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Star BUSINESS

DHAKA TUESDAY MAY 10, 2005 E-mail: business@thedailystar.net

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LC opening, import bill settlement problems may take toll on exports

ICC-B dialogue told

STAR BUSINESS REPORT

As importers are facing serious problems in opening letters of credit and banks are delaying to send import bills due to foreign exchange crisis, business leaders at a dialogue yesterday cautioned exporters may lose substantial orders if the situation continues.

The International Chamber of Commerce-Bangladesh (ICC-B) has been receiving complaints from overseas banks and suppliers regarding non-settlement of import bills in time," said Mahabubur Rahman, ICC-B president chairing the dialogue.

As a result, importers are faced with the problems of meeting timely commitment to their suppliers and thereby facing difficulties in placing their further orders under LCs

issued by local banks, he added.

Speaking at the programme, newly appointed central bank Governor Salehuddin Ahmed said present dollar crisis is a temporary problem.

Economist Professor Wahid Uddin Mahmud said reported incidents of delays in the settlement of import bills are serious problems.

"Whatever the reasons, such incidents greatly undermine the credibility of our system of international financial transactions and therefore these need to be urgently addressed," he observed speaking at the dialogue.

Bangladesh Bank can choose to inject some of its reserves in the foreign exchange market to tide over the current imbalance in the growth of imports versus exports, he recommended.

Or, if the situation persists, it can allow taka to depreciate against the dollar in the free float. Or, even better, the central bank can do both to a small extent as necessary, Mahmud suggested.

The ICC-B organised the dialogue on 'Foreign Trade Management: Current Issues' in Dhaka.

The ICC-B president said import of food grains due to shortfall after devastating flood of last year, higher oil and commodity prices in the international market, import of machinery for the manufacturing sector and industrial raw materials have created heavy demand for foreign currency in Bangladesh in the recent past.

The central bank is currently not in a position to sell more dollars because of the commitment of

maintaining a minimum level of foreign currency reserves through its PRGF agreement with the IMF, Rahman mentioned.

Speaking at the dialogue, Allah Malik Kazemi, the central bank's deputy governor, said remittance grew by 13 percent during July-April period of the current financial year and export by 12.47 percent until March. Import went up by around 25 percent, which is the main reason for increasing demand for dollar, he added.

Oil price hike in the global market has aggravated the situation and Bangladesh has to pay around US\$ 1 billion for importing oil this year, he added.

In order to control present import growth, there is no option but to cut unproductive and luxury goods imports, he went on.

Wahid Uddin Mahmud said there are some genuine concerns regarding the balance of payments. Happily, the concerns have arisen not because of any slowdown in exchange earnings, but because of buoyancy in manufacturing and investment activities leading to increased import of capital machinery and intermediate goods.

The increased import bill for fuel oil has added to the strains on the external accounts, he added.

"The government may resort to large-scale borrowing towards the end of the fiscal year, as the speed of ADP implementation accelerates. The implementation of the new pay scale will create additional fiscal strains," Mahmud mentioned.

Syed Nasim Manzur, managing director of Apex Footwear Limited, said his company opened a LC to

Foreign Trade Management: Current Issues

Dhaka: Monday, May 09, 2005



PHOTO: STAR

Bangladesh Bank Governor Salehuddin Ahmed (2-L) speaks at a dialogue on 'Foreign Trade Management: Current Issues' organised by International Chamber of Commerce-Bangladesh (ICC-B) in Dhaka yesterday. Economist Professor Wahid Uddin Mahmud (R), ICC-B President Mahabubur Rahman (2-R) and ICC-B Vice-president Latifur Rahman (L) are also seen.

import raw material from Italy and a bank took 19 days to settle the payment in Italy which should be within three days and settled in four installments.

Another bank took 33 days to settle payment for import from India, he mentioned, adding that there is no confidence in the relation

between the buyers and the sellers.

M Syeduzzaman, former finance minister, Latifur Rahman and Samson H. Chowdhury, vice-presidents of ICC-B, Syed Manzur Elahi, chairman of Bangladesh Association of Banks (BAB), Sayeeful Islam, president of Dhaka Chamber of Commerce and Industry, M A

Awal, president of Bangladesh Textile Mills Association, Fazlul Haque, president of Bangladesh Knitwear Manufacturers and Exporters Association, Quazi Kholiqzaman Ahmed, president of Bangladesh Economic Association, among others, spoke at the dialogue.

Signs of recovery in ROK economy

ANN/ KOREA HERALD

The latest news that foreshadows the long-awaited economic rebound is music to the ears of many Koreans like Lee Youn-gil.

After years of struggling with burgeoning debts and unpaid bills, the 56-year-old owner of a small restaurant in southern Seoul has recently started to think, albeit still half doubtful, that things may soon start looking up.

"Ever since the IMF crisis (the Asian financial crisis in 1997), life has never been easy for me. I hope those experts predicting an economic turnaround this year are not mistaken."

"Though I personally don't see any signs yet that things are getting better, I just hope it is really happening finally," he said.

Recent economic data, including the first gain in consumer confidence in months, raises a positive outlook among government officials and economic experts that the worst may be over.

The Korean economy, Asia's third largest, has long been beset with high household debt, low corporate investment and a fragile real market. But experts say domestic demand may be picking up as consumers pay off debt and the government fiscal stimulus kicks in and credit growth resumes.

"The economic turnaround could happen three months earlier than we had predicted late last year," said Park Seung, the Bank of Korea governor.

"Should it happen, we expect economic growth to exceed 4 percent this year," he said. The central bank on Dec 31 forecast economic growth would slow to 4 percent this year from an estimated 4.7 percent last year.

Consumer confidence recovered from a four-year low in January and continued to rise for a second month in February while export growth during the period remained strong along with the economy registering a record monthly trade surplus.

Singer declares 80pc dividend

Singer Bangladesh Limited has declared a 40 percent final dividend in addition to payment of 40 percent interim dividend, making a total dividend payment of 80 percent for the year 2004.

The declaration came at the company's 25th annual general meeting held yesterday in Dhaka, says a press release.

Chairman of the company Mahabub Jamil presided over the AGM.

The AGM was told that during the year 2004 Singer increased its business by around 10 percent and set up ten sales centres in different locations of the country. A number of new products such as DVD players, water heaters, electric ovens and dishwashers were introduced in the product range. Besides, the company contributed Tk 360.16 million to the national exchequer in the form of duties, VAT and taxes.

Islami Bank to invest Tk 1095m in Matin Spinning Mills

Islami Bank Bangladesh Ltd will invest Tk 1095 million in Matin Spinning Mills Ltd, a concern of DBL Group, to set up a cent percent export-oriented spinning project in Gazipur.

An agreement to this effect was signed between the two organisations on Wednesday in Dhaka, says a press release.

Md Habibur Rahman, executive vice president of Islami Bank, and MA Jabbar, managing director of Matin Spinning Mills, signed the deal on behalf of their companies.

Janata Bank, Woori Bank sign remittance deal

Janata Bank and South Korea-based Woori Bank signed a remittance deal yesterday in Dhaka, says a press release.

Mahabubul Haq Choudhury, deputy general manager (DGM) of Overseas Banking Division of Janata Bank, and Jin Wan Kwon, DGM of Woori Bank's Dhaka branch, signed the agreement.

The deal will help increase flow of remittance from South Korea.

Janata Bank Managing Director SM Aminur Rahman and Woori Bank Country Manager Hwan Bok Kang, among others, were present at the signing ceremony.

India introduces bill to set up Chinese-style special economic zones

AFP, New Delhi

India introduced a bill in the lower house of parliament Monday to set up Chinese-style special economic zones in an attempt to attract foreign direct investment like rival China.

The proposal, if approved by parliament, would expand the number of zones where companies can bypass the country's web of restrictive labour and import laws that make it hard for businesses to get needed supplies and to hire and fire employees.

Labour laws in India prohibit companies with more than 100 employees from sacking workers without state permission and from employing contract staff for more

than three months without offering them permanent positions and provident fund benefits.

The zones will also offer a 15-year tapered tax exemption besides providing manufacturing facilities.

The fate of the bill will be seen as a crucial test of the Congress-backed government's determination to push through broader economic reforms in the face of opposition from its communist allies who have described the zones as "anti-worker."

Despite its liberalisation drive which began in 1991, India draws only a fraction of the foreign investment that reaches China. Last year, India got 4.1 billion dollars in foreign investment money while China received 60 billion dollars.

Thailand, Pakistan to pursue free trade pact

AFP, Bangkok

The prime ministers of Thailand and Pakistan agreed Monday to begin studying a bilateral free trade agreement (FTA) that could be worth one billion dollars between them.

Thai Prime Minister Thaksin Shinawatra also said the kingdom backed Pakistan's bid to become a full dialogue partner of the Association of Southeast Asian Nations (ASEAN).

The leaders signed a joint statement on expanding trade and investment ties between their countries, along with diplomatic, political, economic, social and cultural links.

"We agreed that we will move forward with the comprehensive economic partnership, which the FTA will be part of," Thaksin told a press conference after bilateral talks.

"So we will task our joint study group to start the work immediately," Pakistan Prime Minister Shaukat Aziz hailed the agreement to pursue a trade pact as a "very significant development."

"We both agreed that the potential for trade should be around one billion dollars between the two countries," Aziz said.

Both sides would sign an investment treaty they hoped to conclude before Thaksin's next visit to

Islamabad, which Aziz said he hoped would be this year.

Aziz, in the midst of a four-nation swing through the region to help promote a "stronger, economically vibrant Asia", said Pakistan was pressing for expanded linkages between the peoples of South, Southeast and North Asia.

"Thailand will definitely support and welcome the intention for Pakistan to further integrate with East Asia, and we will support Pakistan for full dialogue partner with ASEAN," a position already held by India, Thaksin said.

Last year Pakistan became the 24th member of the ASEAN Regional Forum, a key security grouping, after India dropped its objections when Pakistan gave assurances it would not raise bilateral issues such as Kashmir in the forum.

Aziz stressed his country was committed to dialogue to ensure peace with all its neighbours, including India.

"Pakistan wants peace, Pakistan wants development, Pakistan wants growth," he said.

Aziz had agreed to plans for Thai Airways International to add two weekly flights to Islamabad, in addition to its current flights to Lahore and Karachi, in part to help Thai tourists visit the area where there are several Buddhist-related hiking trails in Islamic Pakistan, Thaksin said.

Janata Bank

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Corrigendum

We invite attention of all concerned to the tender notice published in the Daily Star dated 09/05/2005 wherein amount of Tender Security has inadvertently been categorized as Lot/Group-I, Lot/Group-II, Lot/Group-III, Lot/Group-IV, which should be read as Lot/Group-1, Lot/Group-2, Lot/Group-3, Lot/Group-4 respectively.

All other terms and conditions will remain unchanged.

Deputy General Manager
Information Technology Division

EMPLOYMENT OPPORTUNITY

DASCOH (Development Association for Self-reliance, Communication and Health) is an international NGO mandated by Swiss Red Cross to promote self-help for development in Bangladesh. Area of work includes community management, health, disaster preparedness, arsenic, water and sanitation, is looking for a **Project Officer WatSan (POW)**.

Job location: Rajshahi.

Job purpose: To assure quality of WatSan related activities.

Major responsibilities:

- Check water quality
- Check overall quality of WatSan services (construction and maintenance of safe water options).
- Take leading role in assist UP in patient management.
- Analyse various data and prepare reports.
- Various data entry and management using customised software.

Reports to: Project Manager.

Joining Date: As soon as possible.

Educational requirements: Minimum diploma engineer (Civil).

Desired experience and specialised skills or knowledge:

- Minimum five years experience in WatSan services delivery (preferably in NGOs/development agencies/government) may be relaxed for persons with higher educational qualification.
- Should be conversant in operating word processing (MSWord, MS Excel), database (MS Access) and design (AutoCAD) software.
- Should be confident in writing and speaking Bangla and English.
- Ability to write independent report.
- Experience in working with the local government preferred.

Physical requirements or other requirements (if any):

- Good physical build and energetic.
- Should have a valid driving licence and willingness to ride motorcycle.
- Frequent field visit required in Rajshahi and Chapai Nawabganj.

Salary: Negotiable.

Instruction to apply:
Application along with a copy of short CV to be sent to: Acting Chief Executive Officer, DASCOH, House # 35, Road # 117, Gulshan, Dhaka 1212.

Deadline: Tuesday 19th May 2005, 5 pm.

Only short listed candidates will be asked for recruitment on May 29, 2005 at Rajshahi.



PHOTO: SINGER BANGLADESH

Mahabub Jamil (4-R), chairman and managing director of Singer Bangladesh Ltd, presides over the company's 25th annual general meeting (AGM) yesterday in Dhaka. Other senior officials are also seen in the picture. At the AGM, the company declared total 80 percent dividend for the year 2004.

National Housing signs MoU with BDDL on housing loan

The clients of Building Development and Design Ltd (BDDL) will get housing loans up to 70 percent of their apartment purchase prices from National Housing Finance and Investments Ltd.

A memorandum of understanding (MoU) to this effect was signed recently in Dhaka between the two companies, says a press release.

Shabbir Ahmed, deputy managing director of National Housing, and Sayed Nazrul Biddut, BDDL chairman, signed the MoU on behalf of their companies.

African finance ministers call for debt write-off

REUTERS, Dakar

African finance ministers appealed to rich countries late on Saturday to cancel Africa's debt, saying they were convinced their economies would take off if debt levels could be managed.

The ministers promised to ensure sound management of their economies and to fight corruption but said they would surely miss targets for cutting poverty unless the external debt burden was "substantially alleviated".

"A lasting solution should be found to resolve the problem of persistent indebtedness impeding all our development efforts," the ministers said in a statement after

meeting in Senegal's capital Dakar. "We launch an appeal for the cancellation of Africa's debt to enable a better financing of our economies for the attainment of the Millennium Development Goals," they said.

At the start of the millennium, 180 governments agreed goals to halve extreme poverty by 2015. Based on trends five years later, sub-Saharan Africa is set to miss all of the targets.

The International Monetary Fund warned last month that for the goals to be reached rich countries must deliver on promises to provide debt relief and ease trade barriers while poor nations should govern better and use aid more effectively.

Government of the People's Republic of Bangladesh
Local Government Engineering Department
Office of the Executive Engineer
Nishindara, Bogra

Memo No-LGED/EE-B/2005/1622 Dated: 04-05-2005

Invitation for Tender (IFT)
Tender Notice Number-37/2004-2005

Sealed tenders are hereby invited from the eligible tenderers as defined in the tender documents for the undermentioned works as per terms and conditions stated below:

Package no.	Name of contract	Tender security (Tk)	Time for completion (days)	Price of tender documents (Tk)
GBRP/BOG/W-01	(a) Improvement of NHW (Ghoga Bridge)-Garowi village road (Ch 00-350m) & const of 1-no. U-drain (Sherpur).	64,000.00	180 days	750.00
	(b) Improvement of Gopalnagar-Sattikori hat road (partly pucca-river ghat road) (Ch 1120-1649m) (Dhunot).			
GBRP/BOG/W-02	Improvement of Changuir-Nondokul-Horigari road (Ch 00-530m) & const of 1-no. U-drain (Sajahanpur).	40,000.00	180 days	750.00
GBRP/BOG/W-03	Improvement of Khidropri Primary School-Unchurkhi Dkhinpara road (Ch 00-833.5m) & const of 2 nos. U-drain (Gabtal).	53,000.00	180 days	750.00
GBRP/BOW/W-04	Improvement of Unchurkhi Tairpara-Kaludanga para via Suchnirjan Maria road (Ch 00-671m) & const of 1-no. U-drain & side drain (Gabtal).	52,000.00	180 days	750.00
GBRP/BOG/W-05	Improvement of Kaichar Bazar-Sabul hat road under Fapure UP (Sadar part) (Ch 900-1787m) & const of 1-no. U-drain (Bogra-S).	53,000.00	180 days	750.00
GBRP/BOG/W-06	Construction of drainage by filling old canal behind H/O SM Samsul Alam at Brindabonpara (Bogra-S).	33,000.00	180 days	750.00
GBRP/BOG/W-07	Improvement of approach road for 51.00m RCC girder bridge on Gokul-Telihar-Lahirpara road (Bogra-S).	40,000.00	180 days	750.00

- Name of project : Greater Bogra, Rajshahi & Pabna District Infrastructure Development Project.
- Source of funds : GOB funded.
- Date, time and place of pre-tender meeting : Date: 18 May 2005, 12:00 noon and place: Office of the undersigned.
- Last date, time and places of selling tender documents : 07 June 2005, 4:00pm and
(a) The Upazila Engineer, all in Bogra district.
(b) The Executive Engineer's Office, LGED, Joypurhat.
(c) Office of the undersigned.
(d) The Deputy Commissioner, Bogra.
(e) The Project Director, LGED, GBRP, Dhaka.
- Last date, time and places of receiving tender : 08 June 2005, 12:00 noon and
(a) The Upazila Engineer, all in Bogra district.
(b) The Executive Engineer's Office, LGED, Joypurhat
(c) Office of the undersigned.
(d) The Deputy Commissioner, Bogra.
- Date, time and place of opening of tender : 08 June 2005, 3:00pm and office of the undersigned.
- Tender shall be valid for a period of 60 days after bid opening and must be accompanied by the tender security specified above. Interested tenderer may obtain further information from the office of the undersigned and purchase the tender documents in cash/treasury challan/bank draft from the places mentioned above. The tenderer or their authorised representatives are allowed to attend the opening of tenders. The authority reserves the right to accept or reject any or all the tenders without assigning any reason whatsoever.

Sardar Anisur Rahman
Executive Engineer
Ph: 051-73761, 73728

GD-510