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Star BUSINESS

DHAKA FRIDAY JANUARY 28, 2005 E-mail: dsbusins@gononet.com

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BGMEA, BAB to pursue central bank to reduce bank service cost

STAR BUSINESS REPORT

In a bid to cut banking services cost, Bangladesh Association of Banks (BAB) and BGMEA have decided to form a subcommittee comprising representatives of private, foreign and nationalised banks and exporters to initiate a dialogue with central bank.

As the exporters are experiencing a downturn in prices, there is no option but to increase the competitive edge of apparel products by cutting costs of raw material, shipping and transportation, currency conversion and financing, BGMEA leaders said urging the bankers to reduce banking charges.

Bangladesh Garment Manufacturers and Exporters

Association (BGMEA) organised a discussion on 'Post-MFA and Banking Issues' at Dhaka Sheraton Hotel yesterday in their bid to pursue banks and policymakers to reduce service cost of banks.

Responding to the demand of BGMEA, BAB Chairman Syed Manzur Elahi said private banks are vital for the banking system. "All parties including BGMEA, foreign and nationalised banks and the Bangladesh Bank should discuss how some of the issues raised by the exporters can be solved so as to survive in the quota-free regime," he added.

He suggested formation of a subcommittee with the representatives of BGMEA, private commercial banks (PCBs), foreign commercial

banks (FCBs), nationalised commercial banks (NCBs) and the bankers' association to initiate the process.

Citing his experience, Manzur Elahi said buyers will try their best to reduce the prices through negotiation and give reference to Chinese suppliers that they have agreed to cut prices by 10 percent and create pressures on Bangladeshi manufacturers to reduce their prices.

"The buyers try to apply different techniques but it does not mean that they will shift to other countries. As a result, profit margin will go down if these techniques are accepted," he felt.

Speaking at the discussion, BGMEA President Annisul Huq said export will not go down this year as

some buyers are expanding their offices here. There are lots of opportunities to increase exports in the quota-free regime as well.

BGMEA Vice-president M Golam Faruque made a presentation on 'Post-MFA & Bangladesh Ground Rules for being Competitive', suggesting reduction of bank commission and charges.

Steps should be taken in trade finance, banks' lending terms, foreign exchange rules, bank's regulation and banks' internal operations to reduce cost, he added.

Chairman of a private commercial bank said some exporters who are also listed members of BGMEA are involved in malpractice and the association should be more transparent in this regard.



Bangladesh Association of Banks Chairman Syed Manzur Elahi (C), Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Annisul Huq (2nd from right) and other officials of BGMEA attend a discussion on 'Post-MFA and Banking Issues' in Dhaka yesterday. BGMEA organised the meeting to find ways on reducing cost of banking services.

Dhaka-Laksam straight line planned to bail BR out of loss

STAFF CORRESPONDENT, Ctg

Bangladesh Railway (BR) is contemplating to introduce a new straight line between Dhaka and Laksam, which is expected to reduce distance between Dhaka and Chittagong by 80 kilometres.

BR General Manager (East) Sultan Ahmed Talukder disclosed this during a post Eid meet with the press in Chittagong yesterday.

The railway general manager said the government has already approved a project for coach procurement within the next two years while the authority is strongly thinking of implementing Dhaka-Laksam 'cord-line' to reduce distance which will help the BR come out of losses.

The eastern zone of Bangladesh Railway, the country's largest state-owned transportation organization,

incurred an annual loss of Tk 38 crore in the year 2003-2004.

During the period its operating income stood at Tk 261 crore against the annual expenditure of Tk 299 crore, Talukder said.

He said that the authority had taken measures to improve the organisation's financial condition and standard of service.

The measures planned by the authority include a raise of the number of railway coaches to ease seat crisis and set up the cord-line to reduce both the distance and time of train operation on Dhaka-Chittagong route.

The 'cord-line' will also reduce the time taken by inter-city trains running in this section to some four and a half hours, he said.

The general manager blamed absence of double track and short-

age of engines for late running of trains, which in turn discourage people from making train journey.

Of late, the passengers' faith on Bangladesh Railway is very much on the wane because of frequent derailment and other accidents. Different departments of railway taking care of the rail tracks, traffic & signal and mechanical system blamed each other for these accidents without trying to unearth the reasons behind those accidents, which ultimately kept the general people completely in the dark about the real situation and condition of railway.

When attention of the railway general manager was drawn to this, he said we are very much sincere to improve railway tracks and signal system for smooth operation of trains.

Detailing statistics of railway to the journalists, the GM said a total of

151 passenger trains including 38 inter-city, 40 mail express and 73 local trains operate every day in different sections under Railway eastern zone. Besides, 18 cargo trains including four container-carrying cargoes operate in this region every day.

He underscored the necessity of strengthening container transportation through train in Dhaka-Chittagong section further.

At present there are 2880 km of rail tracks including 1855 km of meter-gauge, 660 km broad-gauge and 365 km of dual-gauge (combining meter-gauge and broad-gauge) in the country, GM Talukder further informed.

Among others, Additional General Manager FMA Halim and Chief Engineer Habib Ahmed were present at the meeting.

WB mulls charging non-borrowers for advice

REUTERS, Washington

The World Bank may soon need to charge advisory fees to countries seeking its advice as growing numbers of middle-income developing countries no longer require loan programmes, the departing head of the bank's investment promotion arm said Wednesday.

Peter Woicke, who will retire as executive vice president of the bank's International Finance Corp. next week, said the World Bank needed to find new revenue sources as Asian and Eastern European countries become increasingly wealthy and no longer need low-interest development loans.

"There is still a demand from these countries for advisory service, technical assistance, knowledge transfer. The bank has to spend more time on figuring out how to get these advisory services right," Woicke told a press briefing.

Textile boom helps domestic investment grow 22pc in '04

SARWAR A CHOWDHURY

Domestic investment increased by 22 percent in 2004, thanks to a record investment in the country's textile sector.

According to Board of Investment (BoI) statistics, as many as 1237 investment proposals were registered last year which involved an investment of Tk132,973 million.

In 2003, the board registered investment proposals for 2155 projects having an accumulated investment of Tk109,007 million.

Although the number of project proposals came down sharply in 2004 compared to 2003, the investment value witnessed 22 percent increase than the previous year.

Of the total registered investment proposals, the textile sector

saw the highest investment. According to BoI, as many as 692 textile projects were registered in 2004, which was 56 percent of the total registered projects. The proposals in this sector involved investment worth Tk49,067 million.

In 2003, entrepreneurs registered 1550 textile projects against an investment amount of Tk40823 million with the BoI.

Industry sources said the biggest push in the investment front came from the textile sector as the entrepreneurs showed their confidence in Bangladesh's chances in the quota-free era.

Although a project proposal does not show actual investment volume, BoI sources said investment records of the previous years showed that 85 to 90 percent of the total domestic

proposals registered in the investment regulatory board actually takes place in a year.

Industry sources said the top garment manufacturers who did not have backward linkage industries even in 2003, have come up with their investment in 2004.

BoI statistics further show that in December alone as many as 100 textile projects were registered with the board which is worth Tk9184 million.

The year of 2004 was better than any other year for the textile sector, which has proved that entrepreneurs made serious efforts to get prepared for the quota-free challenges, industry insiders said.

Along with textile sector, the local entrepreneurs also invested in agro-based industries, chemical, services and engineering sectors.

WTC in Ctg may hit snag as CCCI moves to cancel tender

STAFF CORRESPONDENT, Ctg

The construction of World Trade Centre (WTC) in Chittagong may be delayed once again as the new chief of WTC's financier Chittagong chamber yesterday hinted at cancelling the tender of the 20-storied building.

The newly elected executive body of Chittagong Chamber of Commerce and Industry (CCCI) will hold its first meeting on January 30 when it will discuss at length the pros and cons of WTC issue and finalise all preparations to pave way for the much-awaited centre. CCCI President Saifuzzaman Chowdhury (Javed) said at a press conference here yesterday.

However, sources said yesterday's meet bore enough indications of cancellation of the Tk 235 crore tender procedures done by the previous Board of Directors led by president Amir Humayun Mahmud Chowdhury.

Insiders in the business community alleged the present Board of Directors led by Saifuzzaman Chowdhury have already taken a



Newly elected President of Chittagong Chamber of Commerce and Industry (CCCI) Saifuzzaman Chowdhury (Javed) speaks at a press conference in Chittagong yesterday. Senior Vice-president SM Nurul Haque and Vice-president MA Latif were also present.

decision to rescind all the tender procedures done by previous committee on WTC and the January 30 board meeting will be just a formality to announce the decision officially.

If this comes out true, then it would surely lead towards another state of uncertainty for implementation of WTC, sources said.

When asked about this, Saifuzzaman Chowdhury yesterday

refrained from making a direct answer and said that if necessary they would go for fresh tender on the WTC.

"The multi-million dollar project is now under review and we are committed to fulfil the business community's long-awaited dream during our two-year tenure," he said in the presence of other board members.

The CCCI chief also assured of

keeping transparency while dealing with the project saying that they would try their best to make it as much economical as possible.

Saifuzzaman said, "We would invite Prime Minister Khaleda Zia to inaugurate the ground breaking ceremony of the WTC soon."

"If time doesn't permit our period to complete the project, then we will at least look for phase by phase work," he hoped.

The chamber president regretted the poor development picture of the port city. "The port city has not seen development upto the expectations due to bureaucratic tangles and lack of decentralisation," he observed.

He stressed the need for increasing efficiency of country's premier seaport for the greater economic advancement of Bangladesh.

CCCI President expressed his satisfaction over the current law and order situation, especially the role of Rab in dealing with the criminals across the country.

The chamber's Senior Vice-president SM Nurul Haque and Vice-president MA Latif also spoke at the press conference.

Sri Lanka heads for record trade deficit

AFP, Colombo

Sri Lanka's trade deficit hit a record 1.95 billion dollars in the first 11 months of last year due to higher expenditure on oil imports, figures released Thursday by the Central Bank showed.

Exports increased 13 percent to 5.24 billion dollars while imports jumped 22 percent to 7.19 billion dollars, leaving a deficit of 1.95 billion dollars which was 669 million dollars more than during the same period in 2003.

"This deficit has been financed largely with (overseas worker) remittances and other inflows," the central bank said in a statement.

Bank figures showed that the deficit of 1.95 billion dollars in the first 11 months of this year already surpasses the 2000 record deficit of 1.79 billion dollars.

Sri Lanka has said it was facing a foreign exchange crisis and slapped higher taxes on cars and other luxury goods to discourage imports while the rupee fell by nearly nine percent during 2004.

Thailand unveils tourism revival plan after tsunami

AFP, Bangkok

Thailand on Thursday announced plans to lure tourists back to the tsunami-ravaged Andaman coast as a minister revealed that arrivals through Bangkok have fallen nine percent since the December 26 tragedy.

Suwat Liptanaporn, deputy prime minister overseeing the Tourism Authority of Thailand, said foreign tourist arrivals at Don Muang International Airport have dropped due to negative publicity.

"It's a significant drop due to sensitive concerns about such things as disease outbreaks, food quality, hygiene and travel warnings issued by some foreign countries," he told reporters.

"At the moment there is only a 10 to 20 percent (hotel) occupancy rate in affected provinces while usually in this high season the occupancy rate would be 80 to 90 percent," he said.

US oil imports hit record high in 2004

AFP, Washington

The US appetite for foreign petroleum hit an all-time high last year, rising four percent to top 10 million barrels a day for the first time, the American Petroleum Institute reported Wednesday.

Imports of finished petroleum products like gasoline and fuel oil rose 10 percent last year to a 30-year high of 2.86 million barrels a day, reflecting in part a jump in blending components needed to meet cleaner-burning gasoline requirements in 2004.

Total US demand for oil was roughly 20.5 million barrels a day in 2004. At the same time, domestic production fell 3.8 percent to 5.47 million barrels a day, the largest decline since 1999.

China, India to share Asian refining growth in 2005

REUTERS, Singapore

Asia will add more than 700,000 barrels per day (bpd) of primary refining capacity this year, allowing China to just keep pace with demand growth while India boosts exports, a Reuters survey showed.

The two most populous nations will each account for about half the increase, while refiners in developed Asia focus on installing sulphur-removing equipment to meet increasingly stringent environmental regulations, the survey found.

This year's half-dozen new crude distillation units (CDUs) look set to herald the start of another

refining growth boom for the region, stung by years of low margins and overcapacity after a mid-1990s expansionary phase.


Encouraged by the fastest profit margins in nearly a decade and signs that China's sizzling economy should keep demand growth strong for years, refiners across the region appear set to add at least 2.3 million bpd of primary capacity by 2010.

"In places like China, a huge amount of new capacity will be required. We think they'll probably have to go even faster than their current plans," said Satvinder Roopra, vice president of downstream oil at industry analysts Wood Mackenzie.

Taking into account small increases in existing capacity, higher utilisation and new refining capacity for plans on the board, Asia will add some 6 million bpd of supply by 2015, Roopra says. But demand grows by twice that number.

"There is significant scope for new refineries and significant scope for new trade movements into the region," he said.

With global oil demand growth set to outpace capacity expansion again this year as European and US plants face environmental hurdles, Asian refiners are in prime position to capitalise on years of healthy profit margins.



Chittagong Port Authority

Office of the Controller of Stores

Tender Notice

Sealed tenders in two sets are invited from bonafide manufacturers/importers/suppliers for supply of the undermentioned goods for Chittagong Port Authority:

Serial No	Tender No & date	Description of goods	Last date of selling tender	Last date of depositing tender
1.	370 27-12-04	Hospital linens	15-2-05	16-2-05
2.	371 "	Umbrellas	"	"
3.	372 "	Electrical items	"	"

Tender form consisting detailed information can be purchased by paying Tk 400/= (four hundred) only through challan to port fund from the Office of the Controller of Stores/CPA; Chief Finance & Accounts Officer/CPA and by paying Tk 400/= (four hundred) only through Pay Order/Bank Draft (from any scheduled bank) in favour of "Chittagong Port Authority from Liaison Office of Chittagong Port Authority, House No-49/C, Road No-4/A, Dhanmondi Residential Area, Dhaka (Telephone: 8615492).

Sealed tenders should reach the Office of the Controller of Stores/CPA or Chief Finance & Accounts Officer/CPA by 11-45 hours of 16-2-05. The tenders received taken together shall be opened on the same day at 12-00 hours. No tender form shall be sold on the date of opening. No tender shall be acceptable after the prescribed time. Tenderers or their representatives may attend the opening of tenders. Original copy of valid trade licence, TIN & VAT registration certificate should be produced at the time of obtaining each tender schedule and 1 set attested photostat copy should be submitted with tender. The undersigned may be contacted for detail information.

The Port Authority reserves the right to accept or reject any tender in full or part without assigning any reason.

Md Mizanur Rahman
Controller of Stores
Chittagong Port Authority

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