

## Guidelines on infrastructure investment on the cards

### Govt willing to woo private sector investment in ports, roads, water supply, waste management

M ABDUR RAHIM

The government is formulating guidelines on investment in private sector infrastructure to promote infrastructure development.

Inspired by the success in private investment in power, gas and telecoms sectors through build-operate-transfer (BOT) and build-own-operate (BOO) basis, the government is willing to further lure private investment in infrastructure such as ports, roads, water supply and waste management.

Currently, there are no instructions for government offices to follow when it comes to developing and facilitating progress of private sector infrastructure projects.

The government offices now follow the Public Procurement Regulations, 2003 to handle private infrastructure projects. But the regulations are not adequate, officials sources said.

Draft guidelines are now under lens of cabinet committee on economic affairs. Infrastructure Investment Facilitation Centre (IIFC), a government agency for

facilitating private investment in infrastructure, has prepared the draft.

Nazrul Islam, executive director and CEO of IIFC, said when the guidelines come into effect they will encourage more investment from private sector in infrastructure.

A major reason for lack of private sector participation in infrastructure projects is the absence of consistent procedures, the IIFC CEO told the newspaper.

IIFC is currently working with Bangladesh Land Port Authority to

develop infrastructure in Sona Masjid, Banglabadha, Birol, Burimari and Bibirbazar land ports through BOT basis.

IIFC is also working with Rural Electrification Board for remote area power supply system, assisting Bangladesh Road Transport Corporation for building multi-purpose bus terminals in Dhaka and helping Bangladesh Telecommunications Regulatory Commission to establish new broad-band telecoms network and issue cellular licenses.

## Nat'l Tea Co okays 18pc dividend

BSS, Dhaka

National Tea Company Limited (NTCL) has approved an 18 percent dividend for shareholders for the year 2003.

The dividend was okayed at the 26th annual general meeting of the company held in Dhaka on Wednesday, says a press release.

Chairman of the company Mohammad A Harris Chowdhury, who is also political secretary to the prime minister, presided over the meeting.

The shareholders reviewed the activities of the company including its development programmes and approved the audited accounts for the year 2003.

Suhel Ahmed Chowdhury was re-nominated director of the company to represent Sadharan Bima Corporation and Ziaul Hoque Khondker was re-nominated director of NTCL to represent Investment Corporation of Bangladesh on behalf of the "B" class shareholders.

## Four new companies join CDS May 16

STAR BUSINESS REPORT

Four new companies are ready to join central depository system (CDS) on May 16.

The Securities and Exchange Commission (SEC) recently allowed the companies to start electronic settlement of share trading. The companies are— Dhaka Bank Ltd, Southeast Bank Ltd, Pragati Insurance Company Ltd and Pioneer Insurance Company Ltd.

With the four, the number of companies joining the CDS will rise to eight. Square Pharmaceuticals Ltd was first company to adopt the electronic trade settlement system on January 24.

Though Square Pharmaceuticals witnessed poor response in initial stages, the

company overcame the dull trading after investors put their confidence in the system, which helped the company to hit the top trading list within a month.

Inspired by the responses from investors and market players, the capital market regulators took steps to consolidate the CDS by allowing more companies to join the paperless trading system.

Accordingly, three companies - Industrial Development Leasing Company (IDLC) Bangladesh Ltd, Square Textile Mills Ltd and Sandhani Life Insurance Company Ltd - made their debut in the scripless trading on April 27.

Earlier, the SEC selected 13 companies for CDS and fixed May 2 for their joining of scripless trading but many of the compa-

nies opted for delaying the joining due to annual general meetings. This postponement forced the SEC to select Square Textile and Sandhani Life Insurance for the CDS. Sources said SEC will soon take fresh initiatives to start scripless trading of those selected companies.

The capital market watchdog has also primarily selected 43 A category companies and securities and asked them to get ready for the scripless trading.

Sources said SEC wants to ask all the 127 A category companies and securities to develop required infrastructure and sign agreements with Central Depository Bangladesh Ltd (CDBL), the service provider of CDS, in the run-up to joining CDS by year-end.

## Fareast Finance declares 15pc dividend

Fareast Finance and Investment Limited, a leasing and financing company, has declared a 15 percent dividend for its shareholders for the year 2003.

The dividend was announced at the 3rd annual general meeting of the company held in Dhaka on Monday, says a press release.

M Mustafizur Rahman, chairman of the company, presided over the meeting while Alauddin A Majid, managing director, and Santanu Saha, company secretary, were, among others, present.

It was disclosed in the meeting that the company earned a net profit of Tk 84 lakh during the year 2003, which is Tk 75 lakh higher than that of the previous year.

The company disbursed Tk 24.71 crore in the form of lease and term finances and the total business with the clients outstanding at the end of 2003 stood at Tk 29.18 crore.

## New chairman, vice-chairman of Jamuna Bank



Golam Dastagir Hosneara Bulu

Golam Dastagir Gazi Bir Pratik and Hosneara Bulu have been elected chairman and vice-chairman of Jamuna Bank Limited on Tuesday, says a press release.

Proprietor of Gazi Tyres and Gazi Tanks, Dastagir Gazi is the president of Gazipur Chamber of Commerce and Industry and a former president of Bangladesh Rubber Industries Association. He also received Atish Dipankar Gold Medal-2003 in recognition of his social activities.

Hosneara Bulu is the director of Abeco Industries, Rumki Industries, National Chemicals and Shafkat PVC Sole Industries Ltd.

## Qatar Airways, Thai Airways sign codeshare agreement

Qatar Airways and Thailand's national airline Thai Airways have signed a codeshare agreement that will link Qatar Airways route network with Thai Airways' network of 35 countries, says a press release.

The agreement will initially allow Qatar Airways to carry Thai passengers on the Bankok-Doha/Doha-Bangkok routes.

Besides, this agreement effectively links the Qatar Airways growing route network of 49 destinations to Thai Airways' network of 72 destinations in four continents.

As Thai Airways has yet to commence service to Doha, Qatar Airways will initially be carrying Thai Airways passengers between the two cities and onto the Qatar Airways network.

Chief Executive Officer of Qatar Airways Akbar Al Baker and Executive Vice-president (Commercial) of Thai Airways Suthep Suebsantiwongse signed the agreement on behalf of their companies.

## Improve apparel quality to match global trend

### PM asks knitwear manufacturers

UNB, Dhaka

Prime Minister Khaleda Zia on Thursday asked apparel exporters to continuously improve quality, fashion and design of their products matching the trend of the fast-moving world and competitive international market.

"Quality has to be improved continuously and the fashion and designs developed to meet the changing global trend," she told the leaders of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Khaleda was talking to the newly elected executive committee members of the BKMEA when they called on her.

A 23-member delegation of the association was led by its President Fazlul Huq. Textiles Minister Abdul Matin Chowdhury, Commerce Minister Altaf Hossain Chowdhury, prime minister's political secretaries Harris Chowdhury and Mosaddek Ali were present at the meeting.

At the meeting, the BKMEA members lauded the role of the government for its various measures to develop and provide thrust to the knitwear sector, and hoped that the support would continue.

The association expressed gratitude to the government for forming the National Coordination Council, which it said, demonstrates the government's keenness for developing the garment and knitwear sector.

The exporters sought scope for making their recommendations and their problems being heard by the council.

Pointing to the contribution of the knitwear sector to the country's economy, the BKMEA members pointed out that 73 percent value addition to knitwear is the highest among the categories of readymade garments.

More than 1,000 knitwear units employ about 7 lakh workers, most of them are women. Joining of 10 more countries in

the European Union and the quota-free access to Canada will enhance the market share of Bangladeshi knitwear in the western world, the exporters pointed out, playing down concerns about the post-MFA era.

The association sought prime minister's assistance in obtaining yarn at cheaper prices and getting 10 percent cash incentives for the apparel exporters.

The BKMEA invited the prime minister to inaugurate the planned International Knitwear Fair 2004 to be held in Dhaka in September. She agreed.

Assuring all-out support of her government in fulfilling the legitimate demands, she asked the BKMEA members to sit and discuss their problems with the textile and commerce ministers.

Last year, the country's knitwear exports fetched \$1653.83 million, nearly 25.52 percent of the total export proceeds.

## Emirates SkyCargo gets award for logistics services

Emirates SkyCargo, the cargo division of the airline, was recently honoured by STMicroelectronics, one of the world's largest semiconductor companies.

At the annual STMicroelectronics Logistics Suppliers' Day held in Singapore, Emirates SkyCargo was presented with the 'Logistic Service Provider Award 2003' in recognition of its outstanding logistics services. This is the second time Emirates SkyCargo was presented with this award, having received the inaugural award in 1999, says a press release.

On behalf of Emirates, Mogens Debracy, cargo global accounts sales manager, and Noryate Abd Rahman, cargo manager (Singapore), received the award.

## Sri Lanka logs 5.9pc growth

AFP, Colombo

Sri Lanka's economy grew by a better-than-expected 5.9 percent last year, up from 4.0 percent in 2002, thanks to a truce with Tamil rebels and international backing for peace efforts but the country is now "at a crossroads" in its development, the central bank said Friday.

It forecast growth would slow this year to 5.5 percent and warned that "if the country does not grab the opportunity and integrate itself successfully with the world economy, it will be another sad story of missed opportunities."

Central Bank of Sri Lanka economists said growth last year was better than the markets expected with each quarter showing steady improvement, with inflation falling to 6.3 percent from 9.6 percent in 2002.

"This was supported by a favourable environment resulting from the confidence built by the continuation of the ceasefire, a gradual improvement in the world economy and increased international support for the country."

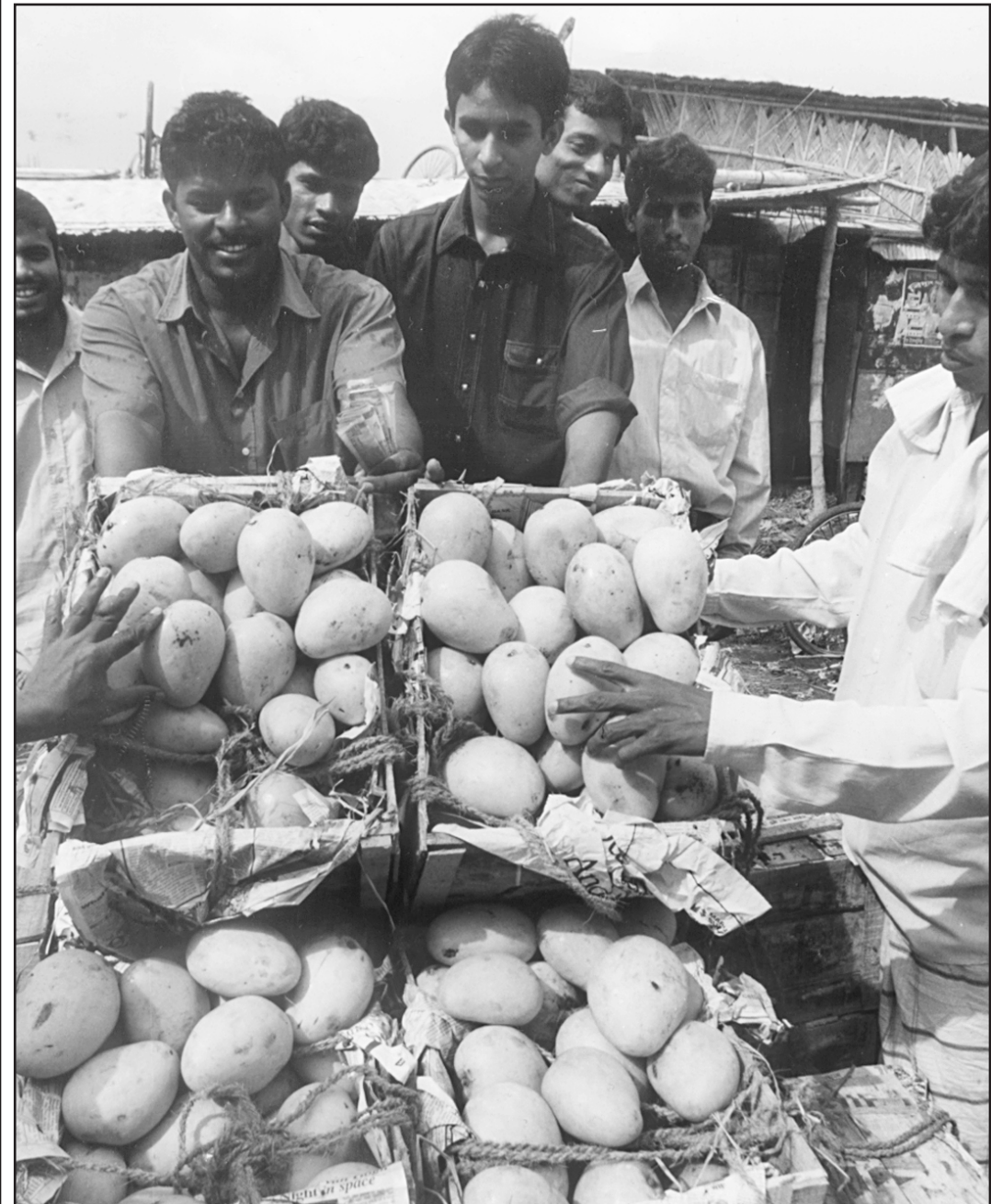
## IMF to name new MD Tuesday

REUTERS, Washington

The International Monetary Fund will announce its next managing director on Tuesday, board sources said yesterday, a job widely expected to go to Spain's former economy minister, Rodrigo Rato.

The 24-member board this week interviewed Rato and a second candidate Mohamed El-Erian, a former senior IMF official and a senior executive at PIMCO, manager of the world's biggest bond fund, for the job prematurely left open by Horst Koehler.

"We will meet on Tuesday and name the best person for the job," one source said. Earlier in the day, IMF spokesman Thomas Dawson said the board, which represents the fund's 184 member countries, had spent several hours with El-Erian on Wednesday and would do the same with Rato on Thursday after his nomination last week by the European Union.



Traders hold boxes of mangoes at Badamtali wholesale market in Dhaka. A 15 kg-box of Indian mangoes, which always hit Bangladesh market before local varieties, sells at Tk 700.

## China halts steel, aluminum, cement project approvals

AFP, Beijing

China's top executive body has ordered that no approvals for new steel, aluminum and cement projects be made this year in a bid to halt "haphazard" and "redundant" investments, state media said Friday.

In its latest attempt to cool the economy, the State Council issued a circular that also called for a nationwide examination of nearly all ongoing investment projects including commercial offices, golf courses and shopping malls.

Xinhua news agency said the council, China's cabinet, in addition wants the process of converting farmland for use in infrastructure projects to end so as "to curb the investment craze in some industries and to ensure the smooth operation of the national economy."

The orders are the latest in a string of administrative measures by the central authorities to try to calm soaring investment by local governments which is contributing to overheating and over-investment in

some sectors.

The efforts to curb economic growth, which Premier Wen Jiabao said this week would be "forceful", have rattled neighboring countries that depend on China's booming economy, which grew 9.7 percent in the first quarter.

Financial markets across Asia have slumped, while sentiment has been dampened globally.

Xinhua reported in February that the State Council had dispatched working groups to various parts of the country to investigate the "investment landscape".

In its report Friday, the state-run news agency said the top decision making body had recently issued a circular requiring all localities and departments to kick off examinations of most investment projects in fixed assets under construction or to be built.

Projects banned by national policies or conflicting with laws and regulations on land management should be halted, it said.

Those which did not comply with

environmental protection regulations, urban construction blueprints, approval procedures or loan policies should be suspended.

The government has been trying to cool investment for the past eight months through a variety of measures, including curbing bank lending and issuing administrative orders for clampdowns on inefficient and duplicated projects.

On Friday, the banking regulator called on the nation's banks to reduce lending to the auto, steel, property, cement and aluminum industries.

The China Banking Regulatory Commission (CBRC) also said in a statement on its website that banks should step up financing of projects in coal, power, oil, water supply, transport and other areas related to basic infrastructure so as to ease bottlenecks.

The moves have been interpreted by the markets as preparation for an interest rate hike, although the CBRC made no mention of this.



M Mustafizur Rahman, chairman of Fareast Finance and Investment Limited, presides over the 3rd annual general meeting of the company in Dhaka on Monday. The meeting has declared a 15 percent dividend for shareholders of the company for the year 2003.

## No chance of textile quota extension: WTO aide

REUTERS, Washington

An international trade official said Wednesday there was no chance that a decades-old world textile quota system would be extended past year end, despite private sector efforts in the United States and many developing countries to have that done.

"That position is unchangeable. It's a deal that's already been done, it can't be undone," Cheidu Osakwe, director of the World Trade Organisation's textile division, said in a speech to trade policy specialists.

The US textile industry, fearing a flood of cheap Chinese imports when the quotas expire at the end of this year, has been leading an international effort to persuade the WTO to approve a three-year extension of the quota system.

However, Osakwe said that WTO members recognise that extending the quotas would unravel a key portion of the 1994 Uruguay Round world trade agreement, which required countries to make difficult trade concessions in a number of sectors.

"I strongly believe there will be no government that will table a pro-

posal for an extension" of the quotas, he said.

Jennifer Hillman, vice chairman of the US International Trade Commission, said a recent study done by the trade panel showed world textile production making a very large shift into China when the quotas end.

Hillman, who emphasised she was not speaking as a representative of the US government or the ITC, said that importers expect to source supplies from a very small number of countries when the quotas end versus the dozens they buy from currently.

## Democrats back bill to restore US trade hammer

REUTERS, Washington

Two Democratic senators unveiled legislation Thursday that would require the US Trade Representative's office to take more aggressive action, including the possible use of trade sanctions, to force countries to drop their barriers to US exports.

The move followed a call by Democratic presidential candidate John Kerry earlier this week for Congress to restore the measure, known as Super 301, that many US

trading partners came to dread in the 1980s and 1990s.

"Our trading partners don't like Super 301 at all," Sen. Max Baucus, a Montana Democrat, said at an event with Sen. John Corzine, a New Jersey Democrat, to discuss the bill.

"Who can blame them? Super 301 shines a spotlight on how they're not playing by the rules and shortchanging the United States. Nobody likes to get caught in the act," said Baucus.

The legislation would require the

Trade Representative's office to publish an annual list of the biggest foreign barriers to US exports and seek consultations with each trading partner identified in the report within 21 days.

If those talks don't succeed in eliminating the trade barriers within 90 days, USTR would be required to begin steps that could lead to either a formal complaint at the World Trade Organisation or US sanctions, said Corzine's office.