

Special Vat collection drive in Ctg from tomorrow

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The National Board of Revenue (NBR) starts a special Vat collection drive tomorrow in Chittagong.

Six teams of Chittagong Vat Commissionerate will conduct the drive at different business establishments in the port city until May 15.

Hotels, restaurants, fast food shops, community centres, beauty parlours and boutique shops and individual businessmen will be investigated during the drive.

A joint commissioner of Chittagong Vat Commissionerate will supervise the programme.

The teams will also investigate the Vat payments of different businesses.

Earlier, the NBR conducted similar drive in Dhaka.

Standard Bank to trade shares thru' CDS

Standard Bank Limited has signed an agreement with Central Depository Bangladesh Limited (CDBL) to trade its shares through the central depository system (CDS).

Managing Director of the bank Mosharraf Hossain and Managing Director and CEO of CDBL, the service provider of CDS, MH Samad signed the deal on behalf of their organisations recently in Dhaka, says a press release.

Chairman of Standard Bank Kazi Akramuddin Ahmed, Advisor SS Nizamuddin Ahmed and other officials were also present.

Rato makes debut as IMF chief as oil prices soaring

AFP, Madrid

Rodrigo Rato, former Spanish economy minister, made his debut Wednesday as the new head of the International Monetary Fund warning of the impact of high oil prices on the world economy.

In his first public statements since he was elected Tuesday, Rato said that oil prices, which have hit a 14-year high, were an "essential variable" in the recovery of the world economy and were necessary for avoiding inflation.

Referring to earlier IMF findings, he told a press conference "the fund has calculated that an increase of five dollars a barrel over 12 months would have a (negative) effect of 0.3 percentage points on growth."

The forecast is based on the IMF's current benchmark oil price of 30 dollars a barrel.

Oil prices have been soaring recently amid concerns about security in key Middle East producer countries and stocks in big consumer nations such as the United States.

In London Wednesday a barrel of Brent North Sea crude shot up to 36.30 dollars from 35.93 on Tuesday.

The worrisome spurt has come amid jitters over US gasoline supplies and violence in oil kingpin Saudi Arabia.

KLM swings into profit ahead of Air France takeover

AFP, Amsterdam

The Dutch airline KLM, acquired by Air France on Tuesday, returned to profit in its last year and said Thursday it would expand electronic services with the aim of selling half its tickets this way by 2005.

KLM posted a net profit of 24 million euros (29 million dollars) in its 2003-2004 financial year ending March 31, against a loss of 416 million euros one year earlier, and a loss of 156 million euros in the 2001-2002 financial year, a company statement said.

It sold 28 percent of its tickets electronically last year, and chief executive officer Leo van Wijk told a news conference: "By March 2005 we estimate that this number will be approximately 50 percent."

KLM also plans to develop computer check-in systems for airports similar to ones in operation at its Amsterdam-Schiphol hub.

Financial director Rob Ruijter said that expanding electronic services would create significant savings within three years.

"You could expect that this would create hundreds of millions of (euros in) cost savings if you look at the period 2007," he told journalists.

Donors worried over rising cost of doing business

Corruption, extortion retard FDI, says Local Consultative Group of BDF

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Corruption and extortion increase the cost of doing business in Bangladesh and also retard domestic and foreign direct investment (FDI), donors observed as they sit in the Bangladesh Development Forum (BDF) meeting in Dhaka tomorrow.

The Local Consultative Group (LCG) of the donors made the observation in the background paper for a session on "Improving trade and investment climate" in the three-day annual meet of BDF to be held at Sonargaon Hotel.

The donors expressed concern over the effects of the abolition of pre-shipment inspection (PSI) system on the costs of doing business in Bangladesh.

Deteriorating law and order coupled with recent escalation in political violence and confrontational politics have marked a negative impact on Bangladesh as a trading partner and investment location, the LCG said.

Policy and institutional improvements are required to boost FDI in Bangladesh, it said. The group also recommended reforms in the process of enforcing legal contracts and registering land in Bangladesh for the investors.

Numerous hartals, extortion, kidnappings and growing criminality are sapping the morale of local businesspeople, the group mentioned in the paper, which dealt with various matters related to business and economy of Bangladesh.

Post-MFA (multi-fibre arrangement), investment and regulatory climate for business, privatisation, SOE (state-owned enterprise) reform, financial sector, poor law and order and confrontational politics are the key issues to be discussed in the session.

The LCG however appreciated the government for making 'good progress' in SOE closure and restructuring programmes. The momentum should not be lost in the nationalised commercial bank (NCB) reform, it added.

In the background paper, the donors group welcomed SOE privatisation and liquidation strategy of the government in terms of targets and progress but expressed concern over the performances of the Privatisation Commission.

The group supported the new committee on microfinance regulation and commended the government decision to automate the Office of the Registrar of Joint Stock Companies.

Reduction of lead time through port developments is required for the readymade garment industry while customs reform and formulation of a shipping regulatory framework are also required, the background paper noted.

"These are equally important as seeking preferential trade regimes in Canada, EU and Australia, it said suggesting diversification of country's export basket. It also commended the formation of a government taskforce on post-MFA.



Agriculture Minister MK Anwar speaks at a dialogue titled 'Agriculture and Our Economy' organised by Economic Reporters' Forum (ERF) in Dhaka yesterday. Amjad Khan Chowdhury, president of Bangladesh Agro Processors' Association (BAPA), 2nd from right, Monowar Hossain, president, 2nd from left, and Nurul Hasan Khan, general secretary of ERF, right, are also seen.

Fair distribution of resources needed to cut chronic poverty

BIDS seminar observes

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Speakers at a seminar yesterday emphasised internal resources mobilisation and employment generation to lessen chronic poverty.

They also demanded fair distribution of resources to improve the living standard of about 30 million chronically poor people who are suffering from hunger and under-nutrition.

If benefits of growth at national level cannot be equally distributed among the people the poverty situation will remain unchanged, the speakers observed. They were speaking on the concluding day of a 14-day seminar on "State of the Poorest in Bangladesh 2004/05", organised by the Bangladesh Institute of Development Studies (BIDS) in Dhaka.

Adviser to the former caretaker

government Hafizuddin Khan expressed dissatisfaction over the government's reluctance to implement recommendations of different national committee reports on public sector reforms.

"The latest report of the Public Expenditure Review Commission (Perc) has also been shelved. I am sure none in the government even reads the recommendations of the report," said Hafizuddin who was chief of the Perc.

Senior research fellow of BIDS Binayak Sen said poverty reduction strategy paper (PRSP) will only ensure five percent aid flow for poverty alleviation purposes and rest of the huge chunk of money will go to growth related sectors.

"We must be reliant on domestic resources," Sen said, pointing out resource is the main constraint for the chronic poor of the country.

He said, "Measures such as

distribution of vulnerable group feeding (VGF) cards and test relief cannot alleviate poverty. Specific long term programme is necessary to improve the living standard of the chronically poor."

Sen, however, was pleased with improvement in poverty situation in recent times as Bangladesh had elevated to the category of Medium Development Country in a report of the UNDP last year.

Former chairman of Public Service Commission (PSC) Al Husaini while taking part in the discussion criticised the PRSP and said the document only highlighted our problems without giving guidelines on solution.

Among others, Quazi Shahabuddin, director general of BIDS, Angela Gomez of Bacht Shekha, Tauhidul Alam of UNFPA and AHM Nouman of DORP addressed the dialogue.

Phoenix Ins declares 15pc cash dividend, 5pc bonus share

Phoenix Insurance Company Limited has declared a 15 percent cash dividend and a 5 percent bonus share for the shareholders for the year 2003.

The dividends were announced at the 18th annual general meeting of the company held in Dhaka on Wednesday, says a press release.

Deen Mohammed, chairman of the company, presided over the meeting.

During the year 2003, the company earned a total premium of Tk 21.84 crore and a pre-tax profit of Tk 2.75 crore. Total asset of the company in the year 2003 was Tk 39.59 crore.

Vice-Chairman Mohammad Shueb and Directors Abdur Rahman, Mobarak Ali, Aziz-Al-Mahmood, Rafiqul Islam Khan, Md. Habibar Rahman Mia, Evana Fahmida Mohammad, Meherun Haque, Badruddoza Mannan, Sadia Anjum Siddiqui, Wasif Ahamed, Manzoorul Haque and Managing Director Syed Najabat Ali were present in the meeting.

In the vacant post of directors from the sponsor-shareholders group, Abdur Rahman, Meherun Haque, Sadia Anjum Siddiqui and Wasif Ahamed were re-elected unopposed as directors.

In the two vacant positions of the directors from the public shareholders, Mohammad Shueb and Abdul Khaleque Pathan were also elected unopposed as directors.

China urges EU to lift technology export restrictions

AFP, Brussels

Premier Wen Jiabao urged the European Union Thursday to lift restrictions on technology exports to China -- an issue linked to an EU arms embargo imposed after the 1989 Tiananmen Square massacre.

In a speech to European business leaders during a visit to Brussels, Wen also vowed firm action to protect the intellectual property rights of foreign companies doing business in China.

In a veiled reference to the arms embargo, the premier called for the removal of "out-dated barriers and obstacles" hampering the burgeoning trade relationship between China and Europe.

"China will continue to faithfully honour its WTO (World Trade Organisation) commitments, stepping up protection of intellectual property rights and increasing the fairness and transparency" of its laws, he said.

"The EU is also expected to ease its restrictions on high-tech exports to China, and lift its import bans that are inconsistent with WTO rules."

Aside from an end to the arms ban, Wen is also pushing European leaders to grant China full market economy status, which he said would "undoubtedly boost a fresh round of expansion in China-EU trade and economic cooperation".

Speaking after talks with Belgian Prime Minister Guy Verhofstadt late Wednesday, Wen said China was confident that the EU would lift its 15-year-old arms embargo.

Verhofstadt, while supporting French calls to end the ban, also said communist-ruled China would have to do more first on the human rights front.

Bourses see uptrend

DSE asks investors to be cautious

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As indices on both the bourses are once again showing an upward trend, the Dhaka Stock Exchange (DSE) has advised the investors to remain cautious in trading.

In less than two weeks, the DSE General Index rose more than 100 points while Chittagong Stock Exchange (CSE) All Share Price Index gained about 200 points.

To make the investors alert, the DSE put information of Shinepukur Holdings on its website stating that the company has failed to declare dividends for the last four years.

DSE sources said the bourse authorities did it as trade volume and share prices of some Z category companies like Shinepukur are increasing unusually.

The price of Shinepukur share with Tk 100 face value yesterday rose to Tk 34 while the lowest price was quoted at Tk 28.50. The price,

however, closed at Tk 32.50 after starting the day's trading at Tk 28.50.

A total of 207,100 shares of Shinepukur valued at Tk 66.30 lakh were transacted yesterday. Trade volume of some other Z group companies is also increasing.

The trading at Dhaka Stock Exchange closed yesterday with a significant rise in the general index. DSE General Index rose by 32.32 points or 2.77 percent to close at 1196.35 points from Wednesday's 1164.03 points.

On April 24, DSE General Index was 1080.27 points.

DSE-20 index yesterday gained 24.56 points or 1.70 percent to close at 1471.55 points from 1446.99 points of the previous trading day.

Of the 193 issues traded yesterday, 139 advanced, 34 declined and 20 remained unchanged. Shares and debentures worth Tk

26.13 crore changed hands as against Tk 26.11 crore on the previous trading day.

The Chittagong Stock market also closed higher, both in terms of volume and value, yesterday with the All Share Price Index rising 50.07 points or 2.53 percent to stand at 2022.96 points from Wednesday's 1972.96 points.

On April 24, CSE All Share Price Index was 1838.77 points.

CSE-30 Index also gained 37.06 points or 2.03 percent to close at 1865.21 points from 1828.15 points on the previous day.

Of the 78 issues traded yesterday, 58 gained, eight declined and 12 remained unchanged.

Some 3,112,127 shares and debentures worth Tk 10.75 crore changed hands as against 1,766,726 shares valued at Tk 6.25 crore on the previous trading day.

Tetley launches Dana Fresh tea

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Tetley yesterday launched a new product, Tetley Dana Fresh tea, in local market.

Tetley Dana Fresh, a premium granular tea, is initially introduced in Dhaka and Chittagong and it will be marketed in other parts of the country soon.

Dana Fresh is available in 250gm pack priced at Tk 40 and 500gm pack at Tk 75.

"It is blended from carefully picked garden fresh tea leaves," said Syed Alamgir, director of Tetley ACI Bangladesh Ltd, announcing the launch of Dana Fresh at a press conference at the ACI Centre in Dhaka.

He said Tetley tea has a vast market all over the world including Europe, Australia, Canada, US and 40 other countries.

Tetley, established in London in 1837, started its operations in Bangladesh in a joint venture with ACI Bangladesh Limited in 2003.

Alamgir said Tetley has introduced the first tea bag in UK and in Bangladesh it presents the first multi-pack carton format Tetley Dana Fresh.

Dana Fresh, the new variant from the house of Tetley, will fulfil tea drinkers' brand choice, hoped M Anis Ud Dowla, chairman of ACI.

John Kelly, director of Tetley Group Ltd UK, was also present at the press conference.

Pakistan bans wheat export

REUTERS, Karachi

Pakistan, facing a shortage of wheat to meet domestic demand, banned wheat exports Wednesday to check soaring informal grain trade with neighbouring Afghanistan, trade and government officials said.

Traders in Karachi said Afghan dealers were buying Pakistani wheat at around 11,000 rupees (\$191) per tonne at mill gates, compared with domestic market prices of 9,500 to 10,000 rupees per tonne.

"Every month 30,000 to 35,000 tonnes of wheat are going into Afghanistan through informal channels. They (Afghan traders) are paying hard cash and much higher prices than the local buyers," said a Karachi-based trader.

Industry officials said traders in Pakistan's North West Frontier Province and central Punjab province had built up stocks to meet growing Afghan demand.



M Anis Ud Dowla, chairman of ACI, Syed Alamgir, director of Tetley ACI Bangladesh Ltd, and John Kelly, director of Tetley Group Ltd UK, pose for photographs at a press conference held in Dhaka yesterday to announce the launch of Tetley Dana Fresh tea in local market.

Malaysia to tighten hiring rules of foreign workers

ANN/ THE STAR

The country is bringing in more foreign workers than needed by industries and the Malaysian government wants to plug loopholes that cause the oversupply.

Human Resources Minister Datuk Dr Fong Chan Onn said Wednesday the Cabinet was also concerned over excess foreign labour because it undermined the "locals first" policy.

He said while Malaysian industries needed one million foreign workers, the number of foreign workers registered with the ministry currently topped 1.2 million, excluding illegal ones.

Dr Fong told reporters after chairing his ministry's post-Cabinet meeting at his office that when the Government agreed to allow the manufacturing industry to hire foreign workers, it was supposed to be a temporary measure to ease the labour shortage while the industry evolved from being labour intensive

to knowledge and automation based.

He said foreign workers were needed to fill the gap left by local workers who needed to be trained for more skilled jobs, and not as a long-term measure to enable employers to cut cost.

"We want to tighten the regulations on the hiring of foreign workers because we fear there are some employers, especially in the manufacturing sector, who prefer to hire foreign workers either directly or from agencies supplying foreign contract workers rather than employ locals just to save costs," he said.

Dr Fong said the Government had identified several measures to make it harder for agencies to bring in foreign workers and to reduce country's dependency on foreign workers.

Among them are: stopping the system of supplying foreign labour through contractors;

Requiring employers to apply for approval from the ministry to hire

foreign workers based on need;

Closely monitoring companies planning to introduce voluntary separation schemes (VSS) to prevent them from being used as a guise to lay off local workers;

Requiring employers to advertise vacancies for at least two consecutive days in major local dailies to allow local workers the chance to secure employment; and

Encouraging flexible work hours or piece-meal work schemes where portions of a job can be given to full-time housewives.

Dr Fong said that currently employers could source foreign workers from agencies, which supply the workers on contract basis.

He said the agencies were not the normal recruitment agencies because they bring in foreign workers not based on the needs of the industry but for the purpose of contracting out the workers to prospective employers.