Star BUSINESS

DHAKA MONDAY MAY 10, 2004 E-mail: dsbusins@gononet.com

New offices of registrar of jt stock cos planned

Move may create redundancy as existing offices outside Dhaka remain mostly idle

M ABDUR RAHIM

The government plans to set up four new branch offices of the Registrar of Joint Stock Companies (RJSC) when existing offices outside Dhaka mostly remain idle.

The Ministry of Commerce recently sent a letter to the establishment ministry proposing expansion of RJSC by setting up new branches in Sylhet, Barisal, Bogra and Comilla, sources said.

At present, Dhaka, Chittagong, Khulna and Rajshahi offices of RJSC have 40 staff, which will rise to 70 once the new offices are set up.

Sources in the RJSC said the new offices are likely to become redundant like those in Khulna and Rajshahi, which hardly receive any application for registration of companies.

The assistant registrar in charge of those two offices is now attending office in Dhaka and occasionally travels to Rajshahi and Khulna, where the offices are being maintained by peons and night guards only.

Sources said the plan to open the new offices was undertaken and the locations were selected on political consideration.

The Chittagong office having eight officials and employees has some regular registration jobs but a deputy registrar posted there also performs his job staying in Dhaka.

The commerce ministry also suggested creating a post of additional registrar in the Dhaka office where one registrar, one deputy registrar and four assistant registrars are working.

Insiders of RJSC said the government should strengthen the Dhaka office to ensure quality service, instead of setting up new offices.

The Ministry of Commerce recently signed an agreement with SouthAsia Enterprise Development Facility (SEDF) and the Australian High Commission to computerise RJSC office and train its officials.

The project will enable online name clearance and registration, submission of documents and issuance of certificate of incorporation, and online processing of post-registration statutory requirements like annual submission of returns by companies.

It will also create an electronic database for the RJSC by digitally archiving all manually preserved files and making digital entry of existing and newly registered companies.

Currently RJSC has over one lakh records including 58,000 companies.

Under the project, an electronic networking will be made between the Dhaka main office and regional offices.

Sources said the existing infrastructure of RJSC should be strengthened by adopting new technology to facilitate trade and commerce.

RJSC accords registration of public limited and private limited companies, trade and other associations and partnership firms, foundations, trusts, societies in accordance with various laws and rules.

Manufacturers asked to make quality footwear

STAR BUSINESS REPORT

Industries Minister advised footwear manufacturers to produce quality and cost effective footwear to become more competitive.

He said it is not possible for an industry to survive on government support in the age of free economy.

Matiur Rahman Nizami was speaking at the orientation function of newly elected committee members of Bangladesh Paduka Prastutkarak Samity (BPPS), an association of footwear manufacturers, in Dhaka on Saturday.

As the footwear industry is a potential sector the minister assured the manufacturers of solving their problems.

Speaking at the function, Abdul Karim, secretary of BPSS, said local footwear manufacturers are failing to compete in the domestic market as foreign products are entering the country through illegal way.

Nasiruddin Ahmed Pintu MP, Federation of Bangladesh Chambers of Commerce and Industry First Vice-president Kamaluddin Ahmed, Vice-president Abul Kashem Haider, Director A Rouf Chowdhury, Bangladesh Small and Cottage Industries Corporation Chairman Solaiman Khan, Dhaka Chamber of Commerce and Industry Director Abdus Salam and BPPS President Shahidul Islam Babul also spoke at the function.

Bangladesh, Lanka to be worst affected by MFA phaseout: Oxfam

PALLAB BHATTACHARYA, *New Delhi*

Bangladesh and Sri Lanka will be the worst affected countries by the phasing out of textile import quota from January next year, according to the latest Oxfam report.

On the other hand, there will be a sharp rise in textile exports from India and China after the abolition of the quota system.

The report, released here recently, calls on developed countries to slash import duties on textiles and clothing to four percent by 2010 to help the LDCs cope with the quota-free regime.

The average tariffs on textile and clothing in developed countries is 12 percent as against only four percent in the case of other manufactured goods, says the report adding the peak tariffs often reach as high as 40 percent for certain categories.

The United States exchequer earns as much as 331 million dollars through import duty on textiles and garments from a country like Bangladesh, according to the report.

On the other hand, Norway, which exports a far higher volume of goods including highly sophisticated manufactured goods, gives a revenue of just 24 million dollars to the US because of much lower import duties, says the report.

The Oxfam report says the developed countries charge three times more import tariffs on textile and garments than on other manufactured goods. This is "blatant discrimination", it adds.

Oxfam GB trade policy advisor Samar Verma says the developed countries must give greater market access to help those who stand to lose from quota-free system.

He said a quota-free textile international trade does not automatically guarantee free trade in the sector as other non-tariff barriers would come into play.

According to Verma, the quota system under the Multi Fibre Agreement (MFA) and prevalence of high import tariffs in developed countries deprived developing countries trade worth 40 billion dollars and 27 million jobs.

The US and European Union have a set of non-tariff measures to protect their own industries, including imposition of anti-dumping duty besides anti-subsidy provisions of the WTO to scuttle competitive imports from developing countries, he says.

Secondly, the rich countries' use of "rules of origin" and insistence that imported goods are sourced from the country actually exporting them put countries like Bangladesh at a disadvantage because they import their fabric and yarns from other countries for manufacturing garments for export, Verma adds.

India and China are likely to be the main beneficiaries of the end of quota-system in textile and clothing trade, he says adding that India is perhaps the only county which has an integrated supply chain in this sector including raw cotton, silk and man-made fibre.

But even India may have to face difficulties like regulations relating to testing and labeling.

Textile and clothing industry in India contributes five percent of GDP, fetches one third of total foreign exchange earning and provides direct and indirect employment to 35 million people, Verma says.

Textile factory to be set up in Ctg EPZ

UNB, *Dhaka*

A Bangladesh-Pakistan joint venture textile factory with an investment of $ 2.458 million will be set up in Chittagong Export Processing Zone.

To this effect, an agreement was signed between Bangladesh Export Processing Zones Authority (Bepza) and Familytex (BD) Ltd here yesterday.

AZM Azizur Rahman, general manager (Investment Promotion) of Bepza, and MY Gora, managing director of Familytez Company, signed the agreement on behalf of the respective sides.

Familytex (BD) Ltd will annually produce two million pieces of garments, sweater, bed sheet, pillowcases, comforter, apron, industrial and hospital apparels and all other textile products.

It will create employment opportunity for 820 people -- 808 Bangladeshis and 12 foreign nationals.

At the signing ceremony, Bepza Executive Chairman Brig General (retd) M Zakir Hossain, Member (Finance) Shajahan, Member (Engineering) Abu Reza Khan, Secretary Mahbub-ul-Alam and Chief Engineer SS Kibria were present.

PHOTO: HEIDELBERGCEMENT

Jean-Claude Jamar, chairman of HeidelbergCement Bangladesh Limited, speaks at the 15th annual general meeting of the company in Chittagong on Wednesday. Mark Van Kempen, managing director, and Brad Taylor, Md Ziaul Haque Khondker, AS Shahudul Huque Bulbul, AKM Jahangir Khan, Jan Erik Evensen, Khurrum Hussain, directors, and M Abul Hashem, general manager and company secretary, are seen in the picture.

Shahjalal Bank gets new name

Shariah-based Shahjalal Bank Limited has been re-named as Shahjalal Islami Bank Limited, says a press release.

Established in 2001, Shahjalal Islami Bank Limited has now 9 branches in Dhaka, Chittagong, Sylhet and Gazipur.

A new generation bank, Shahjalal Islami Bank Limited has a good number of attractive deposit and investment schemes. The main schemes are Monthly Deposit Scheme, Monthly Earnings Scheme, Double the Money Scheme, Household Durable Purchase Scheme and Deposit Scheme.

Relax rules of origin for RMG export

BGMEA urges EU

STAR BUSINESS REPORT

Garment manufacturers once again have requested the European Union to relax the rules of origin conditions for export of apparels from Bangladesh.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Annisul Huq made the request during a meeting with the EU in dhaka yesterday.

The BGMEA president also said due to stiff rules of origin Bangladeshi exporters have failed to gain full benefits offered under the everything but arms (EBA) initiatives of the EU.

Responding to the request, European Commission Director General for Trade Andreas Julin said Bangladesh has to workout its strategy to get maximum benefits from new rules of origin which may come into effect by the end of this year or in the beginning of 2005.

"The European Union is already working on formulation of new rules of origin under Preferential Trade Arrangements," Julin, who led the EU team, told BGMEA leaders at the meeting.

BGMEA also urged the EU to reduce the rate of local value addition at a reasonable level for export of woven garments under Saarc cumulation.

Huq also sought global cumulation instead of regional cumulation for RMG export to EU.

At the meeting, the BGMEA president informed the delegation Bangladesh exports readymade garments worth $3.17 billion to EU a year.

Anne Marchal, first secretary, and Hans Farrhammer, second secretary of the EU delegation in Dhaka, and M Golam Faruq, second vice-president of the BGMEA, were also present at the meeting.

HeidelbergCement declares 15pc stock dividend

HeidelbergCement Bangladesh Limited (HCBL) has declared a 15 percent stock dividend for the shareholders for the year 2003.

The dividend was announced at the 15th annual general meeting of the company held in Chittagong on Wednesday, says a press release.

Jean-Claude Jamar, chairman of the company, presided over the meeting.

Managing Director Mark Van Kempen, directors Brad Taylor, Md Ziaul Haque Khondker, AS Shahudul Huque Bulbul, Jan Erik Evensen, AKM Jahangir Khan, Khurrum Hussain, and M Abul Hashem, company secretary attended the meeting.

The meeting also approved the audited accounts and directors' report of the company for year 2003.

Global Ins okays 10pc cash dividend

Global Insurance Limited has approved a 10 percent cash dividend for the shareholders for the year 2003.

The dividend was okayed at the 4th annual general meeting of the company held at its head office in Dhaka on Thursday, says a press release.

Md Anwarul Haque, chairman of the company, presided over the meeting.

During the year 2003, the company earned a net premium of Tk 4,81,66,605 after re-insurance cession and pre-fax profit of Tk 1,43,69,211. In 2002, it was Tk 5,92,749.

Total asset of the company in 2003 was Tk 13.30 crore.

BCI urges govt to remove blocks to industrialisation

UNB, *Dhaka*

A delegation of Bangladesh Chamber of Industries (BCI) meeting with the Commerce Minister Altaf Hossain Choudhury yesterday urged for removing the impediments to industrialisation.

Led by BCI President AK Azad the delegation raised the problems of confrontational politics, deteriorating law and order, pervasive corruption, lack of transparency and accountability of the administration and infrastructure.

Pinpointing the obstacles Azad told the minister that they were suffering from insecurity of life. Production and marketing are affected. Cost of production is rising losing competitiveness and foreign markets and ultimately investment is shying.

He stressed the importance of keeping the price of gas, electricity, fuel oil, telephone charge and other utility services at reasonable level for the sake of growth of industries.

Azad suggested holding meeting regularly of the consultative committee for better interactions towards removal of the bottlenecks.

The minister told the delegation that the prime minister was endeavouring at national and international level to bring about political stability. He assured of removing the constraints faced by the business community at Chittagong and Mongla ports.

Altaf further assured of holding quarterly meeting of the consultative committee of his ministry.

The delegation included AM Badruzzaman Khan Khasru, Shamim Ahmed, Abdul Tahid Majumder, Delwar Hossain Raja, Kamaluddin Bhuiyan and Shah Alam Chowdhury, said a BCI press release.

Discovery gets service partner award from Sony Ericsson

STAR BUSINESS REPORT

Discovery Communications Limited, lone authorised service centre of Sony Ericsson Bangladesh, received Global Service Partner award from Sony Ericsson Mobile Communications International AB yesterday.

Kazuo Nakai, corporate vice president and head of Asia Pacific of Sony Ericsson Mobile Communications International AB, handed over the certificate to Khandakar Hafiz, executive director of Discovery Communications, at a function held in Dhaka.

Anwar Hossain, country manager of Sony Ericsson Bangladesh, and Fazlul Karim, managing director of Discovery Communications, were present at the function.

Discovery Communications has been providing after sales services to the customers of Sony Ericsson handsets since 2001 in Bangladesh through its eight service centres and one collection point.

Speaking at the function, Kazuo Nakai appreciated its local partner's performance in Bangladesh.

PHOTO: GLOBAL INS

Md Anwarul Haque, chairman of Global Insurance Limited, presides over the 4th annual general meeting of the company at its head office in Dhaka recently. The meeting approved a 10 percent cash dividend for the shareholders for the year 2003. Chief Advisor R A Howlader, Managing Director M Aftabuddin Shah and shareholders were present.

Mercantile Bank signs loan deal with Midas Financing

Mercantile Bank Limited has signed a loan agreement with Midas Financing Limited.

M Nurul Islam, managing director (Acting) of Mercantile Bank Limited, and Md Abdur Rashid Gazi, managing director of Midas Financing Limited, signed the agreement on behalf of their organisations in Dhaka recently, says a press release.

Under the deal, the bank will extend a credit facility of Tk 10 crore to Midas Financing Ltd.

Lutfar Rahman Sarkar, chief advisor, A K M Shahidul Haque, deputy managing director, alongwith other high officials of the bank and Md Golam Sarwar Bhuiyan, senior general manager, and Shafiqu-Ul-Azam, general manager of Midas Financing Limited, were present.

US economists fret over China effect

AFP, *Washington*

In a sign of the growing economic importance of China, a chorus of warnings is coming from US experts about the impact of what is seen as an impending slowdown in the Asian economic powerhouse.

China's economic clout has not escaped US policymakers either. US officials said last month they hoped for Chinese participation in the Group of Seven consultations of the top economic powers.

Private economists are warning that the likely cooling of China's red-hot economy will have important global implications.

"While China's GDP (gross domestic product) represented only a modest four percent of world GDP last year, it accounted for fully 13 percent of the world's growth," said Lehman Brothers economists Rob Subbaraman and John Llewellyn in a research note.

"And China's importance in world industrial output is even greater: increasingly the world's manufacturing sector, it consumes between 20 and 40 percent of many major raw materials."

Added Morgan Stanley chief economist Stephen Roach, "The global impacts of the coming slowdown in China cannot be taken lightly. When today's Chinese economy sneezes, Asia and possibly even the rest of the world could well catch a cold."

PHOTO: SONY ERICSSON BANGLADESH

Kazuo Nakai, corporate vice president and head of Asia Pacific of Sony Ericsson Mobile Communications International AB, hands over the Global Service Partner certificate to Khandakar Hafiz, executive director of Discovery Communications, at a ceremony held in Dhaka yesterday. Anwar Hossain, country manager of Sony Ericsson Bangladesh, is also seen.

Pakistan invites foreign investors assuring security

AFP, *Quetta, Pakistan*

Pakistan on Saturday invited foreign investors to set up projects in the violence-hit southwestern province of Baluchistan, urging them to shun security fears.

Provincial chief minister Jam Mohammad Yousaf told an international investment conference here: "We are taking all necessary steps to improve the law and order situation."

On the eve of the conference, however, two people were injured in a blast in the High Court building overlooking the venue. It coincided with a suicide bombing in the southern port city and the country's commercial hub of Karachi on Friday in which 14 people were killed.

Three Chinese engineers working on a seaport project were also killed in a car bomb explosion in the coastal town of Gwadar this week.

Runaway oil prices raise spectre of new oil shock

AFP, *London*

With world oil prices simmering at 13-year highs amid fears of fresh terrorist attacks hitting Middle East supplies, concerns of a new "oil shock" befalling the global economy are growing.

The price of a barrel of crude has shot up to levels last seen in October 1990 in the aftermath of Iraq's invasion of Kuwait, touching 40 dollars in New York on Friday briefly.

As well as terrorism worries, traders are nervous over the risk of shortages of gasoline supplies in the United States this summer.

"Prices could go higher still and 50 dollars a barrel is possible should the wrong kind of headlines emerge from the Middle East," said Barclays Capital oil market analyst Kevin Norrish.

Prices in New York looked set to challenge an all-time peak of 41.15 dollars, he said.

The rising price of energy has prompted a chorus of concern from politicians and policymakers in oil-importing nations.

The chief of the International Energy Agency, Claude Mandil, warned: "A new oil shock -- that is to say prices which climb in coming weeks to the point of compromising a global economic recovery -- is possible."

But just how severe the impact will be is a moot point. Some economists argue that the world economy is more immune to high energy prices nowadays. Others, however, warn that surging oil prices still pose a serious risk to the economies of the United States, Europe and Asia.

China, now a driving force in the global economy, is growing increasingly dependent on energy imports to power its myriad factories, they note.

"Lots of people think somehow we're less dependent on oil than a few decades ago, but all the evidence shows that's wrong," said Professor Andrew Oswald at Warwick University in central England.

"Oil prices matter a lot -- oil shocks continue to be the main threat to prosperity in the western economies," said Oswald, who has researched the economic effects of high energy costs.

An important factor is that transport now is the greater use of oil in most Western nations, a trend that is likely to continue, he explained.

"We know that when the price of petroleum shoots up that really hurts output and pushes up unemployment."

It can also fuel inflation, driving up costs for many companies, particularly manufacturers and airlines.

The president of the European Central Bank, Jean-Claude Trichet, said last week that rising oil prices "may pose an upside risk to price stability."

The Bank of England also cited rising commodities prices as one of the reasons behind its decision to hike interest rates on Thursday.

Eurozone data to show modest Q1 growth

AFP, *Paris*

Eurozone indicators to be released in the coming week will confirm the economy continued to grow at a modest pace in the first quarter, economists said.

Germany, France, Italy and the Netherlands all publish data for first-quarter gross domestic product (GDP), followed by the first estimate for the eurozone as a whole on Friday.

"We hope to see a modest acceleration on the disappointing fourth quarter," said Investec economist Philip Shaw.

Eurozone GDP growth is expected to have picked up to 0.4 percent on a quarterly basis from a rate of 0.3 percent in the final quarter of 2003.

European Central Bank governor Jean-Claude Trichet said Thursday the economy continued to recover in early 2004 but at a moderate pace.

More recent information has been more encouraging, with the latest euro area survey data offering increasingly positive signals on trends at the beginning of the second quarter, he said.