

# 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 Chatter-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.

Out of the total 1,209 voters, 268 are from chamber group and 941 from association group. They exercised their franchise to elected 12 directors each from the two groups.

Under the new electoral system, the elected 24, joined by 14 government nominated directors, will elect a president and two vice-presidents tomorrow.

Four candidates are vying for the presidential post. Abdul Awal Mintoo, 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 Mintoo-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 Rajjab 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 Tajma and Golam Murtaza Chowdhury (Ratan).

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, Murshed Murad Ibrahim, Md Akhtaruzzaman Manju and Md Helal Uddin.

The panel candidates from Chamber Group are Md Jahangir Akhand Salim, Md Kohinoor, Ferdous Ahmed, MA Halim, Md Kamrul Islam Rois, Md Sirajul Haque, Md Lutfur Rahman Khan, Jahangir Alam, Md Aminul Haque, Md Nazibar Rahman, Md Masud and Nurul Huda Mukut.

Candidates of the Rouf-led "Anti-Reform Panel" are MA Rouf Chowdhury, Shafquat Haider,



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 Mollah, Mizanur Rahman Chowdhury, AHM Manzoor Alam, Mirza Abdul Khaleque, Mohammad Nazmul Haque, Maniruzzaman Bhaiyan, Md Abdul Hamid Sharif, Khandaker Ruhul Amin and Syed Mohd Shamsul Kaunain Kutub.

The directors selected by the

government from the association group are Abdul Awal Mintoo of the Bangladesh Association of Banks, SM Shafiuzzaman of the Bangladesh Aushad Shilpa Samity, Qazi Monirul Haq of the Bangladesh Garment Manufactures 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 Ebaydul Haque Chand 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 resume 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.

## Siemens under Vanik credit card network

Siemens Bangladesh Ltd has come under Vanik credit card network.

An agreement to this effect was signed between the two companies recently in Dhaka. Under the deal, Vanik credit card holders will be able to buy Siemens products under the easy payment scheme.

## 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 inter mediation, a high level or 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.

## Only 22 CNG filling stations set up out of 1,985 permitted

Parliamentary Standing Committee on energy ministry told

UNB, Dhaka

A large number of entrepreneurs obtained permission from the government for setting up CNG filling stations and conversion workshops, but only a handful of them made it a reality.

Permission for 1,985 filling stations and 916 conversion workshops have been obtained by the entrepreneurs, but only 22 filling stations and seven conversion workshops exist at present.

By December, the number of CNG filling stations is expected to rise to 35, but still it will be only 1.76 per cent of the total permission given so far.

"None expected 2,000 CNG filling stations over a one-year period, but the pace of setting up the

stations is very frustrating," said an expert commenting on a government paper.

The paper on reforms in energy sector, prepared by the Energy and Mineral Resources Division, was presented at the first meeting of the concerned Parliamentary Standing Committee yesterday.

It also mentioned a 'dream plan' of converting all petrol-run vehicles in the country to CNG by June 2005, which the expert described as most unrealistic.

At present, 16,591 vehicles are run by CNG. Of those, 1,510 are taxicabs, 8,891 autorickshaws and 16 buses, according to the paper placed before the Standing Committee.

Also, there is a grim picture on the handing over of government

land for CNG filling stations and conversion workshops. So far, 101 plots were awarded, but handing over was possible only in 22 cases.

The paper outlined an optimistic projection of increasing gas production by 400 MMCFD within June 2006 through 10 projects. It showed the rise since October 2001 as 73 MMCFD.

As regards to pipeline, it said 56 kilometre of new transmission line could be set up since the BNP-led coalition came to power. For distribution line, the rise was 263 km and others 1,558 km.

The paper also elaborated on various other development and reform programmes in the sector and lawmakers are expected to discuss the issues in the coming meetings.

## 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.

## 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.

A review meeting on prices of essentials yesterday Monday came up with the conclusion, being "satisfied" with the essential commodity-market situation, the only exception being sugar.

However, it directed the committee concerned under the Ministry of Commerce 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.

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.

About sugar, the meeting expected that its price would come down to a reasonable level soon when the imported sugar arrives on the market. The government on August 20 withdrew the ban on

opening LCs for sugar import. Sugar prices ranged between Tk 33 and Tk 35 per kg at present.

Khosru said he would take up the tax burden on sugar as the wholesalers appraised the meeting that 101 percent total incidence of tax on sugar was virtually encouraging smuggling.

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 US.

The export target of the British-financed company in the first production year is 3 to 5 million US dollars. This is the fifth unit of Randy Asia after having operations in China, Taiwan, Korea and Indonesia.

"The main objective of setting up this unit is to make contributions to the industrial growth here," said Thomas Chung, managing director

of Randy Asia Ltd Hong Kong and shareholder of Randy Hangers, while inaugurating the factory yesterday.

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 least 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.

## Super deluxe long route train on the cards

UNB, Dhaka

Bangladesh Railway will introduce air-conditioned super deluxe train services on long distance routes connecting the district and divisional towns with the capital.

Initially the service will be introduced on Dhaka-Chittagong and Dhaka-Sylhet routes for which necessary measures have been taken, a meeting was told yesterday.

Communications Minister

Nazmul Huda presiding over the meeting also stressed the need for development and remodeling of rail stations, extension of rail routes and improvement of passenger services.

The Minister directed the rail officials to ensure passenger services and accountability through removing irregularities in the administration.

The meeting took a strong view against passengers traveling on rooftops of trains. It asked for

closely monitoring and taking legal action against those traveling on rooftops by setting up mobile court.

It also discussed extension of rail link from Jamuna Bridge to Bogra, modernization of signaling system of 22 stations on Akhaura-Sylhet line, development of Benapole and Dhaka rail stations, upgrading of Chittagong station to international standard and procurement of passenger coaches.