

FBCCI needs to get ready to face post-MFA era

Businesspeople observe as they cast votes

STAR BUSINESS REPORT

Casting their votes yesterday to elect new leadership of FBCCI, businesspeople observed the apex trade body needs to be more active and well-prepared to face the challenges of the post-MFA era.

Many of the voters coming from across the country felt the FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) being the highest trade body is still lacking required capacity building.

"The government facilitates trade and business by formulating policy and providing infrastructure support but it is the duty of businesspeople to find out problems and forward remedial measures to the government," a chamber leader said.

The trade bodies should provide necessary suggestive inputs to the government to take steps for solving the problems, he said.

A former director of the FBCCI said the apex trade body has failed to serve the needs of modern day trade as the leaders "use their positions to expand their business and get privileges from the government instead of looking into welfare of the businesspeople."

Citing previous experiences, he said some "incompetent" persons got elected to executive committee through the process of "vote buying". The electoral reforms could not even stop the practice, he added.

A candidate in the election preferring anonymity said competent and genuine businessmen are not coming to contest in the election as most of the leaders are determined to continue a "horse trading" system.

He said FBCCI must wake up to its expectations to serve the needs of modern day business otherwise it will continue to remain as a "figure-head" body.

One voter from association group said politics is eating away potential of the highest trade body. The government wants to see its candidate at the helm and after election the leader serves as a representative of the state instead of representing business community.

"The man who holds the top slot of FBCCI wields immense power in business and state arena as he becomes ex officio member of some key committees and organisations apart from getting invitation in state ceremonies, a businessman noted.

Talking to this correspondent, a new generation businessman said FBCCI needs structural overhauling through adopting new strategy and absorbing professionals to run its office laying emphasis on sector-wise research and study.

"Politics should not be allowed to sneak into the trade body activities," he commented.

The voting started at 9 in the morning amidst slogans raised by enthusiastic voters. The candidates also gathered at the Federation Bhaban for last minute informal campaign.

The contesting panels erected separate canopies in front of the building to provide the voters with the list of candidates of their respective panels.

Though electioneering inside the building was prohibited many candidates and supporters were seen

trying to convince voters. They were also using mobile phones which was restricted by the election board.

The canopies in front of the Federation Bhaban created traffic congestion on the busy road of city's commercial hub of Motijheel, prompting traffic police to divert the Shapla Chattar-bound vehicles to alternative roads.

The road however got a festive look with supporters hanging banners and posters featuring photos of candidates. All the candidates, however, complied with the election board directive not to use coloured pamphlets.

Candidates queued up on the staircase of the building, leading to the eighth floor where the voting booths were set up. They exchanged pleasantries with voters and provided them with voter number of panel candidates.

Matlub-led "Sammilito Oikyo Parishad" panel candidates from the association group are Abdul Matlub Ahmad, Mohammad Ali, Enayet Hossain Chowdhury, Abdur Razzak, Md. Harun-or-Rashid, Nagibul Islam Dipu, Abu Motaleb, Md. Delwar Hossain, Md. Afzal, Mursheed Murad Ibrahim, Md. Akhtarruzzaman Manju and Md. Helal Uddin.

The panel candidates from Chamber Group are Md. Jahangir Minto, a selected director from Bangladesh Association of Banks, Abdul Matlub Ahmad of Bangladesh Cement Manufacturers Association and MA Rouf Chowdhury of Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association are contesting with separate panels while MA Awal, a selected director from Bangladesh

Textile Mills Association, is appearing as an independent candidate.

The association group candidates of Minto-led panel titled "Shilpa-Baboshayee Parishad" are Abu Alam Chowdhury, Md. Giasuddin Chowdhury Khokon, Obaidur Rahman, Syed Ahsanul Haque (Shameem), Gazi Belayet Hossain, Mohd. Mozammel Hoque, KMR Manzoor, Md. Sabur Khan, Md. Farukul Islam Shova, Shahedul Islam (Helal), Abul Quasem Haider and Naaz Farhana Ahmed.

The candidates of the panel contesting from chamber group are Md. Rajib Sharif, Afzal Khan, Md. Shamsul Alam, Ragib Ali, Md. Bazlur Rahman, Md. Abdul Wahed, Abul Kashem Ahmed, Kamaluddin Ahmed, Dewan Sultan Ahmed, Mir Nasir Hossain, Amjad Hossain Tajima and Golam Murtaza Chowdhury (Ratan).

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PHOTO: STAR

WE ARE FRIENDS, NOT FOES

Abdul Awal Mintoo (R) and Abdul Matlub Ahmad, two rival candidates in the FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) polls, greet each other as they shake hands during voting hours yesterday in Dhaka.

Belayet Hossain, Khurshed Ali Molla, Mizanur Rahman Chowdhury, AHM Manzoor Alam, Mirza Abdul Khaleque, Mohammad Nazmul Haque, Maniruzzaman Bhuiyan, Md. Abdul Hamid Sharif, Khandaker Ruhul Amin and Syed Mohd Shamsul Kaunaian Kutub.

The directors selected by the

government from the association group are Abdul Awal Mintoo of the Bangladesh Association of Banks, SM Shafiuzaaman of the Bangladesh Aushad Shilpa Samity, Qazi Monirul Haq of the Bangladesh Garment Manufacturers and Exporters Association, Nasir A Chowdhury of the Bangladesh

Insurance Association, Nurul Islam Patwari of the Bangladesh Jute Mills Association and MA Awal of the Bangladesh Textile Mills Association.

The selected directors from the chamber group are Ebayul Haque Chaudhury of Barisal Chamber, Amir Humayun Chowdhury of Chittagong

Chamber, ATM Waziullah of Dhaka Chamber, SM Nazrul Islam of Khulna Chamber, Abdul Hafiz Chowdhury of Metropolitan Chamber, Lutfar Rahman of Rajshahi Chamber and Mohiuddin of Sylhet Chamber.

Dollar steady against taka, strong against euro

BSS, Dhaka

The US dollar was steady against the Bangladesh taka yesterday, but faced serious pressure against the yen when it already continued its rise against the euro due to weak Euro-zone economy, dealers said.

The dollar traded at 58.4000-58.4050 to the taka yesterday in line with its previous closing on Sunday, foreign exchange dealers of leading commercial banks said.

The demand for the US unit was slightly higher when some banks experienced higher remittance inflow. So the local currency remained steady against the dollar, they said.

Sentiment on taka remains very bearish thanks to huge surplus funds in the banking system, they added.

"The demand for the US unit was higher from importers as international transactions resumed today when dealers see the euro faced pressure due to economies woes in France and Germany -- the biggest economy of the euro-zone", dealers said.

The inter-bank market today was very active after the resumption of international transactions. But it was under gripped of speculation after the yen's sharp rise against the US dollar and euro in Asia trade today. Dealers on online trading said.

"There was wide-spread speculation that the Japanese government would intervene the market to cap the yen's rise when Asian investors were keen to push the unit higher as signs emerge of an economic recovery in Japan," dealers of a leading private bank said.

The US dollar traded at 117.58-60 yen yesterday barely changed from 117.50-60 yen in New York on Friday while the euro was quoted at 127.77 yen and 1.0869 dollars compared with 127.80-90 yen and 1.0870-0880 dollars late Friday in New York, dealers said.

"People strongly believe the Japanese authorities will not hesitate to intervene in the foreign exchange market, if the dollar reaches the 117-yen level," he said.

Capital market needs reforms to mobilise local finance: WB

BSS, Dhaka

World Bank has suggested for some major reforms in the country's capital markets to effectively mobilise local finance to support business initiatives.

The Bank said the reforms are required to enable the capital markets to play a role in financing private provisions of infrastructure services, initially with small and medium size projects and eventually with more complex infrastructure projects.

The bank pointed out that the country's financial market is small and dominated by the banking

system. The combined market capitalisation of the two stock exchanges -- Dhaka Stock Exchange and Chittagong Stock Exchange -- reached only about 2.4 per cent of GDP while the assets of the banking system reached about Taka 1.1 trillion or 47 per cent of GDP at the end of 2001.

Lending through the banking sector is primarily short-term constrained by short-term deposit mobilisation. Only about 20 per cent of deposits have maturities of one year or longer, which constraints their ability to become involved in long-term finance.

Describing lending rates as high,

the World Bank said, it was due to inefficient financial intermediation, a high level of non-performing loans, corruption and a legal and judicial framework favouring debtors.

WB pointed out that although at present there is a basic legal framework within which capital markets can operate, but its enforcement is weak.

The Securities and Exchange Commission (SEC) responsible for the transparent and orderly functioning of securities markets is seriously understaffed.

The SEC needs more resources and strengthening enforcement powers to effectively carry out its mandate.

BKB to launch ATM service

Bangladesh Krishi Bank (BKB) is going to launch automated teller machine (ATM) service for its customers.

BKB will provide the service to its clients through BancNet service by DNS SatComm Ltd, a DNS Group company, says a press release.

An agreement to this effect was signed by BKB and DNS SatComm Limited on Sunday in Dhaka.

DNS SatComm will install the first ATM at the local principal office of BKB at Motijheel.

Repo auction

UNB, Dhaka

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

Three bids of one-day tenor amounting to Tk 140.00 crore were received and that were accepted.

The rates of interest against the accepted bids ranged from 3.83 per cent to 3.85 per cent per annum, said a Bangladesh Bank press release.

Japan's exports to Asia post strong growth in July

AFP, Tokyo

Japan's trade surplus with the rest of Asia in July surged 16.7 per cent from a year earlier, boosted by record exports to China following strong demand for electronics

products, analysts said Monday.

The trade surplus came to 464.7 billion yen (four billion dollars) as exports grew 12.7 per cent from a year earlier to 2.17 trillion yen, the 17th straight monthly gain, backed by strong shipments of electronics parts for mobile phones and video games. Imports rose 11.6 per cent to 1.71 trillion yen.

China 2003 auto product imports to exceed \$10b

AFP, Beijing

China's imports of automotive products are expected to exceed 10 billion dollars this year, setting a new record, state press reported Monday.

The imports have already increased 109.2 per cent year-on-year to 8.18 billion dollars in the first seven months of the year, the Xinhua news agency reported, citing an official with the Ministry of Commerce.

"Emerging Asia is particularly likely to be affected by these trends. Sales into the OECD are rising only slowly and many countries are relying instead on exports to China and efforts to boost domestic demand," it said.

These include a resurgence of the Severe Acute Respiratory Syndrome (SARS) epidemic, a slowdown in US consumer spending and continued sluggishness in

Essential prices to remain static till Ramadan

Review meet calls for constant vigilance on market

UNB, Dhaka

The present price situation, officially claimed to be static, would continue until the holy month of Ramadan beginning in October.

Commerce secretary Sohel Ahmed, officials concerned and representatives from wholesale markets in the city were present at the meeting, with the minister in the chair.

In the review they put special emphasis on the prices of coarse rice, pulses, edible oil, sugar and salt, taking satisfaction from the price situation of the items.

However, it directed the committee concerned under the Ministry of Commerce to keep constant vigilance on essential commodity market as a precautionary measure so that the ministry could intervene with corrective action if and when needed.

"I hope the price will remain stable. We're working towards this

goal," Commerce Minister Amir Khosru Mahmud Chowdhury told reporters following the meeting held in the ministry's conference room.

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They observed that price of sugar could have been higher than the present levels if it was not smuggled in.

The wholesalers sought reduction of duties on dates for the month of Ramadan, but the minister rejected the plea. He said if anyone can't afford to buy dates at prices with the present tax incidence, one should not buy it. "Rather they should buy local fruits."

Asia Plastic goes into production this week

STAR BUSINESS REPORT

Export-oriented plastic hanger manufacturer Asia Plastic Bangladesh Ltd is set to go into production Thursday at the Dhaka Export Processing Zone under the licensee agreement with Randy Hangers of Hong Kong.

The company, which has a target to invest 1.5 million US dollars, has already installed five latest version hanger producing machines. Each of them has a production capacity of 15,000 pieces of hangers per day.

As the entrepreneurs intend to install five more similar machines they hope to produce at 20 million pieces of hangers worth 3 to 5 million US dollars for export in the first year of production, said Country Manager of Randy Asia TR Vishwanath.

"We expect to create employment opportunities for some 100

people and we have already employed 20 from the locals," Vishwanath added.

The Asia Plastic will use reusable Thermo-Plastic Compound, which has least waste effluence, as raw materials for its products.

The Randy hangers will be a source of local export-oriented ready made apparel manufacturers and will also be directly exported to India and United Arab Emirates, factory officials said.

Executive Chairman of Bangladesh Export Processing Zones Authority (BEPZA) M. Mofizur Rahman, who was present in the inaugural function, appreciated the entrepreneurs for undertaking such a venture.

Asia to grow 5.5pc in next five years, predicts EIU

AFP, Singapore

Asia-Pacific economies are expected to grow faster than other regions in the next five years but expansion could be disrupted in the short term by several risks including the SARS epidemic, a report said Monday.

In its latest projections, the Economist Intelligence Unit (EIU) predicted that gross domestic product (GDP) in the Asia-Australasia region excluding Japan will enjoy the fastest average annual expansion rate of 5.5 per cent in 2003-2007 compared with other areas.

But the performance will be a shadow of the growth experienced before the 1997-1998 Asian financial crisis, the EIU said.

In the near term, the projected improvement in the region's performance is due to the brighter outlook for the global economy, particularly that of the US which is a major market for Asia's export-dependent economies, it said.

However, a number of risks threaten to halt Asia's upward momentum, the EIU said.

These include a resurgence of the Severe Acute Respiratory Syndrome (SARS) epidemic, a slowdown in US consumer spending and continued sluggishness in

Organisation for Economic Cooperation and Development (OECD) members, it said.

"World economic performance has improved in recent weeks... nevertheless, there remain serious problems in some of the world's largest economies, and our upgraded forecasts still suggest that the OECD will take until late 2004 to reach even a trend pace of growth," the EIU