

PSI scrapping to hike business costs

Ficci president tells luncheon meeting

STAR BUSINESS REPORT

Discontinuation of pre-shipment inspection (PSI) scheme will cast a disastrous effect on the government's revenue collection and raise the cost of doing business, Foreign Investors Chamber of Commerce and Industry President Mahbub Jamil said yesterday.

"As customs department has to depend on PSI companies for valuation database, scrapping of the scheme will make present database of customs authorities obsolete," he said refuting government's observation that the authorities have necessary skills and database for assessment of import consignments.

"Hassle will increase and cost of doing business will go up if the scheme is scrapped," he said urging the government to change its stance on PSI system.

Amid debates over discontinuation of the PSI system, the government on Saturday gave the three PSI firms an extension up to June 30 this year allowing the customs department to get enough time for preparation before taking over the job from next fiscal.

The government should continue the PSI scheme for transpar-

ency in valuation process and quick clearance of imported products, Mahbub Jamil, the newly elected Ficci president, said at the monthly luncheon meeting of the chamber at a local hotel.

The chairman, managing director and CEO of Singer Bangladesh Ltd, fretted over policy inconsistencies of the government, which he said is adversely affecting business plans of entrepreneurs, particularly the foreign ones.

"We do not foresee any improvement in investment scenario as there still remains substantial gap between pronounced policies of the government and the ground realities," he said.

Jamil urged the government to solve the foreign investors' problems regarding security, infrastructure facility, fund transfer and work permit to get more investment.

"If the existing foreign investors are happy, only then the prospective ones will feel encouraged to invest here," he said.

Jamil however criticised the government for being frugal in rewarding businesspeople for their contributions to national development.

"It was a good gesture of the

government to recognise contributions of private sector towards growth of national economy and to encourage honest and ethical businesses but the government has stopped issuing commercially important person (CIP) cards for the last three years."

He proposed issuing CIP cards from the Board of Investment (BoI), instead of industries ministry, for industrial entrepreneurs.

Addressing the meeting, BoI Executive Chairman Mahmudur Rahman said the government has recently drafted a BOT/BOO guideline to encourage private sector participation in infrastructure development and to quicken implementation of private sector projects.

"We should now expect many proposals from domestic and foreign entrepreneurs in infrastructure sector which will not only ensure high rate of return but also improve infrastructure facility here," he said terming infrastructure a key to industrial investment.

Narrating special facilities extended to the foreign investors, the BoI chairman said they will now get gas connections from the board and also telephone and water lines soon.

Moreover, at the request of the board the home ministry has agreed to set up a separate desk to look into security and immigration issues of foreign investors, he added.

"A National Task Force has also been formed to solve problems of foreign investors. Apart from investors in the export processing zones, the foreign investors will get work permit from the board in shortest possible time," the BoI chairman said.

He said foreign direct investment (FDI) is increasing and reinvestment trend of foreign investors in recent times showed remarkable increase indicating their growing confidence in investing in Bangladesh.

Rahman said when FDI and reinvestment are increasing studies of Centre for Policy Dialogue and Bangladesh Enterprise Institute have downgraded Bangladesh's competitive index.

"I find it illogical that the same FDI entity responding negatively to questionnaire regarding investment climate, decides to reinvest instead of remitting the profit," he said pointing to the studies based on opinions of leading foreign and local investors.

New sweater factory to be set up at DEPZ

A local company will set up a sweater factory in Dhaka Export Processing Zone (DEPZ) at a cost of \$2.103 million.

An agreement to this effect was signed between Julia Sweater Ltd, the local company, and Bangladesh Export Processing Zones Authority (Bepza) yesterday, says a press release.

AFM Solaiman Chowdhury, member (Investment Promotion) of Bepza, and Md Bazlur Rahman, managing director of Julia Sweater Ltd, signed the deal on behalf of their respective sides.

Bepza Executive Chairman Brig General (Retd) Mofizur Rahman was also present at the signing ceremony.

The company to be named as Julia Sweater Composite Ltd will produce 11,250 dozens of plain sweaters and 81,000 dozens of designed sweaters annually.

Fair & Lovely- Prothom Alo awards handed over

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Fair & Lovely-
Prothom Alo Swapna Puron Competition awards were handed over to recipients yesterday at a gala ceremony in Dhaka.

Ainun Nahar of Dinajpur won a three-katha plot in Dhaka as first prize in the letter writing competition. Sohana Hossain Mitul of Khulna and Afsana Khanam Laboni of Dhaka bagged second prize and they received prize bonds worth Tk one lakh each.

Rokia Afzal Rahman, a prominent women entrepreneur and former advisor to the caretaker government, handed over certificates to a total of 40 winners.

The prizes included computer, mobile phone and sewing machine.

She said corporate houses like Lever Brothers are helping women come forward by taking up such competition.

Recalling some unpleasant experiences on starting business as a woman 30 years ago, she said scenario has now changed a lot.

Sanjiv Mehta, chairman and managing director of Lever Brothers Bangladesh Ltd, the manufacturer of Fair & Lovely beauty cream, said the prizes could change life of winners. He said the company will float Fair & Lovely Foundation early this year which will assist women in educational and business activities.

Prothom Alo Editor Motiur Rahman, Director (Brand & Development) of Lever Brothers Naushad Chowdhury, Adcom chief Geetara Safia Chowdhury, litterateur Mainul Ahsan Saber and women rights activist Maleka Begum were present at the function.

Nat'l Housing, Japan Garden City sign MoU

National Housing Finance and Investments Limited and Japan Garden City Limited have signed a memorandum of understanding (MoU).

Shabbir Ahmed, deputy managing director of National Housing and Md Wahiduzzaman, deputy managing director of Japan Garden City, signed the deal on behalf of their organisations in Dhaka recently, says a press release.

Under the agreement, prospective clients of Japan Garden City will receive faster customer service from National Housing in getting its loans up to 70 per cent of their apartment purchase price.

Anas Uddin Ahmed, managing director of National Housing, Saleh Akram, general manager of Japan Garden City, and other senior officials of the two organisations were present at the signing ceremony.

Taka steady against dollar

BSS, Dhaka

Bangladesh taka remained steady against the US dollar in thin interbank market yesterday on poor demand from traders driven due to weekend holiday in most international markets.

Dealers said the dollar traded at 58.85-58.88 taka today in line with its previous day's closing on Saturday, dealers of leading commercial banks said.

However, the volume of foreign currency trade was lower today as import payments were disrupted due to weekend holiday in most international markets.

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410 exclusive textile mills, power loom units sick

Debt-ridden mill owners seek bailout package

STAR BUSINESS REPORT

The specialised textile mill owners have sought at least 10 years time for repaying their default loans and urged the government to give them no objection certificate for taking fresh bank loans to bail their debt-ridden industries out.

Wrong policies of the government and non-cooperation from banks are making the industries sick, they told a discussion in Dhaka yesterday.

According to the Sick Industries Rehabilitation Cell formed by the government, more than 400 specialised textile and power loom industries have so far become sick.

"We need BMRE (balancing, modernising, rehabilitation and expansion) on urgent basis," M Shahjada Mia, president of Bangladesh Specialised Textile Mills & Power Loom Industries Association (BSTMPIA) told the discussion.

Pointing to the challenges of the post multi-fibre arrangement

era from 2005, he said the government should take a pragmatic approach to face the tough situation.

Chairman of the Parliamentary Standing Committee on the Ministry of Textiles Professor MA Matin who attended the discussion as the chief guest assured the specialised textile entrepreneurs of looking into the matter seriously.

Finding the 410 sick units owing Tk 314 crore to different banks, the cell recommended allowing them to pay the principal amount at only 25 percent normal interest and complete the repayment with 24 instalments in 12 years.

But the recommendations have not been implemented, Shahjada Mia pointed out.

He said the industries were forced to follow the guidelines of the consultants appointed by banks and import low quality looms from India for which it was not possible to produce quality products. "It is another reason for the industries to become sick."

The association president said the market is now flooded with duty-free imported fabrics. Besides, frequent power disruption and fluctuation of yarn prices pushed the production costs up for which local power loom industries were severely hit.



Winners of the Fair & Lovely-
Prothom Alo Swapna Puron Competition along with former advisor to the caretaker government Rokia Afzal Rahman, Chairman and Managing Director of Lever Brothers Bangladesh Ltd Sanjiv Mehta, Prothom Alo Editor Motiur Rahman, Director (Brand & Development) of Lever Brothers Naushad Chowdhury and Adcom chief Geetara Safia Chowdhury pose for a photograph at the prize-giving ceremony in Dhaka yesterday.

Asia, Latin America seek increased economic ties

AFP, Manila

Foreign ministers and senior officials of 32 Asian and Latin American countries will meet in the Philippines later this week to improve ties between the mainly developing economies of the two regions.

The January 29-31 meeting includes first world countries Japan, Australia and South Korea plus emerging powerhouse China, but unlike other Pacific rim gatherings excludes the United States, the main trading partner of many of the countries.

Filipino Foreign Secretary Delia Albert said the Forum for East Asia-Latin America Cooperation (FEALAC) plans to draft a plan of action to set the group's direction for the next few years.

The ministers will discuss ways to cooperate over their

economies, trade, education, science and technology, she added.

Cross-Pacific links once blossomed from galleon trade between Mexico and China through the Philippines, but since then trade and other contacts have been at a relatively low level.

Philippine history books say the galleon trade lasted from 1565 to 1815.

With North America, Western Europe and Japan taking the bulk of their exports, developing Asian countries shipped less than three percent of their products to South America in 2002, Asian Development Bank figures show.

"Trade and investment in the two regions have not been at a higher level as we would like it to be," said George Reyes, spokesman for the Manila meeting.

Asia, with the 10-member

Association of Southeast Asian Nations (ASEAN) at the core, has been promoting economic and security issues with other regions, including the Asia-Pacific Economic Cooperation (APEC) forum that includes the United States, Canada and the European Union.

The efforts have resulted in the Asian Regional Forum that discusses security issues in the region with global powers, ASEAN plus Three that draws China, South Korea and Japan, as well as the fairly new Asia-Europe Meeting (ASEM).

An Asian diplomat told AFP "it is a question of time before the (Asia-Latin America) meeting takes a higher profile, and my gut feeling is that this is going to evolve like ASEM."

ASEM first evolved at the ministerial level in the mid-1990s and holds summits every other year.

Japan cleans house of illegal residents

AFP, Tokyo

government, which aim to halve the number of illegal aliens in the next five years by deporting them.

Khin Maung Latt is luckier than most because his cause has been taken up in parliament and he has the backing of the country's largest labor organization.

Four years later, he landed a job as a driver with a small transport company and met the woman he was to marry. So he overstayed his visa in 1992.

"I know I did something wrong, but I had no choice," said Khin Maung Latt, 46, in an interview with AFP.

Now like an estimated 250,000 other illegal residents, Khin Maung Latt is subject to a crackdown by the Justice Ministry and Tokyo

"Before, when it was just me, if I was sent back to Burma (Myanmar), I would be the only who would be hurt," said Khin Maung Latt, who also claims to be an activist against the Myanmar junta.

"But now we have two children. I want the Japanese government to do something for their future."

Those fighting for Khin Maung Latt have a compelling argument in their favor: Japan is about to face a major and growing labor shortage as its population is expected to peak in 2005 and then spiral downward.

Katsuhiko Yoshida, Khin Maung Latt's employer, said while he knew that his chief driver at some point broke the law, he had come to question Japan's draconian new policy on illegal aliens, which was announced last October.

India, S American bloc to ink trade pact

REUTERS, New Delhi

India and South America's main trading bloc will sign an agreement Sunday to establish a free trade area for developing countries as a counter weight to dependence on trade with rich countries.

The Preferential Trade Agreement between Mercosur nations -- Brazil, Argentina, Paraguay and Uruguay -- and India will be signed in the presence of Brazilian President Luiz Inacio Lula da Silva, who is on a state visit to India.

During Lula's four-day visit India and Brazil are also expected to sign agreements on cooperation in the

peaceful uses of outer space and promotion of tourism and cultural exchange.

"India and Brazil together can build a strong political force that is capable of giving a contribution...and meet the interests of the poorest people of the planet," Lula told reporters after a ceremonial welcome at the Presidential palace.

Brazil and India share similar perceptions on issues of interest to developing countries and have formed a trilateral bloc along with South Africa to boost trade and pool their political muscle in talks with rich nations.

Speaking at the function, A Rouf Chowdhury said with the development of roads and highways in Bangladesh the demand of vehicles is increasing.

"To meet the demand we import vehicles from Mitsubishi and Eicher," he said.

Sandilia said Bangladesh is the largest export market of Eicher vehicles and dealers of better after sales service.

Zakia Rouf Chowdhury awarded fifteen dealers and customers from six categories for their excellent performances.

More than a thousand dealers and customers from across the country attended the function.

Premier Bank okays 36pc dividend

Premier Bank Limited declared 36.35 per cent dividend in the form of bonus share for the year 2003.

The dividend was declared at the bank's 5th annual general meeting (AGM) held in Dhaka on Saturday, says a press release.

HBM Iqbal, chairman of the bank, presided over the meeting while Kazi Abdul Mazid, advisor, MA Yussof Khan, managing director, and other directors were present.

The call money rate touched its intra-day high at 7.50 per cent and intra-day low at 4.00 per cent today in line with its previous day's range, fund managers of some leading banks said.

In most deals, the call money rate ranged between 3.50 per cent and 7.00 per cent, they said.

The money market remained under the control of the central bank that has taken pursuing a prudent monetary policy in view to cut the interest rates to accelerate the economic activities, central bank officials said.

BSS, Dhaka

China has banned imports of poultry from Thailand and Cambodia, raising its level of alert against the rapidly multiplying threat of bird flu, state media reported on Sunday.

The decision by the ministry of agriculture and quarantine authorities, reported by the official Xinhua news agency, comes two days after both Southeast Asian nations confirmed they had been struck by the deadly H5N1 virus.

The measure, which Xinhua said was taken "to prevent possible inflow of bird flu and safeguard domestic stockbreeding," follows a ban on poultry imports from Vietnam, Japan and South Korea.

The concrete impact of the ban is