

EXPORT TARGET

Bangladesh missions improve performance

MONJUR MAHMUD

Performance of Bangladeshi missions abroad in achieving export target has improved slightly with the number of dismal performers declining to 22 from 25.

Bangladesh has 46 diplomatic missions abroad now covering around 124 countries. Of them, 25 could not achieve their export targets during July-October period of the current financial year while the rest performed well achieving their goals.

Paris, Rome, Pretoria and Nairobi were the four missions on the 25 poor performers' list in July-October period but a latest assessment has put them on the target achievers' list.

However, Canberra, a good performer in the first four months, has failed to achieve the target during July-December period of the current financial year.

In the face of poor export performance of Bangladeshi missions abroad, the government decided in January to hold chiefs instead of

their economic and commercial counsellors accountable to achieve export targets.

Economic counsellors of Bangladeshi missions were instructed to report through the ambassadors or high commissioners so that the missions' performance in this regard can be scrutinised.

According to sources, most of the commercial or economic counsellors working in different missions abroad had been sent on political persuasion and not trained enough to promote country's export products to the prospective buyers.

The commerce ministry last year also decided to call back some of them who are not fit for the posts but it could not implement its decision due to political pressures, the sources added.

"We are not happy with the performances of most counsellors. They did not face any evaluation in the last 30 years," said a commerce ministry official.

According to a commerce minis-

try report, the missions that failed to achieve their targets for July-December period of FY2004-05 are Berlin, London, Brussels, Dubai, Islamabad, Cairo, Singapore, Beijing, Kuala Lumpur, Kuwait, Hanoi, Tripoli, Kathmandu, Amman, Brunei, Yangon, Rabat, Colombo, Stockholm, Tokyo, Canberra and Bangkok.

On the other hands, the missions that achieved their respective export targets during the same period are Washington, The Hague, Madrid, Ottawa, Ankara, Manila, Muscat, Hong Kong, Tehran, Seoul, Moscow, Brasilia, Tashkent, Doha, Manama, Thimpu, New Delhi, Warsaw, Riyadh, Jakarta, Paris, Rome, Pretoria and Nairobi.

The government earlier used to set the export target on sectoral basis after consulting with the private sector entrepreneurs. But in the recent years the country-wise export targets are set and the foreign missions abroad are asked to take necessary measures to achieve the targets.

Altaf leaves for Kenya to attend WTO conference

UNB, Dhaka

Commerce Minister Altaf Hossain Choudhury left for Nairobi yesterday to attend WTO Mini-Ministerial Conference beginning in the Kenyan City of Mombassa on Thursday.

The issues to be discussed in the two-day conference include agriculture, market access, non-agricultural market access, trade facilitation and services.

The mini-ministerial of World Trade Organisation is expected to be able to devise a common platform for the participating countries for negotiations in the forthcoming Sixth WTO Ministerial Conference, scheduled for December 13-18 in Hong Kong.

"Bangladesh is expected to play a significant role in the conference to protect the common interest of Least Developed Countries (LDCs) in particular," said a commerce ministry statement here yesterday.

It said Bangladesh will focus on duty-and quota-free market access to the developed as well as developing countries, including temporary movements of natural persons.

IDLC, India's SBI Capital form strategic alliance

Industrial Development Leasing Company (IDLC) of Bangladesh Ltd, a non-banking financial institution and merchant banker, has formed a strategic alliance with SBI Capital Markets Ltd, a subsidiary of State Bank of India.

A memorandum of understanding to this effect was signed Sunday in Dhaka between the two organisations, says a press release.

Anis A Khan, chief executive officer and managing director of IDLC, and Indrajit Gupta, CEO and MD of SBI Capital, signed the deal.

India budget aims to reduce poverty, unemployment

PALLAB BHATTACHARAYA, New Delhi

Indian Finance Minister P Chidambaram yesterday presented Congress-led government's first full-fledged budget that stresses social sector reforms increasing allocations for employment generation and rural health and infrastructure and treads cautiously on the path of economic reforms.

Presenting the 2005-06 budget in parliament, he came out with a number of initiatives aimed at reducing poverty and unemployment including National Rural Employment Guarantee Scheme with an allocation of Rs.11,000 crore and a National Rural Health Mission envisaging training to health volunteers, more medicines and strengthening primary and community health system.

The allocation for Defence sector has been increased to Rs 83,000 crore to meet the salaries of a 1.1 million strong army, stores and works and proposed fighter aircraft and submarine deals.

However, the allocation for the Defence sector remains very much within 2.5 percent of GDP, lower than that of China and Pakistan.

The allocation for education will be Rs.18,337 crore and for rural development Rs. 18,334 crore and estimated expenditure on health and family welfare is Rs.10,280 crore.

The budget also announced a number of measures for the welfare of minorities especially for their educational development providing increase in equity support for National Minorities Development and Finance Corporation.

A corpus of Rs.8000 crore will be provided for the Rural Infrastructure Development Fund (RIDF).

The revenue deficit amounts to Rs. 95312 crore which is 2.7 percent of GDP and fiscal deficit pegged at Rs 151144 crore which is 4.3 percent of GDP.

The finance minister gave a mixed bag to the salaried class with no tax for salary of up to Rs. one lakh per year and no surcharge up to Rs. 10 lakh taxable income but removed the facility of standard deduction and instead proposed a consolidated limit of Rs. 100,000 for savings to be deducted from the income before tax is calculated.

In a novel scheme aimed at checking tax evasion, a new tax at the rate of 0.1 percent has been proposed on cash withdrawals exceeding Rs.10,000 from banks.

The budget also brought down peak customs duty structure to be brought closer to that of East Asian countries. Peak rate for non agricultural products reduced from 20 percent to 15 percent.

Customs duties on selected capital goods and parts thereof are also be cut to below 15 percent, to 10 percent in some cases and to 5 percent in some other to promote investment.

With regard to infrastructure sector, the finance minister proposed cut in import duty from 20 percent to 10 percent for textile machinery in order to help the textile industry acquire a competitive edge in the post-quota regime.

A Rs. 30, 00o crore fund has been set up for the textile sector which is estimated to generate 12 million jobs in the next five years. A

10 percent capital subsidy scheme will be introduced for the textile processing sector, a cluster development approach to be adopted for the production and marketing of handloom products and a number of steps announced for the welfare of handloom weavers.

In order to give a leg-up to the leather and footwear industry, the budget proposed to reduce the customs duties on seven specified machinery from 20 percent to 5 percent. The duty on ethyl vinyl acetate (EVA), an input for the footwear industry, is also proposed to be brought down from 20 percent to 10 percent.

Keeping in mind the rising pharmaceuticals and biotechnology sectors, the minister announced a cut in customs duty on nine specified machinery used in these two sectors to 5 percent.

The minister further proposed to reduce customs duties on specified parts of battery-operated road vehicles and for printing presses from 20 percent to 10 percent. The reduction in the duties on the infrastructure will help in reducing the costs of the end product.

He also announced reduction of duties on industrial raw materials including catalysts, refractory raw materials, basic plastic and molasses. Duty on polyester and nylon chips, textile fibres, yarns and intermediates, fabrics and garments is proposed to be reduced from 20 percent to 15 percent.

Duty on specified capital goods and all inputs required for the manufacture of Information Technology Agreement (ITA) bound items is proposed to be removed..

The minister said he did not

propose to make any change in the customs duty applicable to agricultural goods but has decided to increase the duty on cut flowers from 30 percent to 60 percent. The duty rate on cloves however has been reduced to 35 percent as there is little domestic production.

The minister proposed to cut customs duty on crude petroleum from 10 percent to 5 percent while there will be no customs duty and excise duty on LPG for domestic consumption and on subsidized kerosene. Customs duty on other petroleum products, including motor spirit (MS) and diesel (HSD) is to be reduced from 20 or 15 percent to 10 percent.

On the investment front, Chidambaram said an equity support of Rs.14,040 crore and loans of Rs.3,554 crore would be provided to Central Public Sector Enterprises including Railways in 2005-06.

As regards the manufacturing sector, the finance minister announced the launching of a Manufacturing Competitiveness Programme to help small and medium enterprises.

Chidambaram also announced steps to strengthen the capital market under which foreign institutional investors will be permitted to submit appropriate collateral when trading in derivatives on the domestic market.

Pointing out that the services sector accounts for about 52 percent of the GDP, the finance minister cast the tax net wider to include some more services. However, as a relief to small service providers, he proposed to exempt from service tax those service providers whose gross turnover does not exceed Rs.4 lakh per year.



PHOTO: IDLC

Anis A Khan, chief executive officer and managing director of Industrial Development Leasing Company (IDLC) of Bangladesh Ltd, and Indrajit Gupta, CEO and MD of SBI Capital Markets, pose for photographs after signing a memorandum of understanding for strategic alliance on Sunday in Dhaka. Anwarul Huq, chairman of IDLC, and AG Kalmankar, deputy managing director of State Bank of India, among others, were present at the signing ceremony.

Tk 7,058cr bank loans still unrealised: Moudud

UNB, Dhaka

Loans totaling Tk 7,058 crore, drawn from banks and financial institutions by different organisations and individuals, still remain unrealised, Law Minister Moudud Ahmed said yesterday.

Addressing a press conference, he said since introduction of the 'Artho Rin Adalat Act-2003', the number of cases in the courts concerned is decreasing fast.

Moudud said after four-five years, the number of money loan court may be reduced if the number of cases come down further.

According to the new law, respective banks can sue the defaulting organisation or the individual when the defaulted money will rise three times than the principal.

"With this new law, the tendency of the borrowers not to give the bank money will fade away and they will realise that they have to pay the

money," Moudud added.

He said the number of the settled cases under this act is 18,207 and the banks have realised a total of Tk 1,760 crore in last two and half years.

"The realised amount is 100 times higher than any time in last 30 years."

The minister said the government enforced the Artho Rin Act in May 2003 for quick realisation of the defaulted money.

United Leasing recommends 60pc cash dividend, bonus share

United Leasing Company Ltd has recommended 60 percent cash dividend and 1:1 bonus share for its shareholders.

The recommendation was made at a meeting of the board of directors of the company held on Sunday in Dhaka, says a press release.

The recommendation will be placed before the 16th annual general meeting of the company scheduled for April 18, 2005.

Kafiluddin Mahmood, chairman of the company, presided over the meeting where it was also announced that the company earned a net profit of Tk 15.38 crore in 2004.

First AGM of buying house assoc held

STAR BUSINESS REPORT

The first annual general meeting of Bangladesh Garment Buying House Association was held in Dhaka on Sunday.

The AGM formed a 19-member executive committee (EC) to gear up the association's activities.

Qayum Reza Chowdhury has been elected the president of the new committee while M Zakir Hossain, M Shahe-E Alam and KI Hossain Babul were elected vice presidents.

The committee will primarily work to eliminate the existing bottlenecks in some 800 buying houses operating in the country, said Qayum Reza Chowdhury.

Int'l textile, RMG machinery fair begins today

STAR BUSINESS REPORT

A five-day international exposition of textile and garment machinery begins today at the Bangladesh-China Friendship Centre in Dhaka.

Bangladesh Textile Mills Association (BTMA) is organising the fair titled 'The 2nd Dhaka Int'l Textile and Garment Machinery Exhibition' in co-operation with ES Event Management SDN, BHD, Malaysia, to showcase a wide variety of garment and textile related machines of some 229 exhibitors in more than 300 booths.

WEAB chief to attend business women forum in UAE

Nasreen Awal Mintoo, president of Women Entrepreneurs Association of Bangladesh (WEAB) and chairperson of Saarc Chamber Women Entrepreneurs Council (SCWEC), left Dhaka yesterday to attend 'The First Forum for Business Women in the Islamic Countries and Exhibition', which begins today at Sharjah, UAE.

Nasreen, who is leading a six-member delegation, will chair the 2nd session of the programme, says a press release.