

Vehicle requisition takes toll on business

Investors seek measures to initiate requisition

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Frequent vehicle requisition by the Dhaka Metropolitan Police (DMP) has become a nightmare for the investors, hampering smooth operations and transportation of goods of fully foreign-owned and joint venture companies and export-oriented industries.

According to Board of Investment (BoI) sources, in order to serve the official purposes DMP on an average requisitions around 300 vehicles a day due to scarcity of vehicles and 220 of them are minibuses and pickups. A section of DMP officials sometimes misuses their power in requisitioning the vehicles.

Some foreign investors recently informed the BoI of frequent harassment and vehicle requisition by the DMP, which is hampering smooth operations as well as transportation

of goods of the foreign and joint venture companies and export-oriented industries. They also sought measures to limit the vehicle requisition.

"Attracting foreign investment to the country is a priority for the government and it is not expected that foreign investors are harassed by this sort of activities of the law enforcers," said a BoI official.

According to articles 103 (Ka) under DMP ordinance 1976, the DMP can requisition any vehicle for up to seven days to serve official purposes and it is also applicable to the vehicles owned by foreign investors.

It is possible to improve the present situation and reduce harassment of investors if the officials engaged in requisition don't abuse their power and keep the vehicles beyond the allowed days.

After receiving the allegations, the BoI sought present status of the

rules and regulations from the DMP in this regard.

As the foreign, joint venture and export-oriented industries are facing serious problems due to the DMP ordinance and its misuse, some changes are essential to improve the situation, said a BoI official.

"We are also trying whether it is possible to exempt the vehicles of fully foreign-owned, joint venture and 100 percent export oriented industries from requisition."

Specific sticker may be used to identify the vehicles of these types of companies and keep them out of the requisition, the official added.

The BoI and the Ministry of Home Affairs can jointly finalise the sample of the sticker. After finalisation, the home ministry can make an arrangement to print the stickers and supply them through an agency concerned.

A separate sticker can be used for fully export-oriented industry owned by local investors and if there is any urgent need for requisition of a vehicle of this category, it should be released within 72 hours.

The BoI along with Bangladesh Export Processing Zones Authority (Bepza) is also planning to prepare a list of such foreign, joint venture and export-oriented industries and send the list to the authorities concerned.

The BoI will place the set of recommendations at the next meeting of the National Task Force on Investment to be held soon.

When asked, a DMP high official said DMP requisitions vehicles only to fulfill its requirement. Presently, officials don't need to take anything into consideration while requisitioning any vehicles.

Dhaka-Kunming-Beijing flights from May 18

UNB, Dhaka

China Eastern Yunnan Airlines (CEYA) has announced direct flight between Dhaka-Kunming-Beijing from May 18.

China Eastern offers 50 percent special discount for their four initial inaugural flights on May 18, 19, 21 and 23. It also offers 150 percent mileage accumulation for commercial flights until October 25 under their package 'Eastern Miles', said a press release.

Established in 1988, China Eastern Airlines (CEA), headquartered in Shanghai, is one of the three state-owned airlines of China and CEYA based in Kunming, Yunnan province, is the subsidiary of CEA.

China Eastern Group operates over 80 international and regional routes connecting Asia, Europe, America and Australia in addition to over 330 domestic routes connecting 110 cities in China, the release added.

JS body asks govt to make Tabani Beverage profitable co

UNB, Dhaka

A parliamentary body yesterday asked the Ministry of Liberation War Affairs and the authorities concerned to take necessary steps to make Tabani Beverage a profitable company.

Parliamentary standing committee on Liberation War Affairs Ministry at a meeting at Sangsad Bhaban discussed and reviewed the activities of setting up of a PET plant for the company run by Bangladesh Muktiyoddha Welfare Trust.

Chaired by Committee Chairman Salahuddin Ahmed, the meeting also held elaborate discussions on what measures could be taken now to increase the overall income of Tabani Beverage.

The meeting emphasised doing everything possible to save the Muktiyoddha Welfare Trust and the organisations under the Trust, formed for the wellbeing of the wounded freedom fighters and the families of the martyred freedom fighters.

Committee members State Minister for Liberation War Affairs Prof. M Rezaul Karim, Mozaher Hossain, Mohammad Ali, Dr Mohammad Salek Chowdhury and Muhammad Giasuddin attended the meeting.



PHOTO: STAR

Syed Anisul Huq, president and managing director of Bank Asia Limited, and Dr Niaz Rahman, managing director of Bangladesh Eye Hospital, shake hands after signing an agreement for treatment of congenitally blind children at Bangladesh Eye Hospital in Dhaka yesterday. Bank Asia Chairman M Syeduzzaman, Vice-chairman A Rouf Chowdhury and Bangladesh Eye Hospital Chairman Dr Mahbubur Rahman Chowdhury are also seen.

Bank Asia launches charity programme

Visually impaired children to get treatment

STAR BUSINESS REPORT

Bank Asia Limited has launched a socially beneficial programme as part of its corporate social responsibilities in observance of its fifth founding anniversary.

To this effect, the bank signed a memorandum of agreement with Bangladesh Eye Hospital to offer service to visually impaired young children, increase social awareness against childhood blindness and strengthen the partnership for long-term social commitment.

Syed Anisul Huq, president and managing director of Bank Asia, and Dr Niaz Rahman, managing director of Bangladesh Eye Hospital, signed the agreement on behalf of their organisations, a bank press release said.

M Syeduzzaman, chairman of Bank Asia, A Rouf Chowdhury, vice-chairman of Bank Asia, and Dr Mahbubur Rahman Chowdhury, chairman of Bangladesh Eye Hospital, were present at the signing ceremony.

Officials said Bank Asia will provide all necessary financial supports including surgery costs, medicines and other expenses and

Bangladesh Eye Hospital will provide all kinds of institutional support.

All surgical operation will be performed in the hospital with an experienced pediatric ophthalmologist and a pediatric anesthesiologist will administer general anaesthesia in all cases.

The duration of the programme is initially envisaged for a one-year period and during the time around 100 patients will be treated.

Both the Bank Asia and Bangladesh Eye Hospital will work towards expanding the field of activity and continue to work further for developing a more constructive plan to expand the work of education, research, diagnosis and treatment of preventable childhood blindness in Bangladesh, the release said.

Earlier, in October 2004 in observance of the World Sight Day, the bank sponsored the theme 'Eradicate Childhood Blindness' through organising eye camps at two schools located near two bank branches -- Malkhanagar (Munsiganj) and Tarair (Kishoreganj)

DEEP SEAPORT Govt to invite consultants for feasibility study

BDNEWS, Dhaka

The government has decided to appoint consulting firms to carry out a detailed feasibility study for establishing a deep seaport in Bangladesh.

Eligible consulting firms will be invited through advertisement in the newspapers within the next week.

The ministry of shipping at an inter-ministerial meeting yesterday took the decision to invite consultants, both from international and national levels, by the next week.

Shipping Minister Akbar Hossain chaired the meeting. Among others, members of the committee on deep seaport and cabinet secretary Dr Sadaat Hossain, secretary of the economic relations division Ismail Jabiullah and shipping secretary Rafiqul Islam were present.

Ministry sources said the feasibility study is expected to be complete within one year from the signing of the contract.

The study will cover review and analysis of present situation, port administration model, public-private participation model, assessment of potential market and business opportunities, site selection, survey and investigations, planning and cost estimates, project appraisal and, project management model and other ancillary services.

Nepal Chandra Sarker, joint secretary of the shipping ministry, said the feasibility study will be finished in two phases. Of which, the work of the first phase will be completed within four months and soon the firms will submit the report to the government.

He said consultants would be selected, in accordance with the Public Procurement Regulations Act 2003.

EU launches Small Projects Facility

UNB, Dhaka

The first call for proposal for the EU-Bangladesh Economic Co-operation Small Projects Facility (SPF) has recently been launched by the European Commission Delegation to Bangladesh.

The SPF is a new initiative to support the private sector organisations directly through small grants to improve the competitiveness and to cope with the challenges of the post-MFA scenario, said a press release yesterday.

Private sector associations, non-governmental and governmental organisations can apply for the grants to support actions in the areas of vocational training, technology transfer, trade facilitation and training of media professionals. These are areas of great importance to strengthen the economic partnership between EU and Bangladesh, while contributing to poverty alleviation.

The European financial contribution for the SPF is three million euro and grants will be provided for up to 90 percent of the amount of the project and up to 100,000 euro per project.

Detailed information on grant application procedures to the SPF programme is available at <http://www.eudbangladesh.org> and information sessions on the SPF will be organised in the coming weeks.

BKMEA urges EC for 45pc value addition for GSP

BDNEWS, Dhaka

The country's knitwear manufacturers and exporters yesterday made a strategic move to lobby for the GSP facility in the EU as the EC is framing a new rule for local exporters.

Bangladesh Knitwear Manufacturer and Exporters Association (BKMEA) pleaded to Esko Kentschynskyj, EU ambassador and head of delegation of the European Commission (EC) to Bangladesh, to give GSP (generalised system of preferences) facility on 45 percent value addition of local apparels.

The request was made when the ambassador was visiting BKMEA office and some knitwear factories in Narayanganj yesterday.

The BKMEA recommended a separate GSP facility from the EC for the largest exporters association of the country BGMEA (Bangladesh garment Manufacturer and Exporters Association). GSP is the special duty free export facility in the European Union (EU), enjoyed by

the developing countries.

In reply, the ambassador said he will place the recommendation of the BKMEA before the EU Headquarter in Brussels.

As the EC is on the process of forming a new method that favours using a method of evaluation of sufficient processing based on a "value added test" as the starting point, the BKMEA made this strategic move.

Under the new method, a product resulting from the working or processing of imported non-originating materials will be considered originating if the value added in the country or in a region in the event of cumulation amounts at least to a certain threshold (a minimum local or regional value content), expressed as a percentage of the net production cost of the final product.

Under the new rule, garment exporters from the LDCs will get the GSP facility only on the value addition, although EU is yet to declare

the final structure of GSP, which will remain valid from January 1, 2006 to 2015.

While placing the plea, the BKMEA president, Fazlul Haque, told Esko Kentschynskyj that, "If the EC does not issue a rule for 45 percent value addition for the local exporters, it will be a disaster for local knitwear industry."

"We are recommending a separate GSP facility for the BGMEA as they have a very weak backward linkage," Fazlul Haque added.

On 7 July 2004, the EC set out principles that will guide the new GSP scheme for the next ten years, as the current cycle ends on 31 December 2005.

Bangladesh accounts for only 3.6 percent of the total volume of EU GSP imports and ranks eighth among the GSP beneficiaries after China (33.1 percent), India (11.5 percent) and Indonesia (4.8 percent). In 2002, EU imports under GSP amounted to 53.2 billion euros.

Govt may go for open tender to lease coal fields

UNB, Dhaka

The government is contemplating to go for open tender to lease the country's coal fields to foreign companies.

State Minister for Energy AKM Mosharrar Hossain yesterday gave this indication, saying the foreign companies are coming up with great interest to invest in the country's coal mine sector.

But it is often found that a number of companies are showing interest to invest in a particular coal field which caused a big problem for the government to select one.

To overcome the problem, the government will evolve a new mechanism to pick up one among the interested companies. In this case, the open bidding process may be chosen as an option and the government may invite offer from all interested foreign firms on the basis of competition to award the coal fields, the state minister said.

Mosharrar also said his ministry will take special efforts to strengthen its coal department to deal with the foreign investors in the sector.

Earlier, the government had been following a non-bidding lease-out process under which it had selected some foreign companies to develop the untapped coal fields.

Under the existing rule, the foreign companies require obtaining license from the relevant government agencies to develop coal fields in the country.

But against the backdrop of growing interest of the foreign companies in investing in the coal mine sector, the state minister said the government is studying measures for bringing some changes in the process of awarding a coal field for development.

In last few months, Indian indus-

trial giant Tata Group and a US-based company -- Global Vulcan Energy International -- showed interest to explore and develop coal mines in the country.

But both the companies showed interest for the Barapukuria coal mine, which is now being developed by the government with the help of a Chinese company which has engaged as a contractor. The same company will also operate and maintain the field as an appointed contractor.

Besides, Asia Energy, a UK-based firm, is now developing the Phulbari coal mine project in Dinajpur.

Meanwhile, a three-member delegation of the Asia Energy met the state minister for energy in his office yesterday. The delegation informed the minister about latest development of the project. The company recently completed its feasibility study for the project.

As per the initial report, the project will produce about 1.5 million tons coal annually up to the year 2010 and from the year 2011, the production of the project would increase to 15 million tons per year.

ROK growth forecast cut

AFP, Seoul

South Korea's central bank said Thursday the economy may grow less than three percent in the first quarter of this year -- well-below expectations and short of its own forecast of 3.4 percent.

The central bank blamed the revised figure on a fall in cigarette production after the government hiked tobacco prices sharply last year.

Tata to do charity in Bangladesh

STAR BUSINESS REPORT

Indian industrial giant Tata Group yesterday initiated talks with the government to launch charitable activities in Bangladesh as part of its corporate practice.

"We usually spend 7 to 13 percent of the group's net profit on charity as the group is a trustee organisation," Manzer Hussain, resident director of Tata Group, said after a meeting with Social Welfare Minister Ali Ahsan Muzahid at the latter's office.

The Tata official said the group maintains strict corporate social responsibilities in all of its territories across the world.

"Tata spends money on the well-being of residents living within an area of 30 kilometers of its all industrial plants," Manzer

said adding that the group offers charities such as medical services, micro credit and environmental development.

The group maintains high level of workers' compliance and discourages child-labour in its projects, Manzer added.

The minister said Tata officials inquired about legal requirements for offering its charity in the country.

"We find nothing wrong if any corporate house practises charity in Bangladesh as part of its responsibility," Muzahid said adding that it may encourage local industrial groups to offer similar humanitarian services.

Suranjan Kumar Dev, marketing consultant of Tata Group, and Mijanur Rahman, a ministry official, among others, were present at the meeting.

SEC to formulate margin rule for merchant banks

BDNEWS, Dhaka

The Securities and Exchange Commission's consultative committee at a meeting yesterday decided to formulate a margin rule for merchant banks.

Besides, introduction of circuit breaker to arrest the unusual fluctuation of market was also discussed in the meeting.

"We have formed a four-member convening committee to expedite the decision of formulating a margin rule for the merchant banks," said the SEC Executive Director Mansur Alam.

The committee will submit the draft of the proposed margin rule by June 30, 2005.

Presently, the margin rules 1999 is effective only for the members or the brokers as well as their clients while there is no distinct margin rule for merchant banks.

"This is aimed at bringing uniformity in the activities of the merchant banks," said Dhaka Stock Exchange Chief Executive Officer Salahuddin Ahmed Khan.

In absence of a distinct margin rule, the activities of the merchant banks were sometimes becoming risky, he added.

Among others, executive officers of CSE, general manager of ICB and the officials of SEC were present.