

# Congressional Caucus to ensure Dhaka's inclusion in future trade legislation

## US Congressman Crowley assures businesspeople

### STAR BUSINESS REPORT

Visiting US Congressman Joseph Crowley has assured local businesspeople that the Congressional Caucus on Bangladesh will see to it that Dhaka is not excluded from future legislation aimed to extend trade benefit to certain nations.

"We need Bangladesh. We need to build up a strong relationship with it," he told a dinner hosted by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at Sonargaon Hotel in Dhaka on Monday evening.

Crowley stressed creating a business-friendly environment in Bangladesh to attract more US investment. US investors would come here in a bigger way if they see that contracts are honoured in a transparent way, he said.

The US congressman, also co-chairman of the congressional caucus, said Bangladeshis living in

the US are making tremendous contributions to the US economy.

Crowley appreciated Bangladeshis for exercising democracy with a free press environment but noted with discontent the level of corruption.

US Ambassador in Dhaka Harry K Thomas in his speech also raised the issue of corruption and said eliminating corruption is a crucial task for Bangladesh.

Speaking at the dinner, Commerce Minister Amir Khosru Mahmud Chowdhury said Bangladesh's main export earner readymade garment sector has developed because of the US market access with quota facilities.

"But Bangladesh will face an uneven competition after phasing out of quota from 2005," he said seeking preferential market access to the US market. The future of the industry with two million workers will depend on what US will decide, he added.

FBCCI President Abdul Awal Mintoo said Bangladesh's export to the US suffered a major setback due to the September 11, 2001 attacks on the US, prolonged global recession and phasing out of quota facilities.

"We have been trying to get quota and duty-free access of our readymade garments to the US market," he said seeking support from Crowley who is the founder of the Congressional Caucus on Bangladesh.

Bangladesh export to the US declined by 2.34 percent in FY03 from that of previous fiscal and by 13.04 percent in the first five months of the current fiscal from that of the corresponding period of last year, Mintoo pointed out.

President of Bangladesh Garment Manufacturers & Exporters Association Quazi Moniruzzaman said phasing out quota after 2005 may create a serious negative impact on Bangladesh garment sector.

### Saifur asks micro credit lenders not to charge over 10pc interest

#### STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday asked micro credit lenders not to charge over 10 percent interest to help the poor come out of extreme poverty.

"An interest rate of over 10 percent is against the purpose and spirit of micro credit formula. Micro-credit is meant for reducing poverty through creating employment. But over 10 percent interest won't help the small ventures," he said.

"However, we must shift from micro credit to macro credit for rapid industrialisation. Entrepreneurs must have access to large loans," the finance minister said at the inauguration of branch managers' conference of Karmashangstan Bank (Employment Bank) in Dhaka.

He also instructed the management of the bank, set up in 1998 for generating employment, to reduce interest rate from present 14 percent to 10 percent.

Being inspired by the performance of the bank, which has so far disbursed Tk 108.17 crore among 36,437 entrepreneurs with a recovery rate of 76 percent, the minister announced that paid-up capital of the bank will be upped from Tk 98.50 crore to Tk 125 crore by this month.

He supported a proposal of the management to expand branches of the bank, which currently has 86 branches.

About banking reforms, he said appointment of consultants in nationalised commercial banks is part of the ongoing reforms in banking sector aimed at bringing discipline in the sector.

"The purpose of engaging consultants is to enhance capability and improve financial health," he said.

Finance Secretary Zakir Ahmed Khan, Chairman of the bank Syed Amir-ul-Mulok, Managing Director MA Yusuf also spoke at the function.

# Level playing field needed for faster telecoms growth

## Telenor CEO tells *The Daily Star*

### MUSTAK HOSSAIN

Jon Fredrik Baksaas, chief executive officer of Telenor ASA, has praised Bangladesh's investment climate and steady development in telecommunications sector.

He, however, pointed out that a level playing field is a prerequisite for faster growth and better service of telecommunications sector.

"Investment climate in Bangladesh is positive for us as foreign investors," Baksaas said in an exclusive interview with The Daily Star.

Oslo-based Telenor is a major investor in telecommunications sector having 51 percent share in GrameenPhone (GP), leading cellphone operator in Bangladesh.

Baksaas said Bangladesh has huge potential for developing telecommunications market and the growth can contribute positively to the national economy.

Commenting on BTB's plan to launch mobile phone service, he said in an ideal situation every operator is considered equal whether it is public or private. "So if the equality is broken it is a matter of concern."

The Telenor CEO, however, praised the government for establishing the Bangladesh Telecommunications Regulatory Commission (BTRC).

Turning to GP's successes, he said the company has established itself as the leading telecommunication provider in Bangladesh. "We are very much satisfied as a shareholder on the achievements of the GrameenPhone," he said.

The Telenor CEO mentioned GP's achievement in raising its customer number to one million in



Jon Fredrik Baksaas

August 2003. "May be it's the greatest achievement to date."

He attributed the success to the diligent guidance of the board, able leadership and management and the customers' confidence in the

company.

Baksaas appreciated the collective hard work and sacrifices of the company staff, which have brought the GP to this point.

Asked about possible invest-

ment of Telenor in fixed line phone network in Bangladesh, he said currently his company is focusing on wireless market.

Telenor provides fixed and cellphone service in Norway and it has networks in 13 countries, including three south Asian nations, serving more than 30 million customers.

A Bachelor of Commerce from the Norwegian School of Economics, Baksaas received training from the International Institute for Management and Development in Switzerland.

He started his career at Telenor in 1989 and was appointed CEO in April 2002 after holding a number of important positions in the company.

Having partnership with Telenor, GrameenPhone has already captured more than 75 percent of Bangladesh's cellphone market share. It has some 1.15 million subscribers with coverage in 52 districts including all six divisional headquarters.

GP, which started its journey in March 1997, is one of the largest private investments in the country. The company invested more than Tk 12.68 billion and contributed over Tk 13.6 billion to the national exchequer till May 2003.

Apart from 51 percent share of Telenor, Bangladesh's Grameen Telecom owns 35 percent share in GP, Japan's Marubeni Corporation 9.5 percent and New York-based Gonofone Development Corp 4.5 percent.

The Telenor CEO came to Dhaka on Monday on a two-day visit. He attended the inaugural function of a GP sales centre at Gulshan in Dhaka.



PHOTO: DHAKA BANK

ATM Hayatuzzaman Khan, chairman of Dhaka Bank Limited, speaks at the inauguration of the managers' conference of the bank in Dhaka recently. Afroza Abbas, vice-chairman, Reshadur Rahman, sponsor shareholder, Shahed Noman, managing director, Khondker Fazle Rashid, deputy managing director, and Arham Masudul Huq, executive vice-president, are also seen in the picture.