg of perishable goods. It could not however be implemented in the wake of a movement by the exporters.

The country earns on average Tk 200 crore a year from export of fruits and vegetables to the Middle East countries, the United Kingdom, Germany, Italy and Singapore, according to statistics available.

Some exporters said they are now supplying only 30 per cent of the demand for these goods in foreign markets. They urged the government to request the other airlines operating from Dhaka also to carry perishable goods.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin was not available for his comment.

## Businesspeople call for lower interest rate

STAR BUSINESS REPORT

Businessmen have urged the government to lower interest rates in the upcoming national budget to see an industry-led growth.

They said the prevailing bank interest rate hinders industrialisation, which should be major contributor to gross domestic products (GDP).

Drawing examples of neighbouring countries where interest rates hover around six to seven per cent, they said lending rate should be brought down to seven-eight per cent while interest rate should be three to four per cent on savings.

They were speaking at a pre-budget discussion between Bangladesh Chamber of Industries

(BCI) and Jatiya Party leaders yesterday in Dhaka.

They said if interest rate is brought down to proportionate level, entrepreneurs will feel encouraged to set up more industries which would increase exports and create employment.

They said infrastructure development specially in gas, electricity and telecommunication sectors is essential for industrial growth and that price of gas and electricity should be reduced and connection should be made easier.

They also suggested modernising port, extending tax holiday system to every industrial sector.

They also urged the government to revitalise the capital market to

boost industrialisation.

Addressing discussion, BCI President AK Azad said political instability, bureaucratic constraints, trade unionism, and deteriorating law and order are the major impediments to industrial development in Bangladesh.

Azad said the industrial sector in Bangladesh contributes only 15 per cent to gross domestic products (GDP). Lawmakers should take fruitful initiatives to increase contribution of the industrial sector to the GDP, he added.

Jatiya Party Chairman Hussain Mubhammad Ershad also addressed the discussion held at BCI conference room at BCIC Bhaban.



## New chairman of BADA

M Salahuddin, director of MAM Automobiles Ltd, has been elected chairman of the Bangladesh Automobiles Distributors Association (BADA) recently, says a press release.

Matiur Rahman, chairman of Uttara Motors, and Abdul Matlub Ahmed, chairman of Nitol Group, were elected vice-presidents.

The newly elected executive committee of BADA made M Salahuddin the chairman of first motor show in Bangladesh beginning from May 28 to June 1.

## Himadri Board recommends 10pc dividend

BSS, Dhaka

The Board of Directors of Himadri Limited, a sister concern of the Ejaj Group, recommended a 10 per cent dividend for its shareholders for the year ended December 31, 2002.

The Board at a meeting held recently also approved the audited balance sheet of the company for the same period.

The 29th Annual General Meeting (AGM) of the company will be held on the corporate office premises of the company on June 23, 2003.

## Biman sales counter opens at Ctg int'l airport

BSS, Dhaka

A sales counter of Bangladesh Biman was opened at Shah Amanat International Airport yesterday.

Inaugurating the counter, State Minister for Civil Aviation and Tourism Mir Mohammed Nasir Uddin said this would fulfil the long-cherished desire of the passengers of the region including the port city.

Mir Nasir said opening of the counter will enable arriving and departing passengers of greater Chittagong and its adjoining areas to have all kinds of facilities.

The inaugural ceremony was attended by concerned high officials of Biman and Civil Aviation.

## Novartis holds symposium on Zometa

Novartis (Bangladesh) Limited organised a Launching Symposium on their new product Zometa at Dhaka Sheraton Hotel on Tuesday, says a press release.

Zometa (Zolendronic Acid) is a highly potent bisphosphonate which play a vital role in the management of Bone Metastasis and Hypercalcaemia of Malignancy.

Professor Md Abdul Hai, director of Ahsania Mission Cancer Hospital, chaired the session and Professor A M M Shariful Alam, director of NICRH, was present as special guest. Top oncologists and hematologists were present in the symposium.

Head of Country Pharma Organisation of Novartis (Bangladesh) Limited Md Mansur Alam, and specialists in relevant fields spoke at the function. Professor Abdul Hai thanked Novartis for launching such a product.

## Task force formed to derive strategy on free trade

STAR BUSINESS REPORT

In a bid to prepare a draft policy on the free trade agreement (FTA) the Ministry of Commerce has recently formed a high-powered task force.

The body has been assigned with the task of preparing policies to facilitate a clear position of Bangladesh to enable it to negotiate with the countries willing to go for an FTA.

Sources said many countries have interest in forging trade ties with Bangladesh.

Representative from private sector has been included in the seven-member task force headed by Abul Kalam Azad, joint secretary of Ministry of Commerce (MoC).

Other members of the task force

are Mustafa Abid Khan, deputy chief of Tariff Commission, AKM Fazlur Rahman, trade consultant of MoC, Nasir Uddin Ahmad and Nesar Ahmad of MoC, representatives from the Ministry of Foreign Affairs and the National Board of Revenue (NBR) and Manzur Ahmad of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Countries like USA, India, Pakistan, Sri Lanka and Myanmar have so far showed repeated interest to sign an FTA with Bangladesh.

But sources said Bangladesh did not communicate with the interested countries in the absence of a clear guideline about the position of Bangladesh on the FTA issue.

Task force members are

expected to scrutinise the existing FTAs, including the ones between India and Sri Lanka, prior to preparing the draft policy, they said.

India has long been pressing Bangladesh for an FTA, officials in the commerce ministry said. But, Dhaka has decided on a go-slow policy.

"Sri Lanka should be our first choice in signing an FTA to avoid any political controversy and risk," a top official of MoC said seeking anonymity.

Now, Bangladesh has trade deficits with every member of the South Asian Association for Regional Cooperation (SAARC) which makes it hesitant of deciding FTA with the member countries, fearing further the trade deficit.



PHOTO: DCCI

Dhaka Chamber of Commerce and Industry (DCCI) President Matiur Rahman (C) addresses the meeting with visiting Canadian trade delegation in Dhaka yesterday. Leader of the delegation Greg MacDonald (right) and General Manager of SEDF Anil Sinha also seen.

## Tapped Canada market to bring end to LDC status

Visiting delegation tells DCCI meet

STAR BUSINESS REPORT

Bangladesh stands a chance of coming out of its least developed country (LDC) status provided it takes full advantage of duty-free access to Canada, a visiting Canadian trade delegation member said yesterday.

Though most of the LDC nations have been granted the same duty-free access by Canada, Bangladesh leads them in terms of economic development as it is blessed with cheap labour and conducive atmosphere, Ronald Beriet, representative of Trade Facilitation Office of Canada (TFOC), said.

As the duty-free access allows any Bangladeshi product, excepting arms and poultry, to enter Canadian market, Dhaka should make extra efforts to diversify its export basket, which is currently dominated by the apparel sector, he observed.

"Bangladesh has only one and a half year time to make its products competitive, as the duty-free status will be discontinued with

the WTO coming into force from January 1, 2005," Beriet said, while addressing a business meeting with members of the Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka.

He said the aim of the Canadian duty-free access is to help reduce poverty level in the LDCs and also to help poor countries cope with probable challenges of WTO regime.

Addressing the meeting, Greg MacDonald, leader of the delegation, said Bangladeshi businesses should intensify joint ventures with their Canadian counterparts to reap maximum benefits from the duty-free access, said

The joint ventures will not only help increase Bangladesh's exports to Canada but also to the neighbouring US market which is similar to Canada, he added.

DCCI President Matiur Rahman urged Canada to relax rules of origin requirements for apparel products exported from LDCs.

He urged Canada to help

develop backward and forward linkage industries for ready-made garment to strengthen the backbone of the major export earning sector.

Highlighting incentives being offered to foreign investors, he said foreign investment is protected by law which ensures hundred per cent repatriation of capital and profit.

He said foreign investors can invest either with hundred per cent ownership or in joint ventures, inviting Canadian businessmen for joint ventures with their Bangladeshi counterparts.

South Asia Enterprise Development Facilities (SEDF) and Canadian Manufacturers and Exporters Association (CMEA) organised the visit of the trade delegation which was mostly comprised of private sector business-leaders.

Anil Sinha, general manager of SEDF, local businessmen, DCCI directors also attended the meeting held at the chamber's auditorium.

## Indian rice exports likely to stall from July

REUTERS, Bombay

Indian rice exports, the second largest in the world by tonnage, could come to a standstill from July as the government has raised selling prices to exporters to uncompetitive levels, traders said Tuesday.

The country, which sold about 4.5 million tonnes in the year to March, is now likely to enter the world market only when world prices rise, they added.

"No one is going to buy Indian rice at the new rates unless global prices also rise," said a Bombay-based grains trader.

The Indian government, which buys rice from farmers and sells it to exporters at subsidised rates, raised prices by more than 10 per cent for the July-September quarter.

It raised the price of raw rice harvested in the current crop year to June by 690 rupees a tonne to 7,300 rupees (\$156) and raw rice from the past year's crop by 865 rupees to 7,225 rupees.

Prices of 25 per cent broken rice, after taking into account transportation costs, handling charges and profit margins, would rise to about \$174 per tonne free on board (FOB) in July from \$162 a tonne now, traders said.

The new price will be higher than the \$170 now quoted by rival Vietnam, whose rice is of better quality.

Indian rice exports had already fallen over the past few months due to a shortage of rail wagons for transporting the grain to ports from warehouses and traders said the increase in prices would strike a further blow.

Exporters said they would avoid making fresh deals in coming months and instead execute outstanding contracts for an estimated 200,000 tonnes, due to be shipped in May and June to destinations such as Africa, Bangladesh and Indonesia.



PHOTO: JAMUNA BANK

K S Tabrez, senior executive vice-president of Jamuna Bank Limited, and Mafizuddin Sarker, managing director of International Leasing and Financial Services Limited, sign a term loan agreement in Dhaka. S A Chowdhury, managing director of the bank, and other executives and officials of both the organisations were also present.