

Dhaka to seek help for ship building, Mongla port

Bangladesh-Malaysia Joint Commission Meeting begins June 7

BDNEWS, Dhaka

Bangladesh will seek Malaysian investment in ship building industry and Mongla port development during the Bangladesh-Malaysia Joint Commission Meeting (JCM) to be held on June 7 in Dhaka.

"We are preparing papers to present these proposals before the 3rd joint commission meeting," said a highly placed source in the shipping ministry.

Malaysian Foreign Minister Syed Hamad bin Syed Jaafar Albar will arrive in Dhaka on June 6 to lead his

country's team at the meeting while Bangladesh Foreign Minister M Morshed Khan will lead the host side.

According to foreign ministry sources, the meeting will focus on bilateral trade and investment issues, besides manpower exports.

Sources said shipping ministry officials have been given directions to prepare papers for seeking Malaysian investment in ship building industry and developing of port infrastructure in Mongla.

A shipping ministry official said Malaysia wants to invest in Chittagong Port. "But, we want their

help in developing the Mongla Port, which remains under used for long due to poor infrastructure."

Dhaka will also seek Kuala Lumpur's help for creating job facilities for Bangladesh Marine Academy cadets who remain job-less.

At the meeting, Bangladesh will also discuss manpower export, visa complications, education and cultural co-operation, foreign ministry officials said.

The JCM between Bangladesh and Malaysia was set up in 1992 with a view to developing co-

operation in different bilateral and economic areas.

The trade balance is heavily in favour of Malaysia, which exports goods worth more than US\$ 300 million to Dhaka annually against Dhaka's insignificant US\$ 16-17 million.

At present, Malaysian investment in Bangladesh is around US\$ 100 million, mainly in telecommunications and power sectors.

Fakhruddin Ahmed made PKSF MD

BDNEWS, Dhaka

Fakhruddin Ahmed, former governor of Bangladesh Bank, has been appointed new managing director of Palli Karma-Sahayak Foundation (PKSF), a press release said Thursday.

He will take over charge on June 1.

Ahmed started his career as a lecturer in Economics at University of Dhaka. Later he joined the civil service of Pakistan and served the government in various capacities until 1978.

Prior to his appointment as governor of Bangladesh Bank, he held senior positions at the World Bank from 1978 to 2001.

PKSF is the country's apex micro finance organisation funding micro finance programme of NGOs and other organisations and providing them various institutional development services for poverty alleviation.

Reliance Ins recommends 10pc cash, 1:3 stock dividends

Reliance Insurance Ltd has recommended a 10 percent cash dividend and 1:3 stock dividend that is one bonus share for every three shares for its shareholders for the year 2004.

The recommendation was made at a meeting of the Board of Directors of the company on Wednesday in Dhaka, says a press release.

The annual accounts of the company for 2004 were also adopted at the meeting.

Pragati Ins declares 20pc cash, 25pc stock dividends

Pragati Insurance Ltd has declared a 20 percent cash dividend and a 25 percent stock dividend for its shareholders for the year 2004.

The dividends were approved at the 19th annual general meeting of the company held yesterday in Dhaka, says a press release.

Chairman Khalilur Rahman presided over the AGM, which was also attended by the members of the Board of Directors, other officials and shareholders of the company.

India to allow local cos to invest in diamond mines abroad

PALLAB BHATTACHARYA, New Delhi

India is considering allowing domestic companies to invest in diamond mines abroad to ensure uninterrupted supply of rough diamonds for cutting and polishing. Commerce and Industry Minister Kamal Nath has said.

He said India was the largest buyer of rough diamonds and "there must be an assured supply of diamonds for the industry to grow and there is a need for Indian investors to invest in foreign mines".

"A committee is being formed to consider permitting such investments in diamond mines abroad," he said at an International Diamonds Conference in Mumbai on Tuesday.

"Given the fact that India is the largest buyer of diamonds, our voice must be more seriously heard and our concerns more carefully addressed," Nath said.

He said the government would encourage foreign direct investment and joint venture in exploration, mining, cutting, polishing and designing of diamonds. For this, the government is also considering economic cooperation agreements with diamond supplier countries, especially in Africa, he added.

Nath stressed the need for establishing forward and backward linkages for Indian diamond industry in order to cement its position in the international market.

He said the government was also considering setting up an international trading centre for diamonds by the end of this year.

The commerce minister said India has set a target of \$92 billion in merchandise export for 2005-06, up from \$80 billion in 2004-05.

Nath later told reporters that India was considering imposition of a 15 percent countervailing duty on dumping of goods from the United States but before that "we have to see what steps the US is taking on the issue of anti-dumping".

11 banks asked to cut non-performing loans

BDNEWS, Dhaka

In a bid to minimise default loan, Bangladesh Bank yesterday instructed managing directors of eleven banks to make a projection on what level they will be able to cut the ratio of non-performing loans (NPL) by June this year.

All the eleven banks have over 10 percent of NPL while some of them have over 20 percent, said the sources.

The BB suggested the bank MDs to write-off bad or non-performing loans through loan-loss provisioning or to go to court to settle these cases soon for minimising the NPLs.

BB also suggested the banks to realise their loans from the top 20 borrowers as earliest as possible.

Sources said the BB instructed the MDs at a review meeting to draft a projection aiming the month of June this year on how much they will be able to bring down NPLs.

To make this effort a success, the BB will issue a formal letter to these 11 banks soon.

Of the banks suffering from non-performing loan of over 10 percent are Pubali Bank Ltd, Uttara Bank Ltd, AB Bank Ltd, IFIC Bank Ltd, National Bank Ltd, City Bank Ltd, Oriental Bank Ltd, Al Arafah Bank Ltd, Social Investment Bank Ltd (SIBL), First Security Bank Ltd and Bangladesh Commerce Bank Ltd.



PHOTO: PRAGATI INSURANCE

Khalilur Rahman, chairman of Pragati Insurance Ltd, presides over the company's 19th annual general meeting yesterday in Dhaka. Members of the Board of Directors and other officials of the company are also seen.

Altaf seeks Italy aid for local leather sector

UNB, Dhaka

Commerce Minister Altaf Hossain Choudhury has sought assistance of the Italian government in supporting the emerging leather sector in Bangladesh to produce high quality leather products through transfer of technology and capacity building.

The minister made the appeal while addressing a round table meeting at Milan, Italy, on Tuesday, according to a report received here yesterday.

The commerce minister, along with the members of Bangladesh business delegation, attended the high profile round table jointly organised by AICE (Italian Foreign Trade

Institution) and Promos, a special agency of Milan Chamber.

The minister had a very busy schedule in Milan on Tuesday meeting different chambers of commerce, trade associations, importers and prospective investors.

The sponsors of the round table invited the leading importers of Italy at the meeting, who showed keen interest in Bangladeshi products after visiting the Bangladesh Trade Show.

Speaking on the occasion, Altaf elaborated the best available package of incentives for which Bangladesh already received several foreign direct investments. He urged the Italian entrepreneurs to

relocate some of their sunset industries in Bangladesh.

The minister mentioned that since Bangladesh imports a lot of capital machinery for its industrial and development sectors, Italian exporters might take full advantage of this and increase the trade volume.

He stressed the need for frequent exchange of business delegations between the two countries.

The Italian delegation praised the government of Bangladesh for organising the first single country trade show in Milan, which would help in improving the Bangladesh image and introducing various exportable products in Italy.

SEC fines 9 officials of 2 companies

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) yesterday fined nine management officials, including chairmen and managing directors, of two companies for failing to hold annual general meetings (AGMs) and for not submitting financial statements.

SEC sources said the Commission fined the four officials of Dhaka Vegetable Oils Ltd Tk one lakh each for the failure of holding AGMs for the year 2001 to 2003.

Five officials of Saleh Carpet Mills Ltd were accused for not submitting the annual financial statement as of December 2003, sources said. Each of the officials was instructed to deposit Tk one lakh each in fine.

Dhaka Vegetable Oils Ltd Chairman and Managing Director Mohammad Ali, Executive Director MA Rashid, directors ATM Sirajuddin and Mohammad Surujjaman were fined.

Saleh Carpet Mills Ltd officials who are fined are Chairperson

Dilara Begum, Managing Director Shamim Ara Begum and directors Rezaul Karim Chowdhury, Badrul Huq and Ruhul Amin.

The penalty money will 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.

Earlier, the SEC fined these five high officials of Saleh Carpet Mills Ltd Tk two lakh each in April 5 this year for not holding the AGM for the year 2003.

Fish export to India thru' Benapole remains stopped

BDNEWS, Benapole

Export of all kind of fishes, including hilsa, to India through Benapole border remains stopped from May 16 following a ban imposed by Delhi.

The livestock department of the central government of India has given the order to stop importing fish through Benapole-Petropole route.

Assistant commissioner of the livestock department RK Gupta told Anandabazar paper that the Indian government is not in a position to set up an Animal Quarantine and Certification office at Petropole. "The importers will have to import

fish through Delhi, Mumbai, Chennai, or Kolkata using sea or air routes."

"We have nothing to do if the hilsa import is closed for this," said Gupta.

Earlier, in 2001, the Indian ministry of agriculture issued a notice instructing all fish importers to collect import clearance certificate for each lorry from the local livestock office in Kolkata for importing fish through Petrapole.

The process worked smoothly until December 2004, Bangladeshi exporters said. However, from May 16, the livestock office in Kolkata stopped issuing clearance certi-

cate.

During the last ten years, hilsa was being exported to India through Benapole-Petropole route. According to traders, some 10 to 15 lorries of fish, including hilsa, are exported to West Bengal every day.

The first secretary of Bangladesh High Commission in Kolkata Shakil Ahmed Biswas recently told reporters in Kolkata that Bangladesh exported fish worth over US\$ 8.5 million in the last six months to India.

Of that, a major portion was exported through Benapole port, he added.



PHOTO: KAY & QUE (BANGLADESH)

Habibullah, chairman of Kay & Que (Bangladesh) Ltd, presides over the company's 21st annual general meeting (AGM) on Wednesday in Dhaka. Other senior officials of the company are also seen in the picture.

Kay & Que Bangladesh okays 5pc dividend

Kay & Que (Bangladesh) Ltd has declared a five percent dividend for its shareholders for the year 2004.

The declaration came at the 21st annual general meeting of the company on Wednesday in Dhaka, says a press release.

Habibullah, chairman of the company, presided over the AGM.

Kenya says 40,000 jobs threatened by China textile

AFP, Nairobi

Kenyan President Mwai Kibaki on Thursday ordered urgent action to save some 40,000 textile industry jobs threatened by a massive surge in Chinese clothing exports to the United States and Europe.

Kibaki instructed Kenya's trade and finance ministers to open talks with the country's textile exporters to help stem an expected loss in jobs put at risk after the end of a global quota agreement at the beginning of the year.

The president's office said in a statement that Kenyan jobs were imperiled by "rising exports to Europe and the USA from the Asian continent" resulting from the January 1 expiry of the 31-year-old Multi-Fibre Agreement.

"This development is a big threat to Kenyan exports and poses a serious danger to Kenyan jobs and we must do all in our power to protect a sub-sector that is providing thousands of jobs for our people," it said.

Inflation under control, says Indian finance minister

AFP, New Delhi

Indian inflation is under control after a year of record oil prices, but more strong economic growth depends on a successful annual monsoon, Finance Minister P. Chidambaram told reporters Thursday.

Chidambaram held a review of the economy's performance to coincide with the one-year anniversary of the Congress Party-led coalition government on May 22, and said the biggest achievement was to bring inflation down from levels above 8 percent to around 5 percent now.

However, the Chidambaram said in order to meet central bank estimates of seven percent growth for the fiscal year started April 1, the

monsoon, which normally arrives off the southwest coast of the country on June 1, needed to bring plenty of rain for the farm-dependent economy.

"We have managed to contain inflation at moderate levels, interest rates are benign and the gross domestic product is expected to grow by about seven percent this fiscal," he told a news conference.

This would however "depend on good monsoon (rains) and action on the part of the government," he said.

India's weather office has forecast the monsoon, which covers India from June to September, would be healthy this year following several years of sporadic drought.

With a good monsoon, Chidambaram said farming, which

accounts for a quarter of the country's gross domestic product and employs about 60 percent of the population, is expected to grow by three percent while manufacturing and services would also continue to do well.

But commentators note the communist parties that give crucial support to the government have opposed many economic reform policies such as state asset sales and more foreign investment.

"As far as economic policies are concerned, the left (communists) has been helpful and alert. Their point of view keeps us alert and help us formulate the right mix of policies acceptable to parliament," he said.