Star BUSINESS

DHAKA SUNDAY APRIL 10, 2005 E-mail: business@thedailystar.net

IMF for contractionary policy to curb inflation, credit growth

Article IV mission wraps up Bangladesh visit

STAR BUSINESS REPORT

The International Monetary Fund (IMF) has advised the government to go for contractionary monetary policy to keep inflation, credit growth and foreign exchange reserves under control.

The suggestion of IMF's article IV mission came yesterday when it wrapped up 14-day visit to Bangladesh.

Speaking at a press conference in Dhaka, Nissanke Weerasinghe, advisor to Asia Pacific Department of the IMF, said adjustments to monetary and exchange rate policies are appropriate in the near term to dampen the strong domestic credit growth and keep Bangladesh's international reserve position moving forward.

"Against the backdrop of rising inflation, this policy adjustments will help contain inflationary expectations and protect the balance of payments," he said.

However, Finance and Planning Minister M Saifur Rahman after the meeting with IMF mission said, "We need price stability as well as growth at the same time. So, we will go for the monetary policy that maintains harmony with growth trend in the economy."

"But if we adopt extremely contractionary monetary policy, it will hamper employment generation," he felt.

A few years ago IMF prescribed for expansionary policy and now it is suggesting an increase in interest rate as part of the contractionary monetary policy. Asked about such policy spin, Weerasinghe said monetary policy is not fixed, it has to be changed from time to time in view of status of economy.

Bangladesh economy is now facing the pressure of rising inflation and soaring oil prices. The revenue collection is also falling short of target. So, the country should go for a contractionary policy to stave off internal and external shocks, the IMF advisor said.

Asked if the policy puts brake on tempo of industrialisation in the country, Weerasinghe said it will reduce value of credit flow when there is high inflation. So, the economy needs a balancing act. "And it is an act of striking a balance."

He said the combination of risks arising from devastating floods, expiry of multi-fibre arrangement and sustained high energy and commodity prices have led the mission to adjust its projections of growth to 5.2 percent and inflation to 6.5 percent for FY2004-05.

Regarding IMF's suggestion on new pay scale, the IMF official said the pay scale should be implemented gradually in three stages in a period of three years to avoid any sudden impact on budget.

"Besides revenue shortfall, the country's economy now bears the pressure of MFA phase-out on readymade garment export. I think people will understand the situation," he hoped.

Weerasinghe said the government needs to go for structural reforms in public administration in tandem with the new pay scale. There should be an incentive programme to retain skilled personnel in civil administration.

He said the mission will place its review to the IMF Executive Board in June for release of fourth tranche of poverty reduction growth facility (PRGF) amounting to $80 million.

PHOTO: STAR

Nissanke Weerasinghe, International Monetary Fund (IMF)'s advisor to Asia and Pacific Department, speaks at a press conference in Dhaka yesterday. IMF Resident Representative in Bangladesh Jonathan Dunn is also seen in the picture.

Saifur leaves for Stockholm to attend roundtable

UNB, *Dhaka*

Finance and Planning Minister Saifur Rahman yesterday left for Stockholm to attend an international roundtable to discuss ways of reducing poverty and achieving the Millennium Development Goals (MDGs).

The meet is entitled 'Reducing Poverty and Achieving the Millennium Development Goals (MDGs): Investing in Reproductive Health and Right'.

"Present government has given priority to girls' education, so they can take care of themselves and we already started Maternal Vouchers Scheme for the betterment of reproductive health," he said before departure.

"We will expand our scheme for the mothers as well as their children soon to meet the care they needed and hope we will step ahead to reach the MDGs," he added, referring government's Health Nutrition Population Sector Programme and achievements of Bangladesh in context of the region.

The minister also gave emphasis on need for pro-poor, pro-health, pro-education and pro-women growth. And the government is on the right track and doing its best to mobilise resources in these sectors, he said.

The minister is expected back home on April 14.

GP introduces bill payment info service

GrameenPhone Ltd has introduced a new service called VMSPAY125 to enable its subscribers to avoid barring of connections and unbar connections.

The service, a voice mail based IVR system, can be availed by dialing 125 from any GP mobile or hot-code numbers 12581 (for Bangla) and 12591 (for English), says a press release.

Calling 125 or hot-code numbers is free for the first minute and from second minute onward it will cost Tk2 per minute.

Sadat Jute okays 30pc dividend, bonus share

Sadat Jute Industries Ltd has declared a 30 percent dividend and a 100 percent bonus share for its shareholders for the year 2003-04.

The dividend was approved at the company's 20th annual general meeting held recently in Dhaka, says a press release.

Malaysia's forex reserves down

REUTERS, *Kuala Lumpur*

Malaysia's international reserves stood at $72.4 billion on March 31, down 1.0 percent from $73.2 billion on March 15, the central bank said Friday.

Inflows reflected the continued repatriation of export earnings, foreign direct investment and portfolio investment, Bank Negara said in a statement.

Banks now allowed to declassify bad loans

STAR BUSINESS REPORT

In a bid to ease workload and decentralise responsibilities, the central bank has allowed the banks to declassify bad loan cases without its prior approval.

Before making classified loan accounts regular, the banks will now need approval from their respective boards following the Bangladesh Bank guidelines, said a central bank circular Thursday.

Before placing these cases to the bank boards, the managing directors and the branch managers of the banks concerned have to certify them.

After the board of directors' approval for the declassification, the banks should report those to the department concerned of the central bank within 15 days. The central bank will verify the loan accounts on case-to-case basis.

"If there are any irregularities in declassifying the loans, the central bank will take action against such activities," the circular said.

The banks could not declassify loan accounts before this order in accordance with the central bank's earlier issued directive on December 6, 1998, which restricted the banks to do so.

Earlier, classification of loan accounts by the central bank inspection team was final and the banks were not allowed to declassify the loan accounts without the approval of the central bank.

The workload of the central bank went up sharply after the BB's earlier order.

The Bangladesh Bank had to invest a huge number of its people and time to maintain it, BB sources said.

"The latest order will help the central bank to ease its workload as the banks and officials concerned are now responsible to declassify loan accounts," said a top official of the central bank.

Job fair gets huge response

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It was a special day for thousands of job seekers as some 38 national and multinational companies showed up with job offers at a daylong fair in Dhaka yesterday.

Business houses such as GrameenPhone Ltd, British American Tobacco Bangladesh, Jubok Phone, United Commercial Bank Ltd, Concord Group, Primeasia University, Prime Bank, BRAC Bank, Akij Group and Kollol Group offered jobs in various fields.

The National Job Fair 2005, organised by North South University, got a huge response with employers receiving about 50,000 applications, organisers said.

A large number of visitors, mainly young people, gathered at the third version of the fair to have direct interaction with prospective employers.

"The fair offers a great opportunity for us to have a first-hand experience about the country's job market," said Zahidul Islam, who has just completed his master's degree examinations from Dhaka University.

"Against the backdrop of a huge unemployment scenario in the country the fair is a unique one as employers here offer employment," said Shafiqul Haq, a third year student of a private university.

Jubok Tele Barta sponsored the fair held at Osmani Memorial Hall while City Bank Ltd, Prime Bank Ltd and United Commercial Bank Ltd were the co-sponsors.

Commerce Minister Altaf Hossain Choudhury formally inaugurated the fair. State Minister for Education ANM Ehsanul Haque Milan was also present as a special guest.

Altaf thanked the organisers and said job seekers will greatly be benefitted from the fair.

The state minister for education asked educational institutions to prepare job-oriented curriculums for students.

Prof Hafiz GA Siddiqi, vice-chancellor of North South University, MA Hashem, chairman of board of governors of NSU Foundation, and Abu Md Sayeed, director (corporate affairs) of Tele Barta and chairman of Jubo Karmasangsthan Society, also spoke at the function.

RMG buyers must recognise limitations of local units

Commerce minister says

UNB, *Dhaka*

Commerce Minister Altaf Hossain Choudhury yesterday said foreign buyers of Bangladeshi readymade garments (RMG) must recognise the limitations of local business and should not expect too high a standard of the products.

"Our buyers should not demand standards which are too high for producers in a country like Bangladesh," he observed while speaking as chief guest at the inaugural session of a roundtable on 'Social and Ecological Standards in the RMG Industry' in Dhaka.

The German Development Cooperation (GTZ), supported by the German Ministry of Economic Cooperation and Development (BMZ) and the Foreign Trade Association of German Retailers (AVE), sponsored the roundtable with private sector, business organisations, civil society and the government of Bangladesh.

Professor Wahiduddin Mahmud delivered the keynote paper at the meeting.

Regarding high demands of the buyers, the commerce minister said the socio-economic realities of a least developed country (LDC) like Bangladesh should be considered before asking for compliance with such standards.

He pointed various steps taken by the government to make the RMG sector competitive in the post-MFA era.

Altaf also said BGMEA (Bangladesh Garment Manufacturers and Exporters Association) drafted a 'Code of Conduct' last year, which is currently being discussed to finalise in the Tripartite Consultative Committee (TTC) involving the Ministry of Labour and Employment and various union and employers' organisations. "Once the code is accepted in the TCC, we believe, the RMG factories will comply with the code and the buyers will recognise the code as a social standard," he hoped.

In the keynote paper, Mahmud said there are grey areas regarding what should be "reasonable" working conditions or a minimum wage.

"These depend on a country's prevailing socio-economic conditions. Surely, one should not judge our standards by the standards of the rich countries," he said.

Blaming the double standard stance of the government regarding labour standards, Mahmud said, "Being a signatory to the international conventions on labour standards and human rights, we have implemented them only half-heartedly or not at all. We have thus created opportunities for the outsiders to dictate business code to us through the leverage of international trade."

Hans-Peter Portrykus, AVE Coordinator Bangladesh and Gerd Luuers of GTZ also spoke at the roundtable.

Government of the People's Republic of Bangladesh
Bangladesh Telegraph and Telephone Board
Office of the Director (Procurement), Gulshan Telephone Building
Gulshan-1, Dhaka-1212

International Re-Tender Notice

1.	Ministry/Division	Ministry of Posts and Telecommunications.
2.	Procuring entity name	Bangladesh Telegraph & Telephone Board.
3.	Procuring entity district	Dhaka.
4.	Invitation for	Tender / Works / 1 lot
5.	Invitation Ref No.	No. DP/F-4/IR/2003-2004/Part-1/1
6.	Date	04-04-2005
7.	Procurement method	Open international competitive tender.
8.	Budget and source of fund	Government of Bangladesh.
9.	Tender package No.	1 (one).
10.	Tender package name	Re-tender for supply, installation, testing and commissioning of High Capacity Optical Fibre Cable and SDH Transmission link between Chittagong and Cox's Bazar and capacity up-gradation of Dhaka-Chittagong existing Fibre Optic Link on Turnkey Basis.
11.	Tender last selling date	07-05-2005
12.	Tender closing date and time	08-05-2005 at 11-00 hrs (BST).
13.	Tender opening date and time	08-05-2005 at 11-05 hrs (BST).
14.	Name and address of the office	Address(s)
	Selling tender documents (Principal)	Office of the Director (Procurement), BTTB, Gulshan Telephone Exchange, Gulshan-1, Dhaka.
	Receiving tender documents	Office of the Director (Procurement), BTTB, Gulshan Telephone Exchange Bldg, Room No. 314, Gulshan-1, Dhaka.
	Opening tender document	-Do-
15.	Eligibility of tenderer	All eligible bidder if not black listed.
16.	Brief description of goods or works	Supply of High Capacity Optical Fibre Cable and SDH Transmission link between Chittagong and Cox's Bazar and capacity up-gradation of Dhaka-Chittagong existing Fibre Optic Link on Turnkey Basis.
17.	Brief description of related services	Related installation, testing and commissioning services.
18.	Tender document price	3,000/= (three thousand).
19.	Last date and place of submission of queries regarding tender documents	20-04-2005, Office of the Director Procurement, BTTB, Telephone Exchange Building, Gulshan-1, Dhaka-1212.
20.	Amount of tender security	Tk. 75,00,000.00 (seventy-five lacs) or US$120,000 (one hundred twenty thousand) bid bond amount in the form of Bank Guarantee from any schedule bank of Bangladesh.
21.	Time for completion of work	5 (five) months.
22.	The authority reserves the right to accept or reject any or all bids/tenders partly or wholly without assigning any reason.	

Shabbir Ahmed
Dy. Director (Foreign Procurement)
Phone: +880-2-8827599
Fax No. + 880-2-8823899

DFP-8691-5/4/05
G-374

Dhaka yet to ready for free market economy

Textiles and Jute minister says

STAR BUSINESS REPORT

The country is yet to devise ways to cope with the challenges of free market economy, said Textiles and Jute Minister Shahjahan Siraj yesterday.

He said the country does not have enough expertise in open market economy, let alone finding out ways to face it.

The minister was speaking at a seminar on the sidelines of SME Fair 2005 at Bangladesh-China Friendship Conference Centre in Dhaka.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) organsied the seminar on challenges of free market economy and problems of the local textile industry.

"It is a matter of shame that Bangladesh cannot be a self-dependent country, although it has all the resources to be so," the minister said.

Speaking at the function, State Minister for Finance and Planning Shah Muhammad Abul Hossain said Bangladesh has become a member of free market economy under the rule of World Trade Organisation (WTO).

"But had we not done so, our overall economy including export and import would have surely declined," the state minister said.

Meanwhile, local fabrics and garment manufacturers at the seminar urged the government to withdraw import duty on raw materials, reduce bank interest rate and take immediate measures to stop smuggling of yarn and fabrics.

They also asked the government to take necessary actions to stop under invoice of imported fabrics and offer 25 percent cash incentives to them to compete with fabrics and apparel products importers.

Echoing their demands, FBCCI President Abdul Awal Mintoo said in order to promote the sub sectors of the textile industry, the government should cut the import duty on raw materials.

Leaders of Bangladesh Grey and Finished Fabrics Mills and Exporters Association, Bangladesh Textile Dying and Printing Industries Association and Bangladesh Local Garment Manufacturers Association, FBCCI 1st Vice-president Kamaluddin Ahmed and 2nd Vice-president Abul Quasem Haider also spoke at the function.

India PM seeks private sector participation in agriculture

AFP, *New Delhi*

Indian Prime Minister Manmohan Singh Saturday called for private investment in agriculture to arrest a decline in the farm sector and spur economic growth to seven to eight percent of gross domestic product.

In a speech to an agriculture meeting in New Delhi, Singh urged India's business community to infuse modern management practices in rural development, the Press Trust of India news agency reported.

"We believe that the task of managing agriculture in the future cannot be adequately addressed by the public sector alone," he said.

"We will require the combined strengths of the multi agency systems in which the private corporate sector, farmers' organisations, cooperatives, non-governmental organisations, para-professionals, self-help groups, input dealers and suppliers, media and information technology can each contribute," he said.

New technology would give farmers more choice and help them plan cultivation in a demand rather than supply-driven environment, Singh said.

Singh's Congress-led government was elected to office in May last year on a pro-poor and pro-farmer plank. It is supported from the outside by four left parties.

In its annual budget for 2005-2006, Singh's government offered massive incentives to the farm sector to boost output.

Close to 60 percent of India's billion-plus population depend on agriculture for a living. The health of the agriculture sector is also linked to economic growth as rural cosnsumers are key drivers of demand.

নিয়োগ বিজ্ঞপ্তি/ আবশ্যক

DR-১৬৬৯(২) তাং ঃ ৫/৪/০৫

ইনজিনিয়ারিং ইউনিভারসিটি গার্লস স্কুল, বুয়েট ক্যাম্পাস, পলাশী, ঢাকা-এর নিম্নলিখিত পদসমূহে শিক্ষক নিয়োগের জন্য উপযুক্ত প্রার্থীদের নিকট হইতে দরখাস্ত আহবান করা যাইতেছে।

ক্রমিক নং	পদের নাম	পদের সংখ্যা	শিক্ষাগত যোগ্যতা	পদের প্রকৃতি	বেতন স্কেল
০১	সহকারী শিক্ষক বাংলা	০১	বিএবিএড/ এম এ (বাংলা)	এমপিও ভুক্ত শূন্যপদ	বিএড প্রশিক্ষণপ্রাপ্ত ৩৪০০/- ৬৬২৫/- প্রশিক্ষণ ছাড়া ২৫৫০/- ৫৫০৫/- স্কেলে
০২	সহকারী শিক্ষক ইংরেজি	০১	বিএবিএড/ এম এ (ইংরেজি)	সৃষ্ট পদ	বিএড প্রশিক্ষণপ্রাপ্ত ৩৪০০/- ৬৬২৫/- প্রশিক্ষণ ছাড়া ২৫৫০/- ৫৫০৫/- স্কেলে
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০৪	জুনিয়র শিক্ষক আর্ট	০১	ব্যাচেলর অব ফাইন আর্টস	খন্ডকালীন	আলোচনা সাপেক্ষে
০৫	জুনিয়র শিক্ষক মিউজিক	০১	বি-মিউজ	খন্ডকালীন	আলোচনা সাপেক্ষে

সকল পদের ক্ষেত্রে বিদ্যালয়ের প্রচলিত অন্যান্য আর্থিক সুবিধাদি প্রদানযোগ্য।

সকল প্রার্থীর ক্ষেত্রে শিক্ষকতায় কমপক্ষে ৫ বছরের অভিজ্ঞতা থাকিতে হইবে। তবে উচ্চতর ডিগ্রিধারীদের ক্ষেত্রে অভিজ্ঞতা শিথিলযোগ্য। কোন পরীক্ষায় তৃতীয় শ্রেণী গ্রহণযোগ্য নহে। সদ্য তোলা পাসপোর্ট সাইজের ছবি, জীবনবৃত্তান্ত, অভিজ্ঞতা ও শিক্ষাগত যোগ্যতার সনদপত্রের সত্যায়িত ফটোকপি ও প্রধান শিক্ষিকা, ইনজিনিয়ারিং ইউনিভারসিটি গার্লস স্কুল-এর অনুকূলে ১০০/- (একশত) টাকার অফেরতযোগ্য ক্রসড ব্যাংক ড্রাফটসহ দরখাস্ত বিজ্ঞপ্তি প্রকাশের ২০ দিনের মধ্যে বিদ্যালয় অফিসে পৌঁছাইতে হইবে।

GD-262

প্রধান শিক্ষিকা