

Saifur fires broadside at textile millers

Threatens to reopen Benapole Land Port for cheaper yarn

STAR BUSINESS REPORT

Accusing the textile sector of not extending proper support to garment and knitwear sector, Finance and Planning Minister M Saifur Rahman yesterday threatened to reopen the Benapole Land Port to allow yarn import from India at cheaper price.

The minister said he would sit with the textile representatives later this year in an attempt to bring down the price.

He, however, said the government will not allow central bonded warehouse or Saarc cumulation.

The minister made the observations while speaking at the inaugural function of a three-day knitwear exposition at Dhaka Sheraton Hotel yesterday.

"They (textile millers) are getting all kinds of support such as cash incentive and tax free capital machinery import, but when they sell their products they charge high price," Saifur slammed.

These textile owners are pocketing profit by taking all kinds of incentives from the government, the minister said adding that the government is providing cash incentive by collecting tax from the mass.

The minister also claimed the sector is lagging far behind in giving dividends to its shareholders.

"I am convinced that the textile sector is not playing fairly with the garment and knitwear sector," he said. "So, I have decided to review the benefits enjoyed by the textile sector and see if they are ensuring quality."

He also accused the garment owners of not ploughing back profits. "Had they invested part of their profits for setting up backward linkage industries, we would not have been worried on facing the post-MFA (multi-fibre arrangement) challenges."

Speaking on performance of knitwear sector, the minister said although the sector contributes about 33 percent to the country's total export earning, the value addition of knitwear products continues to remain higher than others which is almost 75 percent.

Prime Minister Khaleda Zia also spoke on the occasion.

In welcome speech, Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) President Fazlul Hoque said if

government provides 15 percent cash incentive to the export-oriented sector, the knitwear export growth will reach 50 percent from 30 percent. "Moreover, knitwear export to the US market will also be doubled within next two years."

The BKMEA chief pointed out that an amount close to Tk 700 crore is presently stuck up with the government against cash incentive head.

He urged the government to arrange disbursement of at least Tk 300 crore before Eid to cope with the expenses.

Commerce Minister Altaf Hossain Choudhury, Advisor to Commerce Ministry Barkat Ullah Bulu and BKMEA 1st Vice-president Habibur Rahman also spoke at the function.

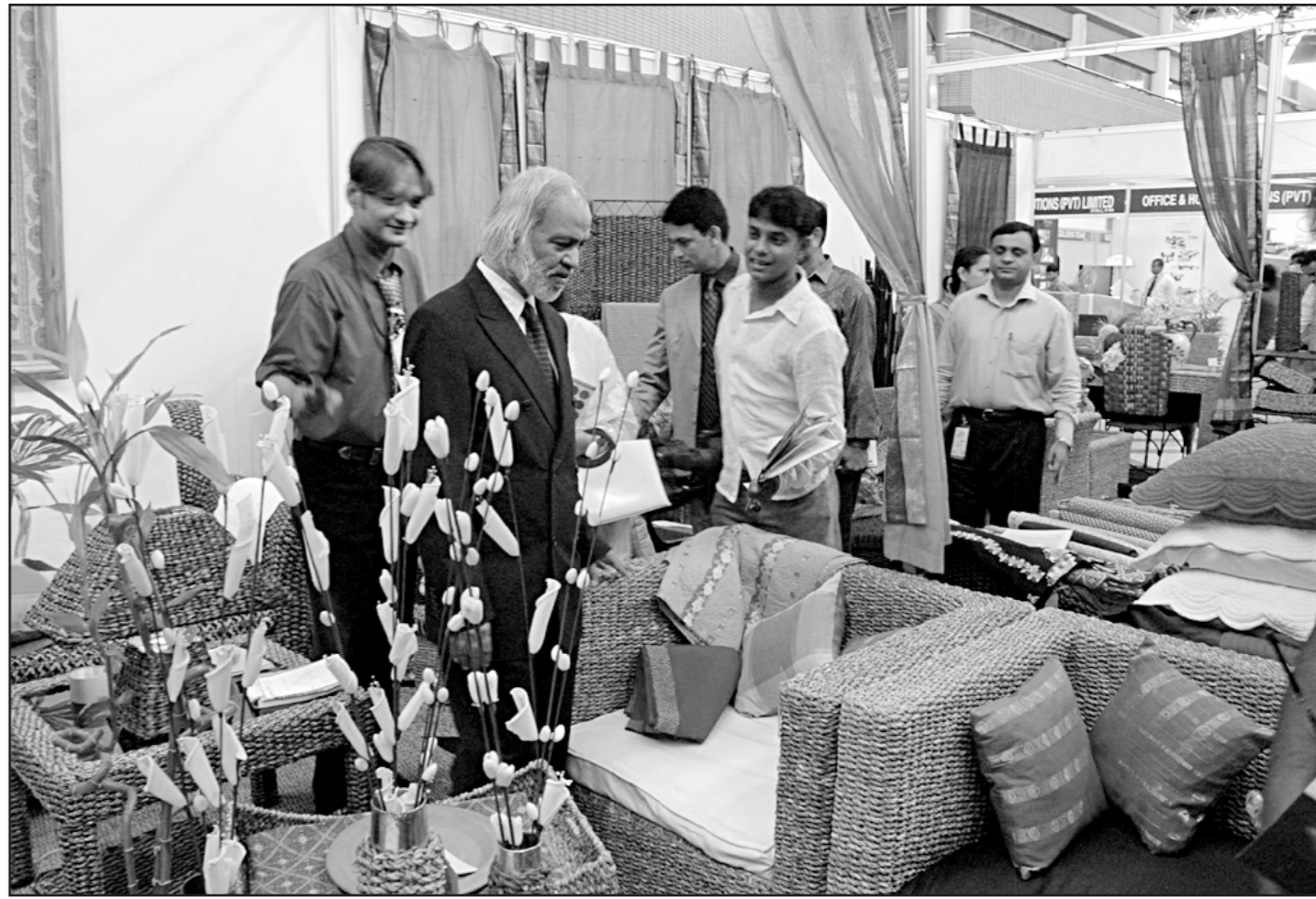


PHOTO: STAR

Science and Information and Communication Technology (ICT) Minister Abdul Moyeen Khan visits a stall at a four-day '1st National Furniture Fair 2004' that began at the Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

Consumers taken for ride in absence of regulators

Regional meeting told

STAR BUSINESS REPORT

Consumers are at the mercy of manufacturers due to absence of legislation and watchdog body for commodity and service markets in Bangladesh, speakers said at a meeting yesterday.

They said as there is no competition policy to regulate price and oversee product standard, manufacturers hardly care consumer rights.

Addressing the regional launch meeting on Advocacy and Capacity Building on Competition Policy and Law in Asia, economist Atiur Rahman said, out of the total 148 WTO members 80 countries have competition policy in place to oversee trading practice and curb manipulation in supply and price.

"Bangladesh needs a competi-

tion policy to protect consumer rights but the government has so far given the least attention to the issue," he said at the meeting organised jointly by Bangladesh Enterprise Institute and CUTS International of India, a centre for competition, investment and economic regulation.

He said competition policy means government intervention to ensure market competition and availability of quality goods at competitive price.

"A competition policy would have prevented price monopoly by the diagnostic service providers. And the patients could avail diagnostic services at half the charges they are compelled to pay now," he said while making a presentation.

While giving examples of anti-competitive practices in Bangladesh, Atiur Rahman said the

public sector utility service providers of power, gas, railways and telephone enjoy natural monopoly.

Consumer rights movement in Bangladesh is still very weak unlike that of environment and human rights, he said.

Former foreign secretary Farooq Sobhan underscored the need for legislation and formation of watchdog body to curb market malpractice.

In absence of an effective policy, both the consumers and producers are deprived of the benefit from competition, said Pradeep S Mehta of CUTS International.

Commerce Minister Altaf Hossain Choudhury and Frank Matsaert of DFID Bangladesh were present on the occasion attended by delegates from Cambodia, India, Lao PDR, Nepal, Pakistan, Sri Lanka and Vietnam.

Malaysian food festival in Dec

STAR BUSINESS REPORT

Malaysia will hold a food and cultural festival in December in Dhaka.

Former Prime Minister of Malaysia Dr Mahathir Mohammad is expected to attend the festival which was scheduled to begin yesterday, said outgoing Area Manager of Malaysia Airlines in Bangladesh Mohd Anuar Bin Mat Piah at a press briefing in Dhaka yesterday.

At his farewell speech Anuar Mat Piah said Malaysia has emerged as one of the best tourism destination in the world over the past years.

"So many people are now visiting Malaysia than in 2000. There are five daily flights from Bangladesh to Malaysia now," he added.

He said the package programme of Malaysia Airlines titled 'Showcase Malaysia' started from August has got a huge response from Bangladesh.

Nur Shaffik Haris has succeeded Anuar Mat Piah as the new area manager of Malaysia Airlines for Bangladesh, Nepal and Bhutan.

Square Pharma declares 70pc cash, 20pc stock dividends

Square Pharmaceuticals Limited has declared a 70 percent cash dividend and stock dividend (bonus share) at the rate of one share for every five shares for the year ended on March 31, 2004.

The declaration was made at the company's annual general meeting held in Dhaka on Tuesday, says a press release.

Chairman of the company Samson H Chowdhury, Managing Director Tapan Chowdhury were present among others.

In 2003, Square Pharmaceuticals attained a 15.91 percent sales growth against 11.70 percent during the previous year and sales turnover increased to Tk 5,482 million from Tk 4,730 million of the previous year.

Gross profit of the company stood at Tk 1,907 million during the period showing a 30.03 percent rise from the previous year while profit (before tax) was Tk 1,152 million and net profit (after tax) was Tk 970 million.

During the year under review, export sales of the company stood at Tk 59.95 million against Tk 35.08 million of the previous year increasing 71 percent.

IFC makes \$4.75b in new investments

REUTERS, Washington

The International Finance Corp made \$4.75 billion in new investments in developing countries in fiscal year 2004, an increase of 23 percent over the previous year, the World Bank arm said Tuesday.

According to the IFC's annual report net income for the year ending June 2004 was \$993 million, up from \$487 million.

Latin America and the Caribbean still make up the biggest share of the IFC's regional portfolio, with a total of \$6 billion invested, followed by Asia, Europe and central Asia, Africa and the Middle East lag.

Four-day furniture fair begins

Forty-five local companies showcasing products

STAR BUSINESS REPORT

With a view to familiarising quality of local furniture, a four-day national furniture fair began at the Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

Bangladesh Furniture Industries Owners' Association (BFIOA) in collaboration with Communicare Events organised the exposition titled '1st National Furniture Fair 2004' to make consumers aware of the quality and price of the products.

Science and Information and Communication Technology (ICT) Minister Abdul Moyeen Khan inaugurated the fair.

State Minister for Education ANM Ehsanul Haque Milan, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Mintoo, BFIOA Chairman KM Akhtaruzzaman, Chief Advisor Abul

Hashem, Secretary General Selim H Rahman, ATN Bangla Chief Advisor Saiful Bari, Managing Partner of Dynasty Furniture Afzal Hossain and Katalyst General Manager Steven Hornshaw also spoke at the inaugural ceremony.

A total of 45 local companies are participating in the fair showcasing their products that include furniture, wooden floors, carpets and lighting items in 109 stalls.

Speaking at the function, Science and ICT minister urged the entrepreneurs to manufacture quality furniture at affordable prices to make products popular to the general people. He also propounded them to use Computer Aided Design (CAD) program for designing furniture.

State Minister for Education ANM Ehsanul Haque Milan suggested use of non-traditional elements instead of wood for furniture manufacturing.

The FBCCI president called for extending credit facilities to the entrepreneurs at lower interest rate.

BFIOA Chairman KM Akhtaruzzaman said the government should formulate a national policy on furniture industry, establish a separate industrial park for the enterprise and introduce training courses on furniture designing at school and university levels.

"If we get active support from the government, we will be able to earn huge foreign currencies through furniture export," he said.

The BFIOA chairman expressed optimism that the visitors will find local furniture more acceptable than the imported ones.

Three seminars on uses of machines, non-traditional wood and adoption of proper design for furniture manufacturing were also held at the fair venue yesterday. Some of the participants are

offering discounts and gifts on purchasing furniture to woo the customers.

Fahmida Yasmin, a college teacher who came to the fair with his family members praised the quality of local furniture.

According to Export Promotion Bureau, Bangladesh earned Tk 15.47 crore by exporting wooden furniture in 2003-04 while the amount was Tk 1.36 crore in 2002-03.

Bangladesh imports furniture worth around Tk100 crore yearly from different countries, industry sources said.

The Daily Star and ATN Bangla are the media partners of the show, which will remain open to visitors from 10:00am to 9:00pm until Saturday.

Tk 27cr Japanese grant for water examination labs

Japan has granted Tk 27.22 crore (495 million yen) aid for strengthening water examination system in Bangladesh.

An exchange of notes to this effect was signed in Dhaka on Tuesday, says a press release.

Japanese Ambassador to Bangladesh Matsushiro Horiguchi and Secretary of Economic Relations Division Mirza Tasadduq Hussain signed the exchange of notes on behalf of their governments.

The Japanese assistance will be used for the construction of a central laboratory in Mohakhali, Dhaka and for the repair of existing two zonal laboratories in Jhenidah and Noakhali, procurement of necessary equipment and materials.

The project will be executed by the Department of Public Health and Engineering (DPHE) under the Ministry of Local Government, Rural Development and Co-operatives.

Asian Shippers' Council formed

STAR BUSINESS REPORT

With a view to protecting interests of shippers in Asia and presenting their view to the international communities, Asian Shippers' Council (ASC) has been formed at a function in Singapore recently.

The forum was formed at the 27th annual general meeting (AGM) of Federation of Asean Shippers' Council (FASC) held in Singapore from September 12 to 14.

Farhad Ahmed Akanda, chairman of Shippers Council of Bangladesh (SCB) yesterday disclosed this while addressing a press conference at Dhaka Reporters Unity.

State Minister for Finance and Transport of Singapore Lim Hwu Hua formally declared the formation of the ASC. John Y Lu was elected the 1st chairman of the ASC, the SCB chairman informed.

Referring to the AGM, Farhad

Ahmed said the meeting was aimed at bringing regulatory changes to ensure shippers' control over ocean freight markets.

"The meeting also emphasised abolition of terminal handling charge as a separate surcharge which is the common problem in Asian ports including in Bangladesh," he said.

The meeting also decided to work jointly to enhance the security of the Asian ports and maintain a free flow of commerce globally, he said.

"It is a great achievement for the SCB to be a member of FASC while Bangladesh has been trying to be a member of Asean (Association of Southeast Asian Nations) for a long time," Farhad added.

A five-member SCB delegation led by Farhad Ahmed attended the FASC meeting.

Pangaon container terminal to spur economic activities

Shipping minister visits site

STAR BUSINESS REPORT

Shipping Minister Akbar Hossain yesterday said the construction of inland container terminal at Pangaon under Keraniganj upazila would spur economic activities of the country in a very short time.

"The export-import business of the country will take a new turn by easing the container and traffic congestion in Chittagong Port and activating the Mongla Port," the minister said during a visit at Pangaon near Parga.

The container terminal will create employment opportunities and the government will earn at least Tk 50 crore royalty a year, he claimed.

"The speedy handling of goods from the ships and reduction of transport cost will increase competitiveness of our products in the global markets," the minister added.

The government revived the project after almost 9 years. Prime Minister Khaleda laid the foundation stone on December 12, 1995. But no progress was made in the last 9 years, as Awami League government did not show interest in the project.

The dredging work will begin by October and tender for constructing the port will be floated by November, the minister mentioned. The construction work must be completed by March 2006 and the operations will begin by April the same year, minister stressed.

Bangladesh Inland Water Transport Authority (BIWTA), Bangladesh Inland Water Transport Corporation (BIWTC) and Chittagong Port Authority (CPA) will jointly finance the project estimated at Tk 250 crore including two ships.

BIWTC will build two ships at the cost of Tk 100 crore in the beginning and then will invite private sector to participate in the shipbuilding process.

Addressing a public meeting at Pangaon, State Minister for Labour and Employment Amanullah Aman called upon the locals to cooperate with the government in implementing the project.

Secretary of the Shipping Ministry Ismail Jabiullah said BIWTA has already acquired 90 acres of land at Pangaon. Fifty-six acres of land is allocated for the terminal while the rest of the land will be used in 4.5 km approach road.

The secretary, briefing the journalists, said government would construct two more inland container terminals.

Aktel opens customer care centre at Dilkusha

Aktel, a GSM service provider, has launched a customer care centre at Dilkusha in Dhaka.

Md Nasir Bin Baharom, managing director of TM International (Bangladesh) Limited, the owning company of Aktel mobile phone, inaugurated the centre on Monday, says a press release.

Among others, Schezade AK Khan, director of the company, Fazlur Rahman, director (co-ordination), Jose Raveendran, general manager (Marketing) and Zurlani Harun, general manager (IT), were present.

Aktel has two more customer care centres at Gulshan in Dhaka and Agrabad in Chittagong. The company is also going to set up another customer care centre at Dhanmondi, Dhaka.

US awaits lifting of Japan's ban on its beef

AFP, Washington

The United States hopes that Japanese authorities will quickly lift a ban on American beef imports imposed last December as a result of a single proven case of mad cow disease in the United States, an administration official said.

The official spoke after President George W. Bush met with Japanese Prime Minister Junichiro Koizumi in New York on the sidelines of the UN General Assembly.

Japan, which normally imports about a third of its beef from the United States, was among about three dozen countries that halted US beef imports after a cow affected by mad cow disease was found in Washington state.

Tokyo is now insisting on testing all US beef imports as a condition for lifting the ban, a demand the United States has so far rejected.



PHOTO: STAR

Debapriya Bhattacharya, executive director of the Centre for Policy Dialogue (CPD), speaks at a press briefing on 'Business Environment Study 2004' in Dhaka yesterday. CPD Research Director Mustafizur Rahman, right, is also seen.