

Programme launched to support SMEs

STAR BUSINESS REPORT

In a bid to offer better business services including accounting, marketing, IT and management consultancy, Catalyst, a service provider, yesterday launched a programme exclusively for small and medium enterprises (SMEs).

The programme titled 'More Business' was inaugurated in Dhaka at a function where Golam Hossain, joint secretary of the commerce ministry, attended as chief guest. He read out a message of Commerce Secretary Siddique Rahman Choudhury, who was supposed to attend the launching ceremony.

"There are six million SMEs in Bangladesh now and their role in the country's economy needs to be highlighted," he observed.

Prashant Rana, general manager of Catalyst, said contribution of

the SMEs to Bangladesh's GDP is around Tk 781 billion which is quite encouraging.

However, SMEs in Bangladesh are facing different problems including access to finance and marketing, he observed.

Aly Zaker, chief executive officer and managing director of Asiatic Marketing Company Limited, said the future of Bangladesh is embedded in SMEs. Describing the power of branding, he said it is not possible with money alone. "It needs technology and foresight."

Lars P Reichelt, chief executive officer and managing director of Sheba Telecom Pvt Limited (On behalf of Banglalink), Syed Fahim Munain, managing editor of The Daily Star, and M Sajidur Rahman, head of consumer banking of Standard Chartered Bank, also spoke at the function. Sheba Telecom and Standard Chartered

are co-branding partners while The Daily Star is the media partner of 'More Business'.

Reichelt said SMEs are the thriving engine of growth and they represent 97 percent of all the employees in Bangladesh.

The Daily Star has been advocating for the promotion of SMEs long before it became the media partner of 'More Business', said Fahim Munain. "And The Daily Star will continue to do so."

Sajidur Rahman said access to finance and infrastructure are very important for the growth of SMEs.

Manish Pandey, manager (Services) of Catalyst, said lack of good marketing services is one of the reasons of failure of most businesses in Bangladesh and Catalyst is going to promote a better way of doing business. Later, he conducted a presentation on the 'More Business' brand.

Agora opens new outlet at Sobahanbagh

Chain supermarket Agora opened a new branch in Sobahanbagh on Tuesday.

Afroz Rahim, chairman of Rahimafrooz Group, the owning company of Agora, inaugurated the fourth outlet of the supermarket at Plaza AR on Mirpur road.

Customers of Dhanmondi area will now be able to enjoy a hassle free shopping experience in Agora with quality products and competitive prices, says a press release.

Feroz Rahim, CEO of Rahimafrooz Group, and Niaz Rahim, managing director of Rahimafrooz Superstores Ltd, among others, were present at the inaugural ceremony.

TMT steel bar producing plant opens

STAR BUSINESS REPORT

A local steel manufacturer has introduced the first thermo mechanically treated (TMT) steel reinforced bar manufacturing plant in the country against the backdrop of huge demand for more strength in civil engineering infrastructure.

AMK Steels Limited commenced production at its Ghorasal unit in Narshingdi on Tuesday.

CM Alam, managing director of IPDC, inaugurated the mill while Mafizuddin Sarker, managing director of ILFSL, M Nazrul Islam, managing director of Jamuna Bank, and TK Podder, managing director of Prime Finance, were also present at the function.

Civil and structural engineers have over the past few decades been demanding a deformed bar with high yield strength to be used in RCC works. The new TMT steel bar is more sophisticated compared with other graded bars in strength and resisting earthquake. The locally available graded steel bars are older in quality and poorer in grade, a speaker observed at the inauguration.

Besides, the customers will be benefited from using these bars in terms of both financial package and durability in construction, he said adding that it is possible to save around 12 percent construction cost using the new steel bars of the company.

Pakistan tea delegation to arrive Dhaka

UNB, Dhaka

A high level delegation of tea importers and traders from Pakistan will arrive here on May 29 on a five-day visit.

The delegation, led by the chairman of Pakistan Tea Association (PTA), is expected to meet Commerce Minister Altaf Hossain Choudhury, chairman of Bangladesh Tea Board, officials and members of Tea Traders of Bangladesh (TTAB) and Bangladesh Tea Association (BTA) and tea exporting houses in Chittagong.

During the visit, they will also visit some tea estates in Sylhet, Bangladesh Tea Research Institute at Srimangal and attend a tea auction.

A memorandum of understanding (MoU) signed between PTA and BTA in December, 2004 is likely to be updated during the visit of the Pakistani team.

The visit is very important for the mutual interest of both the countries to boost tea trade, said a press release of the BTA.

S'pore central bank sticks to tight policy

REUTERS, Singapore

Singapore's central bank reaffirmed yesterday its policy for currency appreciation despite the International Monetary Fund's suggestion it should relax its current tight policy if domestic economic growth slows further.

"We refer you to our monetary policy statement issued on the 12th of April where we said we would maintain our policy of allowing a modest and gradual appreciation of the trade-weighted Singapore dollar," a Monetary Authority of Singapore (MAS) spokesman said.

"We have nothing more to add at this point," he said.

In its latest economic survey, dated May 23, the International Monetary Fund said Singapore's central bank may need to relax its current tight monetary policy to a more supportive one if its domestic economy slows further.

elements, which include fair and equitable treatment for all stakeholders, full and objective disclosure of the companies' financial statements, compliance with regulatory requirements, and corporate ethics.

"Although the awareness for corporate governance is increasing day by day, we have to go long way to establish corporate governance," he said.

Good governance can help an institution attract local and foreign direct investments, ensure institutional continuity and sustainability, he added.

Three others multimedia presentations were presented by Wendy Werner, consultant of SouthAsia Enterprise Development Facility, Managing Director of Eastern Bank K Mahmood Sattar and Fazlul Haque, principal manager (IT & MIS) of Rahman Rahman Haq, at the workshop.

Making a multimedia presentation at the workshop, BEI President Farooq Sobhan said corporate governance mainly depends on four basic

"The revised offer will be a little more ambitious than our earlier offer," Menon said without elaborating.

He said India has "offensive interests" in liberalising the services especially in cross-border supply of services including business processing outsourcing.

India has received requests from other WTO member-countries for opening up its insurance, legal, accountancy, retail and telecoms sectors. On its part, India too has requested for various sectors abroad.

Services sector contributes more than 50 percent of India's gross domestic product (GDP) and is rapidly growing further.

Menon said if India can make "aggressive" offers, it will negotiate better deals with other countries for opening up services market of its own interest.

Under the WTO system, negotiations in services trade are conducted through offers and requests. According to Menon, India's priorities in agricultural negotiations includes seeking of removal of trade-distorting subsidies, reduction in the level of protection in developed countries and adequate protection to low-income and subsistence farmers in the country.

For India, agriculture remains the centerpiece of WTO negotiations with the US and European Union as two-thirds of Indians are farmers. Menon said if India can make "aggressive" offers, it will negotiate better deals with other countries for opening up services market of its own interest.

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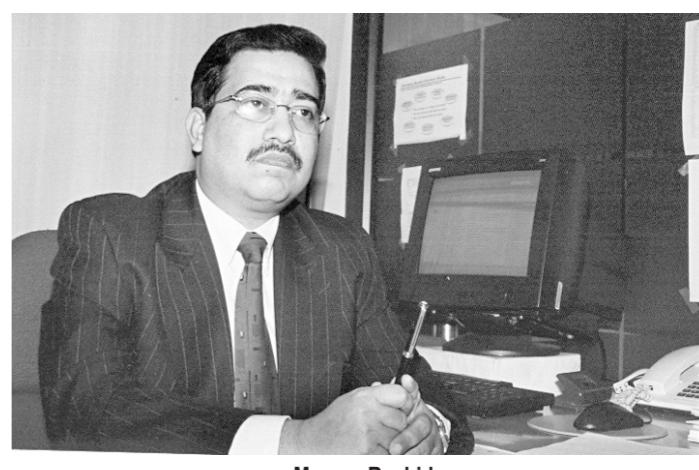
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RUN-UP TO BUDGET FY06

Measures needed to curb inflation

International Chamber of Commerce-Bangladesh Banking Commission Chairman and Citibank NA Bangladesh CEO Mamun Rashid (MR) talks to The Daily Star (DS). Rashid speaks on the overall economy of the country ahead of the budget for the next fiscal year. Following are the excerpts:



Mamun Rashid

that growth is sustainable.

DS: What you think should be the focus sectors for the next year?

MR: Bangladesh continues to perform below its potential. The country would need to upgrade its infrastructure, including ports with requisite road and rail links to seize its full economic potentials, particularly of export-led manufacturing expansion. There is also a pressing need to address governance issues including reducing corruption, and reversing law-and-order slides. We also need to focus on capacity building in both private and public sector.

In terms of focus sectors in 2006, energy, infrastructure and telecommunication, education and healthcare are expected to receive renewed interests, subject to policy support and removal of execution bottlenecks. On the manufacturing side, textile and pharmaceuticals have good potential. Bangladesh is in the radar of foreign investors like recent investment discussions by tata, Vulcan, Dhabi group, Singtel and many others. We should use this opportunity by facilitating them on the ground. The benefits will be more job opportunities, trained local manpower, contribution to GDP, and reduction in poverty through increase in per capita income of the population.

DS: What you think are the major challenges for the economy for the next year?

MR: Year 2006 will be a crucial year for the Bangladesh economy. The country has to face few major international events and also with the phase out of Multi-fibre Agreement, Bangladesh now has to compete in an open international market. Our study reveals that order book size of the top RMG manufacturers is still healthy. Impacts, if any, shall surface beyond the middle of 2005. Despite the recent drop in international oil price after the hike, the price level has apparently established its new floor. Price hike of diesel, kerosene and gas will contribute to inflation, resulting into perhaps weaker currency and higher import cost to the nation.

However, things are not beyond control, impact of these events could be mitigated through appropriate fiscal and monetary policies, easier financing options, regulatory changes. Steady growth in GDP will result in an upturn in economic activity. This coupled with the government's relaxation of FDI policies and the fact that many foreign investors are likely to invest in this country could be the possible signs of an economic upturn. We believe that for the country as a whole, the story is fundamentally strong and

DS: What kind of support the real sector and the service sector needs in the next budget?

MR: The best kind of support for real and service sector from the next budget should be on policy and the pace for implementation. We need policies for improving the overall infrastructure level and quicker pace of implementation of such policies. We also need policy for enhancing access to credit to develop SME sector. Improvement of law and order situation is also another top priority. Apart from policy direction, government may decide to give specific fiscal and other incentives to various sectors depending upon its political and economic priorities. However, we must remember that we want to be a market based economy and as such government should send clear message that private sector must accept higher responsibilities in governance and capacity building. Private sector must improve their governance, pay more taxes, bring more transparency in their financial activities and get prepared to compete with rest of the world.

China insurance market to keep WTO promise

ANN/CHINA DAILY

China will continue to open up its insurance market in line with its World Trade Organisation (WTO) commitments, a top regulator said yesterday.

According to Wu Dingfu, chairman of the China Insurance Regulatory Commission (CIRC), the local insurance industry has already benefited from foreign expertise and know-how.

"Foreign insurance companies' management methodologies, know-how, and products have undoubtedly given a lift to the Chinese insurance industry, which is still in an early development phase," he said.

"At the same time, foreign insurers themselves have witnessed fairly good development," he told reporters at the CIRC-sponsored China International Insurance Forum.

"Although the opening up of the insurance sector under the WTO commitments has been fairly broad, insurance appears to be among the sectors that has benefited (from the opening up)," he added.

China lifted nearly all geographic and business scope restrictions on foreign insurers near the end of last year, basically fulfilling commitments made more than three years ago upon entry into the WTO.

CIRC officials said negotiations are under way on the removal of remaining restrictions on foreign insurers, including the right to offer motor vehicle third party liability insurance and set up wholly owned foreign life insurance businesses.

Thirty seven foreign insurers have entered the hugely promising Chinese market, which has averaged 30 percent annual growth over more than 20 years. Although they hold a less than 3 percent market share, foreign insurers' growth has been accelerating in recent years, particularly in relatively wealthy coastal areas such as Shanghai.

GMG flies to Nepal from Oct 1

STAR BUSINESS REPORT

Private GMG Airlines Limited is going to launch its flights on Dhaka-Kathmandu route from October 1.

Shahab Sattar, managing director of the airline, announced the new international destination of GMG yesterday at a press briefing in Dhaka.

Bangladesh and Nepal signed a

memorandum of understanding (MoU) on Monday to update the air service agreement (ASA) between the two countries for expansion of aviation operations.

Chairman of the Civil Aviation Authority of Bangladesh AKM Harun Chowdhury and Joint Secretary of the Ministry of Culture of Nepal Yanga Prasad Goutam signed the



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Japan, Malaysia agree on FTA

AFP, Tokyo

Ahmad Badawi signed off during a Tokyo meeting on the FTA outline hashed out in weekend negotiations in Kuala Lumpur.

"The two leaders agreed to expedite work in finalizing the text of the FTA so as to enable it to come into force as early as possible," a joint statement said.

The major sticking point that was resolved was on letting Japanese automakers to enter the market in

Malaysia, which has historically tried to build its domestic auto industry.

The agreement said Malaysia will immediately, as of the formal signing of the FTA, eliminate tariffs on knocked down auto parts for Japanese carmakers in Malaysia.

It will completely eliminate tariffs on Japanese finished cars by 2015, "starting with the larger ones," the joint statement said.