

## Hi-tech scanners for Ctg port, ICD to check containers

### Govt to spend Tk 400cr to install five scanners

#### STAR BUSINESS REPORT

The government has decided to set up five hi-tech scanning machines to check containers at Chittagong Port and inland container depot (ICD) at Kamalapur in Dhaka aiming to prevent tax evasion as well as make export and import safer.

Total cost for importing the five large scanning machine and their installation has been estimated at Tk 400 crore and the price of each unit may range between Tk 60 crore and Tk 70 crore, officials said.

Setting up of at least three scanning units -- two at Chittagong Port

and one at ICD Kamalapur -- will be completed by December this year.

The decision was taken at a high-level meeting in Dhaka yesterday with Finance and Planning Minister M Saifur Rahman in the chair. Shipping Minister Akbar Hossain, secretaries of finance and shipping, chairmen of the National Board of Revenue and Chittagong Port Authority were present at the meeting.

"We have decided to set up scanning machine for increasing our revenue income and also detecting security risks," Saifur Rahman told reporters after the

meeting.

He said engaging pre-shipment inspection (PSI) companies will not be required after setting up such scanners. "These machine will help us make sure that illegal goods are not exported or imported."

Presently, three PSI companies check imported goods on random basis. However, there are allegations of flaws in the system that ultimately contribute to tax evasion and increasing security risk, meeting sources said.

"With terrorism intensifying globally, the US will not accept

goods that are not scanned," said an official adding, "We will have to ensure that our goods being exported to the US market are scanned."

"If we don't make arrangements for scanning goods in our country, we'll have to do it in Singapore which would make things complicated," said an NBR official.

A four-member committee has been formed headed by NBR Chairman Shoeb Ahmed to complete tender process for purchasing the scanning machines and their installation, meeting sources said.

## Biman to prune frill wings

### Bid to save Tk 23cr a year

#### M ABDUR RAHIM

In a bid to recover from weak financial condition, Biman Bangladesh Airlines has come up with a number of austerity measures which would save Tk 23 crore a year, officials at the national flag carrier said.

Biman management has asked all departments to discard luxurious projects and check wastage by maintaining austerity.

The austerity measures include adjustment in manpower, reducing operational costs as well as expenditures for maintenance, procurement and training, and engaging private management in running canteens.

Sources said manpower of eight out of 26 overseas stations will be trimmed off to the minimum level and sales and marketing activities of those stations will be handed over to general sales agents (GSAs).

Size of the manpower in rest of the stations would be curtailed by 25 per cent which is expected to save

Tk 2 crore a year, sources added.

The D-check of Biman's F28 aircraft is presently carried out abroad which needs a lot of foreign currency. "From now on, it will be done by our own engineers at Zia International Airport which would save Tk 6.82 crore a year," said an official.

Moreover, the D-check expenditure of DC10-30s has been reduced to \$2.68 million from around \$4 million by floating open international tender. This will save \$1.32 million (approx. Tk 7.65 crore).

Biman officials said they have also introduced open tender system for procuring fish and vegetables for flight catering centre, further cutting cost of about Tk 2 crore a year.

Besides, the national airlines is aiming to save Tk 2.50 crore annually by revising the lease agreement with Singapore Airlines for two Boeing 737 aircraft.

To cut cost in training purpose, Biman is now replacing expensive foreign trainers by local ones.

Besides, the accommodation cost of crew in overseas hotels has been brought down through negotiation with hotel management.

Biman has handed over its canteens to private management which is also contributing to reduce cost by Tk 2.11 crore.

The Board of Directors of Biman earlier this year decided to stop expensive promotional activities including publishing and running advertisements in overseas media.

Biman has already brought adjustments to some international routes to reduce operational costs.

The stopover for Dhaka-New York-Dhaka flight has been shifted to Dubai from New Delhi. To retain Indian market, Biman has increased its flight frequency in Dhaka-New Delhi-Dhaka route. It is also planning to connect Chittagong with more international flights.

Biman is reducing loss in international flights and for the first time it made profit in domestic operations.

The government has to give Tk 20 crore subsidy every year to domestic operation but last year it earned Tk 67 lakh profit.

Biman now shares 42 per cent air travel market in Bangladesh and 18 foreign airlines occupy the rest.

The national airlines carried 15,03,448 passengers and 39,079 tons of cargo in 2001-2002. During July-December 2002 Biman carried 6,89,527 passengers and 21,001 tons of cargo by operating 6,537 flights.

Biman earned Tk 1,816.55 crore sales revenue in 2001-2002.

The national flag carrier flies to 26 international destinations across three continents. At home, it operates flights to seven points. Biman fleet now consists of six wide-bodied DC 10-30s, four Airbus A-310s, two Boeing 737s, three F-28s and two ATPs.

## Workshop for Transcom Electronics technicians starts

#### STAR BUSINESS REPORT

A two-day training workshop for technicians of Transcom Electronics Ltd, a concern of Transcom Group, began at the central service centre of Transcom Electronics in Dhaka yesterday.

Executive Director of Transcom Electronics Obaidur Rahman Khan inaugurated the programme titled "Transcom Service Workshop 2003".

A total of 54 representatives from as many service centres of the company are participating in the workshop. Four best technicians will be awarded in the programme on the basis of their performances.

The Transcom Electronics executive director said the workshop has been organised to increase the referral sale of all the brands marketed by the company as well as to increase the skills of the technicians.

"It will help us provide smooth and prompt service to the customers," he said, adding that such workshops would be arranged once in every four months.

Abdul Baki Bhuiyan, service manager of Transcom Electronics Ltd, is conducting the technical sessions of the workshop.

## Rahimafrooz achieves 25pc sales growth

Rahimafrooz Distribution Limited achieved a 25 per cent sales growth in the year 2002-2003.

This was stated by Mudassir Moin, chief operating officer of the company, while presenting its business plan for the next year at the annual dealers' convention in Dhaka recently.

Feroz Rahim, managing director and CEO of Rahimafrooz Group, inaugurated the conference, says a press release.

M Ismail, managing director of Rahimafrooz Distribution Limited, narrated the company's objectives.

The company launched two new products in its product ranges -- Dunlop radial truck tyre from Japan and Spark battery for taxi-cabs and commercial vehicles.

Annual incentive and prizes were also distributed to the dealers.

Afroz Rahim, chairman of Rahimafrooz Group, and Munawar Moin, Chief Operating Officer of Rahimafrooz Batteries Limited, also attended the convention.

More than 140 dealers from across the country attended.

## Lankan tea prices mixed

#### REUTERS, Colombo

Sri Lanka tea prices were mixed at the latest auction Wednesday, with a low-grown tea falling for a third week while high grown rose on seasonal demand.

The anticipated gross sales average was 150.50 rupees per kg compared to 149.04 rupees per kg last week, Forbes and Walkar Tea Brokers said in a statement.

"Prices were better for some of the Uvas on seasonally high quality," said Yishan Fernando at Forbes and Walker, referring to high-grown teas.

But Udupussellawas were lower by between five rupees to eight rupees per kilo, he said. Brokers said low-grown volumes had still not recovered after floods that battered the south of the island in May.

"Low grown saw bit of a dip which is a correction after gaining steeply," Fernando said.



PHOTO: STAR

A man arranges tiffin carriers containing 'economy lunch' before supplying to offices in commercial areas in Dhaka. Some people are doing the business of supplying lunch in tiffin carriers to different offices. The Tk 12-15 lunch is popular with middle-class office staff.

## EU warns Taiwan over jet engine deal with US

#### AFF, Brussels

The European Commission expressed concern Thursday over a reported decision by Taiwan's state-controlled China Airlines (CAL) to buy jet engines from a US rather than European producer, warning the deal could have a major impact on Taipei-EU ties.

The European Union executive arm cast doubt over whether the CAL decision on the multi-million dollar contract was being made on entirely commercial grounds, and said it was seeking clarification from Taiwan over the deal.

"We are concerned about the decision-making process concerning the placing of the order for these engines. We are not certain that the decisions were taken purely on commercial grounds," said commission spokesman Michael Mann.

"This decision, going against a European producer, could have a major impact on relations between the European Union and Taiwan. We're quite concerned and we want clarification from the Taiwanese side," he added.

He noted that Taiwan was bound by an agreement on the General Agreement on Tariffs and Trade (GATT) saying such deals should be made only on the basis of competitiveness on price, quality and deliv-

ery terms.

Britain's Rolls Royce has reportedly lost a bid to supply 600-800 million dollars (545-727 million euros) worth of engines to CAL, which is said to have awarded the contract to General Electric (GE) and Pratt and Whitney of the United States.

Newspaper reports in Taiwan last week said Rolls Royce lost the deal to supply engines for 18 new CAL passenger planes after a political tug-of-war between the United States and Britain.

According to Taiwan's United Daily News, Rolls Royce lost the contract after the British government failed to grant a stopover to the island's president.

The China Times reported that contracts would be awarded to the two US firms in exchange for stopovers in the US by Vice President Annette Lu during her current two-week trip to Latin America and by President Chen Shui-bian, who is expected to travel overseas in October.

A CAL spokesman, however, said the deal had not been finalised. The Brussels commission indicated there was still some hope it could be won by Rolls Royce.

"As far as we are concerned Rolls Royce made an offer which

was actually superior to that of GE, both in commercial and technological terms," its spokesman said.

"And Rolls Royce was also initially led to believe that its engines were favoured by CAL."

He said the Rolls Royce engine is the only one specifically designed for the Airbus A330, although he believed the GE engine had also been certified for that aircraft.

"We have been putting a bit of pressure. We've sent a number of letters to our Taiwanese counterparts over the past few months and we just hope that they will see fit to go for a better offer both technologically and commercially," said the spokesman.

Competition over the engine deal followed the bitter battle between Europe's Airbus and US' Boeing involving diplomatic lobbying earlier this year over a new CAL fleet.

CAL eventually compromised by purchasing 10 Boeing 747-400s, including six passenger and four cargo planes, and 12 Airbus A330-300s.

CAL currently operates a fleet of 57 aircraft, comprising 42 passenger planes and 15 freighters.

## StanChart, British Council sign MoU

Standard Chartered Bank Bangladesh has signed a memorandum of understanding (MoU) with British Council on the collection of fees for GCE, IELTS, O-Level And A-Level examinations

David Fletcher, CEO of Standard Chartered Bank Bangladesh, and Charles Nuttall, acting director of British Council, signed the deal on behalf of their respective organisations in Dhaka on Monday, says a press release.

Sajidur Rahman, head of Consumer Banking, and Tanvir Haider Chowdhury, head of Shared Distributions of Standard Chartered Bank Bangladesh, and Saidur Rahman, Examination Services manager, and Mahbubul Abedin, Finance manager of British Council, were, among others, present.

According to the agreement, Standard Chartered Bank in Bangladesh will collect fees for GCE, IELTS, O-Level and A-Level examinations at all its Dhaka branches.

## Northern General Ins earns Tk 10cr gross premium income

Northern General Insurance Company Limited (NGIC) has achieved a gross premium income of Tk 10.004 crore in the year 2002.

This was stated at the 7th annual general meeting of the company held in Dhaka on Tuesday, says a press release.

Hamidul Haq, chairman of the company, presided over the meeting.

In the meeting, the audited accounts and directors' report for the year ending December 31, 2002 were unanimously adopted.

The company also earned an underwriting profit of Tk 45.03 lakh in 2002. During the period, the gross claim paid stood at Tk. 4.95 crore.

The company transferred Tk 25 lakh to the reserve for exceptional losses account.

The shareholders also re-elected the retiring directors, Mohd Azam, Hamidul Haq, Foyzal Ahmed Patwary, Mohd Saiful Alam, Tahmina Rahman and Abdus Samad as director for a further term.

Abdul Matin, chairman, Executive Committee, Nasiruddin, chairman, Claim Committee, Parveen Talukder, Khalilur Rahman, Md Saiful Alam, Arshadul Alam, Jahurul Islam Chowdhury, Ayub Ali Chowdhury, Ferdousi Islam, Foyzal Ahmed Patwary, Abdus Samad, Shahriar Khaled, Mohd Azam, directors and Mujibur Rahman, managing director, were also present.

## Repo auction

#### UNB, Dhaka

The reverse Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Three bids of 2-day tenor amounting to Tk 150 crore were received, of which one bid amounting to Tk 20 crore was received.

The rate of interest against the accepted bid was 3.88 per cent per annum, said a Bangladesh Bank press release.

## CPA floats fresh tender for four gantry cranes

#### SHAHIDUL ISLAM, Chittagong

The Chittagong Port Authority (CPA) floated fresh tender yesterday to procure four rail-mounted quay gantry cranes.

The purchase committee on last Sunday cancelled the previous tender which awarded the procurement contract to Japanese firm Mitsubishi.

All the procedures of the fresh bidding are scheduled to be completed in 45 days from August 25, CPA sources said.

They said interested bidders have been asked to collect bidding documents and submit those before October 8. The bids will be opened on October 9.

Sources said handling of containers in Bangladesh's premier

seaport often experiences unwanted delay and hassles in absence of such gantry crane, which is now being used in all seaports of the world.

Port officials said container-handling efficiency would increase by four times once the four gantry cranes are installed at the port.

At present, a container-carrying vessel has to wait at least four days at the Chittagong Port jetty for loading. "We'll be able to complete loading in one single day with the help of the gantry cranes," said M Khairul Mostafa, project director of the Project Management Unit (equipment) of the CPA.

He said the cranes would also increase container handling efficiency to 100 containers per hour

against present capacity of only 30 containers.

"Besides, introduction of this modern technology would usher in a new horizon in the transportation of containers through inland routes," Mostafa said.

The first international tender for procurement of the gantry cranes at a cost of US\$ 6 million was floated two years back. But the bidding was cancelled and re-tender planned nearly six months ago.

Six international firms had qualified for the re-tender and the CPA accepted two of those project proposals from Hyundai of Korea and Mitsubishi of Japan. Finally, Mitsubishi was awarded the contract.

## \$6.5 lakh ADB grant for agribusiness development

#### BSS, Dhaka

Asian Development Bank (ADB) has approved a Technical Assistance (TA) grant of 6.5 lakh US dollars to help the Bangladesh government for developing an agribusiness project.

The grant is from ADB's Japan Special Fund, financed by the government of Japan.

The TA will evaluate the constraints facing agribusiness development in the country, including the environment for business formation and growth.

It will recommend measures for improving accountability and transparency as well as addressing the bureaucratic bottlenecks that increase transaction costs in agribusiness, which is defined as the chain of activities from input supply to production, processing, handling, and marketing.

The assistance will also draw up steps for improving market information and marketing systems as well as identify the mechanisms for acquiring technology required for agribusiness development.

"Rather than having a vast investment component, the final project will focus mainly on systemic problems affecting the agribusiness sector to create an environment for

business formation and growth," explains Al Tee Loh, An ADB senior project economist.

Agriculture is a mainstay of the Bangladesh economy accounting for more than 19 per cent of gross domestic product, 23 per cent of exports, and providing a livelihood for some 62 per cent of the population.

Good performance, bumper crops, and increased productivity are creating a favorable climate for crop diversification and growth in agribusiness.

"Despite the potential, agribusiness remains small scale -- its growth hampered by production and infrastructure-related bottlenecks that lead to perceptions of high risk and lack of competitiveness," Loh adds.

Bangladesh's location and climate make it suitable for a wide variety of crops, such as, winter vegetables for the European market. An increasing area is being given over to horticultural and other high-value crops, as well as the rapidly growing dairy and poultry industries.

Moreover, an emerging middle class and the increasing participation of women in the labor force are also raising the demand for processed food products.

## Cut licence renewal fee

### BGMEA urges DCC

#### STAR BUSINESS REPORT

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the Dhaka City Corporation to lower trade licence renewal fee for factory owners.

A BGMEA delegation led by its President Kazi Moniruzzaman yesterday met Dhaka City Corporation (DCC) Mayor Sadeque Hossain Khoka and requested him to reconsider the new fee proposed by the DCC.

The DCC last month raised licence fee for garment units to Tk 10,000 from Tk 2,000.

The delegation members said the enhanced fee would put financial burden on ready made garment (RMG) exporters now passing a critical time. They requested the mayor to bring down the licence renewal fee to Tk 2,000.

The mayor assured them of considering their request.

## Etcetera, Prime Bank sign MoU

Prime Bank Limited and Etcetera Bangladesh Pvt Ltd signed an MoU (memorandum of understanding) on Wednesday to launch Etcetera credit card under MasterCard International Affinity Programme.

Under the agreement, a new credit card programme marketed by Etcetera Bangladesh will become available shortly, says a press release.

M Abdul Wali, senior vice-president of Prime Bank Limited, and Syed Maher Murshed, managing director of Etcetera Bangladesh Pvt Ltd, signed the MoU on behalf of their companies.

## Southeast Bank now member of two bodies of Islamic banks

Southeast Bank Limited (SBL) has become the member of Central Shariah Board of Islamic Banks of Bangladesh (CSBIBB) and Islamic Banks' Consultative Forum (ICBF), the two organisations of Islamic banks, recently.

The bank has already started its Islamic banking operation through its Islamic banking branches at Chhagalnaiya in Feni and in Cox's Bazar, says a press release.

The bank has also a plan to open one more Islamic banking branch at Bander Bazar in Sylhet this year.

## JOBS, VESDC to better skills of electrical goods manufacturers

JOBS, a project funded by USAID, and Village Economic and Society Community (VESDC) have joined hands to develop the skills of electrical goods manufacturing companies.

As part of the plan, a three-month long skill development training programme has begun for staff of five companies which manufacture products like switches, sockets and holders located in Jatrabari area, says a press release.