

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 also 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 Babosayee 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 Delwer 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 pro-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 between 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 declared 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 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 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.

PRICE HIKE OF ESSENTIALS

Commerce ministry blames policies of other ministries

STAR BUSINESS REPORT

The commerce ministry has blamed certain policies adopted by other ministries that contributed to the failure in containing price hike of some essential commodities.

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

The isolated measures taken by the government time to time failed to reduce sufferings of the consumers, the commerce ministry admitted in its working paper presented at a meeting of the national taskforce on prices of essentials yesterday.

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 paper said all ministries concerned should shoulder responsibility of containing the price hike of essentials.

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.

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.

Airfreight irritants taking toll on vegetable export

STAR BUSINESS REPORT

Export of fresh vegetables and fruits shows a declining trend as exporters face a host of problems including scarcity of cargo space and high handling charges in airport, speakers observed at a seminar in Dhaka yesterday.

The highly potential sector fetched \$32.48 million in 1997-98 fiscal year which came down to \$13.24 million in 2002-03, the keynote speaker at the seminar mentioned in the paper quoting data of Bangladesh Bureau of Statistics.

As discussants pointed out the problems of agro-product export, State Minister for Agriculture Mirza Fakhru 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

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."

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 Fakhru 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.

Abul Kashem, a private sector entrepreneur in the agro-processing sector, said, "The quality of our products is not bad, but the main problems are grading, packaging and cargo space, which

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 counter 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 downtrend 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.



PHOTO: MERCANTILE BANK LIMITED

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 Muzaffer 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 Shafiul Islam (Mohiuddin), Faisal Samad, Mohammad Shahidul Islam and Shafiqul Islam.

Koyes Sami reelected chief of SWIFT member group Bangladesh

CM Koyes Sami, managing director of The Oriental Bank Limited, has been re-elected chairperson of SWIFT member Group of Bangladesh for the term 2004-2005.

SWIFT is a worldwide community, with head quarter in Belgium, having over 7,500 financial institutions in 199 countries as its members, says a press release.

The guiding principles of SWIFT are to offer the financial services industry a common platform of advanced technology and access to shared solutions through which each member can build its competitive edge.

The organisation is engaged in supplying secure, standardised messaging services and interface software to its members.

The SWIFT community includes commercial banks, investment managers, as well as other market infrastructures requiring payments, and transferring securities, treasury and trade.

BUDGET QUIPS

"We do not appreciate donors' concern and criticism of such internal matters as law and order, corruption etc. After all donors contribute only 2.8% to the GDP."

"The only problem is that 2.8% of GDP works out to be approximately Tk 10,000 crore which is about 50% of the ADP."

"I see. This changes the whole perspective. I thought GDP was a typographical error. I confused it with ADP."

Japan in final stage of bad loan disposal

AFP, Tokyo

Japan's Economic and Fiscal Policy minister Heizo Takenaka said Sunday the Japanese economy has entered a final stage of bad loan disposal.

Several Japanese banks are still suffering sizable bad loans, "but overall situations have changed," Takenaka said in a television interview. "Japan is now facing the last hurdle of bad loan disposal."

Last month, three of Japan's biggest banks, including Mizuho Financial Group, reported spectacular returns to profit in the year to March after they aggressively tackled the problem.

But UFJ Holdings Inc., still under pressure, announced a net

loss of 402.8 billion yen (3.6 billion dollars) in sharp contrast to a profit of 78 billion yen it projected in April.

In the interview, Takenaka said UFJ could even speed up bad loan disposal by asking for the cooperation of the Industrial Revitalization Corp. of Japan, a government body designed to help troubled companies.

"It is important to use the Industrial Revitalization Corp. of Japan," Takenaka said.

The Asahi Shimbun said Sunday UFJ began considering asking the government body to help prompt its large borrowers such as Dai-ichi Inc., Nissho Iwai-Nichimen Holdings Corp. and Daiei Inc. to lower loans.

World trade talks may fail again: KL

AFP, Pucon, Chile

Global trade talks, possibly resumed by July, could founder again if rich nations raise thorny issues with developing economies, Malaysia's Trade Minister Rafidah Aziz warned Saturday.

Developed nations agreed to drop three of four so-called Singapore issues when World Trade Organization (WTO) talks resume to draw up new trade rules.

Deadlock over the issues -- trade facilitation; cross-border investment; cross-border competition; and transparency in government procurement -- was partly to blame for the collapse of the Doha round talks in the Mexican city of Cancun in September.

"It is wise for everybody to learn the lessons of Cancun," Rafidah said in the sidelines of a trade ministers meeting of the Asia-Pacific Economic Cooperation (APEC) forum, which concluded at the Chilean resort town of Pucon.

Developing nations opposed addressing the four Singapore issues in Cancun, saying they were not then prepared for what some termed radical trade liberalization.

Brunei may join free trade talks

REUTERS, Pucon, Chile

The small southeast Asian country of Brunei is interested in joining free trade talks that were recently reactivated between New Zealand, Chile and Singapore, the Singapore trade minister said Saturday.

"Brunei has expressed interest and has been invited as an observer and we hope that Brunei eventually will also be a participant," Singapore Trade and Industry Minister George Yong-Boon said at a news conference in Chile.

Trade representatives from all four countries along with 17 of their counterparts from the Pacific rim were attending an Asia-Pacific Economic Cooperation summit in the southern Chile resort town of Pucon where APEC agreed to bring new urgency to the faltering global trade talks at the World Trade Organization.



PHOTO: CITYCELL

CityCell Chief Executive Officer Chris Maloy poses for photographs with the winners of CityCell Independence Day Free Phone Draw at a prize giving ceremony in Dhaka recently. On Independence Day 2004 CityCell offered its customers the opportunity of listening national anthem free of charge on their mobile phones and who participated to listen the anthem were entered into a raffle draw to win 33 phones.