

MS rod price hike

Price adjustment of govt contracts demanded

Contractors have appealed to the government for price adjustment for the contracts awarded before price hike of MS rod.

S a m m i l i t a T h i k a d a r Samannaya Parisad, an association of contractors, and the Federation of Bangladesh Chambers of Commerce and Industry made the appeal in the face of price rise of MS rod and other steel materials.

A delegation of Bangladesh Association of Construction Industry (Baci), called on Commerce Minister Amir Khosru Mahmud Chowdhury on Saturday and informed him about impact of the price rise which results in halting construction works across the country, says a press release.

They told the minister that although the government has recently reduced duties and taxes on raw materials for production of MS rod, the market price has not changed.

The minister assured the delegation of taking appropriate steps to bring down price of MS rod by taking the issues to the concerned ministries for remedial measures for the interest of the national development works under implementation.

Led by Baci President Mir Zahir Hossain, the delegation also included M Atiqur Rahman, Aminul Islam, Mustafizur Rahman and Sk Md Rafiqul Islam.

Concord, BPC sign deal to develop Foy's Lake

Foy's Lake in Chittagong will be developed as an attractive tourist spot under private management.

An agreement to this effect was signed between Concord Entertainment Co Ltd and Bangladesh Parjatan Corporation (BPC) in Dhaka on Wednesday, says a press release.

Concord Group Chairman SM Kamaluddin and BPC Chairman Md Mahbubur Rahman signed the deal on behalf of their organisations.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasir Uddin was present there.

The state minister said this is part of the plan to develop tourist attractions in Bangladesh for local and foreign tourists.

He said the govt would welcome and support entrepreneurs from the private sector to develop the tourism sector in Bangladesh.

S Korea to speed up corporate restructuring

REUTERS, Seoul

South Korea vowed Sunday to speed corporate restructuring ahead of a general election in April, in a bid to limit the fallout from the unprecedented impeachment of its president.

The opposition-ruled parliament thrust the country into uncertainty last week by impeaching President Roh Moo-hyun for breaking an election law.

The Constitutional Court has six months to decide whether to uphold the vote, during which time Prime Minister Goh Kun is acting president.

Finance Minister Lee Hun-jai told reporters the government would proceed swiftly with pending economic moves, including the planned sale of two state-owned asset managers.

American jobs misery blocks rate rise

AFP, Washington

Miserably slow American jobs growth has blocked a rise in US interest rates for months, and possibly the rest of 2004, analysts said.

Federal Reserve chairman Alan Greenspan and his colleagues meet Tuesday, and the only debate is whether they will tweak a policy statement on the economic and interest rate outlook.

The key federal funds target rate, lying at a 1958 low of 1.0 percent since June last year, is locked up until the labor market breaks out of an almost unprecedented lethargy, analysts said.

The economy churned out a meager 21,000 jobs in February, government data showed, shocking markets and shattering hopes for relief from three years of agony for the unemployed.

Post-MFA challenges

Invest in infrastructure to rescue RMG

Speakers tell workshop

STAR BUSINESS REPORT

Bangladesh needs to invest more in infrastructure and backward linkage industry to help readymade garments face post-MFA (multi-fibre arrangement) challenges, speakers observed at a workshop in Dhaka yesterday.

Investments in port, communications, utility services and backward linkage industry will give a boost to the apparel sector, which accounts for over 75 percent export of Bangladesh, they said.

According to the American Textile Manufacturers Institute, Bangladesh is feared to lose RMG business worth over one billion US dollars to China from January to June this year due to lead time problem and poor competitiveness, they said.

They were speaking at a two-day workshop on "Post-Cancun Developments in the WTO and Business Implications for Bangladesh" jointly organised by Dhaka Chamber of Commerce and Industry (DCCI), International Trade Centre of UNCTAD (United

Nations Conference on Trade and Development) and European Union.

In the global market, share of Chinese apparels rose to 53 percent in June 2003 from nine percent in 2001. US imports from China during first six months in 2003 increased by 175 percent.

Addressing the opening session, ASM Quasem, vice-president of International Chamber of Commerce-Bangladesh (ICC-B), said China, India and Thailand would be major competitors of Bangladesh in the quota-free era.

After the removal of import restrictions on five categories of products in January 2001, world imports to the US have increased by 28.8 percent while Chinese export increased by 366 percent in those categories.

As WTO negotiation process resumes, Quasem said the government should increase representation from private sector in the talks.

In the context of fall out of Cancun Conference last year, Anne Marchal, first secretary of the

Delegation of the European Commission to Bangladesh, said all the parties concerned should look into the problems identified in Cancun to find out solutions.

"If the WTO members want to re-launch the stalled talks, major efforts from all sides are required," she said.

Xuejun Jiang, senior trade promotion officer of ITC, UNCTAD, said as the government cannot pursue effective negotiations without the support from businesspeople, the ITC provides assistance to entrepreneurs by strengthening their capacity.

In his speech, Acting President of DCCI AM Mubash-Shar said, "We need capacity building to meet international standards, obtain appropriate technology, conduct market research and develop products to increase market share."

Four consultants of ITC of UNCTAD -- Shyam Kumar Gujdhur, Silencer Mapuranga, Rupa Ganguli and Peter Gallagher -- are conducting workshop that ends today.

Promote labour intensive sectors to cut poverty

Discussion on PRSP suggests

STAR BUSINESS REPORT

Speakers at a discussion yesterday called for promoting labour intensive sectors like poultry, food processing, tea, ship-breaking, jute and textile to help reduce poverty.

They suggested lowering interest rates on bank loans to 7 percent to give a boost to the country's private sector-led economic growth.

The discussants also called for reducing corporate income tax for backward linkage industries to 10 percent from existing 20 percent.

The suggestions came from economists, academics, public and private sector officials and NGO activists at the discussion on Poverty Reduction Strategy Paper (PRSP).

The General Economics Division of the Planning Commission, assigned body for preparing the PRSP, organised the discussion at the NEC auditorium in Dhaka.

Finance Minister M Saifur Rahman inaugurated the meeting, Prime Minister's Principal Secretary Kamaluddin Siddiqui, also convener of the steering committee to advise Planning Commission in preparing the PRSP, and Kazi Mesbahuddin Ahmed, member of the commission, also spoke at the inaugural ceremony.

The discussion covered 13 areas, which include macro economics, private sector development, infrastructure, good governance, health, education, women and children, rural development, agriculture, environment, water management, tribal and underprivileged people and housing.

The discussants stressed the need for creating a contingency fund for small ready made garment units to face post-MFA (multi-fibre arrangement) challenges.

Suggestions also came up to reduce utility charges, such as gas

and electricity, by 50 percent for textile and export-oriented garment industries.

The speakers sought withdrawal of import duties and taxes from textile dyes, chemicals and sizing materials to increase competitiveness of the industry.

Speedier goods handling and simplification of administrative procedures in ports are needed for reduction of lead-time of export, they added.

They suggested enhancing the capacity of revenue administration and accelerating reforms according to recommendations of the Revenue Reforms Commission.

The discussants also called for constituting a regulatory body to monitor the activities of micro-credit providers.

They suggested massive privatisation in telephone sector and drastic cut in phoneset prices and tariff rates of cell phones.

Dutch catalogue show in Dhaka from Saturday

A two-day Dutch catalogue show begins at Dhaka Sheraton Hotel on Saturday.

The Netherlands Embassy in Dhaka in collaboration with the Dutch-Bangla Chamber of Commerce and Industry is organising the exhibition which is first of such event by the European country, says a press release.

The show programme includes an extensive exhibition of catalogues of the Dutch products and services along with video presentations of Dutch prospective sectors.

The show coincides with the Netherlands Management Co-operation Program's (NMCP) regional conference to be held at the same venue.

The Netherlands Embassy will organise more such shows in different cities like Chittagong, Sylhet and Rajshahi this year.

According to the latest annual data of 2002, the Netherlands exported goods to Bangladesh worth 77 million euro while the exports from Bangladesh was about 244 million euro.

The Dutch export basket consists of products like food and live animal, beverages, tobacco, animals and vegetable oils, fats, chemical, machinery and transport equipment.

This catalogue show would help the Bangladesh business community and the consumers know more about the range of products and services of the Netherlands, the release added.

This show and the subsequent presentations from the embassy are open to all.

Janata Bank takes step to remit money from Greece

BSS, Dhaka

Janata Bank has stepped up its efforts to increase the flow of remittance to Bangladesh from Greece.

The step has been taken at the directive of finance and planning minister and state minister for expatriate welfare and overseas employment, says a press release.

The Managing Director of the bank Murshid Kuli Khan is now visiting Greece to observe the feasibility of remitting fund from Greece and make arrangement to increase its inflow to Bangladesh.

About 10,000 expatriate Bangladeshis are now staying in Greece.

Khan will exchange views with the expatriate Bangladeshis and discuss with the Commercial Bank of Greece in this regard, Janata Bank has already made an agency arrangement with the Commercial Bank of Greece to remit fund to Bangladesh.

Meanwhile the bank has undertaken a step to collect fund from Canada through an exchange company in Toronto, the press release said.

The JB authorities hoped that these measures would greatly help increase remittance business through expansion of the network of Janata Bank.

India to have new wholesale price index

BSS, New Delhi

India is preparing to have a revised series of the index of wholesale prices (WPI) with an updated base year.

Quoting official sources economic daily, Business Line reported that a working group headed by Prof Abhijit Sen of the Jawaharlal Nehru University was expected to submit its report on a revised WPI series to the government by December.

The working group is expected to recommend a new base year, which could be 1999-2000, 2000-2001 or 2001-02 to replace the existing WPI with 1993-1994 as the base year. The group has also been entrusted to assign new weights to each commodity the weekly price movement of which are reckoned in computing the index of the wholesale prices.

It would examine certain analytical issues to "introduce the best international practices in price index compilation."

India is probably among a few countries, said officials, which use the WPI as the headline indicator for measuring inflation.

For the purpose most advanced countries use the consumer price index (CPI) covering all goods entering the final consumption basket keeping intermediate or investments goods out.

India too has CPIs, but for consumer segments like industrial workers, agricultural labourers and non-manual employees, they said.



PHOTO: STAR

Indian High Commissioner to Bangladesh Veena Sikri speaks at a discussion on 'Bangladesh-India Economic Relations' organised by Economic Reporters' Forum (ERF) at the National Press Club in Dhaka yesterday as ERF President Monowar Hossain and General Secretary Nurul Hasan Khan look on.

Trading of new securities under CDS from May 2

STAR BUSINESS REPORT

Electronic settlement of share trading under central depository system (CDS) of some new securities will begin on May 2.

The Securities and Exchange Commission (SEC) has asked 13 more companies to sign agreement with Central Depository Bangladesh Ltd (CDBL), the service provider, and develop necessary infrastructure like online connectivity by April 8.

After the agreement and necessary infrastructure development, the SEC will declare eligibility of the companies for the scripless trading system.

Spot trading of the securities will be held during April 24-26 and

share trading of the companies will remain suspended during April 27-29 for smooth conversion of share certificates into electronic ones.

In addition to 12 companies selected earlier, the SEC picked British-American Tobacco Bangladesh for joining CDS. On February 15, the market regulators selected 12 A category companies for CDS.

The 12 issues are Dutch-Bangla Bank, Mutual Trust Bank, BOC Bangladesh, Singer Bangladesh, Bata Shoe, AMCL FRAN, Apex Tannery, AB Bank, Green Delta Insurance, Lafarge Surma Cement, Infrastructure Development Leasing Company and ACILtd.

The electronic trading settlement system, which eliminates risk of fake, soiled or lost shares, made its debut in capital market on January 24 with shares of Square Pharmaceuticals Ltd.

Under CDS, all paper share certificates are turned into electronic ones and transactions are held electronically. Listed companies will no longer need to maintain full-fledged share department in office as the system operator will do all the depository and transfer jobs.

SEC Executive Directive Mansur Alam said so far over 600 investors have opened beneficiary owner's account for de-matting and trading their shares under CDS.

5-year policy for producing all kinds of seeds soon

BSS, Dhaka

The government is going to formulate a five-year policy for producing all kinds of hybrid seeds domestically to meet growing demand in the country.

This was disclosed at a meeting yesterday at the Ministry of Agriculture to review the proposal of Seed Federation of Bangladesh (SFB) regarding direct import of five notified seeds.

With Agriculture Minister MK Anwar in the chair, the meeting was attended by State Minister for Agriculture Mirza Fakhrul Islam Alamgir, chief executives of agricultural research institutes and officials concerned of the ministry.

Referring to the outcome of the meeting, sources of the ministry said the meeting decided to keep the notification system regarding import of rice, wheat, jute, potato and sugarcane seeds valid due to some technical reasons and in consideration of nature of soil and environment of the country.

Under the National Seed Policy, 1993, the government approves import of seeds after examining samples provided to the technical committee of the ministry and the research institutions concerned by the importers.

In its proposal, the SFB proposed for opening up seed business as an industry in industrial policy, allowing easy access of

private sector seed business to institutional credit and preferential rate of interest.

Sources said the meeting laid emphasis on taking appropriate steps to produce all kinds of seeds including hybrid and HYV seeds to meet the growing demand of the country. The main objective of importing seeds is to increase production of the seed domestically and reach it to the farmer's level, sources added.

The annual demand for seeds in the country is about 10 lakh tonnes. Of which only 10 percent seeds was produced by BADC and agriculture extension department while the rest demand are being met by producing seeds locally using traditional method.



PHOTO: CONCORD ENTERTAINMENT CO

Chairman of Concord Group SM Kamaluddin (right) and Chairman of Bangladesh Parjatan Corporation (BPC) Dr Md Mahbubur Rahman (left) exchange documents after signing an agreement on behalf of their organisations in Dhaka on Wednesday. Under the deal, Concord Group will develop Foy's Lake in Chittagong as an international standard tourist spot. State Minister for Civil Aviation and Tourism Mir Md Nasir Uddin is also seen in the picture.

Khosru for lower interest rate to survive in export market

BSS, Dhaka

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday called for reducing financial service charges including interest on lending to six or seven percent to make the country's products competitive in the global market.

"We have to consider every segment of cost of production to compete in the global market, and if the current rate of bank interest continues, survival in export market would become difficult, particularly after phasing out of multi fibre arrangement (MFA) this year," he said while speaking at the opening session of a workshop.

The commerce minister said although the export in January 2004 was 28 percent higher than the export of January 2003, the country's export share in the global

market stands at only 0.10 percent.

The workshop on the study report titled "The Efficiency and Effectiveness of Banking and Financial Service for Exporters" was organised jointly by Ministry of Commerce and Bangladesh Export Diversification Project (BDXDP) at a local hotel.

Director of BDXDP Mohammad Abdul Karim and Chief Technical Advisor of Coordination and Development Unit of the project David Holbourne also addressed the opening session.

Senior Research Fellow of Bangladesh Institute of Development Studies (BIDS) and consultant for the study Dr Atiur Rahman presented the report at the workshop.

The minister said the country's banking sector has been enjoying

profit at a rate of 600 to 700 percent by utilising only a portion of total deposit with them.

Mentioning that there were a huge amount of idle money lying with the bank and financial institutions, he said if this money is utilised properly with minimum interest rate, the banks and financial institutions could earn more profit.

"A bank and financial institution must earn profit, but they should provide scope to their customers also to get such benefits," he said questioning the justification of huge profit margin in the banking sector.

Khosru referred to the problems faced by small and medium enterprises (SMEs) while taking financial support from banks. He identified the bank management system and collateral support as the main problems in this regard.