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Star BUSINESS

DHAKA FRIDAY JULY 16, 2004 E-mail: dsbusins@gononet.com

PAKISTANI 3 PIECE LADIES SUITS & SAREE

LADIES FASHION DESIGNER FAUZIA H. MERCHANT OFFERING BEST COLLECTION OF PAKISTANI UNSTITCHED 3 PIECE LADIES SUITS OF 100% COTTON BAREEZE CHIKEN, PRINTED LAWN, PRINTED CHINON, SHIFFON, GEORGETTE, & ALSO PRINTED & EMBROIDERY SAREE OF VARIOUS DESIGN AND QUALITY WITH DISCOUNTED PRICE AT JOYA FASHIONS: AN EXCLUSIVE LADIES FASHION HOUSE # 15, ROAD # 16, SECTOR # 3, UTTARA, DHAKA. PHONE: 880-2-8961669, CELL: 0173-018590, 0173-018591 E-mail: joya.fashions@hotmail.com TIMINGS: 10 AM TO 10 PM (FOR LADIES ONLY).

Tata bosses due shortly to identify key areas

Visiting BoI delegation expects \$2b investment in steel, power, light engineering

PALLAB BHATTACHARYA, New Delhi

India's Tata Group of Industries is likely to send a team of its senior officials to Bangladesh next month for a preliminary study of the potential areas of investment in the country, particularly in steel, power and light engineering.

The prospects of the Tatas investing in Bangladesh came up for discussion when visiting Executive Chairman of Board of Investment (BoI) Mahmudur Rahman met the Tata Group Chairman Ratan Tata in Mumbai on Wednesday.

Rahman said the possible areas of investment and cooperation identified during discussion were power, steel and light engineering.

He, however, said his meeting

with Ratan Tata was a preliminary exercise and no details have been finalised for investment in any sector. Something concrete might emerge only after the Tata officials visit Bangladesh next month, Rahman added.

While Rahman was engaged in talks with Ratan Tata, other members of the high-powered delegation of Bangladeshi entrepreneurs met senior officials of the Tata Group.

Rahman's meeting with Ratan Tata came a day after he had talks with a senior Tata official on his arrival in New Delhi on the first leg of his four-day visit to India.

Rahman had said the Tatas evinced interest in investing in a steel plant and gas-based power and fertilizer units in Bangladesh and

the total investment is estimated at two billion dollars.

The 17-member Bangladeshi delegation also held talks with the Industry Secretary of Maharashtra state V Dhumal and discussed cooperation in agro-industry and information technology sectors.

The delegation yesterday visited the software industry in Bangalore, considered the Silicon Valley of India, and met officials of the industry discussing cooperation with Bangladesh in information technology.

This was the first business-like visit by a high-powered business team from Bangladesh in a decade, giving rise to hopes in industry and business circles of concrete proposals for Indian investment in Bangladesh.

Morshed seeks Vietnamese investment

UNB, Dhaka

Foreign Minister M Morshed Khan, now in Vietnam, has urged the Vietnamese entrepreneurs to invest in Bangladesh, availing of the incentives on offer for foreign investors.

Khan made the call when he met Vietnamese Trade Minister Truong Dinh Tuyen in the Vietnamese capital of Hanoi yesterday, according to a message received here.

The two ministers also discussed matters relating to increased trade and commerce between the two countries.

They stressed the need for frequent visits of business delegations to explore new areas of co-operation.

The Vietnamese minister expressed his country's willingness to import pharmaceutical and leather goods from Bangladesh.

He requested Bangladesh to import more from Vietnam, especially electronics and engineering products.

Picard receives ISO 9001:2000 certificate

Picard Bangladesh Ltd, a leading manufacturer and exporter of leather goods, has received ISO 9001:2000 certificate for the company's quality products.

Saiful Islam, managing director of Picard Bangladesh, received the certificate from Ahmad H Kabir, country head of TÜV Rheinland Bangladesh Ltd, in Dhaka on Monday, says a press release.

Earlier, the company, which exports leather goods to European Union market, achieved ISO 9002:1994 in 2002. The company also received national export trophy for four consecutive years.

ACI signs deal with CDBL

Advanced Chemical Industries Limited (ACI) has signed an agreement with Central Depository Bangladesh Limited (CDBL) on dematerialising the existing share certificates for electronic trading.

The two sides inked the deal on behalf of their organisations in Dhaka on Wednesday, says a press release.

Managing Director of Advanced Chemical Industries Limited M Anis Ud Dowla, and Managing Director and CEO M H Samad of Central Depository Bangladesh Limited, signed the agreement.

The Central Depository System (CDS) of CDBL involves conversion of share certificates into electronic form, which will eliminate the risk of damage, loss, forgery and duplication of share documents.

Delivery through electronic book entry under CDS will also result in prompt transfer of ownership.

The agreement will come into effect after getting clearance from the Securities and Exchange Commission.

BASF corporate client of GP

BASF Bangladesh Limited (BBL), a leading chemical company, has become the corporate client of GrameenPhone (GP).

An agreement to this effect was signed between the two companies in Dhaka recently, says a press release.

Mehboob Chowdhury, director (sales and marketing) of GP, and Ruhul Amin, chairman and managing director of BBL, signed the deal on behalf of their organisations.

Oil prices rise above \$41 on supply fears

REUTERS, Singapore

US oil prices rose to a six-week high above \$41 Thursday as concerns over security of supplies were heightened by a surprise fall in key fuel stockpiles in the United States.

A fire at an oil pipeline in northern Iraq, where saboteurs have been targeting the country's oil infrastructure, raised fears of renewed supply disruptions and also underpinned prices.

US light crude oil climbed to \$41.12 a barrel, the highest since June 2, when prices struck a 21-year peak at \$42.45. It last stood 13 cents down at \$40.84.

The rally was triggered by an unexpected fall in US crude and gasoline inventories, which revived concerns over supply disruptions as oil demand grew at the fastest pace in 24 years and producers pumped almost flat out.

Make best use of strengths to face post-MFA challenges

Speakers tell Islami Bank-sponsored seminar

STAR BUSINESS REPORT

Speakers at a seminar yesterday said Bangladesh has both strengths and weaknesses to face the challenges of post-MFA (multi-fibre arrangement) regime.

Bangladesh can well tackle the challenges and take advantage of its strengths, the speakers said while participating in a seminar titled 'Challenges of IBBL (Islami Bank Bangladesh Limited) in financing the RMG sector in post-MFA regime' in Dhaka organised by IBBL.

They said higher lead-time, dependence on imported raw materials, poor infrastructure, bureaucratic bottleneck, political unrest and lack of product diversity will force the country to lag behind

others in the quota free world.

But support from the backward linkage industries, cheap labour, GSP facilities, quality products, successful implementation of buyer's code of conduct in the RMG (ready made garments) sector will help Bangladesh overcome the challenges and face tough competitors like China, India, Pakistan, Indonesia and Thailand.

Echoing the general observations, Jute and Textile Minister Shahjahan Siraj said RMG sector has both weaknesses and strengths. "To face the challenges and to avail the post-MFA benefits, the government has to initiate appropriate measures to make the industry competitive in the overseas markets."

However, some policy measures such as tariffs and duty on imported

raw materials, dyes and chemicals and capital machinery are being rationalised. Interest rate on long and short-term loans are being brought down to make the textile products competitive in the domestic as well as in the international markets, he said.

Professor Abu Ahmed of Dhaka University stressed on signing of free trade agreement to make products accessible in international market.

He said a major problem hurting development of the country. Speaking at the seminar Bangladesh Garments Manufacturers & Exporters Association (BGMEA) President Anisul Haq said if rules of origin are relaxed, Bangladesh's apparel export growth to the EU market will be to the tune of US\$1 billion a year.

"We urged the government to avail relaxed rules of origin to qualify for GSP facility in the EU market," he said.

Syed Abdullah Mohammad Tahir MP said a total of 18 MPs who have investments in the RMG industry have formed a caucus to pursue the finance minister to solve problems facing the textile sector.

AKM Fazlul Haque, principle officer of IBBL, and KM Munirul Islam, senior principle officer of IBBL, in a presentation said the bank contributed 4.15 percent to the export and has funded around Tk 1,256 crore in RMG and textile sector in 2003.

Shah Abdul Hannan, chairman of IBBL, Azizul Islam, managing director of Alif Group, and SM Emdadul, chairman of Babylon Group, also spoke at the function.

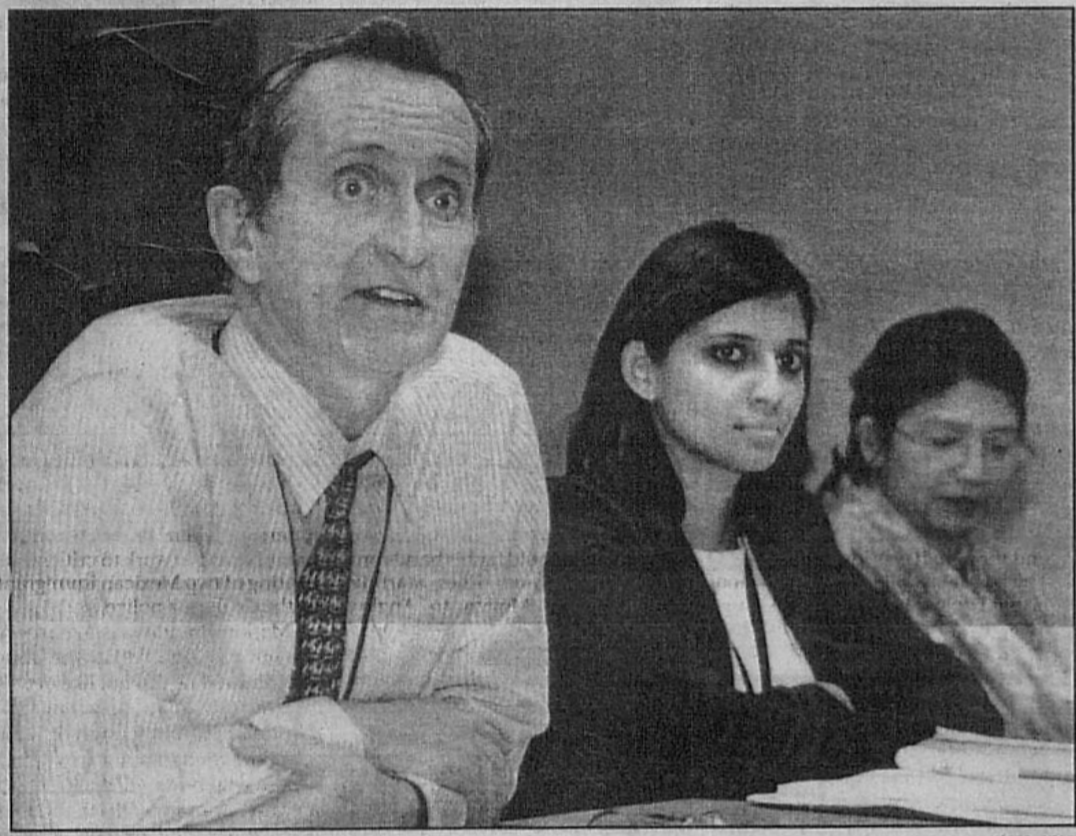


PHOTO: STAR

Paul Ackroyd, outgoing head of Department for International Development (DFID) Bangladesh, speaks at a press conference in Dhaka yesterday. Millie Sen Gupta, head of Press and Public Affairs at British High Commission in Bangladesh, and Nazneen Ferdousi, press and public affairs officer of British High Commission, are also seen.

Poor governance retards Bangladesh's progress

Outgoing DFID chief in Dhaka says

STAR BUSINESS REPORT

Poor governance and lack of political will obstruct development in Bangladesh despite the fact that the country has capability to develop, a DFID (Department for International Development, UK) official said in Dhaka yesterday.

Paul Ackroyd, the outgoing head of DFID in Bangladesh, also pointed out other irritants to development such as corruption, law and order, lack of personal and business security, lack of competitiveness and poor foreign direct investment flow.

"For me the key question about Bangladesh's development is that if there is wide consensus about what needs to be done, why does it so often seem that so little action is taken," Ackroyd said in his valedictory speech to the pressmen.

There is no shortage of resources, knowledge and ability in the country, observed the Bangladesh office chief of United Kingdom's government aid agency from his experiences of four-year service in Dhaka.

"It is striking how the leaders of the main political parties in

Bangladesh fail to enunciate a vision for development and demonstrate the willingness to carry it through," said Ackroyd, who leaves Bangladesh this week.

Talking about governance problems, he said, "The pressures of democratic accountability are weak, poor people do not call their elected leaders and the bureaucracy to account and too many of the senior positions in power are controlled by elite groups who often seem little interested in delivering benefits to the population."

So, the people should be educated, Ackroyd said. "Better educated, better informed and better aware people can and will make demands of change of their leaders and those in power. That's why we are putting our largest single investment into primary education."

Turning to the absence of constructive dialogue between main political parties in Bangladesh, he said it is not a good practice that a party that comes to power changes long-term policies of the previous government.

"The political parties need basic

agreement on major long term policy decisions," suggested the DFID official.

When asked whether the recent attack on UK High Commissioner to Bangladesh in Sylhet will have any impact on DFID's aid programmes here, he said "definitely not."

Ackroyd said during his tenure DFID programmes have doubled in Bangladesh and it will be increasing further.

About DFID's role in improving governance in government bodies, Ackroyd said DFID and UNDP have agreed to support a new programme on police reform in Bangladesh. Besides, DFID has programme on financial management.

DFID is also helping to make the parliamentary standing committees work better, he said.

Asked about Bangladesh's prospect to meet the UN Millennium Development Goals of halving poverty by 2015, he said the country with growing export and stable macro-economy is on right track to attain that.

Thai food festival ends today

STAR BUSINESS REPORT

The week-long Thai food festival that gives food connoisseurs a chance to taste the traditional Thai dishes and fruits concludes today.

The second edition of the festival styled 'A Taste of Thailand' offers eight dishes, six salads with three desserts in a shuffle of 40 dishes and 20 salads of authentic Thai cuisine at luncheon and dinner everyday.

The festival is drawing huge number of visitors everyday, said

Marc Schaub, food and beverage director of Pan Pacific Sonargaon Hotel.

"It's been quite difficult to get the exact Thai ingredients to prepare authentic Thai food and the presentation is also a bit different here," said Banjob Teplaiad, chief Thai chef at the festival who has come from Pan Pacific Bangkok.

Ken MacDonald, executive chef of Pan Pacific Sonargaon, said, "Thai food is too hot and spicy so we had to be a little creative to customise it to

the taste of the local people."

"We have organised the festival in a bigger way this year in response to the previous festival last year aiming to introduce the Thai cuisine even to the middle class people," said Marc Schaub.

Sonargaon Hotel in collaboration with Thai Embassy in Dhaka and Thai Airways International, has organised the festival at Café Bazar restaurant of the hotel.

Rehab housing fair in New York next month

STAR BUSINESS REPORT

In a bid to promote the country's housing and real estate business by wooing Bangladeshis living in the US, the Real Estate and Housing Association of Bangladesh (Rehab) is going to organise a five-day housing fair next month in New York.

The event titled 'Rehab-Biponon Housing Fair 2004' will begin on August 19 at Quality Hotel Hampstead in New York city. Rehab is organising the fair in association with Biponon, a US-based marketing company.

Describing the objectives of the fair, Rehab's Senior Executive Member Ziaul Ahsan said the fair would encourage expatriates to build their houses in Bangladesh as well as attract foreign investors to the country.

Through this fair, the expatriates will get the opportunity to know all

about the housing business in Bangladesh, he said. "We think if they know about our real estate sector, they will move to invest in the sector."

Ahsan said the exhibition would contribute to earning more remittance from the US and making more foreign investment in the country's real estate sector.

A total of 29 Rehab member companies will take part in the fair. They are Building Technology and Ideas Ltd, Hamid Real Estate Construction Ltd, Sheltch (Private) Ltd, Eastern Housing Ltd, East West Property Development Private Ltd, Latif Real Estate Ltd, Bosoti Consortium Ltd, Suvasu Development Ltd, Hasan and Associates Ltd, Amin Mohammad Group, Rangs Properties Ltd, Tropical Homes Ltd, Building for Future Ltd, Ena Properties Ltd, Concord Real Estate and Building Products Ltd, Brac Concord Lands Ltd, Bangladesh

Development Company Ltd, Borak Real Estate (Private) Ltd, Living Stone Ltd, Equity Property Development Private Ltd, Japan Garden City Ltd, Al-Hasan Developers Ltd, NM Housing Ltd, Sumona Private Ltd, Rupayon Housing Estate Ltd, Mega Builders Ltd, Assurance Developments Ltd, Building Development and Design Ltd and Crescent Holdings Ltd.

According to Rehab, its 145 members delivered 70,000 to 80,000 apartments to their customers in last 20 years. Besides, they have been delivering 4,000 to 6,000 plots a year.

The Rehab statistics show the annual turnover of the real estate sector amounts to Tk 7,500 crore and the government earns Tk 700 crore in revenue a year from the sector. About 15 lakh skilled and unskilled labourers are working in this sector.

Tax evasion declines on Ctg customs' preventive steps

BSS, Chittagong

Incidents of tax evasion have declined considerably in recent years at Chittagong Customs House (CCH) due to some preventive and punitive measures.

Sources said the government had been deprived of huge amount of revenue earnings for years as a section of unscrupulous importers in connivance with some officials imported taxable goods under the cover of non-taxable 'zero tariff category items' or by making false declaration.

CCH sources said additional revenue amounting Tk over 11 crore was earned during the last fiscal year (2003-2004) through detection of 90 incidents of tax evasion or 'false declaration' by the officials of Audit Intelligence and Research (AIR) of CCH.

Moreover, over Taka 2 crore revenue was earned seizing 609 import deliveries at Chittagong Shah Amanat International Airport in last fiscal, the sources said.

In the backdrop of growing trend

of tax evasion attempts in the past years, the CCH authority had decided to examine and monitor the zero tariff category imported items and check suspected consignments falling under lower duty slab and intensify internal intelligence so that they can keep close watch on attempts of tax evasion.

Commissioner of Customs, Chittagong, A M Masrur Ahmad told the news agency that the authority has taken punitive measures against the importers, clearing and forwarding agents and also the customs officials for their negligence of duty or having links with tax evaders.

He said automation of the tax assessment process and strict implementation of laws in tax related irregularities are some of the reasons behind declining trend of tax evasion at CCH.

"We imposed financial penalty and forfeited bank guarantee of importers and cancelled licenses of clearing and forwarding agents in case they were found involved in tax evasion," Masrur Ahmad said, adding that in some cases Business

Identification Number (BIN) of importers and Agents Identification Numbers (AIN) of C&F agents were also locked at the central server to stop their business operation.

CCH sources said tax irregularities or evasion usually happens while importing zero tariff category or lower duty slab items like computer and its accessories, garments raw materials under back-to-back LCs, industrial capital machinery, life saving drugs and foodgrains.

CCH sources said administrative actions, including suspension of officials, produced good result.

They said actions were taken against 45 officials and staffs in the year 2002, 23 in 2003 and two in the last six months for negligence of duty or involvement in irregularities.

Customs Commissioner also said that even in certain cases Pre-Shipments Inspection or Clean Reports on Findings (CRF) certificates submitted against imported goods were brought under verification.

CCH earned a record amount of revenue of Taka 9,645 crore in the last fiscal.

Japan business team keen to invest in EPZs

BSS, Dhaka

A Japanese business delegation has shown keen interest to invest in the Export Processing Zones in Bangladesh.

This was disclosed by the leader of the delegation T Sugiura, in-charge of Japanese Osaka Shiri Division, at a meeting with Md Shahjahan, member (Investment Promotion) of the Bangladesh Export Processing Zones Authority (Bepza) here on Wednesday.

Other members of the delegation were T Katsuki, vice manager, and H Tamamaki, section manager of Osaka Shiri Division, H Ueno, general manager of Itochu Corporation and T Morita, chief executive officer of Prominent Apparel Ltd of Japan.

AZM Azizur Rahman, general manager (Investment Promotion) of Bepza, were present at the meeting.

Shahjahan explained facilities and incentives provided by the Bepza to the investors and invited the delegation members to come up with more Japanese investment to the EPZs in Bangladesh.

"Bepza has reduced the rental rate of land and factory building at Ishwardi, Uttara and Mongla EPZs to attract more investors", he told the Japanese delegation.

The delegation members expressed their satisfaction over the performance of Bepza and said the authorities were playing a pivotal role for the economic development of Bangladesh.

They, however, said an environment conducive to uninterrupted production was important for industrial development and Bepza was maintaining the peaceful investment climate in EPZs.

The delegation members assured that they were keen to invest in the EPZs of Bangladesh, particularly in the textile and diversified sector.

US House okays free trade pact with Australia

REUTERS, Washington

The US House of Representatives overwhelmingly approved a free trade agreement with Iraq war ally Australia Wednesday, despite last-minute concerns the pact could hamper congressional efforts to allow imports of lower-priced medicine.

The House voted 314-109 to pass the United States' first free trade agreement with a developed country since a 1985 deal with Canada. The Senate Finance Committee also voted 17-4 in favour of the agreement, setting the stage for a full Senate vote today.

The pact "brings the United States and Australia closer together economically," House Ways and Means Committee Chairman Bill Thomas, a California Republican, said. "No two countries in the world are closer in terms of their views of the world, especially in terms of strategic military concerns."

Manufacturers pushed hard for the pact, which they estimate could boost their exports to Australia by close to \$2 billion in the first year. More than 90 percent of US exports to Australia are manufactured goods, and the agreement will eliminate nearly all of Australia's tariffs on those products when it takes force on January 1, 2005.



PHOTO: ACI LIMITED

ACI Limited Chairman and Managing Director M Anis Ud Dowla and Central Depository Bangladesh Limited (CDBL) Managing Director MH Samad sign an agreement on behalf of their organisations in Dhaka on Wednesday to convert ACI's paper shares into electronic ones for settlement under central depository system. Arif Dowla, deputy managing director, and other senior executives of both the companies are also seen.