

Annisul Huq won't seek reelection for top BGMEA job

STAR BUSINESS REPORT

Incumbent President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Annisul Huq does not want to contest in the association's next election to be held on February 17.

"I have done my job and don't want to contest for the presidency in the upcoming polls. I am ready to support the new leadership," Annisul Huq told The Daily Star yesterday.

"As I have tried my best to get duty free access to the US market, I will help the next leadership from outside continue the effort if it wants me to do so," he went on.

As the sick apparel factory owners are continuing sit-in programme in front of the BGMEA office over the last few days, urging the government to postpone the February 17 election and demanding an interim body to conduct the polls, industry insiders view that it is part of a conspiracy to weaken the country's largest trade body.

Four-day Tangail saree exhibition at Drik Gallery from today

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A four-day exhibition of Tangail saree will begin from today at Drik Gallery in Dhaka.

Purple Dots, a fashion house, will organise the exposition that features saree with block and handprints, spray and brush painting produced by handlooms of Tangail.

The house gives priority to concepts like 'Spring at the Door', 'Valentine's Day', 'Knocking 21st Century', 'Welcome Bengali New Year', 'Party Time' and 'Casuals' to its product range, said Nasima Ali, chairperson of Purple Dots.

Eminent actor Afzal Hossain will inaugurate the exhibition, which will continue until February 14.

Brac Bank to enter credit card market

Brac Bank Ltd will issue credit card of MasterCard brand for its customers under the licence of Sampath Bank, Sri Lanka and with the processing facilities of Vanik Bangladesh Ltd.

Brac Bank recently signed an agreement to this effect with Sampath Bank and Vanik Bangladesh, says a press release.

Imran Rahman, deputy managing director of Brac Bank, and Ahmed Zafrul Hasan, vice-president & head of Cards of Vanik Bangladesh, signed the deal on behalf of

their organisations. Other senior officials from both the companies also attended the signing ceremony.

Lufthansa in takeover bid for Swiss airline

AFP, Geneva

The German airline Lufthansa has reached an informal arrangement with executives at Swiss International Air Lines that could lead to a takeover of the financially-troubled Swiss carrier within months, a business magazine reported Thursday.

Swiss would first have to clear up leasing contracts for aircraft that are weighing on its accounts, reach an agreement with flight and ground staff on productivity gains and conclude a capital hike, the Swiss fortnightly Bilan said.

Citing "various sources", it said that if those conditions were met by Swiss's German chief executive, Christoph Franz, an official announcement on a takeover by Lufthansa could be made in the autumn "in the best of cases".

If the reported deal stays on track, it would allow the two companies to combine their timetables from summer 2006, the magazine added.

The Swiss Finance Minister, Hans Rudolf Merz, has already said he would favour a capital hike for the carrier and suggested last June that the Swiss government could sell its 20 percent stake in the airline at the same time, possibly to Lufthansa.

The government is the largest shareholder in Switzerland's main carrier.

Banglalink starts operations

Offers prepaid mobile to mobile package at Tk 3,400

STAR BUSINESS REPORT

Banglalink, owned by Egyptian giant Orascom Telecom, yesterday launched its commercial service by offering a prepaid mobile to mobile package.

Banglalink offers its attractive introductory package at Tk 3,400, which includes a handset with connection and six Tk 300-denomination pre-paid recharge cards, the newly appointed Chief Executive Officer (CEO) of Banglalink Lars P. Reichelt told reporters in Dhaka.

The service will be available in the market from tomorrow (Saturday), said Reichelt. The subscribers

will be able to pick a set from a range of handsets including Siemens, Alcatel, Motorola and Sagem.

Per minute call charge is fixed at Tk 6.0 with 30-second pulse provision from the first minute during peak hours between 7:00am and 11:00pm while 15-second pulse from first minute during off-peak hours between 11:00pm and 7:00am excluding value added tax.

The recharge card of Tk 300 denomination will have 30-day validity period while every new prepaid connection will include Tk 20 free talk time to ensure that customers can start using their Banglalink connections immediately.

The service will have text messaging with GrameenPhone and AKTEL subscribers.

Orascom Telecom bought Sheba Telecom in September last year and changed its brand name to Banglalink from Shebaworld.

Banglalink, the smallest among the country's four operators, currently has network in nine districts — Dhaka, Chittagong, Sylhet, Khulna, Comilla, Narayanganj, Mymensingh, Gazipur and Cox's Bazar.

An extensive expansion plan is already underway across the country to make its presence in 61 districts by the end of this year, officials said.

Banglalink is investing around \$160 million in the 2004-05 fiscal year.

"With the service we are breaking new ground and truly making mobile affordable," Reichelt said. He said Bangladesh is a place with huge potential and the country can have 20 million mobile phones within the next five years.

Egyptian Ambassador in Dhaka Ismail Ghoneim, Vice-chairman of Orascom Board of Investment Alex Shalaby, Executive Chairman of Board of Investment Mahmudur Rahman and outgoing CEO of Banglalink Paul Kearney were also present at the function.



(From left) Chief Executive Officer of Banglalink Lars P Reichelt, Egyptian Ambassador in Dhaka Ismail Ghoneim, Vice-chairman of Orascom Alex Shalaby and Executive Chairman of Bol Mahmudur Rahman are seen at a press conference in Dhaka yesterday marking the launch of commercial operations of Banglalink mobile phone service.

Govt considering reform in energy, power

Saifur assures World Bank

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman yesterday assured the World Bank (WB) of considering reform in energy and power sector, particularly redesigning the billing system blamed for a drain on revenues.

"We'll have to rethink the reform (the Desa billing system)... it cannot run in this way," he told reporters on the poor billing performance by the Dhaka Electric Supply Authority (Desa), after a meeting with a five-member WB team at his secretariat office.

Besides the energy and power sector reforms, he said the team

also discussed overall economic performance and appreciated the achievements made so far. The team, however, stressed the need for further betterment of the economy.

Team leader Sadiq Ahmed, WB sector director for poverty reduction and economic management team, pointed out a poor performance by the Desa in collecting bills.

He, however, admitted that similar weaknesses are also prevailing in many other countries of the developing world.

"The environment has to be changed," the team leader told reporters after the meeting,

expressing WB's interest in helping improve the situation.

Replying to a question, he said the country marked an impressive improvement in reducing fiscal deficits, banking reform, reserve management and some sector developments.

Bangladesh Bank Governor Dr Fakhruddin Ahmed, Finance secretary Zakir Ahmed Khan, National Board of Revenue Chairman Khairuzzaman Chowdhury and WB Country Director Christine I Wallich were also present in the meeting.

Aktel extends pre-paid card validity period for limited time

Aktel has extended the validity period for its pre-paid refill cards for a limited period as part of its customer promotion activities.

Under the promotion, starting from yesterday to March 9 the Tk 300 card will remain valid for 180 days and Tk 600 card for 365 days, says a press release.

Vijay Watson, chief operating officer of Aktel, said: "We are committed to providing our customers with the best possible mobile service and facilities in the country."

Pakistan removes sugar import duty

REUTERS, Karachi

Pakistan said Wednesday it has removed the import duty on raw and refined sugar, a major obstacle to meeting the country's shortfall in sugar and checking runaway prices.

Masood Alam Rizvi, chairman of the state-run Trading Corporation of Pakistan, said the cabinet's Economic Coordination Committee (ECC) approved removal of the 25 per cent import duty on Tuesday.

Pakistan prices soared to a three-and-half-year high of 30 rupees/kg on February 5. The country, which usually does not import sugar, has had a bad sugarcane crop this year due to low rainfall.

In London, the news lifted LIFFE March white sugar futures LSUH5 to \$270.00 a tonne, up from Tuesday's close of \$267.90.

The ECC has also allowed traders to import sugar (raw or refined) up to whatever quantity they can handle, Rizvi said.

Prices in New York and London have been rising this week on talk that Pakistan would emerge as a major sugar buyer. Last week Ashfaq Hasan Khan, an adviser to the Finance Ministry, told Reuters the government planned to import one million tonnes.

Traders expect Pakistan to buy much less than this. US and European trade sources said on Tuesday that Pakistan would tender to buy 150,000 tonnes of duty-free refined sugar and was scouting to import about 50,000 tonnes of raw sugar.

China to grow 8pc for next five years

AFP, Beijing

China's economy will grow by up to 8.0 percent annually over the next five years after logging 9.5 percent growth last year, a leading government economist said Thursday.

The next five years will be a "golden time" for economic growth and will be propelled by China's strengths in technology and materials, abundant labor and a big domestic market, Wang Mengkui, director of the cabinet's development and research center, told Xinhua news agency.

Annual economic output should reach 2.6 trillion dollars by 2010, he said.

China still faces problems from unemployment, gaps in income between city and country residents, social welfare burdens and a large population of migrant laborers, Wang said.

China's 9.5 percent growth last year — the country's fastest expansion in eight years — made it the world's fastest growing major economy.

Inter-bank call money rates drop to 40pc

STAR BUSINESS REPORT

The inter-bank call money rates yesterday slightly eased to 40 percent. However, the leasing companies borrowed money from banks at rates as high as 65 percent.

The Bangladesh Bank injected Tk 470 crore into the market under repurchase agreement (Repo) in the morning.

According to sources, the BB will come up with some measures to cool down the volatile situation in the money market after discussing these issues with the chief executive officers (CEOs) of different commercial banks at the bankers meet to be held on next Sunday.

The call money rate soared up to 64 percent on Wednesday. The non-bank financial institutions (NBFIs) borrowed money from banks at 70 percent the same day.

The call money rate went high after the nationalised commercial banks (NCBs) stopped lending to other banks to maintain their own cash reserve ratio (CRR), said the bank sources.

However, some bankers alleged the involvement of a section of foreign and private commercial banks in manipulating the market.

"It is very difficult to say how long the present situation will continue," said a banker working with a private commercial bank, "If the present situation continues for long, it will be

very difficult for some small banks to survive. The central bank should take necessary measures immediately to cool down the market."

The inter-bank call money rate shot up to a record 75 percent on January 26 as a section of private and foreign banks have resorted to lending in a risky proportion to make extra profit amid a high demand for cash.

Seven of these banks are lending more money than they have in their deposits while 14 other banks are lending between 85 percent and 100 percent of their deposit amounts, according to the latest Bangladesh Bank statistics.



US Ambassador to Bangladesh Harry K Thomas hands over the US State Department's Corporate Excellence Award 2004 to Chief Executive Officer of Citibank NA Bangladesh Mamun Rashid on Wednesday in Dhaka for the bank's innovation, exemplary business practices and social responsibility in Bangladesh.

Citibank NA Bangladesh gets US State Department award

STAR BUSINESS REPORT

Citibank NA Bangladesh has received the US State Department's Corporate Excellence Award 2004 for its innovation, exemplary business practices and social responsibility in Bangladesh.

US Ambassador Harry K Thomas handed over the award to the bank's CEO in Bangladesh Mamun Rashid at a function in Dhaka on Wednesday.

Addressing the function, the American envoy said Citibank NA started its operations when Bangladesh's banking sector was underdeveloped but the bank achieved corporate excellence and helped drive the banking sector to right direction.

"Citibank focuses on corporate finance and infrastructure development contributing to national development of Bangladesh," he said.

The bank set examples in corporate social responsibility through its programmes in health, education, women empowerment and

others. Citibank NA Bangladesh and its parent company Citigroup have also stood beside the tsunami affected countries, he said.

Complementing the bank's operations in Bangladesh, Marge Magner, chairman and CEO of Global Consumer Group and chairman of Citigroup Foundation, in a message read out in the function said the foundation is pleased to provide services to help make life better in Bangladesh.

Speaking at the function, Citibank NA Bangladesh CEO Mamun Rashid said, "With the prestigious award, the journey has begun for further corporate excellence."

"This award is a timely reminder for Citibank and all corporations that we play an important role in society, beyond the obvious commercial contributions. Our values say just as much about us as our profits," he said.

As part of Citigroup Foundation, a great institution with a unique and proud history worldwide, Citibank Bangladesh constantly tries to

adhere to the US, international and local laws especially in regards to anti-money laundering and transparency practices with an aim to be the most respected global financial services company, he said.

He said the bank has been associated with Shakti Foundation for disadvantaged women, Acid Survivors Foundation, Bishwa Sahitya Kendra and Asian University for Women as part of its corporate social responsibility.

Citibank NA, the banking arm of world's biggest financial service providing company - Citigroup - started operation in Bangladesh in 1995. The bank employing over 100 people operates three branches in Bangladesh.

US State Department established the award in 1999 to emphasise the important role US businesses can play abroad as good corporate citizens by recognising exemplary conduct and corporate social responsibility.

MCCI concerned at poor ADP implementation

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The Metropolitan Chamber of Commerce and Industry (MCCI) has expressed concern over poor implementation of annual development programme (ADP) and feared the trend will go on if strike continues to be a manifestation of political protest.

"Only 29 percent ADP projects have been implemented in the first six months of the current fiscal year surpassing all previous first half records of poor implementation," MCCI said in its February 2005 issue of Chamber News released yesterday.

"Slow implementation of ADP has become a regular feature in Bangladesh since the beginning of 1990s putting government's development efforts in jeopardy," said MCCI, the country's oldest trade body.

The finance minister this year, however, attributed implementation shortfall to political agitation replacing previous year's roadblocks of administrative weakness, lack of coordination among agencies, lengthy procedures of

appraisal by donors, politically sensitive donors conditionalities, slow fund disbursement and others, the chamber cited.

To overcome some of the roadblocks, MCCI suggested reducing growing dependence on foreign financing, curtailing project portfolios of ADP, handing over industrial sector projects to private sector, bringing in institutional improvements in planning and preparation of projects and organising more frequent review meetings for monitoring progress.

As the executing agencies have to implement 71 percent of the ADP projects in the last six months, MCCI asked the government to pay greater attention to quality rather than size of the ADP.

Referring to a review meeting report, MCCI said worst performing ministries in this fiscal's ADP are food and disaster management, post and telecommunications, civil aviation and tourism and land with less than 10 per cent implementation.

Original ADP targets in all

Govt urged to launch nat'l debate on PRSP

STAR BUSINESS REPORT

As the PRSP preparation process is overlooking people's participation, an organisation campaigning for good governance has called for launching a national debate to incorporate new strategies.

Although poverty reduction strategy paper has a national importance, only bureaucrats are taking part in its preparation, said Sushasoner Jonny Procharavizan (Supro) yesterday. It also urged the government to delay the finalisation of PRSP up to May this year. The PRSP is scheduled to be completed by March.

At a press conference in Dhaka, officials of Supro presented analytical views on the interim poverty reduction strategy paper. It called for placing the PRSP in parliament,

seeking views of the opposition parties, launching of television debates, seeking opinion from local government establishments.

It also called for launching a Bangla version of the PRSP so that all stakeholders can understand it and also an interactive separate website on PRSP.

Presenting the analysis, Rezaul Karim Chowdhury, secretary of Supro, said political issues such as decentralisation of power, independence of different government commissions and overhauling education sector were avoided in the paper.

He said the PRSP is going to incorporate strategies including trade liberalisation, which may create scope for foreign multinational companies to exploit national resources.

Commercialisation of agriculture

envisaged in PRSP may increase dependence of farmers on multinational companies for seeds and saplings, wipe out local seed varieties and marginalise small farmers, he said.

The strategy of non subsidy for farmers may create an uneven playing field for local farmers who have to compete with neighbours. He said the PRSP lacks focus on education. Priority should have been given in primary, SSC and HSC levels.

Aminur Rasul, secretariat head of Supro, AHM Bazlur Rahman, joint secretary, Ahmed Swapan, national committee member, and Swapan Pal, national committee member, also spoke at the press conference held at National Press Club.