

## New road opens in Ctg

STAFF CORRESPONDENT, Ctg

A connecting road between the port city's business hub Chaktar-Khantunganj and Karnaphuli bridge was opened for traffic yesterday.

Food Minister Abdullah Al Noman and Housing and Public Works Minister Mirza Abbas jointly inaugurated the 1.5 Km road constructed at a cost of Tk. 4.5 crore.

The construction work of the road started in 1994 but remained suspended due to a land dispute. The work however resumed last year and completed in June this year.

The road will help the people of southern Chittagong and Cox's Bazar enter the city business centre from the other bank of the Karnaphuli in 10 minutes.

CDA chairman Brigadier General Shariful Alam chaired the inaugural ceremony which was attended among others by CDA board member and city Jamaat Ameer Moulana Shamsul Islam and BNP leader Abu Sufian addressed.

The food minister said opening of the road was a part of the present government's sincere efforts in upgrading Chittagong as the commercial capital.

He called upon the city mayor to save Chittagong people from mosquitoes and water-logging created by unplanned construction.

## First Bangladeshi owned mortgage bank in New York

BSS, New York

The first ever Bangladeshi owned mortgage bank was opened here Friday to facilitate real estate business in the US by Bangladeshi expatriates.

Bangladeshi real estate businessman and former senate candidate from New York state Giasuddin Ahmed holds the lion's share of this new financial organisation named Ameritrust Mortgage Bank.

Consul General of Bangladesh Consulate Rafiq Ahmed Khan inaugurated the bank at a simple ceremony.

While calling upon the well-to-do section of Bangladeshi expatriates to invest in various financial projects, the consul general said, "Before being established in the USA politically, we have to be established first economically." He called upon the Bangladeshis here to build a strong community through dedication, honesty and sincere efforts.

A large number of community leaders were present at the function.

## Silva Pharma launched

BSS, Dhaka

A new pharmaceutical company, Silva Pharmaceuticals Ltd, was formally launched yesterday.

Addressing the launching ceremony held at a city hotel, Minister for Health and Family Welfare Khandaker Mosharraf Hossain said local pharmaceutical companies are meeting nearly 96 per cent of the country's total demand for medicines.

"These companies are also exporting pharmaceutical products and raw materials to 52 countries after meeting our home demand."

Mosharraf also said Bangladesh had requested WHO and Saudi government to buy medicine and raw materials from Bangladesh and they have responded positively.

## Jute procurement target set

BSS, Dhaka

The government has fixed jute procurement target at 55 lakh maunds (11 lakh bales) and set the price at taka 315 per maund during the current fiscal year.

Meanwhile, the formal procurement drive of the current season began on Friday at Kanaipur and Kamarkhali in Faridpur district through purchasing jute by Platinum Jubilee, Hafiz, UMS, Crescent and Amin jute mills.

Disaster Management and Relief Minister Chowdhury Kamal Ibne Eusuf inaugurated the procurement drive while Minister of State for Jute Luthfor Rahman Khan Azad was present.

The government would procure 55 lakh maunds of jute at a cost of taka 170 crore to meet the needs of 26 public sector jute mills in the country.

Speaking on the occasion, Eusuf said the government was determined to recover the lost glory and heritage of nation's precious jute resources.

He called upon the farmers to grow more jute and ensure its better marketisation.

# Non-bank financial instts on CIB list

## Move to restrict defaulters from getting loans from FIs

STAR BUSINESS REPORT

Against the backdrop of increased number of defaulters in the non-banking financial institutions (NBFIs), the central bank has included the NBFIs in its list of Credit Information Bureau (CIB).

The inclusion will block defaulters of an NBFI to obtain loans from any other financial institutions.

They were included in the list based on the information of January-March quarter of this year. Separate CIB cells have also been set up for the financial institutions.

This was disclosed at a meeting between Bangladesh Bank

Governor Dr Fakhruddin Ahmed and the chief executive officers (CEOs) of the NBFIs held at the central bank yesterday.

Talking to The Daily Star senior NBFI officials said the central bank took the decision following request from them.

Due to absence of such inclusion in the list, the volume of default loans with the non-bank financial institutions is increasing, officials said.

The CIB officials informed the meeting that the bureau will be able to furnish necessary information about defaulters within 72

hours if any financial institution seeks such information.

Sources said issues relating to credit line, term deposit, capital, bond market and dishonouring of cheques also came up for discussion in the meeting.

The CEOs of NBFIs told the meeting that 30 per cent of the cheques issued in favour of the institutions were dishonoured in the first attempt.

After the observation from the CEOs, the governor asked them to furnish the central bank with detailed information on the cheques which are dishonoured.

Talking to The Daily Star, Abdul Kader, president of Bangladesh Leasing and Finance Companies' Association said the dishonouring of cheques has emerged as a 'bad culture' in the sector.

"We urged the central bank to take steps to solve our problems regarding cheque dishonouring," added Kader, also managing director of Phoenix Leasing Company.

Meeting sources said the NBFIs had been asked to fulfill the new capital requirement at Tk 25 crore within next two-year. The CEOs sought extension of the time frame by a year which the central bank refused.

# Uncertainty over FBCCI polls

## High Court issues rule, stays reform order

STAR BUSINESS REPORT

The election of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), has once again become uncertain as the changes in the electoral system have been challenged in the High Court.

A division bench of the High Court yesterday issued a rule on the government following a writ petition filed by M A Rouf Chowdhury, president of Bangladesh Vegetable Oil Refiners' Association.

The High Court also stayed for a month the operation of the government SRO (statutory regulatory order) under which the electoral amendments were made.

The FBCCI election is scheduled to be held on August 25 and sub-



M A Rouf Chowdhury

mission of nomination papers ended on Thursday.

The court order has reflected the sentiments of the business community, said M A Rouf Chowdhury at a press conference yesterday.

He said the initiative taken by the government will have a negative impact on the accountability and transparency of the Federation.

"Such amendments made three to four days after the announcement of election schedule seems to be motivated" Chowdhury told the reporters.

"If any sort of reform is needed, all the trade bodies should be reformed," he said.

Chowdhury claimed that 85 to 90 per cent of the FBCCI members

are against this electoral reform.

He added that a good number of members expressed their desire to have the electoral rules changed on completion of this year's election.

Chowdhury said the new reform in the election process will hurt the voting rights of the FBCCI members.

As per the changes under the government initiated reform, a total of 14 directors -- seven each from associations and chambers -- will be nominated by the government while 24 directors will be elected through voting by the members. In the second phase, the directors will elect a president and two vice-presidents.

Earlier, FBCCI members used to elect a president, a vice president and 30 directors through direct voting.

# Rise in tea production likely this year

IQBAL SIDDIQUEE, Sylhet

Bangladesh is like to have a better production of tea this year, thanks to reasonable amount of rainfall in the main tea producing region, experts hoped.

The region experienced adequate rainfall during the tea-producing period which may contribute to achieving 9 to 10 per cent rise in production this year, they said while talking to The Daily Star.

Bangladesh has set a target for producing 55 million kg of tea in 2003 while last year's total production was 52.79 million kg against a target of 56 million kg.

An official in the Bangladesh Tea Research Institute (BTRI) said the main tea producing region experienced over 1200 mm rains during January-June period this year against 1700 mm in the corresponding period of last year.

Though the total amount of rainfall was less this year, the distri-

bution of rains was better on average, which is very important for tea plants growth, he said.

The region experienced higher rainfall last year but budding of tea leaves and their spurt were hampered due to unfavourable weather caused by uneven distribution of rains with inconvenient temperature, the official explained.

Tea production declined last year in all the 160 tea gardens spread over six valleys in Bangladesh. The Balisera and Monu-Doloi valley in Moulvibazar district, the highest tea-producing valley was the worst sufferer.

Though the situation in the Lashkarpur and Juri valley was a little better, it did not contribute much to cover the overall production shortfall, which was about 3.2 million kgs behind the target of 2002.

Some tea scientists said the second flash period, which spread from May through July, is consid-

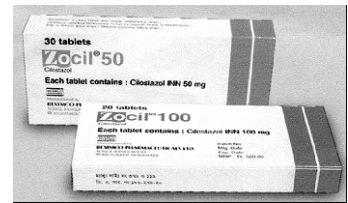
ered the most important period for tea cultivation. It plays a vital role in the whole of year's tea production.

In May last year there was a total rainfall of 620 mm, a record in 20 years. Besides, heavy shower in most days during the second flash period washed away the fertilizer applied in the tea plantations, resulting in less production.

Tea is an important cash crop and one of the largest agro-based industries in Bangladesh. Two third of the yearly tea production of around 55 million kgs is consumed locally while the rest is exported.

The average foreign exchange earning from tea is about Tk 150 crore. About 1.5 lakh people are employed in this industry, which is about 3.3 per cent of the country's total industrial employment.

## New Product Beximco Pharma's drug



Beximco Pharmaceuticals Ltd has marketed a drug that is a better solution to walking disorder arising out of blood circulation problem, says a press release.

The drug, Zocil (clostazol) 50mg and 100mg tablet, is now available in market.

## Taka firm as dollar weak against major currencies

BSS, Dhaka

The Bangladesh taka was firm against the US dollar in thin inter-bank trade yesterday as upbeat US economic data failed to help the dollar on Friday in the international markets, dealers said.

The dollar traded at 58.3700-58.3900 to the taka yesterday in line with its previous closing on Thursday, dealers of leading commercial banks said.

But trading was depressed due to holiday in most international markets. The volume of foreign currency trading was also comparatively lower, they said.

"Importers and traders could not deal with their foreign traders as most international foreign exchange markets remained closed due to weekend holiday.

## Call money rate steady

BSS, Dhaka

The money market remained packed with surplus liquidity yesterday due to thin credit flow and low investment, fund managers of leading commercial banks said.

The overnight money rate ranged between 4.00 per cent and 7.00 per cent in line with Friday's range, they said.



Faisal Morshed Khan, managing director of Pacific-Bangladesh Telecom Limited, service provider of CityCell Digital cellular phone, speaks at a press conference in Dhaka yesterday. AKM Shafiqul Azam, head of Sales and Marketing, Siddique Ali Miah, head of Technical, and Shaikat Mahmood, media consultant, are also seen in the picture.

# CityCell SIM on the cards

STAR BUSINESS REPORT

Pacific Bangladesh Telecom Limited (PBTL), the service provider of CityCell digital cellular phone, is contemplating introduction of SIM enabled CDMA phone sets.

"We consider bringing SIM (subscriber identity module) card enabled CDMA sets to reduce subscribers' hassles in having new connection in case of damage or missing of sets," PBTL Managing Director Faisal Morshed Khan told reporters at a briefing yesterday.

He also hinted at further cut in their call rate and revealed the plan to extend coverage of CityCell phones throughout the country.

Currently, PBTL is using CDMA (code division multiple access) technology in cell phones which does not require SIM card. In case of damage or missing of sets, subscribers have to change the phone set that proves to be expensive for them.

About call charge the PBTL managing director said, "We have already sliced off the call tariff and promise our subscribers to reduce it further within two months."

CityCell recently introduced a new post-paid mobile-to-mobile package "Amar Phone" with call

charges as low as Tk 0.75 per minute in the super off-peak hours.

"This is so far the lowest mobile cell charge in Bangladesh market. This rate is applicable even for nationwide calls," Khan said.

The PBTL managing director said users of other CityCell packages would also find something very attractive very soon.

Currently, CityCell has some 215,000 subscribers and network coverage in 46 districts.

"We have a plan to expand networks to 50 districts by August, 54 districts by September and entire Bangladesh by the middle of 2004," Khan said.

He said there is huge potential for cell phone growth in Bangladesh but the prospect is hindered due to higher tariff on mobile handset, microwave facilities and network lease.

Khan said the microwave link charge in the country is 10 to 20 times higher than that in neighbouring Sri Lanka, India and Pakistan.

"If we can't bring down the charges, people will not be able to get phones at lower prices," he added.

Terming cell phone industry a highly capital intensive sector,

Khan said the government should look into the industry for its further growth.

He said the government considers the telecommunication sector as an infrastructure sector but it hardly provides any facility for its nourishment.

"Taxes on telecommunications equipment is higher in the country in comparison with other neighbouring countries," he said.

He called upon other cell phone operators to share infrastructures to ease pressure on the limited foreign currency reserve of the country.

CityCell introduced prepaid service with BTB connectivity last year, which created a lot of enthusiasm among cell phone users.

Faisal Khan said his company has introduced a most modern world class service centre in Dhaka. "Such centres will be set up at various other places in phases."

The briefing organised at a city hotel was attended, among others, AKM Shafiqul Azam, head of sales and marketing, Siddique Ali Miah, head of technical, Shaikat Mahmood, media consultant and Farhad Alam, assistant vice president of the company.

# BB's fresh drive next month to lower interest rates

UNB, Dhaka

Bangladesh Bank initiates fresh drive next month to lower interest rates on term loans, which are considered to be major roadblocks to investment.

"We will be sitting with the commercial banks next month to find ways of reducing the lending rates," Bangladesh Bank Governor Fakhruddin Ahmed told the news agency in an interview on Friday.

He said the central bank is now working out guidelines for money market to facilitate introduction of some debt instruments. The measure would enable the commercial banks to mobilise fund from other banks at lower cost.

"The guidelines have already been completed and we're going to announce those shortly," he said, disclosing that the private commercial banks would be coming up with new products at lower rates within next few months.

Elaborating, Ahmed said the central bank is going to introduce secondary treasury bills market, to enable the banks to cover temporary shortfall of funds from another bank against the T-bills.

Meanwhile, he added, a move is underway to write off bad loans of the commercial banks. Bangladesh Bank held meetings with the commercial banks to review the progress last week.

The performance had so far been unsatisfactory, but the banks were expected to meet their respective targets by the deadline December 31, 2003.

"These will help banks to reduce cost of fund as well as the lending rates," the Bangladesh Bank governor said, declining to set a benchmark at which point the rates could come down due to the measures.

But he felt that the range of interest rates should be 7-8 per cent to spur industrial investment.

The government has initiated

reducing the lending rates, but the commercial banks, mainly the private ones, so far responded poorly on the plea that they have to collect fund offering high interest rates to the depositors.

They argued that the interest rates of government savings certificates should be lowered first to enable the private banks to lower their lending rates.

Even the nationalised commercial banks frustrated the government as they failed to respond to the call for lowering interest rates. NCBs, which are burdened with huge bad loan portfolio, are reluctant to reduce their interest rates.

Most of the banks maintain a range of lending rates between 13 per cent and 16.5 per cent for term loan while 7-10 per cent for export credits, which is much higher than the rates in neighbouring countries, including India and Pakistan.

# Dhaka urges Islamabad to reduce trade barriers

BSS, Dhaka

Bangladesh has urged Pakistan to reduce tariff and non-tariff barriers for Bangladesh goods like jute products and pharmaceutical items to help narrow the existing trade gap between the two countries.

Bangladesh's request was made when Foreign Secretary Shamsheer M Chowdhury, called on Pakistan President Pervez Mosharraf in Islamabad yesterday, according to a message received here from Rawalpindi.

The foreign secretary is now on an official tour to Islamabad.

During the meeting, he conveyed the greetings of Bangladesh President Iajuddin Ahmed and Prime Minister Khaleda Zia to the Pakistani president.

Bangladesh High Commissioner in Islamabad F A

Shamim Ahmed and Pakistan Foreign Secretary Riaz H Khokhar were present.

Bangladesh foreign secretary apprised President Mosharraf of the major achievements of the government of Khaleda Zia and discussed with him matters of bilateral interest.

President Mosharraf recalled his visit to Dhaka in July last year and expressed his satisfaction at the existing friendly relations between the two SAARC members.

The foreign secretary said Prime Minister Khaleda Zia was looking forward to visiting Pakistan in early January next year to attend the SAARC summit.

He mentioned the commitment of Bangladesh to SAARC as late president Ziaur Rahman had visualised a vibrant regional organisation.

The foreign secretary conveyed

the thanks of Khaleda Zia to President Mosharraf for supporting Bangladesh's candidature for the post of OIC secretary general.

President Mosharraf evinced keen interest to make the OIC an effective and forward looking organisation capable of safeguarding interests of Muslim Ummah.

They also exchanged views on regional and international issues including Afghanistan, situation in Iraq and Middle East Peace Road Map.

Shamsheer Chowdhury also called on Pakistan Prime Minister Zafarullah Khan Jamali.

The foreign secretary conveyed the greetings and best wishes of Prime Minister Khaleda Zia to Jamali.

They also discussed matters of bilateral interest and exchanged views on regional and international issues.



Singer Ayub Bachchu obliges an autograph seeker at a function organised to mark the launch of Mountain Dew, a new drink of Pepsi, at Fantasy Kingdom theme park at Ashulia on the outskirts of Dhaka on Friday.