

\$40m action plan to face quota-free regime: PM

BSS, Sangsad Bhaban

Prime Minister Khaleda Zia yesterday said the government has formulated a 'post-MFA action programme' to face the challenges of the quota-free global market after 2004.

The main objective of the programme, to be implemented at a cost of about 40 million US dollar, is to enhance quality of products and productivity of workers through training in various trades, she told the Jatiya Sangsad while replying a question.

Different development partners have shown their interest in the programme, the prime minister said adding that preparation of necessary TAPP is at the final stage to find out prospective development partners for implementation of the programme.

Formulated by the commerce ministry, the action programme will have eight components, she added.

Replying to the question from MM Amin Uddin (Jessore-4), the prime minister said the government has taken steps to solve the problems of garment sector and providing policy support to the sector to tackle the situation of quota-free era after 2004.

She said the government has constituted a national coordination council headed by prime minister's principal secretary to help the garment sector sustain and expand its market facing the challenges of quota-free world.

She said measures would be taken to enhance efficiency of Chittagong Port and Chittagong Customs House to keep the growth of garment sector continuing.

WB approves \$20m grant for economic reforms

UNB, Dhaka

The World Bank has approved a US\$20-million grant in support of Bangladesh's programme of economic reforms to improve the investment climate, enhance government effectiveness and improve service delivery to the poor.

Of the areas in which the World Bank is expected to assist include formulating improved macroeconomic and sectoral policies and implementing the sectoral reform agenda effectively and designing high quality programmes and shifting increasingly to a sector-wise programme approach to development.

The areas also include strengthening institutions for revenue administration, enhancing coverage and improving quality and targeting public services to the poor, improving transparency in activities of public and corporate entities, improving the investment climate, and improving information and communication technology in the public sector.

The total project cost is 25 million US dollars of which five million US dollars will be provided by the Bangladesh government while 20 million dollars by the World Bank's International Development Association as a grant that will not require repayment.

Shahjalal Islami Bank inaugurates SWIFT operations

Shahjalal Islami Bank Limited has started SWIFT operations to introduce and explore its products and services worldwide and make correspondence with foreign financial organisations and institutions.

Chairman of the bank Sajjatz Jumma formally inaugurated the operations recently at the bank's head office in Dhaka, says a press release.

SWIFT's portfolio of services and solutions spans the entire financial transaction lifecycle combined with the security and reliability of the messaging platforms. The system helps reduce risks, lower costs and improve delivery to end customers.

Among others, Mohammed Farooq and Abdul Halim, vice-chairmen of the bank, Syed Nurul Arefeen, chairman of executive committee, Mohammad Younus, vice-chairman of EC, Mohammad Solaiman, chairman of audit committee, M Kamaluddin Chowdhury, managing director, and Ashfaq U Chowdhury, advisor, were present at the function.

Code of conduct on cards to keep taxmen on leash

STAR BUSINESS REPORT

The National Board of Revenue (NBR) is setting a code of conduct to keep a leash on its officials who have been recently empowered to arrest and reprimand businesspeople for dodging tax.

The proposed budget for 2004-2005 fiscal year vests power in the NBR assistant commissioners to arrest businesspeople for violating VAT laws. Presently the NBR commissioners enjoy such power.

Businesspeople have been wary of possible power abuse by the NBR officials and expressed the concern

at a meeting between the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the NBR yesterday.

"Tax collection cannot be increased by intimidation or enforcing the law," observed a leading businessman at the meeting.

NBR Member Zahir Mohammad told the FBCCI leaders there is no reason for them to be concerned of harassment and abuse by NBR officials as they will be tightly regulated through specific provisions in the proposed code of conduct.

NBR high officials, including its

Chairman Khairuzzaman Chowdhury, assured businessmen of revising increased import tariff on intermediate goods and raw materials within the reformed tax structure in consultation with business chambers before the proposed budget is passed in parliament.

Further corrections would be made to the tariffs through the statutory regulatory order (SRO), the NBR officials said.

FBCCI President Abdul Awal Mintoo said the proposed tariff structure will deal a significant blow to local industry and a long-term tariff structure in place of yearly

reforms is needed to help the businesses plan their operations well ahead.

Other FBCCI members said the proposed budget has been hard on local industry and the usual rule of 'give-and-take' in budgets has been ignored leaving the business community with a feeling of deprivation.

Another FBCCI member said the government has only entertained only four out of the 131 requests made to it for this year's proposed budget, which 'is unprecedented in his 24 years of business'.

ICC-B for modernisation of foreign exchange rules

STAR BUSINESS REPORT

International Chamber of Commerce-Bangladesh (ICC-B) has sought immediate steps to modernise the foreign exchange regulations and exchange control guideline for the sake of a healthy growth in external trade.

The suggestion came from ICC-B Vice-President Latifur Rahman at the concluding session and certificate awarding ceremony of a two-day ICC workshop on International Trade Tools and Incoterms 2000 at Sonargaon Hotel yesterday.

Modernisation of the foreign exchange regulations and exchange control guideline would also contrib-

ute to improving the image of Bangladesh in the outside world, he said.

The ICC-B leader however appreciated the measures taken by the government to bring congenial atmosphere in the country's banking sector and discipline in corporate sector.

Latifur Rahman also stressed the need for continuous training for capacity building of professionals and businessmen as well to update them with the latest trade tools pertaining to international business transactions.

Nowadays the management of any organisation appreciates greatly the skilled, talented and experienced

people, he opined.

ICC-B Standing Committee Chairman on Banking Technique and Practice and CEO of Citibank NA Mamun Rashid said the workshop will be very much helpful for the participants in attaining quality training on banking tools.

"As the global market is changing very fast with a competitive spirit, Bangladeshi professionals should not lag behind," he added.

Roger Packham, head of Trade Services of Asia Pacific on Citibank NA, also spoke at the function.

A total of 72 participants from banks, insurance and multinational companies attended the workshop.

Proposed tariff to hurt local TV, refrigerator assemblers

UNB, Dhaka

Country's television and refrigerator assemblers have expressed concern as the new budget has proposed same tariff structure on import of the two items both in finished and unfinished forms.

"This fiscal measure will only protect the interest of other countries, particularly the next door neighbour, and this has been done to destroy the local assembling industry," one of the industry insiders told the news agency yesterday.

The new budget has proposed 25 percent duty both on import of televisions and refrigerators in CKD (Completely knocked-down) condition for local assembling and for the items in CBU (Completely built-up) condition.

Besides, the budget has imposed 15 percent supplementary duty on both the items in CKD condition, which was earlier applicable only for the CBU condition.

According to the assemblers, the fiscal measure has been taken to make way for complete TV sets and refrigerators to enter the country from outside at the cost of the growing local assembling industry and huge jobs created by some 60 TV and 8 refrigerator assembling factories.

The unorganised sector, however, lacks proper employment figures and investments as well as the extent of value addition.

But, they said, it's not a mere screw-fixing job, it rather involves a number of distinct and well defined processes, precision works, quality control methods, and the use of sophisticated and computerised machinery and equipment to achieve desired perfection.

"We feel that the local assembling industry will face closure, creating scope for some other countries, particularly our next door neighbour, to capture the local market," said another industry insider, requesting anonymity.

He said all investments in the industry would become meaningless due to the tariff anomalies, leaving no option but to retrench all the workers and employees.

The assemblers called for making a difference by at least 25-30 per cent in the tariff structure between the CKD and CBU conditions to help the assembling industry stay afloat.

Earlier on March 16 this year, a 22.5 per cent regulatory duty was imposed on colour televisions and refrigerators in CKD condition while a nominal 5 per cent on import of the two items in CBU condition.

In the budget for 2004-05, the same rate of duty and taxes have been imposed on both CKD and CBU import but the regulatory duty has been withdrawn.

Radio Metrowave to launch weekly programme for SMEs

Radio Metrowave has signed a memorandum of understanding (MoU) with KATALYST to launch a weekly radio programme to cater to the business needs of small and medium enterprises (SMEs) of Bangladesh.

Prashant Rana, manager, Industries Division of KATALYST, and Emran Mahmud, managing director of Metrowave Ltd, signed the MoU on Monday in Dhaka, says a press release.

Manish Pandey, manager, Service Division of KATALYST was also present at the signing ceremony.

KATALYST is a 5-year development project funded by DFID, SIDA and SDC and implemented by Swisscontact and GTZ International Services.



Intekhab Mahmud (centre), head of marketing, CityCell, speaks at a press conference on the launching of 'Online Self Care' service at Dhaka Sheraton Hotel yesterday. Farhad Alam (right), vice-president (product development), Shawkat Mahmud (left), head of media of CityCell, are also seen.

CityCell launches online self care service

STAR BUSINESS REPORT

CityCell, a leading cellphone service provider, has launched 'Online Self Care' service for the first time in the country offering its customers a package of online service management.

The service will enable CityCell's post-paid customers to view their bill history, current bill status and payment outstanding on the website of the company. Customers can also lodge service-related queries and complaints online.

To avail themselves of the 'Online Self Care' service, customers have to log on to CityCell's corporate website www.citycell.com.

The service can also be received directly through www.citycell.com/onlinecare.

"We have introduced Online Self Care as part of our commit-

ment to provide our customers with innovative services that will make their life easier," said Intekhab Mahmud, CityCell's head of marketing, at a press conference organised yesterday at Dhaka Sheraton Hotel to formally launch of the service.

He said Online Self Care is an innovative service management system that enables CityCell's 75,000 post-paid customers across the country to have the service. "Convenient and timely service management is crucial for customers," said Mahmud.

Online Self Care is available only for registered customers to ensure privacy. The customers have to sign up by creating an ID with 8-character password.

If the customers have any problems logging in, they are advised to contact the company's 24-hour call centre pressing *121 on

CityCell mobiles, or dialing 011-121121 from any other phone. Besides, CityCell offices are open seven days a week.

CityCell, a concern of Pacific Bangladesh Telecom Limited (PBLT), has redefined the telecom business through marketing innovation, BTBB connectivity and continuous technological up gradation for the benefit of its about 2.75 lakh subscribers.

Established in 1999, CityCell is the first company to launch mobile phone in Bangladesh adopting code division multiple access (CDMA) technology. Its service now covers 58 districts and by this year it will cover almost all the districts, CityCell officials said.

CityCell Head of Media Shawkat Mahmud and Vice-president of its Product Development Farhad Alam also spoke on the occasion.

Retain 50pc suppl duty on imported ceramic ware

Local manufacturers ask govt

STAR BUSINESS REPORT

Ceramic ware manufacturers have urged the government to keep the supplementary duty on imported finished ceramic items unchanged to help the growing industry compete both in the local and international markets.

Bangladesh Ceramic Wares Manufacturers Association (BCWMA) also demanded the government to cut import duty of raw materials to a minimum level.

The national budget for FY 2004-2005 proposed to reduce supplementary duty on imported ceramic tableware and kitchenware from 50 percent to 35 percent. The duty on imported tiles and sanitary ware was also slashed from 40 percent to 35 percent.

Besides, the finance minister also cut import duty on finished ceramic table, tiles and sanitary ware from 30 percent to 25 percent. At the production level, the supplementary duty on tiles and sanitary ware was reduced from 20 percent to 5 percent.

Due to the above factors, local ceramic industry will lose its share in the domestic market while it will help the importers to capture the

market, said Rashed Mowdud Khan, president of BCWMA, at a press conference in Dhaka yesterday.

On the other hand, import duty on many of the raw materials used in the local ceramic industry has been increased in the proposed budget, he said.

"To save the potential sector, which fetched around Tk 1,300 million in 2003-04 from export, it is necessary to fix the supplementary duty on imported finished items to a maximum level of 50 percent, and the import duty on raw materials to a minimum level of 2.5 percent," the BCWMA chief noted.

"With necessary support from the government, we will be able to earn Tk 5,000 million from export annually within the next four years," he hoped.

He, however, said, "If the government declares the sector as thrust sector we can get bank loan at a minimum interest rate."

Answering a query, he said some 15 ceramic industries have so far invested around Tk 5,000 million in the sector and their value addition has been 65 to 75 percent.

Presently, the ceramic and tiles

industries are exporting their products to Europe, America and other parts of the world.

Rashed Maksud Khan, vice-president of BCWMA, said the import duty on raw materials has doubled with the proposed three-tier duty structure instead of a four-tier one.

"Moreover, cost of production in the sector is also high because of bank's high interest rate, port inefficiency and high transportation cost," he said.

Replying to a question, he said if the supplementary and import duties are not re-fixed, Chinese ceramic products will flood the local market as the price of Chinese products will be 30 to 40 percent less than locally made ceramic items.

He alleged that Chinese ceramic products contain high quantity of lead and cadmium which are hazardous to health.

Lutfar Rahman, general secretary of BCWMA, SB Zaman, general manager of Shine Pukur Ceramics Ltd, and Manjurul Ahsan, director of Dhaka Chamber of Commerce and Industry, also spoke at the function.

Proposed budget not environment friendly

Post-budget roundtable observes

STAR BUSINESS REPORT

Speakers at a post-budget roundtable yesterday termed the proposed budget for 2004-05 fiscal year environment-unfriendly and demanded more allocation for implementation of projects aimed to create better conditions for living.

The Tk 276 crore proposed allocation for environment sector is very low compared with other sectors, economist Atiur Rahman told the discussion organised by Bangladesh Paribesh Andolon (Bapa) at the National Press Club.

He suggested strengthening the environment ministry and creating a post of chief environment negotiator in the ministry to represent Bangladesh in different international forums on environment related issues.

"Our environment ministry is one of the weakest among the ministries in terms of money and manpower," he observed.

Appreciating the success of Waste Concern, a Dhaka-based private organisation, in waste management, Atiur sought more budgetary allocation to help establish such ventures in different parts of the country.

However, the economist appre-

ciated the government for reducing value-added tax (VAT) on technologies used in solar energy plants.

Prof Abdullah Abu Sayeed stressed the need for building up strong movements to press environment related problems before next year's budget. The government is yet to realise fully the importance of environment, he observed.

AMA Muhith, former finance minister and Bapa founder president, criticised the government for not taking any specific plan to save the Buriganga River.

Awami League lawmaker Faruq Khan said some of the steps proposed by the finance minister would directly go against environ-

ment.

Citing an example, he said a 15 percent VAT has been proposed on imported LPG (liquefied petroleum gas) cylinder, which will discourage people to use the environment-friendly gas.

Faruq Khan observed that newly imposed duty on timber import would encourage dishonest traders to fell trees in local forests for collecting timber causing a major threat to the environment.

Hasan Mahmud, a professor of Environmental Science at East West University, suggested constructing subways in Dhaka for a better traffic management.

Bapa Vice-president ASM Shahjahan moderated the roundtable.



International Chamber of Commerce-Bangladesh (ICC-B) Vice president Latifur Rahman hands over certificate to a participant at the concluding session and certificate awarding ceremony of a two-day workshop on 'International Trade Tools and Incoterms 2000' organised by the ICC-B at Sonargaon hotel yesterday.

BUDGET QUIPS

"Why is Budget so important?"

"Because it is an instrument to promote a second term."

"What about the third?"

"You can fool some people for some time, but not all people all the time."

-MMI