

DHAKA TUESDAY MAY 3, 2005 E-mail: business@thedailystar.net

Dhaka to get duty-free access to US this year

Hopes Altaf

UNB, Dhaka

Commerce Minister Altaf Hossair Choudhury yesterday expressed hope that Bangladesh will get dutyfree access to US market by the end of this year as a bill seeking the facility was moved in the US

"It will be settled by December this year," he told reporters at Zia International Airport before leaving for Paris to attend a WTO miniministerial meeting beginning from tomorrow.

The minister's observation came prior to his scheduled meeting with the United States Trade Representative (USTR) Robert J Portman on the sidelines of the mini-

Altaf's meeting with the USTR is aimed at forging common understanding among the WTO member states on different negotiating issues.

The bill titled "Trade Relief Assistance for Developing Economies (Trade)" was placed in the US Congress seeking duty-free market access of products from Bangladesh and 12 other LDCs to the US market.

The government as well as the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) are now busy pursuing the US senators and congressmen to mobilise their support for the bill, Altaf said.

Apparel industry insiders believe the bill, if passed, will be a breakthrough to boost Bangladesh exports to the USA in the quota-free trade regime offering competitive

prices. The commerce minister said the forthcoming D-8 summit scheduled for June or July in London will yield some positive results for countries such as Bangladesh. Prime Minister Khaleda Zia will send a special envoy to attend the meet, he added.

Share prices plummet

Indices shed over 100 points; small investors stage demonstration

STAR BUSINESS REPORT

Share prices on both the bourses yesterday slumped heavily, over 100 points, prompting small investors to stage demonstration in

The Dhaka Stock Exchange (DSE) general index dipped by 102.21 points or 7.11 percent to close at 1435.65 and the Chittagong Stock Exchange (CSE) main index lost 172.86 points or 5.68 percent.

A group of agitated investors staged demonstration in front of the DSE building and met the DSE president and the Securities and Exchange Commission (SEC)

They sought immediate measures from them to check the

Later DSE President Shahiq Khan met SEC Chairman Mirza Azizul Islam to discuss the situation.

SEC Chairman Mirza Azizul Islam said there is no reason to get panicked for the price fall.

He said the price fall is the outcome of the 'immediate capital gain' "We are contemplating to make a

change in the selling limit for institutional investors. We have already talked to some of the institutional investors about the measure," the chairman said. Smelling a rat the DSE president

said institutional investors did not play their role rightly during last couple of weeks.

"Increase of rate of interest and misuse of margin rule may create the share price fall," the president

When contracted, president of Bangladesh Share Investor Association Selim Reza said a quarter is active behind the scene to gain unlawfully

The small investors also demanded continuation of the existing fiscal measures in the share market for the greater interest of the

During the day the DSE 20 index lost by 77 points or 7.09 per cent to close at 1099 while the CSE-30 index decreased by 163.95 points or 5.20 per cent to close at 2588.96

A total of 5 610 147 shares and debentures worth 34.56 crore changed hands at DSE during the day while some 2.179.376 shares and debentures worth 8.85 crore

Banking sector reforms to continue: new BB governor

STAR BUSINESS REPORT

The newly appointed Bangladesh Bank Governor Dr Salehuddin Ahmed yesterday praised the banking sector reforms introduced by the previous governor and said he will carry on the reform programmes.

Underscoring the need for strengthening the reform programmes, Ahmed said the reform programmes have helped bring discipline in the banking sector. However, some untoward incidents in private banks took place due to their

"The reforms will be further strengthened to avoid such incidents in future," he told The Daily Star.

Besides the monetary management initiatives the central bank will take some other initiatives, which will generate employment and help reduce poverty, he added.

Ahmed said small and medium term loans, which generate much employment, will be given priority in addition to big loans.

Ahmed, former managing director of Palli Karma-Sahayak Foundation (PKSF), in reply to an inquiry about soaring inflation said the inflation rate

The new governor said the central bank will review its advice to hike in lending rates but no immediate step will be taken in this regard. Rather the earlier policy will be followed. "This is a temporary step following high credit growth and some other reasons," he

Ahmed held separate meetings with different seaments of officials including executive directors.

Ahmed joined yesterday in his new assignment for a four-year term. He succeeds Dr Fakhruddin Ahmed, whose term expired on April 30

Vanik Bangladesh now LankaBangla **Finance**

STAR BUSINESS REPORT

Vanik Bangladesh Limited, a multiproduct ioint venture merchant banker, has changed its name to LankaBangla Finance Limited.

Mohammad A Moyeen, chairman of Vanik Bangladesh, announced the new name of the company at a function in Dhaka

Besides the renaming, the company has also restructured its management, included local and foreign banks in its equity partnership, introduced modern IT infrastructure and widened its service area, said Sayyed Husain Jamal, managing director of the company, while addressing the function.

Operating multi products such as leasing, credit card, corporate finance and merchant banking financing, Vanik Bangladesh has been in operation in Bangladesh since 1997

Vanik Incorporation Limited, a leading financial institution of Sri Lanka, in collaboration with some Bangladesh entrepreneurs set up the Vanik Bangladesh Limited, said

In early 2003, Sampath Bank Limited, a commercial bank of Sri Lanka, and Chinkara Capital (Singapore) Pte Ltd joined Vanik Bangladesh as equity partner. Later One Bank Limited of Bangladesh also joined the company as equity

BGIC declares 20pc bonus share

Bangladesh General Insurance Company (BGIC) Ltd has declared a 20 percent bonus share that is one share for every five shares as dividend for its shareholders.

The declaration came at the company's 20th annual general meeting held on Saturday in Dhaka. says a press release.

Chairman of the insurance company MA Samad presided over



US Senator John McCain (3L), along with Grameen Bank Managing Director Dr Muhammad Yunus (2L), Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Annisul Huq (3R), former vice-president M Golam Faruq (L), Vice-president Anwar-ul-Alam Chowdhury (2R) and Andrew Samet (R), consultant of Sandler, Travis & Rosenberg PA, an international trade and customs consulting firm, poses for photographs when the BGMEA delegation were in the USA to seek support from influential US senators and congressmen to pass the bill seeking duty free access to

Remove non-tariff barriers to curb informal trade Indian economist urges Indo-Bangla govts

STAR BUSINESS REPORT

An Indian economist has urged the governments of Bangladesh and India to take initiatives to remove existing non-tariff barriers to curb informal trade between the two countries.

"The volume of informal trade between the two neighbouring countries is several times higher than the formal one," said Isher Judge Ahluwalia, vice-chairperson of Planning Board of Punjab, India.

She, however, said if the cross border investments go up significantly, the market force will be able to tackle informal trade. "Tata investment will help boost investment relations between the two countries."

Ahluwalia, also a member of National Manufacturing Competitiveness Council of India. was addressing a discussion on 'Development Trends in India' organised by Citibank NA at Gulshan in Dhaka on Saturday.

Speaking at the function, she

also observed that a close relationship between Bangladesh and India is necessary to maximise the economic goals of the two countries.

Presided over by former foreign secretary Farooq Sobhan, the discussion was also attended by Indian High Commissioner in Dhaka Veena Sikri, Citibank NA Bangladesh Chief Executive Officer Mamun Rashid, businesspeople, economists, and bankers.

Presenting an overview of the Indian economy, she said the country's economy recorded an average 5.6 percent annual GDP growth in the past 25 years. During 1950-1980 period the average growth rate was 3.5 percent, she added.

She said the higher growth performance in the post-1980 period was primarily due to some reform activities initiated by the Indian government especially in the fields of power, telecoms, education, healthcare and other social