

Export promotion activities

Poorly performing mission officials may be recalled

STAR BUSINESS REPORT

Commercial counsellors working at different missions abroad may face recall if they fail to improve their performances on export promotion activities, a commerce ministry evaluation meeting was told yesterday.

Due to failure of Bangladesh mission, export to Australia could not be increased in the first five months of current fiscal year despite having duty free access of products there, said the meeting chaired by commerce minister.

The meeting observed that performances of some commercial wings including Canberra and Washington that spend huge money every month were frustrating.

Export target for Canberra mission was US\$22.76 million for the July-November period of the

current financial year but the actual export was 45.69 percent less than the goal.

Washington mission also fell behind by 19.14 percent from its export target set for the same period, meeting sources said.

The diplomatic missions are supposed to send export promotion activities reports every month but they are not complying with the government decision, they said.

The meeting also pointed out that the missions were not holding seminars, symposiums and other promotional activities to sell Bangladesh exportable products in the global market.

The meeting decided that the performances of the missions would now be evaluated on quarterly basis instead of every month.

The commercial or economic

counsellors will be given at least another quarter to improve their performance in promoting Bangladeshi goods abroad. If they fail to do so, they will be called back home, sources said.

Yesterday's meeting was the second such evaluation meeting since the ministry introduced a monitoring system to judge the performances of Bangladesh missions in promoting overseas trade.

The performances of 24 missions out of total 46 during July-November period were satisfactory while that of 20 missions were not up to the mark. The performances of two missions were very poor.

"There have been some improvements, but not good enough. We'll take two more evaluations before we take any action," Commerce Minister Amir Khosru Mahmud Chowdhury told report-

ers after the meeting.

He said the ministry will dispatch letters to the respective missions within a day or two apprising them of their shortcomings.

The letters would also ask them to make up their shortcomings, Khosru said giving a hint that economic and commercial officials who would fail to deliver might be called back, if necessary.

Khosru said his ministry is entitled to take measures against the commercial officers, but the copies of the evaluation report would be sent to the foreign ministry for taking necessary action.

Commerce Secretary Suhel Ahmed, Export Promotion Bureau Vice-chairman H Abu Ibrahim and Director Towfique Khan Majles, among others, were present.

Local businesses urged to take part in Russian trade fairs

UNB, Dhaka

Russian Federation Ambassador to Bangladesh Oleg S Malginov has said communication gap was one of the major obstacles in developing bilateral trade with Bangladesh.

He invited the business community here to participate more actively in Russian trade fairs to showcase Bangladesh's products, an Embassy news release said.

The envoy made the call when a delegation of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) met him yesterday.

Malginov lauded the role of Dhaka-based Russia-Bangladesh Chamber of Commerce and Industry in creating positive image of Bangladeshi goods in Russia and promoting bilateral trade.

BGMEA president Quazi Moniruzzaman urged the Russian government to ease the access of Bangladeshi garments to Russian Federation market.

BB asks banks not to use savings instruments as collateral

STAR BUSINESS REPORT

Bangladesh Bank (BB) has instructed banks not to use savings instruments as collateral for bank loans.

But the instruments currently used as collateral will remain valid until the end of their schedules.

At present, savings instruments worth Tk 500 crore are being used as collateral.

An amendment was made on December 31 last year scrapping the provision of using savings instruments as collateral for bank loans.

Extortion takes toll on business, say dredger owners

STAR BUSINESS REPORT

Private dredger and vessel owners have said their business is facing a setback due to imposition of various taxes, extortion and harassment by law enforcers.

Commercial operation of private dredgers and vessels has now become difficult for these reasons, they said at a press conference yesterday.

The shipping ministry last year made it mandatory for private dredger and vessel owners to take licence but still there is no specific mechanism for it, they said.

Taking the advantage of the situation, law enforcers extort bribe from us, said Golam Mosatfa, convener of Bangladesh Dredger and Vessel Owners Association.

He said the private dredgers accomplished 98 percent of earth filling and 95 percent of navigability dredging works in the country in last 10 years.

Mostofa said influential people and extortionists take away more than half of the money the private dredger operators earn.

Taka under pressure against dollar

BSS, Dhaka

Bangladesh taka remained under pressure against the US dollar in inter-bank market yesterday despite the volume of trade was thin due to weekend holiday in most international markets.

Dealers said the dollar traded between Tk 58.85 and Tk 58.90 in line with its previous day's closing, slightly lower than its from its all-time high at 60.00 last week - but higher than its previous month's level.

The local currency was under pressure against the dollar as some private commercial banks faced short-fall in dollar earnings when the volume of import payments is increasing day by day, dealers of some nationalized banks said.

They said importers are buying capital machinery, foods, oils and other goods to meet the rising demand during Ed-ul-Azha, the second largest religious festival of the Muslim community to be celebrated later this month.

But the volume of trade was lower as import payments were disrupted due to weekend holiday in most international markets. The local market enjoys holiday on Friday, and most international markets on Saturday and Sunday.

Striking millers threaten to lay siege to Secretariat

FBCCI places suggestions to end crisis in re-rolling mills

STAR BUSINESS REPORT

As the striking steel and re-rolling millers threaten besiege the Secretariat, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday submitted its recommendations to Finance Minister M Saifur Rahman to end crisis in the industry.

"This evening I handed over a set of recommendations to the finance minister and he will inform me about the suggestions tomorrow (this) morning," FBCCI President Abdul Awal

Mintoo said.

"I hope the recommendations will help solve the ongoing crisis within a day or two," he said.

The striking steel and re-rolling mill owners yesterday asked the government to meet their demands by tomorrow, or face the Secretariat siege.

"Although the finance minister at a meeting on January 4 promised government action to end the crisis within a week, nothing happened until today," said a leader of steel mill owners' association.

At the January 4 meeting, the

finance minister asked the FBCCI leaders to prepare recommendations so that the government can take action to solve the crisis in the steel and re-rolling industry.

The steel mill owners went on an indefinite strike on December 23 and re-rolling mill owners followed them on December 27 to press home the nine-point demands that include reduction of duties on raw materials and simplification of regulations for melted steel scrap imports.

They are also demanding uninterrupted gas and power supply to the mills.

New DMD of Pragati Ins



QAFM Sirajul Islam has joined Pragati Insurance Limited as deputy managing director recently, says a press release.

Islam joined the Sadharan Bima Corporation as assistant manager in 1978 and retired as deputy general manager (re-insurance) in December 2003.

He is also a director of Bangladesh Shippers' Council.

Call money rate steady

BSS, Dhaka

The inter-bank money rate was steady yesterday fund managers said.

The call money rate touched its intra-day high at 8.00 per cent and intra-day low at 4.00 per cent compared to bank rate of 5.50 per cent, fund managers of leading commercial banks said.

The banking system is now facing difficulties with huge surplus funds amounting about Tk 7000 crore due to thin credit and low investment, they said.

To increase investment and credit flow, most banks already have cut interest rates in different portfolios.

India's tourism industry buoyant

AFP, New Delhi

Once just a destination for seekers of adventure and spiritual salvation, India is seeing a rush of tourists with an upbeat economy and peace with Pakistan putting it on the global travellers' map.

Tourist arrivals jumped 18 percent to a record 2.75 million in 2003, official figures showed, up from 2.36 million the year before which was blighted by a military standoff with Pakistan.

But the diverse country of more than one billion people, which has some of the world's highest peaks and longest coastlines, remains a minor destination by world standards, drawing half as many tourists as tiny Singapore.

Tourism officials said real growth would come in the years ahead following economic reforms which have made luxury hotel stays and air travel less expensive.

"It will easily cross the three million mark this year. The government is at last moving forward to take the kind of measures that we have been asking for years," said Subhash Goyal, president of the Indian Association of Tour Operators.

He said the most significant measures were the scrapping of a hefty tax on luxury hotels and a reduction on fees on tickets and aviation fuel, which made domestic airfares too expensive for many visitors.

The government has also lifted restrictions on the number of flights to India from Southeast Asian nations, a move experts say will eventually lead to open-skies policies with most nations.

Retailers behind high prices of essentials

Study reveals

STAR BUSINESS REPORT

It is the profit-mongering retailers rather than extortionists or middlemen who are to be blamed for the price upswing of essentials, says a study of a non-governmental organisation.

Vegetable prices go up by hardly Tk 1.5 to Tk 2 a kg due to extortion at different points on the way of bringing the vegetables to Dhaka's kitchen markets and the presence of middlemen between producers and customers.

"But retail shoppers sometimes have to pay up to 15 times higher price than that at wholesale market," says the study of the Centre for National and Regional Studies (CNRS) which was revealed yesterday in Dhaka.

Citing a recent example, the report says a particular kind of vegetable was found selling at Tk 2 per kg at Karwanbazar wholesale market while at the same time the item was being sold at Tk 30 per kg at the nearby kitchen market.

The CNRS suggested publishing a daily chart of wholesale prices of essential commodities in newspapers and also making it public through television channels to help the customers know the actual prices.

"This will help the government check price spiral and the people to find the differences between the wholesale and retail prices," said AM Shamim Haider, one of the three researchers, presenting the report at a press conference.

CNRS prepared the report after conducting a countrywide investigation at field level last month to identify reasons behind the price spiral during last Ramadan. The research specially focussed on agricultural products.

"Farmers are not getting the benefits of the price spiral," economist Hossain Zillur Rahman said speaking at the conference. "Both the government and NGOs can work on finding ways to ensure farmers' benefits."

According to Rahman, middle

class people's purchasing power has increased over the years and that's why they did not go for any movements against the price rise.

"The government has to ensure that no one can create any artificial crisis for making extra profits," Rahman said. He urged the government to set up cold storage in rural areas to check rotting of agri-produce.

The CNRS study pointed out that rain in the country's southwestern part in October last year damaged crop production that also fueled the price rise. It urged the government to provide the farmers with soft terms loans.

The study also suggested stringent measures against all types of extortion on the highways and setting up of chain stores in city's different areas for selling essential commodities at wholesale prices.

CNRS Secretary General Irtija Nasim Ali and two other researchers Anwar Parvez Halim and Dipankar Goutam were present at the press conference.

Workshop for creating awareness about electricity saving tech

STAR BUSINESS REPORT

Awareness about the benefits of electricity saving technology is needed as it can save substantial amount of power, speakers at a workshop observed yesterday.

Policy makers and entrepreneurs should come forward to popularise the concept, co-generation heat and power (CHP) technology, they added.

CHP producers also need government policy for sale of electricity to national grid and power grid management system should be put

in place to facilitate the CHP, they said.

Speaking at the workshop, Bruce McMullen, senior energy advisor of USAID, Bangladesh, said there is a great need of increasing supply of electricity in Bangladesh and the country can save more than 1000MW of electricity.

The Dhaka Chamber of Commerce and Industry (DCCI) and United States Agency for International Development (USAID) jointly organised the seminar in Dhaka to highlight the latest developments in renewable energy technology.

DCCI President Fazle RM Hasan said industrial CHP technology can open up new avenues for private sector investment in power sector.

Business people will be benefited through CHP technology as the system reduces fuel consumption and electricity costs, he added.

Zia Ul Haq, operations analyst of Energy Information Administration, USA, presented the keynote paper at the workshop where he said potential sites in Bangladesh for CHP technology are textile spinning, sugar, paper, fertiliser, pharmaceutical, oil, hotel, hospital and cinemas.



(From left) Jahangir Hyder, marketing manager of Opsonin Chemical Industries Limited, Abdur Rakib Khan, executive director, Capt (ret'd) Abdus Sabur Khan, vice-chairman, Abdur Rauf Khan, managing director, M Shafiqul Alam, chief financial officer, and Ashraf Dawood, general manager (Sales), attend the annual sales and marketing conference-2004 of the company held in Cox's Bazar recently.



A view of Bangladesh pavilion at the five-day 18th International Autumn Trade Fair 2004 that began in Dubai on Saturday. A variety of products including jute goods are on display. Some 17 Bangladeshi companies are taking part in the show.

ADB plans assistance to up Ctg Port efficiency

UNB, Dhaka

A meeting of the Asian Development Bank (ADB) and Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) here yesterday termed the pace of activities in Chittagong port as slow and as costly.

ADB Country Director Toru Shibuichi observed that handling charges in the port is very high in comparison to other ports in the region such as Colombo, Bangkok and Singapore.

Discussing the country's infrastructure-development, he, however, informed that they have planned for assistance to increase efficiency of the Chittagong Port as well as development of rail and road communication.

Shibuichi expressed keen

interest about the ADB's support to develop cargo load and passenger services. He also assured of developing the custom service in the port and making the system computerised.

In response, during the meeting with the donor agency at the FBCCI office, chief of the apex business body Abdul Awal Mintoo said pilferage and piracy incidents are very high in Chittagong port.

"In both cases, exporters and importers have to pay 3-5 percent extra charges for custom procedures and other services in the port," he said.

The FBCCI president opined that the Chittagong Port Authority itself is handicapped and suggested that the Dock Workers' Management Board (DWMB) be abolished and other problems of the port addressed quickly.

He told the ADB Country Director that country's private sector is very much able and willing to develop a system to overcome the existing problems in the port.

The FBCCI chief also requested the ADB representative to pursue the concerned authorities to solve the problems for speedy handling of port activities with less charge for economic betterment of the country.

On road communication, the ADB representative informed that they have a plan to develop the Dhaka-Chittagong road link. The World Bank has already agreed to participate in the project, he added.

The ADB country director opined that until improvement of infrastructure Bangladesh could not ensure economic development or poverty alleviation.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

TT/OD	BC	Currency	Buy	Buy	Buy
TT Clean	OD Sight Doc	OD Transfer			
59.1500	59.2000	USD	58.2550	58.0839	58.0144
76.9187	76.9837	EUR	73.8906	73.6736	73.5854
110.3029	110.3962	GBP	106.8863	106.5723	106.4448
46.7640	46.8035	AUD	44.5418	44.4109	44.3578
0.5612	0.5617	JPY	0.5414	0.5398	0.5392
48.8803	48.9216	CHF	47.2811	47.1422	47.0858
8.3181	8.3251	SEK	7.8027	7.7798	7.7705
46.9258	46.9655	CAD	45.4230	45.2896	46.2354
7.6291	7.6356	HKD	7.4946	7.4726	7.4637
35.1351	35.1648	SGD	34.2374	34.1369	34.0960
16.2353	16.2490	AED	15.7327	15.6865	15.6677
15.8993	15.9127	SAR	15.4114	15.3661	15.3477
10.6335	10.6425	DKK	9.6153	9.5870	9.5755

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai bath	Nor kroner	NZ dollar	Malaysian ringit
45.43	57.215	97.73	38.985	6.7372	0.7319	3.80

Local Interbank FX Trading: Local interbank market was subdued Sunday as international market was closed. US Dollar remained almost unchanged against Bangladeshi Taka in thin market.

Local Money Market: Money Market was active. Call money rate remained almost unchanged and ranged between 4.00 and 4.50 percent.

International Market: The international currency market was closed on Sunday due to weekend. Before closing the dollar sank to a fresh record low against the Euro on Friday followed by worse than expected US payroll data.

At the closing of New York on Friday, Euro was at 1.2834/39, GBP at 1.8488/98 and Yen at 106.40/46 against dollar.

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Bush launches election-year tax cut drive

REUTERS, Crawford, Texas

US President George W Bush launched an election-year drive to make his sweeping tax cuts permanent Saturday, seizing on trillion-dollar stock market gains as proof that the economy is on the right track despite weaker-than-expected job growth.

Democrats, who want to roll back or repeal the tax cuts, said Bush would only exacerbate record federal budget deficits expected to top \$500 billion this fiscal year alone.

They also challenged Bush's spending priorities, which will include a new lunar initiative aiming for a permanent American presence on the moon and an eventual mission to Mars.

Bush is expected to call for a major overhaul of space-related budget priorities to consolidate research and development on the costly new initiative.

As part of that effort, Bush plans to ask Congress for a roughly \$5 per cent a year increase in NASA's \$15.5 billion budget starting in fiscal 2005, people familiar with the matters said.