

## Saifur slams SoEs for mismanagement

### STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday lashed out at the management and employees of some state-owned enterprises (SoEs) for their losses, wastage and wholesale mismanagement.

"Some jute mills in Khulna produce hessian costing more than Tk 99,000 per tonne but their export price is only Tk 40,000 per tonne. So, we have to have a tolerable level of price adjustment," he said.

The finance minister was speaking at the launch of 'Macroeconomics of Poverty Reduction: The Case Study of Bangladesh' by United Nations Development Programme (UNDP) at the IDB Bhaban in

Dhaka.

He said macroeconomic stability is vital for the country but job creation is also important. "Blind pursuance of macroeconomic stability is not necessary. We have to take upward and downward adjustment policies."

Laying stress on building effective institutions at local level the minister also criticised the wastage of national resources in primary education or healthcare centres.

Pointing to the fifth WTO Ministerial Meeting in Cancun that collapsed without any ministerial declaration, the finance minister expressed his opinion against Bangladesh's status as a least developed country (LDC).

"When you are saying that you

are an LDC, it means you are damaging your image. With this status people will not come to invest in your country," he observed.

Speaking at the function, Professor Wahiduddin Mahmud of the Department of Economics of Dhaka University said balance of payment is a crucial problem for Bangladesh because of its dependence on imports.

Domestic industries are heavily dependent on raw material imports, he said. "Export growth is necessary for Bangladesh. If we can't increase our exports we will not be able to import more. We should try to maintain the export momentum."

About banking sector reforms, he said the reforms going on in the

banking sector aim to reduce default loans, not to extend loans to the small enterprises. "But the main strength of the economy is these small enterprises."

"If present reforms in the banking sector make banks efficient, it may not happen that they would play a pro-poor role and there is a gap which will have to be reduced by institutional reform," Prof Wahiduddin said.

The study was prepared by a group of national and international economists and is part of a regional initiative between national governments and United Nations Development Programme to seek alternative policies for poverty reduction.

## Bol launches project to better investment climate

### STAR BUSINESS REPORT

The Board of Investment (BoI) yesterday launched a World Bank-funded project to identify the impediments to foreign investment and suggest remedial measures for overall improvement of the investment climate in Bangladesh.

Two foreign consultants have started working for the scheme titled Bangladesh Investment Incentive Review Project (BIIRP). They will submit a set of recommendations to the BoI by April next year.

The Foreign Investment Advisory Services (Fias) and South Asian Enterprise Development Facilities (SEDF), two affiliates of the World Bank, are providing \$1,12,000 for the project, BoI officials said.

The consultants will talk to executives of foreign companies operating in Bangladesh, chambers, leading business houses, donor agencies and different government offices related to foreign investment and incentives.

The BIIRP will also assess the effectiveness of investment strategy, policies, regulations and instruments, including incentives. It will examine how they work under the broader economic policy and investment environment.

"The consultants will look into incentives offered to foreign investors in India, Pakistan and other regional countries and recommend a package of incentives in Bangladesh context," said a BoI official.

## Concord brings in new rooftop water proofing system

### STAR BUSINESS REPORT

Concord, a leading construction firm, has introduced an alternative to rooftop water proofing system.

The new method, introduced in collaboration with Duo Asia, a company of NV De Boer, Belgium, will replace conventional lime terracing, Concord officials said at a press briefing in Dhaka yesterday.

Oliver Verdict, representative of Duo Asia, made a multimedia presentation on the new roof coating technology -- Duo high tech water proofing system.

Duo is a combination of three different coatings -- bitumen, APP and SBS polymers.

The new water proofing system is cost effective, Concord Group Chairman SM Kamaluddin said. Duo can be installed easily in any type of rooftop, he said.

Concord Group Director SK Lala also spoke at the conference.



PHOTO: STAR

Concord Group Chairman SM Kamaluddin speaks at a press conference in Dhaka yesterday to announce the launch of rooftop water proofing system. Concord has introduced the method in collaboration with Duo Asia, a company of NV De Boer, Belgium. Oliver Verdict, representative of Duo Asia, is also seen.

## Govt to work out action plan to up aromatic rice export

### STAR BUSINESS REPORT

In a desperate bid to widen Bangladesh's export basket, government plans to work out a time-bound action plan to give a big push to aromatic rice export from Bangladesh, the amount of which has been hovering around a paltry 700 to 1,100 metric tons only.

Bangladesh's meagre export of 1,100 MT of fine variety aromatic rice in 2002 went to the US, UK, Canada, Australia and Middle Eastern destinations mainly to feed the ethnic consumers. On the other hand, neighbouring Thailand, Pakistan and India continued to command the world aromatic rice market by exporting over 10 lakh, five lakh and four lakh MT respectively last year.

As experts raised the issue of Bangladesh's failure in capturing the potential world market of aromatic rice where 7 million MT is traded annually, Commerce Minister Amir Khosru Mahmud Chowdhury told a dialogue in Dhaka on Sunday night that an action plan would be undertaken soon to increase its export.

Inviting one representative from each of the different stakeholders, the Export Promotion Bureau (EPB) will convene a meeting by mid-October to have a brainstorming for

working out the action plan, with timeframe for its implementation, targeting export of aromatic rice in a bigger volume.

"We're desperately trying to diversify our export items. Aromatic rice is a potential item," the commerce minister said.

According to Bangladesh Rice Exporters Association (BREA) statistics, Bangladesh exported 700 MT of aromatic rice in 2000, 780 MT in 2001 and 1,100 MT in 2002. Last year's export varieties included *Chinigura* (702 MT), *Kaliziira* (273 MT), *Katanbhog* (120 MT) and *Basmati* (5 MT).

BREA statistics also show that of 1100 MT rice that Bangladesh exported last year, 737 MT went to Middle East, 230 MT to USA, 65 MT to UK, 40 MT to Canada and 30 MT to Australia.

But exporters said that considering price competitiveness of aromatic rice available in Bangladesh, the country could explore the export markets in at least 12 other countries-- Bahrain, Kuwait, Qatar, Ireland, France, Germany, Italy, Ghana, Sierra Leon, South Africa, Malaysia and South Korea.

APEX, a non-government organisation that carried out studies on aromatic rice export strategy under the Poverty Elimination

Through Rice Research Assistance (PETRRA) project, organised the dialogue at a city hotel in collaboration with BREA.

Department for International Development (DFID) is funding the PETRRA project managed by International Rice Research Institute (IRRI) in Bangladesh.

Independent consultant Dr M Hassanullah and Agro-Engineering Division Head of IRRI, Dr Josheph F Rickman, jointly presented keynote paper also co-authored by Dr Md Abdullah, Dr Md Nasiruddin and agriculturists Md Abdus Salam and Salim Ahmed.

IRRI Representative to Bangladesh and PETRRA Project Manager Dr Noel P Magor, Additional Secretary to Agriculture Ministry Abdur Rashid Sarkar and Managing Director of Rajshahi Krishi Unnayan Bank Dr Mujibur Rahman Khan also spoke at the dialogue chaired by Prof. Shah Md Faruq.

The keynote paper presenters identified some constraints to increased rice export from Bangladesh -- local aromatic varieties are short and bold-type grain while global preference is tilted towards long and slender type like *Basmati* (India and Pakistan) and Jasmine (Thailand), low yield result-

ing high price, poor milling and grain recovery, and erratic domestic market.

They came up with the recommendations for establishing three specialised export processing zones, establishing contract-growing system so that farmers do not pay the penalty of price slump, technical and investment support for farmers and entrepreneurs, modernising the rice mills, and activating country's missions abroad for market exploration and promotion.

Currently there is a levy of 46 US dollars per MT of rice export to European Union. So the experts recommended the government to gain levy and quota-free access to European markets.

Dr Josheph F Rickman showed pictures of various modern equipment, including moisture metre, colour sorter, water polishing gadgets and modern rice mills, to emphasise that Bangladeshi exporters will have to attain world class excellence in product finishing if they want to grab world market of aromatic rice.

In this regard, the commerce minister laid importance on maintaining uniformity and better management at every levels of aromatic rice production.

## US catalog show begins in Ctg

### UNB, Chittagong

National Security Entry and Exit System (NSEES) introduced by USA is temporary and Bangladesh should not worry about it, said a US embassy official here yesterday while inaugurating the American Catalog Exhibition Series 2003.

Judith Chammas, deputy ambassador, assured the business community that NSEES has been introduced in her country only to ensure security.

Referring to the role of Chittagong Chamber of Commerce and Industry (CCCI) in enhancing trade, Judith said US embassy would work with the chamber to expand trade between the two countries.

The envoy said such exhibitions and an American Corner set up here would help the business people.

CCCI President Amir Humayun Mahmud Chowdhury demanded duty and quota free access to Bangladeshi goods in the US market as was given to 74 Caribbean and Sub-Saharan countries. Otherwise, he said, Bangladeshi goods would face unequal competition.

He also requested the US embassy official to take steps to exclude Bangladesh from the Special Security Registration System, which will have an adverse impact on exports.

## S Korean industrial output grows 1.5pc in Aug

### AFP, Seoul

South Korea's industrial output in August grew 1.5 per cent from a year ago as consumption and plant investment remained sluggish, official data showed Monday.

Factories operated at 76.4 per cent of capacity in August, according to the National Statistical Office.

## DBBL signs \$5m credit line deal with Dutch partner

### STAR BUSINESS REPORT

Dutch-Bangla Bank Limited (DBBL) signed a \$5 million export credit line agreement with its partner Netherlands Development Finance Company (FMO) yesterday in Dhaka.

The credit line is meant for export oriented industrial units that intend to import capital goods to enhance production capacity.

DBBL Managing Director Md Yeasin Ali and FMO Investment Officer Arno de Vette represented their organisations in the signing of

loan agreement.

"This loan scheme will really help promote export-oriented industries in Bangladesh," said Arno de Vette at the signing ceremony. "This low interest foreign currency loan will benefit the ultimate clients as local currency loan interest rate is very high."

"As the FMO will charge as low as 5 per cent interest on its loan, the bank too will be able to re-lend at 8.50 per cent rate," said Md Yeasin Ali.

The bank will enjoy a two-year grace period out of five-year loan

tenor.

The eligible sub-borrowers of the loan include those private limited companies operating in any of the sectors like manufacturing industry, agriculture, transport and tourism.

The bank also signed a 2.50 million euro credit deal with the FMO on housing loan at the function. Re-lending interest rate on the housing credit will be at 13 per cent.

The FMO holds the 30 per cent share of the Dutch-Bangla Bank Limited.

## Malaysian food, cultural festival attracts visitors

### STAR BUSINESS REPORT

A six-day Malaysian food and cultural festival began at Sonargaon Hotel in Dhaka on Sunday offering visitors an opportunity to savour delicious dishes of Malaysia and know better about the east Asian country.

Pan Pacific Sonargaon Hotel, in collaboration with the Malaysian High Commission in Dhaka and Malaysian Airlines, organised the festival at its Café Bazar restaurant in observance of the World Tourism Day 2003.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin formally inaugurated the festival. Malaysian High Commissioner Ashaary Bin Sani and Sonargaon Hotel General Manager Grant J Gaskin were

present.

Visitors, including foreign diplomats, officials and businessmen, flocked to the festival to have taste of the Malaysian cuisine.

A variety of Malaysian foods, including seafood, chicken, mutton and beef items, soup, fish and assorted crackers, fish head curry, jelly, pineapple rice, mango pudding, spicy fried rice, mutton *biriani*, mixed pickled vegetable, Malay cookies, rice cake, salads and fruits are available in the show.

Malay chefs from Pan Pacific Kuala Lumpur and Pan Pacific Johor Bahru are now in Dhaka for the preparation of Malaysian foods.

A team of Malaysian artists will perform at cultural shows during lunch and dinner everyday till October 3, the last day of the festival.

Speaking at the inaugural function Mir Mohammad Nasiruddin said

the food festival and cultural function would strengthen bilateral relationship between Bangladesh and Malaysia as well as promote tourism.

Malaysian foods are very much similar to Bangladeshi food, the state minister said adding, "Malay food is gaining popularity in Bangladesh as the people here are now visiting Malaysia more frequently."

At the end of the festival, there will be a raffle draw with three prizes. The winners will get a return air ticket with two-night complimentary stay at Pan Pacific Kuala Lumpur, Pan Pacific Glenmarie, Subang and Pan Pacific Johor Bahru.

## HSBC launches co-branded credit card with Prime Bank

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh has launched its co-branded credit card with Prime Bank Limited.

The credit card, Local Gold MasterCard with the MasterCard logo, can be used anywhere in Bangladesh, says a press release.

Cardholders can get supplementary cards with shared credit limit where the first supplementary card is free of charge.

Cardholders will be able to enjoy between 20 and 50 days of interest free credit depending on the date of transaction.

## Emirates carries WB, IMF equipment to Dubai meet

Emirates SkyCargo, a venture of Emirates Group, carried necessary equipment of the just concluded WB-IMF annual board of governors' meeting held in Dubai from September 23-24.

The cargo carrier transported IT equipment, office supplies, publications and officials report from the headquarters of World Bank and International Monetary Fund in Washington, says a press release.

## Repo auction

### UNB, Dhaka

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

Twelve bids of one-day tenor amounting to Tk 372.50 crore were received, of which nine bids amounted to Tk 324.50 crore accepted.

## Int'l trade union leader urges exporters

### STAR BUSINESS REPORT

Bangladesh needs to ensure labour rights if the country wants to augment its readymade garment export, said an international trade union leader yesterday.

"It will be difficult for Bangladesh to boost export in future if labour rights are not guaranteed," said Neil Kearney, secretary general of Brussels-based International Textile Garment and Leather Workers Federation (ITGLWF).

The ITGLWF secretary general was exchanging views with the press at the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) conference room.

"Workers of the garment factories are forced to work beyond eight hours a day and even seven days a week but in many cases labourers are paid nominal wages," Kearney said.

"Workers are being denied of their basic rights in many garment factories in Bangladesh, although some factories follow the international labour standards," said Kearney.

Kearney urged the BGMEA leaders to ask its members to go by the international labour standards.

Taking part in the discussion, Akiko Gono, secretary of Tokyo-based Textile Workers Asian Regional Organisation (TWARO),

said it will be a win-win situation for both owners and the workers if co-operation between them is maintained.

Gono also put emphasis on increasing workers' productivity to boost readymade garment export.

Quazi Muniruzzaman, president of the BGMEA, said harmonious relationship between owners and the workers is a must to get maximum benefit from the sector.

Muniruzzaman also listed some welfare initiatives taken by the BGMEA.

Anisul Hoque, one of the leading exporters of the readymade garments, also took part in the discussion.

## ATDP turns to case studies to develop agribusiness

### BSS, Dhaka

In a unique effort to equip agribusiness, ATDP has taken the lead in developing case studies on local agribusiness for the first time in Bangladesh.

MBA students with world class skills will develop the case using local materials to analyse operation of local agribusiness, a press release said here yesterday.

The case studies will be used in the curriculum of Bangladesh's first Agribusiness MBA programme initiated by ATDP (Agro-based industries and Technology Development Project) at American International University-Bangladesh (AIUB).

Earlier, the ATDP has established a case studies writing unit in this regard. Students will be able to use these cases to sharpen their analytical skills and to devise solutions to real problems faced by local agribusiness firms.

The case writing unit is headed by Syeda Masarrat Quader, a University of Toronto graduate who recently received her MBA degree

from Boston University with a concentration on Finance.

Other members of the unit are Dr. William Dobson, Professor Emeritus from the University of Wisconsin, Prof. Ray Goldberg, George M. Moffett Professor of Agriculture and Business Emeritus at the Harvard Business School and Prof. Ruby Dholakia, Professor of Marketing and E-Commerce at the University of Rhode Island, USA. Professor Goldberg is internationally known as the "Dean" of case writing, having written over a thousand cases at Harvard.

The first case is about a poultry company that produces day-old chicks that is trying to decide whether to integrate forward into broiler processing. Each case is followed by a list of questions to be used by students to analyze the case and to determine what they would do in each of the difficult situations that the businesses face. Other cases are being prepared on small and medium size companies in the bakery industry and in the shrimp industry, the release said.

## China, HK sign off on trade deal details

### AFP, Hong Kong

Chinese and Hong Kong trade officials on Monday signed off on the final details of a deal granting the territory more favourable trade terms with the mainland.

The six annexes of the agreement known as the Close Economic Partnership Arrangement (CEPA) were signed by Chinese Vice Minister of Commerce An Min and Hong Kong Financial Secretary Henry Tang at a ceremony here.

"It is a long term arrangement" which will give "impetus and opportunity" not only to Hong Kong but also to the mainland, An told reporters after the signing ceremony.

Tang described the deal as "open and continuous ... now it is up to the private sector to realize the potential benefits" of CEPA.

The framework CEPA accord was signed on June 30, on the eve of the fifth anniversary of the hand-over of the former British colony to China, witnessed by visiting Chinese Premier Wen Jiabao.