

Involve private sector to better Ctg port services

Participants at Transparency International Bangladesh roundtable say

STAR BUSINESS REPORT

Speakers at a roundtable in Dhaka yesterday called for involving private sector in port management and introducing performance-based salary for both port and customs officials to check corruption and improve services.

The Transparency International Bangladesh (TIB) organised the roundtable following the launch of its report which revealed massive irregularities in the country's main seaport.

The participants urged the government to raise the number of members of the port management body to six incorporating two from private sector, which they said would help better services. They also called for engaging private companies for efficient services, supply and handling of equipment, which is presently at the dictate of Dock Workers Management Board.

Blaming the Dock Workers Management Board for the frequent strikes and go-slow approach, the speakers recommended abolishing it.

They also called for autonomy of the Chittagong Port Authority that will enable them to have control on finance by reducing influence of the shipping ministry which now controls the port management.

Transparency International Bangladesh yesterday formally released a research findings titled "Diagnostic Study: Chittagong Port" at a function at Jatiya Press Club in

Dhaka. TIB prepared the study report after one-year research on the port activities during July 2003 to June 2004.

The TIB study revealed that Chittagong Port and customs officials extract about Tk 783 crore from importers and exporters in terms of bribe and tip a year.

Professor Muzaffer Ahmad, treasurer, Trustee Board of TIB formally released the report.

Of the total illegal transactions at the port, customs officials take Tk 451 crore and port staff Tk 332 crore. Customs clearance for imported goods involves the highest volume of illegal transactions. The customs clearance for imported goods involves Tk 672 crore as bribe and tip, loading and unloading involves Tk 41 crore and export clearance Tk 70 crore, the TIB said.

The research identified that the average tip for loading and unloading of one tonne cargo was Tk 19 meaning total tip amounting to Tk 40.8 crore per year for loading and unloading stage only.

The research detected that an importer had to bear Tk 354 as additional charge for clearance of per tonne cargo from the port and customs officials while an exporter was forced to count Tk 285 as excess charge for a tonne cargo.

To overcome the present situation, the TIB has made a set of recommendations that include setting up of coordination committee incorporating all stakeholders including the port users, giving

responsibility to agents to appoint stevedoring staff, drastically reducing import stage, installing close circuit camera to identify unscrupulous officers and check pilferage.

TIB also called for Amendment to Port Authority Act 1976 for making port authority an autonomous body.

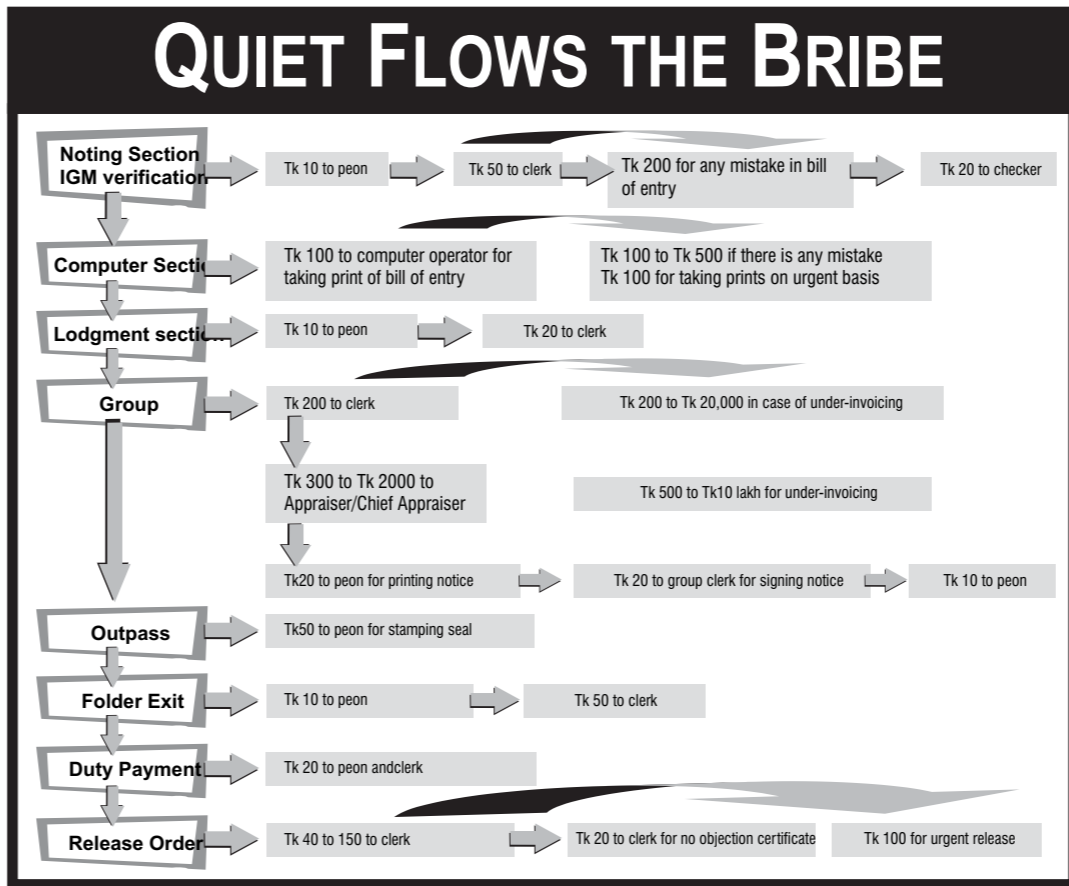
Speaking at the function, Professor Muzaffer Ahmad said the illegal charges are increasing cost of business and reducing competitiveness of Bangladeshi products and services. The readymade garment (RMG) that faces challenges of quota-free regime within few months cannot improve lead time due to poor services of customs and port officials.

He said the stages for clearance for a consignment are much higher than other ports. But high layer of bureaucracy creates the stage for corruption.

"The government should urgently take steps to reduce bureaucracy and number of stages for getting clearance at the port. Competitiveness of Bangladeshi exports will largely depend on service quality at the port in quota-free era," he said.

He said the government may introduce performance-based salary and other incentive package for customs and port officials to cut corruption and improve service quality.

Addressing the function, Kamaluddin Ahmed, first vice-president of Federation of Bangladesh Chambers of



Commerce and Industry (FBCCI), said the main problem of the port is trade unionism.

"So, the Dock Workers' Management Board must be abolished immediately to bring back discipline at the port. The port authority should be reformed as a

trustee board incorporating private sector in cargo handling and security issues," he said.

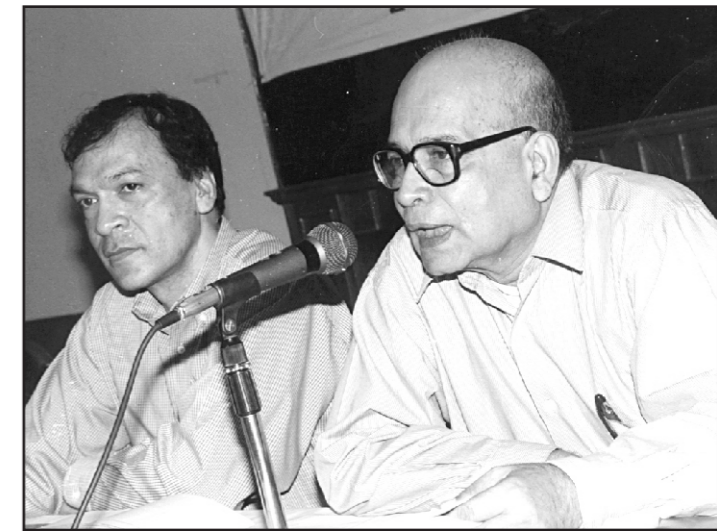


PHOTO: STAR

Professor Muzaffer Ahmad, treasurer, Trustee Board of Transparency International Bangladesh (TIB), speaks the launching function of "Diagnostic Study: Chittagong Port" at the Jatiya Press Club in Dhaka yesterday.

has permission to spend only Tk 1 crore as emergency expenditure and all the expenditure needs prior nod of the ministry reflecting ministry influence over the management. The management should be empowered to spend at least Tk 5 crore for any contingency expenditure.

Economist MM Akash said the government should introduce performance benefit and other incentives to officials of port and customs to cut corruption. "The

government should follow 'carrot and stick policy' that offers reward for good performers and punishment for the rule breakers," he said.

Iftakhar Zaman of TIB said the government should take measures to discourage politics in the port because it is the politics that is the main cause for work stoppage and other unrest activities at the port.

Emirates gets Business Traveller award

Business travellers in Asia Pacific have voted Dubai-based international carrier Emirates "Best Middle Eastern/African Airline," in a readers' survey conducted by Business Traveller Asia-Pacific.

The Business Traveller Asia-Pacific 2004 Annual Travel Awards presentation was held in Hong Kong recently, says a press release.

Anson Chan, UNICEF council member and former chief secretary of the HKSAR, presented the award to Edwin Lau, Emirates' Regional Manager, Great China and North East Asia.

The 2004 Business Traveller Asia-Pacific Readership Survey was conducted from May to July this year, where readers voted for the best travel industry service providers, in over 40 categories.

Business Traveller Asia-Pacific is the only subscription-based frequent-travel magazine in the region.

Commenting on the latest achievement, Lau said: "We are delighted to win this award, which shows support from business travellers in the region."

Oil prices to ground air transport profits: IATA

AFP, Montreal

Sky-high oil costs will keep air transport profits in the basement, with losses between three billion and four billion dollars this year, despite a pickup in traffic, the international air trade association said.

From August 2003 to August 2004, passenger traffic rose 10.8 percent and cargo 13.6 percent, International Air Transport Association (IATA) Director General Giovanni Bisignani, said during a press conference.

"Airlines have done a great job of reducing costs with some very difficult circumstances," he said.

"Unfortunately, the high price of fuel is eating up these gains and more."

IATA represents 277 air transportation companies.

The industry saw 30 million dollars in losses last year and expected profits of three billion dollars this year, but the flare-up of oil prices burned up profits.

Oil prices hit 50 dollars a barrel in late electronic trading in New York Monday.

Every one-dollar rise in the price of oil costs air transporters a billion dollars, he said, and the situation will probably last several months more.

The industry cannot pass on the costs to consumers, because of overcapacity and stiff competition.

Maintain ethics, standards to ensure transparency

Altaf asks chartered accountants

STAR BUSINESS REPORT

Auditing and accounting professionals should maintain ethics and efficiently apply standards in preparing balance sheets to ensure financial transparency, said Commerce Minister Altaf Hossain Choudhury on Monday at a seminar.

He said preparation of financial statements must be measured against proper application and compliance with the Bangladesh Accounting Standards (BAS) and Bangladesh Standards on Auditing (BSA) to avoid corporate financial debacles.

He was speaking at a seminar on "Bangladesh Standards on

Auditing" and launching ceremony of latest edition of BSA organised by the Institute of Chartered Accountants of Bangladesh (ICAB) at its auditorium.

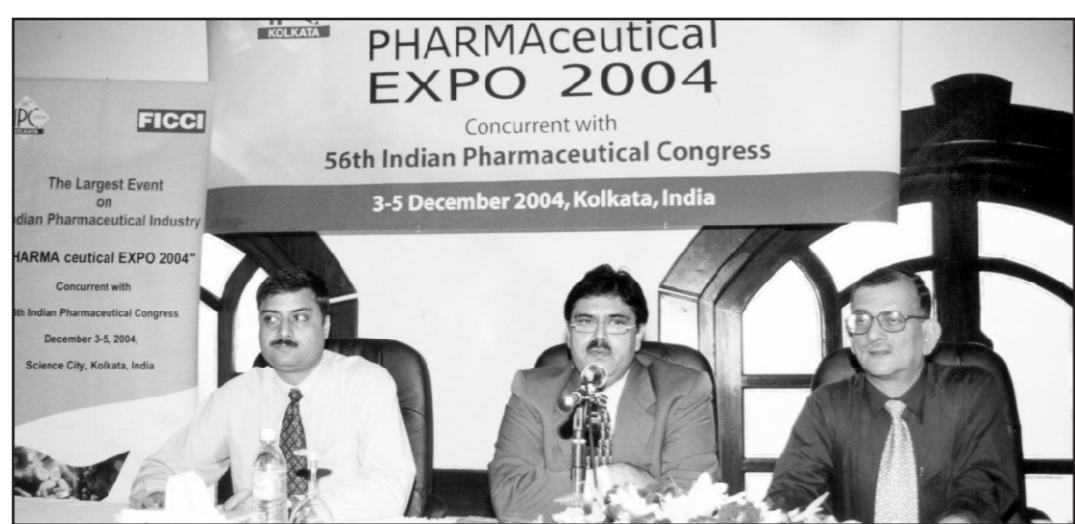
"An audit of financial statements enables the auditor to express opinion whether the statements are prepared in accordance with the BAS," Altaf said adding that the corporate failures in the United States and other countries in last couple of years had caused loss of public confidence in the accountancy profession.

The minister assured the ICAB of all possible support of his ministry to uphold the 'sanctity of the accounting profession.'

The ICAB, which is the regulating body of the chartered accountancy, has so far adopted 30 BAS standards and 35 BSA standards on the basis of international accounting and auditing standards.

The ICAB President Akhtar Sohail Kasem said the institute is striving hard to introduce and enforce the accounting and auditing standards, which are the benchmarks of quality in auditing, in preparing financial statements.

The ICAB Vice-president Showkat Hossain, Controller General of Accounts Faruque M Siddiqui, former ICAB presidents Badrul Ahsan and A K Chowdhury were also present on the occasion.



(From left) Sanjay Ganjoo, senior assistant director of Federation of Indian Chambers of Commerce and Industry, RR Das, an official of the Indian High Commission in Dhaka, and Purnanjit Mukherjee, chairman of Exhibition Committee of the 56th Indian Pharmaceutical Congress, speaks at a function in Dhaka yesterday.

Indian entrepreneurs keen to invest in pharma sector

3-day pharma expo begins in Kolkata Dec 3

STAR BUSINESS REPORT

Indian pharmaceutical entrepreneurs yesterday in Dhaka expressed interest to set up joint ventures in Bangladesh and also urged local companies to look for partners from the neighbouring country.

Pharma companies of both the countries that have strong manufacturing base will benefit from the tie-up, said Purnanjit Mukherjee, chairman of Exhibition Committee of the 56th Indian Pharmaceutical Congress, which will also feature Pharmaceutical Expo 2004.

Mukherjee was speaking at a function to urge Bangladeshi entre-

preneurs to participate in the programme. Over 150 exhibitors from India and abroad and about 5000 delegates will attend the three-day congress.

Federation of Indian Chambers of Commerce and Industry (FICCI) - the apex business body of India - is the organiser of the pharmaceutical exposition to be held concurrently with the congress in Kolkata from December 3 to 5.

Pharmaceutical industry in India is one of the largest and advanced industries in the developing world, Mukherjee said, adding that Indian companies make more than 400 bulk drugs and 20,000 formulations.

Bangladesh has a strong pharmaceutical manufacturing base with a turnover of approximately 1,900 crore Indian rupees (Tk 2,450 crore), noted Mukherjee.

Pharmaceutical Expo 2004 will further boost the bilateral business between the two countries, he said, adding that pharma professionals from Bangladesh will be able to get themselves updated from the deliberations at the congress.

Sanjay Ganjoo, senior assistant director of FICCI, and RR Das, an official of the Indian High Commission in Dhaka, also spoke at the function.

StanChart, CityCell sign deal on SMS banking

Standard Chartered Bank and Pacific Bangladesh Telecom Limited (CityCell) have signed an agreement to offer SMS banking services to the bank's credit cardholders and account holders through CityCell mobile phones.

M Sajidur Rahman, head of Consumer Banking of Standard Chartered Bank, and Intekhab Mahmud, senior vice president of Sales and Marketing of Pacific Bangladesh Telecom Ltd, signed the agreement on behalf of their organisations in Dhaka recently, says a press release.

SAA Masrur, acting CEO of Standard Chartered Bank, and Chris Maloy, CEO of CityCell, Faisal Hyder, chief finance officer of CityCell, and senior officials of both the organisations were present.

Under the deal, Standard Chartered bank customers can receive their accounts' month-end balance and credit card's mini statement through push service and also access their daily account balance and credit card's available limit through pull service round the clock on CityCell mobile phones.

Eastern Bank makes debut on CSE today

Eastern Bank Limited (EBL) makes its debut on Chittagong Stock Exchange (CSE) today.

The Bank has fulfilled necessary requirements to get listed with the CSE, says a press release.

The authorised capital of the bank is Tk 1 billion and paid up capital is Tk 828 million. The face value of a share is Tk 100 and the closing market price of the share on the DSE as on September 27, 2004 is Tk 583.

Pepsi Bottling profit rises

REUTERS, New York

Pepsi Bottling Group Inc, the largest bottler of Pepsi drinks, on Tuesday said quarterly profit rose on volume growth in the United States and Europe.

The company said third-quarter profit rose to \$191 million, or 73 cents a share, from \$183 million, or 67 cents a share, last year.

The results include a gain of 2 cents per share from settlement of international tax audits, excluding which Pepsi Bottling earned 71 cents per share in the quarter. On that basis, analysts, on average, had been looking for 70 cents per share, according to Reuters Estimates.

Three-day cosmetics show begins tomorrow

STAR BUSINESS REPORT

The first-ever exhibition of cosmetics, toiletries and perfumeries begins tomorrow at Dhaka Sheraton Hotel.

Dhaka mayor Sadeq Hossain Khoka will inaugurate the three-day fair styled as "COTOPEX 2004".

Advisor to Commerce Ministry Barkatullah Bulu will also attend the inauguration.

Four pavilions and 22 stalls will be set up in the show. Besides local companies, a number of firms from Thailand, Iran and Pakistan will display their products.

Kazi Wahidul Alam, managing director of Triune Group that organises the event, at a press briefing yesterday said the aim of the exhibition is to extend the export market of local products.

Alam, also chairman of COTOPEX 2004, said Bangladesh exported cosmetics and toiletries worth Tk 84.54 lakh in 2002-2003 fiscal year, which is twice the exports of 2001-2002 fiscal year.

"Demand for Bangladeshi toilet soaps is very high in India. Of the total cosmetics exports, 50.31 percent goods were exported to Singapore, a standard-conscious

country, in the last fiscal year," he said, adding that the government should promote this potential sector.

Anjan Chowdhury, president of Bangladesh Cosmetic and Toiletries Association, and Kazi Mahtab Uddin Ahmed, executive member of the association and Managing Director of Mousumi Industry, were also present at the function.

Square Toiletries Limited will sponsor the fair. And the Prothom Alo and Channel-i will give media support to the show, which will remain open to all from 10am to 8pm.

S'pore partially lifts ban on Malaysian poultry imports

AFP, Singapore

Singapore said Tuesday it will partially lift a ban on Malaysian poultry imports after being assured its neighbour could keep its southern peninsular states free of bird flu.

The Agri-Food and Veterinary Authority said it will allow poultry and eggs again to be imported from the Malaysian states of Johor and Malacca from Thursday, partially ending the total suspension put in place on August 18.

Singapore instituted the ban after the H5 strain of avian influenza was found on a farm in Kelantan

state near the Malaysian-Thai border in the north of the country.

"The AVA has inspected and is satisfied that the necessary measures that are needed to maintain Johor and Malacca as a bird-flu free zone have been put in place by the Malaysian authorities," it said in a statement.

"The AVA will thus lift the ban of import of poultry and eggs from Johor and Malacca with effect from September 30. This will be as long as the current bird flu outbreak in Malaysia is contained in Kelantan."

The AVA cited six measures

Malaysian authorities had put in place to contain the bird flu outbreak to Kelantan, including police and army checks on birds leaving that state.

Singapore, a small but affluent island-nation with virtually no farm sector, normally imports 120,000 live chickens and 20,000 live ducks daily from Malaysia.

The island-republic of four million people also normally sources two-thirds of its total egg consumption, or two million eggs daily, from Malaysia.

Sri Lanka hikes prices amid gloomy economic prospect

AFP, Colombo

Sri Lanka raised bus fares, electricity and food prices Tuesday on the back of a steep rise in diesel costs as the Central Bank reported a worse than expected balance of payments deficit.

The transport ministry said it had agreed to allow private operators to increase fares by up to 16 percent from Friday to offset the 19 percent weekend increase in diesel used by vehicles.

Essential foods, cigarettes and alcohol prices were also raised and electricity tariffs will increase by five percent next month, officials said.

The Central Bank said Sri Lanka's balance of payments deteriorated to a record 223 million-dollar deficit in the six months to June compared with a surplus of 502

million dollars last year.

It said a recovery in the economy would depend on oil prices falling below 40 dollars a barrel in the international market, down from the current 50 dollars, and better inflows of foreign funds.

The bank said the balance of payments would improve if the government carries out a proposal to sell off a third of its petroleum distribution network to a foreign company and attracts more development aid from overseas.

Gross inflows to the government in the first half amounted to 284 million dollars compared with 315 million dollars in the corresponding period in 2003, the bank said.

It said the downturn was caused in part by less-than-expected disbursement of foreign aid.

Foreign direct investment was

estimated at similar levels to the 100 million dollars in the first half of 2003 but outflows have also risen, the bank said.

It said net inflows into the share market fell to six million dollars from 21 million dollars in the first half of 2003.

Export earnings grew 9.6 percent to 2.6 billion dollars during the first half but imports grew at a faster 21.3 percent to leave a trade deficit of 1.1 billion dollars compared with 701 million dollars.

Sri Lanka's official reserves declined from 2.3 billion dollars at the end of December to 2.1 billion dollars at the end of June.