

Old Dhaka  
traders decry  
extortion,  
VAT structure

**STAR BUSINESS REPORT**

Traders in the old part of the capital yesterday said extortion in the locality and VAT structure pose threat to their business.

Business environment in the area is deteriorating day by day but the government is not taking any initiative to address the problems, the traders, based at Lalbagh, told a meeting with Dhaka Chamber of Commerce and Industry (DCCI).

DCCI President Fazle RM Hasan, who presided over the meeting, said present VAT structure is taking toll on small businesses in old Dhaka.

Businesspeople through the DCCI urged the government to reduce VAT on their businesses in the coming budget.

The traders also said narrow roads and lanes in the area are hurting their business.

"We will meet the city mayor on June 11 with proposals to improve the condition of roads and drainage in old Dhaka," the DCCI chief said.

Among others, AM Mubash-Shar, senior vice president of DCCI, M Abu Horaira, vice president of DCCI, and Abdus Salam, president of Lalbagh Thana Bahosayee Oikya Jote (a platform of Lalbagh-based traders), spoke at the meeting.

**Dutch-Bangla  
Bank observes  
8th anniversary**

Dutch-Bangla Bank Limited observed its 8th founding anniversary on Thursday.

As part of anniversary celebration, the bank has decided to donate Tk 10,000 each to 400 divorced and 100 acid victim women to help them establish small agro-based rural economic enterprises, says a press release.

The enterprises include poultry farms, fish farm, livestock rearing, nursery and cottage industries.

If the beneficiaries of the programme can successfully operate their enterprises, the bank will extend loan at a minimum five percent interest rate for expansion of the enterprises.

**ICMAB chief  
elected member  
of Capa executive  
committee**



AKM Delwar Hussain, president of the Institute of Cost and Management Accountants of Bangladesh (ICMAB), has been elected a member of the Executive Committee of Confederation of Asian and Pacific Accountants (Capa).

The election was held at the annual general meeting of Capa in Dhaka recently, says a press release.

The countries elected as members of the Capa Executive Committee are: Australia, Bangladesh, Canada, China, Hong Kong, India, Japan, Malaysia, the Philippines and Sri Lanka.

**Cross-strait vitriol  
seen backfiring  
on Chinese  
economy**

**AFP, Taipei**

Chinese attacks on Taiwanese independence entrepreneurs could backfire and hurt the mainland economy as businesses here think twice about making further investments in China, analysts and investors said.

With cross-strait tensions over Beijing and Taipei spilling over into the business sector, Taiwanese investors are afraid of getting caught in the cross-fire, they said.

Official media in China Monday carried a sharply worded attack on Taiwanese entrepreneurs who have investment on the mainland but support independence for the island which Beijing views as part of its territory.

## Banks allowed to fix lending rates based on mid rate

**STAR BUSINESS REPORT**

The commercial banks can now fix lending rates based on a 'mid rate', which the bankers said will reduce hassles in rate fixation and ensure transparency in lending process.

Bangladesh Bank (BB) in a circular yesterday permitted the commercial banks to introduce the system under which the banks can charge interest rate 1.5 percentage point higher or lower than the announced mid rate.

The bankers said this will help them offer lower rate for good clients and higher rate for bad ones considering the comparative risk factors in various cases.

The existing provision does not

permit banks to have a mid rate and the banks can fix rates for various clients with a difference of three percentage points.

The central bank took the decision on the basis of recommendation of the Association of Bankers Bangladesh (ABB), a forum of chief executives of commercial banks.

ABB Chairman M Aminuzzaman, also managing director of National Credit and Commerce Bank Ltd, said the majority of borrowers would benefit from the new lending rate fixation system.

"At present a few clients especially the multinational companies benefit from the existing system. Now all good clients can get the opportunity," he told The Daily Star.

The bankers said this will help them offer lower rate for good clients and higher rate for bad ones considering the comparative risk factors in various cases.

The existing provision does not

allow the central bank earlier sought ABB's opinion on the introduction of mid rate in banks' lending process and the ABB responded positively.

Banking sources said the new system would reduce the lending rates by at least 1.5 percentage point in certain cases. Chances are there that some good clients would bargain for even a lower than announced mid rate, they said.

The banks in many developed and developing countries around the world calculate their rates based on a mid-rate considering the risk factor. The system is also considered as a tool to stop unhealthy competition among banks.

Registration in database of overseas job seekers begins

**STAR BUSINESS REPORT**

The government has started registering names of all Bangladeshi citizens seeking jobs abroad in a database.

The database will contain all information about the job-seekers and from June 15 none will be allowed to go abroad for jobs without being registered in the database.

Ministry of Expatriate Welfare and Overseas Employment introduced the database in collaboration with Bangladesh Association of International Recruiting Agencies (Baira).

The database is connected with 21 district manpower offices. The database has also a separate window at Baira office with main the server at Bureau of Manpower Employment & Training (BMET) office.

The database posted on website is accessible by anybody from anywhere in the world.

"This database will ensure transparency in our manpower resources," said Abdul Alim, chairman of Baira's Standing Committee for Market Research and Development.

As discussants pointed out the problems of agro-product export, State Minister for Agriculture Mirza Fakhrul Islam Alamgir said an inter-ministerial meeting will be held very soon to discuss the problems.

The ministries of agriculture and civil aviation, exporters, farmers and other stakeholders of the sector will attend the meeting, he told the seminar titled 'Export of vegetables and fruits from Bangladesh -- BADC's experiences'.

Bangladesh Agricultural Development Corporation (BADC) organised the seminar. AHM Monirul Haque Naqvi, deputy

## Airfreight irritants taking toll on vegetable export

**STAR BUSINESS REPORT**

director (export) of BADC, presented the keynote while BADC Chairman Mohammed Ismail presided over.

About the problem of cargo space, the state minister said, "If needed, we can hire a cargo aircraft for exporting fresh vegetables and fruits export from the country."

He however said farmers will have to adopt modern post-harvest technology while the grading, packaging, preservation and cool chain systems will have to be improved to boost vegetable and fruits export from the country.

Speaking at the function AFM Fakhrul Islam Munshi, a former minister and leading agro-processor, said handling charges in airport is very high in Bangladesh. The charges should be reduced to help increase export, he said.

Munshi said BADC can play a vital role in developing the standard of horticulture crops in the country but the most important need of agriculture sector is a substantial amount of subsidy for its overall development.

Bangladesh Agricultural Development Corporation (BADC) organised the seminar. AHM Monirul Haque Naqvi, deputy

should be solved immediately."

Presenting the keynote paper, Monirul Haque Naqvi said after 1997-98 fiscal year country's vegetables and fruits export faced a slump because of flood and the sector could not improve in last five years.

In 1997-98, the country earned \$32.48 million from fruits and vegetables export, while the earnings were \$17.7 million in the following year, \$14 million in 1999-2000, \$12.78 million in 2000-01 and \$15.32 million in 2001-02.

"The decreasing trend still continues," Naqvi said. "In 2002-03, we exported 9,792 tonnes of vegetables and fruits worth \$13.24 million that showed a decrease of 23.27 percent from the previous year's earnings."

To overcome the downturn Naqvi made a set of recommendations including formulating a fruits and vegetables export policy, diversification of export shipment, organic farming, export support programme and market research.

Bangladesh exports horticulture products to the US, UK and other European countries as well as some Middle Eastern and East Asian countries.

**PRICE HIKE OF ESSENTIALS**

## Commerce ministry blames policies of other ministries

**STAR BUSINESS REPORT**

Commerce Minister Altaf Hossain Choudhury presided over the meeting held at his ministry. High officials of different ministries concerned were present.

As several ministries are involved in managing production, demand, supply and import of essential items, the commerce ministry said all ministries concerned should shoulder responsibility of containing the price hike of essentials.

The ministry suggested coordinated measures of all ministries concerned instead of taking isolated measures to keep the commodity market stable.

Citing an example, the paper said the 100 percent duty on sugar import is encouraging smuggling from India where sugar is cheaper. The finance ministry and the National Board of Revenue (NBR) are responsible for this, it added.

Referring to the role the food

ministry can play, the commerce ministry report said the food ministry can extend its function to assessment of the demand of different food items and suggesting how this demand can be met.

Turning to the demand, supply and price of milk, the paper suggested that the fisheries and livestock ministry can give incentives to the farmers for increasing milk production that would help keep the milk price stable.

The shipping ministry should take step so that trucks loaded with essential items can be ferried without hassles. Besides, the ministry should ensure that the cargo owners cannot increase fares without genuine reason, it recommended.

Abdul Jalil, chairman of the Mercantile Bank Limited, poses for photographs with the recipients of the bank's awards for 2004 at a function in Dhaka marking the bank's 5th founding anniversary.

**Mercantile Bank honours eminent personalities**

Mercantile Bank Limited has honoured eight eminent personalities of the country with its award-2004 for outstanding contribution of their respective fields.

The award was given at a function held in Dhaka on the occasion of the bank's 5th anniversary, says a press release.

The awardees are Professor Muzaffar Ahmad for Economics and Economic related research, Dr Humayun Azad for Bengali Language and Literature, Dr MA Wazed Miah for science and Technology, Kalim Sharafi for Education and Culture, Bazlur Rahman for Journalism, Kazi Salahuddin for Sports, Major (Retd) Rafiqul Islam, Bir Uttam for Research on Liberation War and Laila Rahman Kabir for contribution in Industry and Commerce.

Md Abdul Jalil chairman of the bank, presided over the function.

Jamshed R Khan, chairman of the Executive Committee, Md Anwarul Haque, chairman of Audit Committee, M Taheruddin, consultant, M Nurul Islam, managing director, and a number of customers of the bank were present.

Among others in the BGMEA delegation were Second Vice President Alamgir Rahman, Vice President M Golam Faroukh, Director SM Nurul Haq, Director Zinnat Ali Miah, Director Mohammad Shahidul Islam (Mohiuddin), Faisal Samad, Mohammad Shahidul Islam and Shafiqul Islam.

Through relaxation of the rules of origin both the local textile and apparel sectors will be benefited, he said.

Giving logic for establishing central bondage warehouse, he said it would help the country survive in the highly competitive

market by way of reducing the lead-time in shipping.

Huq said the embargo on yarn export through Benapole "on the excuse of checking smuggling" is hindering the setting up of BTMA central bonded warehouse and sought the minister's intervention in fulfilling their three demands.

Giving the delegation a patient hearing, the textiles minister laid emphasis on solving the common issues of readymade garment and textile industries "to save the country's economy as these two sectors are complementary".

He said the government would not allow any damage to this labour-intensive industrial sector.

The government would take such initiative as would be beneficial to both textile and readymade garment industries."

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