

# Develop infrastructure to compete globally

## US ambassador tells DCCI

### STAR BUSINESS REPORT

The US ambassador in Dhaka yesterday emphasised development of the basic infrastructure to make local industries more competitive in the global market.

Harry K Thomas said some of such areas as shrimp industry, food processing and farm-based industries, frozen foods and ceramics have significant potential to compete in the world market.

"But success of these industries depends on developments in basic infrastructure," Thomas said during a meeting with the leaders of the Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka.

These industries continue facing tremendous challenges that hinder efficient production and reduce competitiveness, the ambassador observed.

He, however, said it is encouraging that foreign investors are showing interest in investments in infrastructure such as road, railroads, port facilities, telecommunications and power and energy.

"But foreign direct investment alone cannot be the solution to the needs of this country. Local investment and initiative from business leaders are necessary to sustain development," Thomas added.

However, it is encouraging that Bangladesh concentrates on those sectors where it has a competitive advantage, he said.

Responding to the demand from



PHOTO: DCCI

Harry K Thomas, US ambassador in Dhaka, receives a crest from Sayeeful Islam, president of the Dhaka Chamber of Commerce and Industry (DCCI), at a discussion on Bangladesh-United States Business Development yesterday in Dhaka.

the local businesspeople of helping Bangladesh set up IT-based call centres, Thomas said the standard of telecommunication infrastructure in Bangladesh is poor and the country is also lagging behind in broadband internet service.

Citing examples of India, he said it is true that IT has played a significant role in the growth of many Asian countries.

While the businesspersons raised another demand on visa issuance, he said the US Embassy is contemplating fixing a certain hours only for

the businesspeople to issue their visa.

In order to familiarise Bangladeshi products in the US markets, an exhibition titled 'Bangladesh Road Show' will be organised in Houston in September this year, he told the businesspeople.

Speaking at the function, DCCI President Sayeeful Islam said Bangladesh-US relationship is vital from both political and economic perspectives.

As Bangladesh's number one export destination in the RMG sector,

USA is playing the role of the most important ally of the country in its fight against poverty, the DCCI president said.

In FY2003-04 Bangladesh exported goods worth \$1966.58 million to the USA while imported \$225.60 million from the USA. Major export items are woven garments, knitwear, shrimp and home textile while major import items are electrical machinery and equipment, pulp of wood and fibres, fertilizer, transport equipment and organic chemicals.

## BGMEA to make workers' insurance mandatory

### BDNEWS, Dhaka

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) holds an extra ordinary general meeting (EGM) today in a bid to make workers' insurance mandatory for all garment factories.

Leaders of BGMEA said the association has taken the steps as it is now facing tremendous pressure from all quarters after the Savar tragedy that killed 63 workers.

BGMEA President Annisul Huq is optimistic about passage of a resolution in this regard. "We are hopeful that we will get support from majority members to make workers' insurance mandatory," he said.

The EGM will start at 4pm.

A survey team of BGMEA, meanwhile, detected faulty machinery at a factory in capital's Mirpur and closed it down.

However, he declined to disclose the name of the factory.

Bangladesh's export earning from the RMG sector was \$5.6 billion in 2003-04, which was \$4.9 billion in 2002-03.

## Small and cottage industries fair begins

### STAR BUSINESS REPORT

25-day small and cottage industries fair began in Dhaka yesterday.

Organised by National Association of Small and Cottage Industries of Bangladesh (NASCI), the fair was formally inaugurated by Industries Minister Motiur Rahman Nizami at Bangladesh Shilpakala Academy auditorium.

Some 80 firms will display products in 108 stalls at the third version of the fair.

Speaking at the function, BSCIC (Bangladesh Small and Cottage Industries Corporation) Chairman M Sikander Ali Mondal said some 33,000 entrepreneurs will be developed in the country by next few years with the assistance of the World Bank and Asian Development Bank.

The opening function was also addressed, among others, by Turkish Ambassador to Bangladesh Ferit Ergin, NASCI President Mirza Nurul Ghani Shovon, and Director General of Bangladesh Shilpakala Academy Ahmed Nazir.

## Bank Asia, SEDF to develop SMEs

Bank Asia Ltd signed a memorandum of understanding (MoU) yesterday with SouthAsia Enterprise Development Facility (SEDF), a multi donor funded operation set up by International Finance Corporation, in a bid to assist the country's SME sector.

Syed Anisul Huq, president and managing director of Bank Asia, and Anil Sinha, general manager of SEDF, signed the MoU on behalf of their organisations, says a press release.

Under the MoU, SEDF with the financial support of Bank Asia will extend technical assistance in identifying and establishing small and medium enterprise (SME) segments in the country.

Gilles Galludec and Masud Nizami of SEDF, and Erfanuddin Ahmed, senior executive vice president (Operations), Tanweer Rahim, executive vice president (Marketing), Irteza Reza Choudhury, EVP (International), and Azhar Ali Meah, senior vice president (Internal Control) of Bank Asia, were also present at the signing ceremony.

## FAILURE TO HOLD AGMs

# SEC fines 11 high-ups of two cos

### BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) yesterday fined 11 management officials, including chairmen and managing directors, of two companies for not holding annual general meetings for the year 2003 and 2004.

SEC sources said the commission fined 6 officials of Eagle Box and Cartoon Manufacturing Co Ltd

and 5 officials of Mona Food Industry Tk one lakh each for not holding AGMs for 2003 and 2004.

Apart from Chairman MA Matin and Managing Director Akter Mahmood Chowdhury, the other officials of Eagle Box and Cartoon Ltd penalised are directors Mobassar Hossain, Shahanara Akker Matin, Maher Manzer Matin and Mohammad Akhtertuzzaman.

On the other hand, Chairman MA

Bashar, Managing Director Zahid Hussain and directors Ahmed Faiyazul Bashar, Amber Bashar, DH Bahar of Mona Food industry were fined.

Sources said the penalty money would have to be deposited within 15 days.

Officials, who will fail to deposit the penalty within the stipulated period, will be required to pay Tk 10,000 for each succeeding day.

# Mumbai power cuts threaten India's financial centre

### AFP, Mumbai

A bright-red Virgin Atlantic airlines billboard along the main road in India's financial capital beckons residents of one of the world's most crowded cities to escape into luxury.

"Now every Mumbaiite (Bombay resident) will be pampered like a superstar," says the sign high above the Bandra Highway.

But residents of the busy city may miss the offer during the prime hours of 6 to 10 pm because the lights are out in this part of Mumbai, formerly known as Bombay.

"Oh... the diesel in the generator has run out. I need to put some more diesel in to get the machine going for

another two hours, otherwise the billboard will be unseen," says 23-year-old Akhtar Hussain who is stationed at the billboard to operate a generator when the lights go out.

The scene at the Virgin billboard is repeated throughout Mumbai as India's most important city braces for rolling blackouts this summer because of a severe power shortage.

For advertisers in this finger-shaped peninsula jutting into the Arabian Sea used to glittering neon signs and steady power -- it signals that a city billed as the next Shanghai needs some help.

A leading advertising company says the need to hire people and

generators to provide billboards with power is a bad signal to investors the federal government wants to encourage as part of an effort to rebuild the city's crumbling infrastructure.

"It is bad for the city. We are talking of Bombay as the next Shanghai and here were are faced with possibilities of blackouts," says Manish Jain, general manager of Bright Advertising, a leading outdoor advertising agency.

"The billboards that give a colourful picture to an outsider entering the metropolis are without illumination. They make the skyline of this island city and give it an international look."

## Bank Al Falah takes over Dhaka branch of Shamil Bank today

### BDNEWS, Dhaka

Bank Al Falah Ltd, a sister concern of Dhabi Group of royal family of UAE, will take over formally the Dhaka branch of Shamil Bank of Bahrain today.

After the take over the Dhaka branch of Shamil bank will be known as Bank Al Falah.

It will be first branch of Bank Al Falah outside Pakistan where it has some 120 branches.

"Our Dhaka branch is being handed over to the Bank Al Falah since our head office is facing difficulties to control the only branch in the region from Bahrain," said Faiyaz A Sheikh, country general manager of Shamil Bank.

He said as per the requirement of Bangladesh Bank, the Bank Al Falah will take over with one billion taka as capital.

Bangladeshi KM Majedur Rahman has been appointed the country manger of the Bank AL Falah.

# Pressure mounts on Malaysia to review ringgit peg

### AFP, Kuala Lumpur

A Malaysia's seven-year peg of its currency, the ringgit, to the US dollar is coming under increasing pressure for a review amid fears of rising inflation and speculation that the yuan will be revalued, economists said.

Even the architect of the policy, former premier Mahathir Mohamad, is calling for a change to ensure Malaysia's economy remains competitive.

Economists expect a review of the peg of 3.80 ringgit to the dollar, fixed since September 1998, to be made in the second half of the year and that Malaysia should benchmark its ringgit to a basket of currencies.

"There is pressure on the government to review the ringgit peg due to fears of an imported inflation," Suhaimi Saidi, an economist with the local research house

AmSecurities, told AFP.

Speculation that China may adjust its own currency peg to the dollar and allow the yuan to rise has also lent strength to the belief that Malaysia might follow suit, economists said.

Mahathir, who imposed the peg as part of capital controls to shield the economy from the 1997-98 Asian financial crisis, has recently joined others in calling for a review of the system as a sharp decline in the dollar's value has made Malaysian imports costlier.

But Mahathir said the value of the ringgit should be decided by the government and not by external parties.

"We have to determine it ourselves and not leave it to market forces as it will be exposed to manipulation," he said Tuesday.

Suhaimi said the ringgit was estimated to be undervalued by about five to 10 percent, judging

from the weakening of the greenback.

"It could be revalued between 3.42 to 3.60 per US dollar," he said.

Standard Chartered bank economist Joseph Tan, who is based in neighbouring Singapore, said the time was ripe for Malaysia to review the ringgit peg, given its position of strength.

"The fundamentals of Malaysia's economy are strong enough to withstand such a shift," he was quoted as saying by the Business Times newspaper over the weekend.

Tan said Malaysia should shift to a managed float of the ringgit against a basket of currencies from its top trading partners.

But it was necessary for Kuala Lumpur to impose a temporary exit tax to safeguard the financial system from the sudden drain of liquidity, he said.



PHOTO: BANK ASIA

Syed Anisul Huq, president and managing director of Bank Asia, and Anil Sinha, general manager of SouthAsia Enterprise Development Facility (SEDF), exchange documents after signing a memorandum of understanding (MoU) yesterday. Under the MoU, Bank Asia and SEDF will facilitate technical assistance and training for the development of small and medium enterprises in the country. Other senior officials from both the sides are also seen.