

## Govt eyes free trade deal with Malaysia

Working group will be formed in commerce ministry: Altaf

### STAR BUSINESS REPORT

The government will form a body to work on the possibility of signing a free trade agreement (FTA) between Bangladesh and Malaysia, Commerce Minister Altaf Hossain Choudhury said yesterday.

"We have agreed that a working group would be set up in the commerce ministry to facilitate this process," the minister told a luncheon meeting hosted by Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI).

Commerce Secretary Suhel Ahmed, Malaysian High Commissioner to Bangladesh Ashaari Bin Sani and BMCCI President Salahuddin Kasem Khan were also present at the meeting held at Pan Pacific Sonargaon

Hotel.

"To remain competitive in the global market now dominated by different trade blocs and multilateral and bilateral free trade deals, signing of such an FTA may be considered as a pragmatic approach," the minister said.

Emphasising political will of the two governments for signing the FTA, Altaf said the initiative would take time as it needs the political will. "However, we are confident that this will be implemented in due course of time."

He said the working group would comprise members from the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and BMCCI.

The group will devise a framework agreement for Bangladesh-Malaysia FTA in line with the

framework for free trade deals with South Asian nations.

Altaf said another framework agreement for a proposed FTA with the OIC countries in Southeast Asia could also be drawn up.

"The move will strengthen cooperation among the countries under Seaco, comprising Bangladesh, Malaysia, Indonesia and Brunei, which was proposed by Bangladesh at an Islamic conference in 1992," he added.

In his speech, BMCCI President Salahuddin Kasem Khan urged the government to prepare the negative and positive lists of products cautiously, addressing all tariff and non-tariff issues related to the free trade deal.

He suggested holding a Bangladesh single country trade show along with a trade and invest-

ment seminar in Malaysia to promote Bangladesh's export to the Southeast Asian country. A Malaysian fair can also be hosted in Dhaka, he added.

According to the BMCCI president, Bangladesh' export to Malaysia is declining gradually. In 2002-03, export to Malaysia declined to \$4.7 million from \$7.7 million in 2001-02 and \$9.4 million in 2000-01.

On the other hand, Malaysia's export to Bangladesh is witnessing a gradual increase. In 2002-03, Malaysia exported \$169 million while the amount was \$145 million in 2001-02 and \$148 million in 2000-01.

However, remittance flow from Malaysia and employment opportunities there witnessed an increasing trend in recent years.

## FBCCI tribunal rejects petition for cancelling June 12 EGM

### STAR BUSINESS REPORT

The FBCCI arbitration tribunal has rejected a petition filed by a general member who challenged the notice to hold extraordinary general meeting (EGM) on June 12 and sought an injunction on the notice.

"The petition is rejected," said Abdul Awal Mintoo, president of FBCCI and chairman of the tribunal, in the order. "The petitioner may take recourse to law if he so desires."

He said since direction has been issued by the government to amend the FBCCI Memorandum of Articles of Association and the federation has to convene an EGM to do that, the tribunal is of the opinion that "it should not interfere in the matter."

Mohammad Jalal Uddin, a member of the FBCCI, filed the petition and served a legal notice on this matter to the Director of Trade Organisation, FBCCI president and the joint secretary of commerce ministry who issued the order on May 17.

The commerce ministry earlier directed the FBCCI president to incorporate a clause in its Memorandum of Articles of Association that would enable the members of its board to remove the president or the vice-president if their conducts are deemed as detrimental to the interest of the federation.

Following the ministry directive, a board meeting of the FBCCI on May 21 decided to hold an EGM on June 12.

## Dhaka Bank loan for Esquire Electronics customers

Dhaka Bank Limited will finance the customers of Esquire Electronics Limited to purchase electronics goods under the bank's personal loan programme.

A memorandum of understanding to this effect was signed between the two organisations recently, says a press release.

Shahed Noman, managing director of Dhaka Bank, and Mofazzal Hossain, chairman of Esquire Electronics, signed the deal on behalf of their organisations.

The three-month campaign titled "Freeze the Summer" for electronics goods including General AC, Sharp refrigerator started yesterday.

Deputy Managing Director of the bank Khondokar Fazle Rashid, Director of Esquire Electronics Arifur Rahman, and other senior officials were present.

## Tea sale sees good demand

### UNB, Chittagong

The weekly tea sale here yesterday again witnessed quite a good demand, especially for better liquoring teas, with more interest from blenders and packeteers and fairly good support from the loose tea trade.

The Afghan buyers operated selectively for clean well-made broken, according to a market report.

Dusts saw a good market but generally eased slightly.

CTC leaf: 13,354 g/s, 1,985 ppws, 1,661 c/s, and (1,218 g/s of old season) on offer continued to meet with a fairly good demand.

Broken: Black well made Broken were again a good market and generally sold at around last levels, selling between Tk 65 and Tk 70. All others were generally a little easier declining by Tk 1 to Tk 2 following quality. Large broken were a good market and generally steady.

Fannings: Well-made good liquoring fannings met with a strong demand at around last levels and occasionally dearer following competition, selling between Tk 68 and Tk 74. Others also sold quite well around last levels. The dearer lines realised between Tk 65 and Tk 67.

CTC dust: 1,742 g/s, 519 ppws, 106 c/s and (60 g/s of old season) on offer met with a good demand but at easier rates. RDs/PDs/Ds eased by Tk 2 to Tk 5 following quality and CDs eased by Tk 5 to Tk 10. Internal market lent a good support.

## Transparent accounting, auditing systems vital for corporate governance

ICAB president tells *The Daily Star*

### MONJUR MAHMUD

A positive approach towards ensuring transparency in accounting, auditing and reporting systems, and amending the Companies Act are crucial factors to improve corporate governance, chief of the country's accounting and auditing professionals' institution observed.

"The existing Companies Act is outdated and is neither progressive nor user-friendly. It is necessary to make things more relevant to match with today's needs," Akhtar Sohail Kasem, president of the Institute of Chartered Accountants of Bangladesh (ICAB), said in an interview with *The Daily Star*.

Bangladesh's corporate practices went backwards instead of moving forward to meet the needs of time as the disclosure requirements under the Companies Act 1994 were based on the Companies Act 1956 of India, where corporate culture was very conservative at that time, Kasem said.

The ICAB president underscored the need for an independent monitoring body with broad based participation that would play an important oversight role in ensuring enforcement of rules and regulations of corporate affairs, accounting and auditing standards and practices in particular.

"We have to have a mixture of necessary laws, their proper enforcement and above all a will power to move forward," said Kasem, a professional chartered accountant who took over as the chief of ICAB in January 2004 for a one-year term.

He said the Registrar of Joint Stock Companies is supposed to perform a regulatory function for the limited companies but it is not doing so. "It is necessary to make the body well-equipped and more



Akhtar Sohail Kasem

accountable."

Kasem said a company should comply with all relevant rules and regulations regarding submission of audit reports, annual returns and change of directors. If a company does not comply, the Registrar of Joint Stock Companies can fine it, he said.

"Some people, who are at the helm of affairs of the companies, lack commitment to improve disclosure and transparency within the corporate houses. Besides, those who are in the regulatory agencies also lack professionalism and will," the ICAB chief observed.

He said excepting a few, corporate houses in the country are essentially corporatised family partnerships. "They often do not consider that a business should be a separate entity and they are only the shareholders."

"Excepting filing tax returns they don't often seem to fulfill their other corporate responsibilities."

Kasem said the ICAB members have some limitations in performing their duties. Because existing rules and regulations are not enough to bring transparency in

the accounting and auditing systems. "In many cases these are outdated and not relevant to today's needs."

Chartered Accountants are probably the "best professional community" to assist in improvement of corporate governance, but in that case the chartered accountants must have representation in the decision making process, he said.

"Most of our neighbouring countries have already introduced a Code of Corporate Governance for listed companies, banks and corporate entities, but we are still lagging behind in this respect."

About disclosure requirements for companies, he said the disclosure requirements currently under the Companies Act contain many unnecessary and irrelevant points.

For example, he said, it should not be in the list of disclosures what raw materials and in what proportion have been used in producing a certain product. "Will a company disclose it if it is a trade secret? We are required to disclose things that are totally irrelevant."

"On the other hand, there are many important items in the Bangladesh or International Accounting Standards which should be disclosed but there is no legal requirement to do so," the ICAB president said.

Terming chartered accountancy profession a potential one he said, "There is tremendous scope for our CAs both at home and abroad, but our numbers are still very low. The Institute is working very hard to attract the right students and is offering a modern education course and professional examinations which are at par with regional and in some cases international standards."

## Cut economic disparity

Speakers urge policymakers at pre-budget roundtable

### STAR BUSINESS REPORT

Discussants at a roundtable yesterday called for reducing economic disparity between various segments of society and checking further marginalisation of women, children, handicapped and the minorities in the next national budget.

The call came at the roundtable titled 'Budget for the Marginalised' co-organised by Samunnoy, an NGO, Manusher Jonno, a human rights and good governance promoting organisation, and the Daily Sangbad.

Speaking at the meeting, economist Atiur Rahman said economic disparity has increased in the country where income of the richest 5 percent of the population was 46 times higher than that of the bottom 5 percent in 2000. "It was 27 times higher in 1995."

Rahman, also head of Samunnoy, said trade liberalisation, privatisation and globalisation have widened the disparity between the rich and the poor and made the poor more vulnerable.

"This has made the ultra-poor women, homeless children, handicapped, elderly and minorities more marginalised, more insecure," he observed.

Rahman said the report he presented focused on the needs of the marginalised and was prepared after extensive consultations with members of the marginalised groups, NGOs, local government, and members of the civil society.

Women rights activist Ayesha Khanam said the policymakers need a philosophical and holistic turn in perspective to address

women's issues in the budget.

Economist Anisur Rahman however doubted the chances in the next budget to address the needs of the marginalised through a "top-down approach to good governance."

Binayak Sen, an economist of the Bangladesh Institute of Development Studies, said increased taxation from the rich needs to be ensured for an effective redistribution of the wealth in the country.

Sanjib Drong represented the minorities and Mosharraf Hossain represented human rights groups at the discussion held at Cirdap auditorium.

Shahin Anam, team leader of Manusher Jonno, and Bazlur Rahman, editor of the Daily Sangbad, delivered welcome speeches on behalf of the organisers.

## Tour operators seek duty-free import of buses, cruise vessels

### STAR BUSINESS REPORT

Tour Operators Association of Bangladesh (TOAB) has urged the government to allow duty free import of used, reconditioned and new air-conditioned coaches and cruise vessels for rapid growth of the tourism sector.

"Tourism is an underdeveloped sector of the country. We believe that tourism sector will be able to earn substantial amount of foreign currency if it gets proper support from the government," said Faridul Haque, president of TOAB, at a press briefing at a hotel in Dhaka yesterday.

The total duty and taxes on used, reconditioned and new built-in air-conditioned coaches and cruise vessels are now more than 30 percent and 15 percent, he mentioned.

"Presently, there are only seven tourist coaches in the country and very few cruise vessels for providing service to the tourists and it is one of the main hindrances to the growth of this sector," Haque explained.

He suggested import of air-conditioned coaches with a capacity of 15 to 40 seats for the use of

tourists only. "These vehicles should be non-transferable."

Cruise vessels with a capacity of 15 to 120 beds with maximum facilities can be imported without duty for operating in the riverine and coastal areas like Sundarbans, Chittagong and Cox's Bazar, he added.

Tourism is one of the largest industries in the world, contributing more than 10 percent of the total global GDP, mentioned the TOAB president.

The tour operators demanded Tk 300 crore allocations in the next budget for developing physical infrastructure at important tourist spots of the country.

A fund to the tune of Tk 10 crore should be allocated in the next fiscal year's budget for marketing and publicity purposes to make Bangladesh tourism popular in the global market, Haque observed.

Taufiq Rahman, secretary general of TOAB, Masud Hossain, executive director of Bengal Tours Ltd, Sadique Ahsan, president of Bangladesh Hotel and Guest House Owners' Association and other members of the association were present at the briefing.

## Intel Channel Conference-1 held in Dhaka

The Intel Channel Conference-1, the first of the two yearly channel training programmes that the company arranges for Genuine Intel Dealers (GIDs) all over the Asia Pacific Region, was held at Dhaka Sheraton Hotel yesterday.

During the conference, the GIDs were trained on Intel products for desktop and server platforms, product roadmaps, new technologies and channel activities so that they can offer their customers with the best solutions and support, says a press release.

Members of the GID programme from Dhaka, Chittagong and other parts of the country attended the programme. The training consisted of both sales and technical topics including desktop and server as well as a product showcase.

GB Kumar, director (sales) of Intel Technology India (Pvt.) Ltd, presented keynote speech while Nishant Goyal, channel platform manager, updated the GIDs on the new products and technologies.

Zia Manzur, channel representative (Bangladesh) of Intel Technology India (Pvt.) Ltd, also spoke.

## ATDP, NCCBL sign MoU to promote agribusiness

The Agro-based Industries and Technology Development Project (ATDP) and National Credit and Commerce Bank Limited (NCCBL) signed a memorandum of understanding (MoU) in Dhaka yesterday.

Under the MoU, ATDP and NCCBL will work together to provide technical and financial services to agribusinesses to promote the privately-owned agribusinesses in Bangladesh, says a press release.

The MoU signing follows a recent joint success of ATDP and NCCBL in developing and financing a contract-farming project in Lalmonirhat.

NCCBL Managing Director M Aminuzzaman, ATDP Senior Agribusiness Director Nii Akwei, and ATDP Chief of Party Ron Gillespie were also present at the signing ceremony.

## HSBC unveils 'My loan' brand on city bus

The Hongkong and Shanghai Banking Corporation (HSBC) Limited in Bangladesh unveiled 'My loan' branding on a city bus at a function on Friday in Dhaka.

The bus is specially designed to display 'My loan', a combination of products developed in line with the needs of customers.

Under the 'My loan' products, customers can avail travel, lifestyle, professional, motorbike, car and homeloan.

David J H Griffiths, chief executive officer of HSBC, Bangladesh, unveiled the new 'My loan' branded bus, says a press release.

Among others, Mamoon M Shah, manager, Personal Financial Services of HSBC in Bangladesh, Muneer Hussain, manager, Marketing and Public Relations, and other officials of the bank were present at the ceremony.

## Emirates team visits Germany to boost market

An Emirates Group delegation visited Frankfurt recently to boost the group's profile in the fast growing travel market for meetings, incentives, conferences and exhibitions (MICE).

The team flew to Germany to showcase its MICE products and services at IMEX, the worldwide exhibition for incentive travel, meetings and events, says a press release.

Germany is the world's third largest MICE market, and IMEX is the only meetings and incentive travel exhibition attended by both outbound delegates and hosted international buyers.

IMEX Frankfurt attracts planners and suppliers from all parts of the MICE market while Dubai is fast emerging as one of the world's most important MICE destinations.

This year IMEX attracted 6,000 international visitors including 2,800 hosted buyers and 2,800 exhibitors from 130 countries.



PHOTO: STAR

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin (centre) formally inaugurates the weeklong American Food Festival at the Bithika Restaurant of Dhaka Sheraton Hotel yesterday. US Ambassador Harry K Thomas and Area Manager of Emirates, Bangladesh Ahmad Al Falasi are also seen. Emirates and Dhaka Sheraton jointly organised the festival to mark the Emirates' non-stop service from Dubai to New York that started yesterday.

## Shrimp export could see five-fold rise by 2008

Speakers tell IUCN dialogue seeking govt support

### STAR BUSINESS REPORT

Shrimp export could fetch Tk 10,000 crore annually, a five-fold rise from Tk 2,000 crore at present, by 2008 if the government takes certain supportive measures, speakers told a national dialogue in Dhaka yesterday.

They suggested measures such as allocation of one lakh hectares of new land for shrimp farming, pumping in fresh investment in this sector, quality control in shrimp production and compliance of international rules.

IUCN, the World Conservation Union, organised the dialogue on 'Standard-Compliant Production and Procession Options for Sustainable Shrimp Sector in Bangladesh' at its office at the IDB Bhaban.

The discussants called for quality control to help sustain the country's second largest source of foreign exchange after readymade garments. To this effect, they urged shrimp farmers, processors and exporters to adopt WTO-prescribed sanitary rules.

Speaking at the dialogue, Commerce Minister Altaf Hossain Choudhury said the government would provide all out support for frozen food sector.

"Money is no problem," he assured the shrimp industry stake-

holders, saying "If you can find ways how the country could earn more foreign exchange, the government is ready to give you financial and other necessary supports."

Mahmudul Hossain, secretary general of Bangladesh Frozen Foods Exporters Association (BFFEA) in his presentation on shrimp industry said shrimp export could fetch Tk 10,000 crore annually by 2008 if the government extends necessary supports.

The commerce minister and other discussants agreed with the comment.

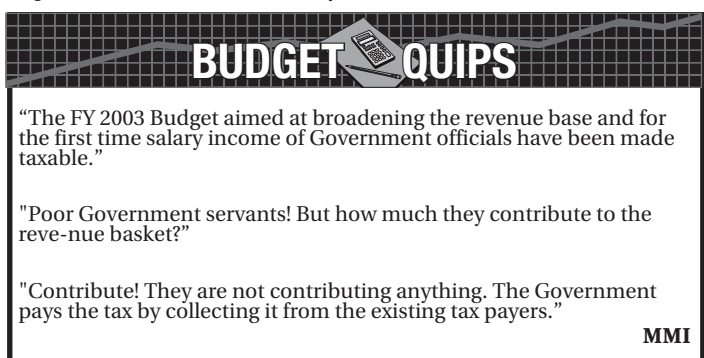
Ainun Nishat, country representative of IUCN, said shrimp industry people need to understand the standardisation process and increase interaction among the stakeholders for a socially responsible and environmentally

sound shrimp industry.

Professor AK Enamul Haque of North South University in his keynote paper stressed the need for a social and corporate responsibility and recommended policy actions for environmental and social sustainability of the industry.

Quazi Monirul Hauque, president of BFFEA emphasised building up a monitoring mechanism for ensuring transparency at the farm level and at the supply chain.

Aftabuzzaman, president of National Shrimp Farmers' Association, however said without the help from the higher level, it will not be possible to comply with the stringent international standards and increase access in the international market.



MMI



PHOTO: FICCI

A six-member delegation from Singapore-based Chittagong Feeder Trade Committee (CFTC) headed by its Secretary SC Lim (4th from left) met the President of Foreign Investors' Chamber of Commerce & Industry (Ficci) Mahbub Jamil (centre) on Monday and exchanged views on matters relating to general waiver for transportation of containerised cargo to and from Bangladesh.