



Donors, govt agree to better project implementation

STAR BUSINESS REPORT

Development partners and the government have reached an understanding to improve project implementation in Bangladesh.

Asian Development Bank (ADB), Department for International Development (DFID), Japan Bank for International Cooperation (JBIC) and the World Bank (WB) jointly conducted a portfolio review mission aiming at improving project implementation in the country.

The mission revealed that besides cumbersome government project approval process, many externally financed projects suffer

from delays due to prolonged procurement actions for civil works and recruitment of consultants.

The mission said delays in implementing projects have led to lower than expected disbursement of funds for development partners, contributing to poor utilisation of the Annual Development Plan in Bangladesh.

The portfolio review observed in some cases financial management and reporting including auditing did not follow the requirements laid down by development partners.

The mission identified four key areas and related actions to improve the portfolio performance.

MPs want discussion on draft PRSP in JS

BDNEWS, Dhaka

Lawmakers yesterday demanded general discussion on the draft Poverty Reduction Strategy Paper (PRSP) in parliament to vent their suggestions in the document.

"This should be discussed in the parliament since it's an important document," said one of the discussants MP.

They also emphasised keeping provision of subsidy in agriculture and agro-based industry in the PRSP and grass roots level participation for its successful implementation.

The lawmakers' demand came at a floor discussion of the workshop on "Poverty Reduction Strategy Paper: The Parliamentarians Perspective" held at Dhaka Sheraton Hotel.

Strengthening the Parliamentary Democracy project of the United Nations Development Programme (UNDP) and the Parliament of Bangladesh organised the workshop to obtain the views of the lawmakers.

However, Speaker Barrister Jamiruddin Sircar said there was no scope to hold discussion on the issue in the next budget session.

He said another follow-up meeting will be organised within a week with the experts and consultants taking the lawmakers recommendations.

Responding to the news agency, Sircar said, "None of the MPs earlier said that this should be discussed in the parliament. This can be discussed after budget session due to time constraint."

The speaker also requested the opposition MPs to take part in the discussion on PRSP in the parliament.

Viewing the ruling and opposition MPs interests on PRSP a way forward, Dr Hossain Zillur Rahman, chief consultant of PRSP drafting team, said, "MPs have given importance to farmer and agriculture which should be included in the draft PRSP."

Besides, fund sourcing and their implementation guidelines in addition to operational document for the

field workers were other important matters to be addressed in PRSP, he added.

"Our farmers should be given free irrigation facility and soft loans to make the country self-sufficient in food grain and free the country from hunger," said Abdul Alim MP, chairman, parliamentary standing committee on the public undertakings.

Some 41 MPs from ruling and opposition parties attended the discussion.

Opposition Chief Whip Abdus Shaheed stressed the need for good governance for proper implementation of the PRSP. To make this a success, he said, MPs voices should be given more space in the PRSP.

Among others, Chief Whip Delwar Hossain, chairman of the various standing committees of the parliament spoke.

The much-talked-about PRSP is scheduled to be finalised by December this year while the 2005-06 budget will be formulated in the light of IPRSP.

RUN-UP TO BUDGET FY06

Textile millers seek 15pc cash incentive, 50pc waiver on utility bills

BDNEWS, Dhaka

15 percent VAT on gas, water, and electricity.

The existing debt-equity ratio and interest rates on term and working capital loan are very unfavourable, said BTMA in its budget proposal, urging to fix debt-equity ratio at 80:20 and fix interest on term and working loan at 7 percent.

BTMA explained that as the European Commission (EC) is framing a new method for GSP (generalised system of preference), a facility enjoyed by the developing country for exporting goods to EU (European Union), primary textile sector should be given more facilities by the government.

The association reckons the GSP might be disbursed this year on value addition and BTMA is the major contributor industry to the value-addition on export garments.

For this reason 15 percent cash incentive is a must for the protection of domestic industry and employment.

At present, only 5 percent cash

incentive has been given to the textile millers.

Most of the spinning, weaving and dyeing-printing-finishing industries are using natural gas for power generation, to produce steam by boiler and for heating and chilling. In a survey, it is revealed that the BTMA consumes 76 percent of Titas gas.

But the utility bills are being added with the textile production, which is a drawback for the country.

It also urged continuation of tax holiday period up to the year 2010 and fixation of corporate income tax at 10 percent. Also for the cost competence, BTMA demanded zero tariff on generator import.

At present, the primary textile sector of the country is meeting 90 percent of yarn and fabric requirement of knit readymade garment export and 25 percent of fabric for woven RMG export.

Bangladesh owes \$186.25b to foreigners

BDNEWS, Dhaka

Finance and Planning Minister M Saifur Rahman yesterday told parliament that the amount of country's foreign debt is US\$ 186.25 billion.

"Different foreign organisations, countries and banks provided the loan," the minister said adding, "Bangladesh paid Tk 234.40 billion of the loans and Tk 96 billion as interest in the current fiscal."

He was responding to two separate queries of Jatiya Party lawmakers Hafizuddin Ahmed and Golam Habib Dulal.

Responding to another question by Prof. Sheikh Shahidul Islam, Saifur Rahman said that now per capita GNP in the country stands at Tk 25,944, which was Tk 24,028 in 1995-96.

"The country earned a revenue of Tk 964.52 billion in 2003-04 fiscal from the Chittagong port," the finance minister told the house responding to a question raised by Mohammad Ali Zinnah.

Dhaka-Kunming-Beijing flights from today

BDNEWS, Dhaka

The China Eastern Airlines will launch its flight on Dhaka-Kunming-Beijing route today.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasir Uddin will welcome the first flight of the route at the Zia International Airport, according to a press release of the ministry.

The airline will arrange a function today at Sheraton Hotel to mark the launch.

StanChart to collect ticket fares for British Airways

Clients of British Airways will now be able to pay for their ticket fares through Standard Chartered Bank after making their booking.

A new booth of British Airways ticket sales has been set up at the bank's Corporate Counter in Gulshan, Dhaka in this regard. Visiting Area General Manager (Central Asia, South Asia, Middle East and Africa) of British Airways Robbie Baird inaugurated the booth on Monday, says a press release.

Among others, Andy Stern, general manager (South Asia), Ian Petrie, manager (Bangladesh) of British Airways, and Osman Morad, chief executive officer of Standard Chartered Bank, Bangladesh, were present at the inauguration.

Gulshan Spinning Mills, CityCell sign corporate deal

Gulshan Spinning Mills Ltd, Bangladesh has become corporate client of CityCell, the CDMA mobile phone operator.

An agreement to this effect has recently been signed between Gulshan Spinning Mills and Pacific Bangladesh Telecom Limited (PBT), the owning company of CityCell, says a press release.

Under the deal, employees and associates of the mills will enjoy some exclusive services from CityCell. Besides, overall telecommunications expenses of the mills will also decrease.

MA Rahman, director of Gulshan Spinning Mills, and Sharif Shah Jamal Raj, assistant vice president (Direct & Corporate Sales) of PBT, signed the deal on behalf of their companies.

Afzalur Rahman, director of Gulshan Spinning Mills, and Delwar Hossain Shopon, senior executive (Corporate Sales) of PBT, among others, were present at the function.

Prime Finance issue manager for Summit Power's IPO

Summit Power Ltd, a power generating company, has appointed Prime Finance & Investment Ltd, a non-banking financial institution and merchant bank, as the issue manager for Summit Power's forthcoming initial public offering (IPO).

An agreement to this effect was signed recently in Dhaka between the two companies, says a press release.

Muhammed Aziz Khan, chairman and managing director of Summit Power, and Tapan K Podder, managing director of Prime Finance, signed the deal on behalf of their companies.

The officials are meeting behind closed doors in the new

Govt urged not to allow 4-hr overtime in RMG units

STAR BUSINESS REPORT

Garment workers yesterday urged the government not to make any provision allowing four hours of overtime in apparel units violating the ILO Convention.

Leaders of Bangladesh Garment Workers' Unity Council (BGWUC) made the call at a press conference in Dhaka, saying such move will affect Bangladesh's garments export.

If the government allows four-hour overtime duty, employers will force workers to work 12 hours a day regularly, he added.

"What is more worrying, Bangladesh Garment Manufacturers' and Exporters Association (BGMEA) has been lobbying the government for a long time to allow four-hour overtime duty a day," Amin added.

On September 19, 2004, the labour ministry published a gadget

noting garment workers.

"We have the information that Ministry for Labour and Employment will hold a meeting tomorrow (Wednesday) with BGMEA and Bangladesh Employers' Federation to discuss the issue," said Amirul Islam Amin, BGWUC president member.

"If the government allows four-hour overtime duty, employers will force workers to work 12 hours a day regularly, he added.

"But the fact is that the factory owners never consult workers, rather they impose overtime duties on us," said a leader of BGWUC, a unity of ten organisations representing

notification that allowed the garment factory owners to put workers on duty for 12 hours a day. The provision expired on March 18, 2005.

"We accepted the government decision at that time. But now four-hour overtime duty is not acceptable," Amin said.

The government also issued a notification on April 13, 2005 allowing women workers to work in garment factories at night. But women workers face various problems, Amin said.

The garment workers demanded withdrawal of the April 13 notification today in favour of their demands.



PHOTO: PUBALI BANK

EA Chaudhury, chairman of Pubali Bank Ltd, hands over a crest to Fakhruddin Ahmed, former governor of Bangladesh Bank, while the new BB Governor Salehuddin Ahmed looks on at a dinner party in Dhaka on Monday. The management of Pubali Bank arranged the party to bid farewell to the immediate past governor as well as to welcome the new governor.

Retail markets indifferent to new pay scale

BDNEWS, Dhaka

The price of fish including hilsa was higher than that of the previous week.

Nasir, a shopkeeper at Plessey, said, "The retail price of rice may remain at present level if the availability continues." However, he did not expect the price to decline despite availability and ensuing harvesting season of Boro crop.

He said the Nazirshail, Miniket, Pajjam, BR-28, Parijat and IRRI varieties were being sold at the same price.

"Nothing but supply situation

determines the market price," said Abdul Aziz, a retail vegetable seller at Hatirpool kitchen market.

"This does not depend on us as the demand is quite stagnant corresponding to the supply," he added.

While the fish sellers claimed that the rise in fish price was due to the scarcity of fishes in the local markets.

"Fishermen are not getting enough fish to supply to the local market," said Ismail at Hatirpool bazar.

Altaf calls for LDC efforts to reap benefits from WTO rules

UNB, Dhaka

Commerce Minister Altaf Hossain Choudhury yesterday called for all-out efforts by LDCs such as Bangladesh to tap benefits from multilateral trade rules.

"...market issue has become a vital factor for accelerating the pace of our development by generating demand for our products," he told an inaugural session of a daylong workshop in Dhaka.

Commerce Ministry and Commonwealth Secretariat jointly organised the Asia and the Pacific workshop titled "The Preparations for the WTO 6th Ministerial Conference" to analyse and clarify the issues pertaining to the meet scheduled to be held in Hong Kong on December 13-18 this year.

Commerce Ministry Adviser Barkatullah Bulu, Commerce Secretary

Siddiqur Rahman Chowdhury, Commonwealth Secretariat representative Ivan Mbirimi also addressed the opening session, attended by delegates from six Commonwealth countries - Bangladesh, Pakistan, Sri Lanka, the Maldives, Fiji and Papua New Guinea.

Altaf apprised the meet that Bangladesh strongly demanded in the last two informal mini-ministerial meetings in Kenya and France for free access of all LDC products, agricultural and non-agricultural, to the developed and advanced developing countries.

He said Bangladesh has also called for imposition of moratorium on anti-dumping measures and safeguard measures against LDCs' exports to the developed and the developing countries.

"There must also be a moratorium on imposition of other contingency

Malaysia, Japan meet to speed up free trade talks

AFP, Kuala Lumpur

Officials from Malaysia and Japan are meeting for two days to hammer out "some sensitive issues" in an attempt to speed up their free trade talks, an official said Tuesday.

"It is related to the free trade agreement (FTA). It will deal with how to move ahead with the FTA and resolve some sensitive issues," an official familiar with the talks told AFP on condition of anonymity.

The officials are meeting behind closed doors in the new

administrative capital Putrajaya, south of Kuala Lumpur.

Earlier this month, Japan and Malaysia agreed to reach a basic agreement by the end of May but the two countries remained divided on the auto sector as Malaysia was reluctant to review its policy to protect its domestic industry.

They were also trying to narrow differences in such areas as auto parts, steel and investment and services.

The two governments, which started talks on an FTA in January



PHOTO: ERD

Badru Rahman, additional secretary of Economic Relations Division (ERD), the Government of Bangladesh, and Christine I Wallich, country director of World Bank in Dhaka, sign a credit agreement on behalf of their sides yesterday in Dhaka. Under the accord, Bangladesh will receive a concessionary credit of US\$300 million for the implementation of the "Health, Nutrition and Population Sector Programme (HNPS) prepared for the period of 2003-2010."