

Govt to allow gas exploration by local private companies

Factories forced to suspend operation on gas crisis: MCCI

STAR BUSINESS REPORT

The government has decided to open up gas exploration and transmission for local private investors to ensure uninterrupted gas supply for the industries, State Minister for Energy and Mineral Resources AKM Mosharraf Hossain said yesterday.

"We have already formed a committee, which will develop a policy on how private sector can contribute to this field," the state minister said at a meeting organised by Metropolitan Chamber of Commerce and Industry (MCCI) at its conference hall in Dhaka.

The chamber organised the meeting against the backdrop of

growing inadequacy of natural gas supply in and around Dhaka City particularly at Joydevpur, Tongi, Savar EPZ, Demra and Narsingdi.

According to MCCI President Kutubuddin Ahmed, gas supply in these areas is less than the required minimum pressure.

Some industries in these areas are forced to suspend operations during peak hours and even shut down.

Following the observation of MCCI president, the minister told the members that within few months the newly formed committee will make recommendations to help the government frame and implement its plan from January next year.

Talking on the sidelines of the meeting, the minister told The Daily Star that the committee will comprise ministry and Petrobangla (Bangladesh Oil, Gas & Mineral Corporation) officials.

The committee will hold discussions with different private sector representatives before preparing the final report, Mosharraf said.

He viewed that local companies can set up joint ventures with the state-owned Bangladesh Petroleum Exploration & Production Company Limited (Bapex) for such initiatives as "I know they have gathered adequate expertise on this sector by this time."

The state minister admitted

there is pilferage in transmission of gas "due to evil deeds by the officials."

Mosharraf assured the MCCI members that there would be no problem in gas supply until 2010 when production of Moulvibazar gas field (70 million cubic feet per day capacity) will begin.

"Production of Bibiyana gas field (200 million cubic feet per day capacity) will be in full swing from 2006," he added.

The state minister attributed the present gas crisis to sudden closure of Sangu gas field.

"The condition will improve with Jamuna Fertiliser set to go into maintenance for 20-25 days that will save 40 to 45 MMC (million

cubic feet) gas per day," he hoped.

Mosharraf said that closure of the city's shopping malls by 8:00pm everyday can be a good solution to the problem. "But I don't know whether the businessmen will agree to such a proposal."

In his speech, MCCI president suggested that fertiliser factories in Ghorashal may run at minimum load during 6:00pm to 10:00pm as an immediate step to improve the situation.

He also suggested disconnecting illegal gas connections to save gas for good consumers.

Petrobangla Chairman SR Osmani and MCCI Secretary General CK Hyder also spoke at the meeting.



PHOTO: MCCI

State Minister for Energy and Mineral Resources AKM Mosharraf Hossain speaks at a meeting organised by Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday. Among others, Petrobangla Chairman SR Osmani, 3rd from left, and MCCI President Kutubuddin Ahmed, 4th from right, are also seen.

Reduce tax on banks for lower interest rate, higher dividend

Members of Bangladesh Association of Banks demand

STAR BUSINESS REPORT

Bank owners yesterday urged the government to cut corporate tax for banks from existing 45 percent to 27-30 percent to enable banks to slash interest rates and declare increased dividend to shareholders.

The demand was raised by the members of Bangladesh Association of Banks (BAB), an association of private bank owners, at a post-budget review for FY 2004-05 in Dhaka.

Speaking at the discussion, the members said the accounts of the banks are more transparent than those of other listed companies and banks' shares have been playing a dominant role in development of the capital market.

The banks have to serve interest of the government, depositors and as well as owners, the meeting

observed.

"But if we serve only government's interest, it will deprive the shareholders," BAB Chairman Syed Manzur Elahi told reporters after the meeting.

He said if the banks pay less tax, their profit will increase and this will enable them to curtail interest rate.

The BAB members termed the proposed budget "anti-investment and anti-industry" and said the budget will not help investment, industry and the banking sector.

They argued that presently banks pay higher tax than any other institutions and that it should be brought down.

The meeting was also critical of proposed restriction on the tenure of directors under the revised bank company laws and observed

the new laws will only encourage election of directors by falsifying their names.

They said the stringent measures forced them to resort to loopholes and even in many cases, transfer their sponsor shares to the names of their near and dear ones so that they could still hold the control of the banks.

The BAB recently won a court battle with the central bank securing a stay order on the move. But Bangladesh Bank has gone to the Supreme Court challenging the verdict.

The new laws will also reduce professionalism, the meeting observed.

Meanwhile, the government is going to pass Banking Companies Act (Amendment) bill in the parliament that would enable the central bank to impose the restrictions on bank directorship.

"The conditions of the private banks would be worse than the state-run banks if the bill is passed," UCBL Director MA Hashem MP told the meeting.

Bank Asia Chairman M Sayeduzzaman, a former finance minister, told the meeting that there is no alternative to going to court to protect the interest of the directors of the private sector banks.

The BAB chairman told the meeting that he will send an official proposal to the executive committee (EC) of the association to enumerate the requests to revise the new laws.

The EC, constituted with representation from all private banks, will then discuss the proposal with the respective boards to work out strategies against the new laws, Elahi added.

Multi-level marketing co policy soon: Altaf

STAR BUSINESS REPORT

The government will formulate a policy for multi-level marketing (MLM) business companies for ensuring customer service in the business, Commerce Minister Altaf Hossain Choudhury said yesterday.

The commerce ministry will talk to the law ministry soon to make such a policy, Altaf told the MLM Business Conference 2004 organised by Destiny-2000 Ltd at Bangladesh-China Friendship Conference Centre.

The commerce minister appreciated the MLM companies, especially Destiny-2000, for creating huge job opportunity for young educated people in the country.

Destiny-2000 has a network of over five lakh distributors who so far earned Tk 79.88 crore in commission since the start of its business in the year 2000, Rafiqul Amin, managing director of the company, said.

Mohammad Hossain, chairman of Destiny-2000, hoped that the company would pay Tk 50 crore in tax to the government in the current fiscal year.

Telecom firm to launch 'Islamic' mobile phone in Bangladesh

AFP, Dhaka

A Dubai-based telecom company is to target Asia, starting with Bangladesh, for its "Islamic" mobile phone featuring prayer time reminders and a memory storing entire texts of the Koran, a report said Sunday.

A spokesman for telecom company Ilkone Asia said its i-800 model, launched in Lebanon in April, would be on sale in Bangladesh "very soon".

The Bangladesh launch would be followed with marketing campaigns in Indonesia, the world's largest Muslim nation, Malaysia and India before the end of the year, the report in the English language New Age said.

The phone also features an Islamic calendar and can point users in the direction of Mecca from 5,000 cities worldwide, the report added.

Bangladesh is the world's third largest Muslim-majority country.

Aside from Lebanon, the phone is already on sale in Jordan, Syria, Sudan and Algeria.

Eastland Ins declares 17pc cash dividend

Eastland Insurance Company Limited has declared a 17 percent cash dividend for the shareholders for the year 2003.

The dividend was announced at the 17th annual general meeting of the company held in Dhaka yesterday, says a press release.

Mahbubur Rahman, chairman of the company, presided over the meeting.

The company earned a gross premium of Tk 13.29 crore during the year 2003 through its 30 branches.

During the year, the company settled 289 claims for a total amount of Tk 3.59 crore. Total assets of the company stood at Tk 41 crore.

Int'l conference on global economic order begins today

STAR BUSINESS REPORT

Economists and experts from across the globe will meet in an international conference on 'Emerging Global Economic Order and Developing Countries' that begins today at Osmani Memorial Hall in Dhaka.

Former chief justice and chief advisor to the caretaker government Muhammad Habibur Rahman will formally inaugurate the three-day conference organised by the Bangladesh Economic Association (BEA).

BEA President Dr Quazi Kholiquzzaman Ahmad will chair the inaugural session.

The conference will discuss issues relating to globalisation and the ways through which the least developed countries (LDCs) including Bangladesh can respond

boldly to the globalisation process to derive benefit from it.

The topics of discussion include UN Millennium Development Goals, globalisation, inequality and poverty, post-Cancun WTO, new issues in development assistance, policy reforms, governance, global environment security and Bangladesh in the world economy.

During the conference, the BEA will award honorary life membership to five renowned economists. They are Dr Nancy Birdsall of the Centre for Global Development, USA, Nitin Desai, a visiting fellow of the London School of Economics (LSE), Prof Jeffrey D Sachs of Columbia University, Prof Robert Hunter Wade of LSE, and Prof Nurul Islam, former deputy chairman of Planning Commission, Bangladesh.

Meghna Cement declares 25pc cash dividend

Meghna Cement Mills Limited has declared a 25 percent cash dividend for the shareholders for the year 2003.

The dividend was approved at the 12th annual general meeting of the company held in Dhaka on Saturday, says a press release.

Chairman of the company Shahidul Islam MP presided over the meeting.

Chairman of Bashundhara Group and Managing Director of Meghna Cement Mills Ahmed Akbar Sobhan, Group vice-chairmen Shafiat Sobhan and Mahabub Morshed and Group Managing Director Sayem Sobhan were present, among others, at the meeting.

Beximco declares 7.5pc dividend

Bangladesh Export Import Company (Beximco) Limited has declared a 7.5 percent dividend for the shareholders for the year 2003.

The dividend was announced at the 31st annual general meeting of the company held in Dhaka on Saturday, says a press release.

ASF Rahman, chairman of the company, Salman F Rahman, vice-chairman, Iqbal Ahmed, MA Qasem, OK Chowdhury, Dr Abdul Alim Khan, directors, and Md Asad Ullah, company secretary, were present.

Beximco Infusions declares 15pc dividend

Beximco Infusions Limited has declared a 15 percent dividend for the shareholders for the year 2003.

The dividend was okayed at the 14th annual general meeting of the company held in Dhaka on Saturday, says a press release.

ASF Rahman, chairman of the company, presided over the meeting.

Crackdown on corporate misrule in Europe

AFP, Paris

European regulators are following the example of US counterparts as they mobilize to stamp out corporate wrongdoing, but their efforts have been dogged by obstacles.

From Moulinex and Vivendi in France to Mannesmann in Germany and Parmalat in Italy, European authorities are making the point that public confidence in the overall economy is impossible without tough legal action against allegations of financial misconduct.

Their campaign mirrors high-profile crackdowns in the United States against such big-name companies as energy trader Enron, the sprawling international conglomerate Tyco and communications giant WorldCom.

Corporate misdeeds can take several forms, such as providing false information to the market, which erodes investor confidence, and concealment of questionable financial transactions through the use of tax havens.

New MD of Islami Ins



SA Khan recently joined Islami Insurance Bangladesh Limited as managing director.

Prior to joining this position, he was the managing director of Purabi General Insurance Limited, says a press release.

Khan has a long experience in the field of insurance. He worked at Co-operative Insurance Society in London until 1970. He also served in Bengal Life and General Insurance Co Ltd as manager for sometime.

GSP Finance signs deal with CDBL

GSP Finance Company (Bangladesh) Limited has signed an agreement with Central Depository Bangladesh Limited (CDBL), service provider of the Central Depository System (CDS).

The deal covered the Initial Public Offerings allotment of GSP shares through the CDS and delivery through electronic book entry when the shares of GSP Finance are traded on the stock exchanges.

Managing Director and CEO of GSP Finance Feroz U Haider and Managing Director and CEO of CDBL MH Samad signed the agreement on behalf of their organisations in Dhaka Wednesday, says a press release.

Investors seek consistent, industry-friendly policy

STAR BUSINESS REPORT

Foreign investors at a post-budget discussion yesterday urged the government to maintain industry-friendly and consistent policies for the country's greater economic development.

Rafiq Ahmed, general manager of Lever Brothers Bangladesh Ltd, criticised the shift in government policy to a three-tier duty structure from the four-tier one saying that it would make raw materials for local industry costlier.

Import duty of some raw materials used for toiletries will stand at 50 to 54 percent while the duty on finished items will be only 25 percent in the new duty structure, he said speaking at the regular luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (Ficci) at Dhaka Sheraton Hotel.

"If there is no consistency in the government policies, foreign

investors will not be encouraged to invest here," Stephen Daintith, managing director of British American Tobacco Bangladesh, told the discussion chaired by Ficci President Mahbub Jamil.

Daintith, also vice-president of Ficci, said the proposed budget for FY 2004-05 is not favourable for boosting industrialisation in the country. He urged the government to concentrate more on industrial sector creating a favourable atmosphere.

While discussing the proposed budget at the meeting the Ficci members expressed pessimistic views on the budgetary proposals regarding trade and investment.

Anis A Khan, managing director of Industrial Development Leasing Company (IDLC) of Bangladesh Limited, pointed out that the government treats banks and financial institutions in different ways although they are engaged in similar kind of business.

"The banks enjoy two percent tax rebate facility in provisioning their bad debts but the financial institutions are not entitled to this facility," he said urging the government to stop this kind of policy discrimination.

Anwar Hossain, country manager of Sony Ericsson, said around 70 percent mobile phone sets are coming to the local market through illegal channels. "For this, the government is losing Tk 2.25 billion revenue earning annually," he claimed.

"The import duty of mobile handsets should be fixed at Tk 750 whose value is under \$100 and Tk 1,000 whose value is more than \$100," he said.

Khalid Hasan, director of (corporate affairs) of GrameenPhone, said there is no justification of showing TIN (tax identification number) to get ISD (International subscribers dialing) connectivity in mobile phone.



PHOTO: STAR

Iron and steel products traders yesterday kept their shutters down to protest the government decision to entrust tax officials with the authority to arrest VAT dodgers. The picture shows closed shops on North South Road in Dhaka.