

Allay SME worries to spur economic growth

DCCI- ATDP workshop urges govt

STAR BUSINESS REPORT

Speakers at a workshop yesterday urged the government to look into the problems of small and medium enterprises (SMEs), especially those run by women entrepreneurs, to create a favourable investment climate.

Small businesses have good potential. They need very little investment and can create huge employment opportunities for the unemployed, they said.

Although the local women entrepreneurs involved in SMEs have the skill and capacity to produce quality goods, due to lack of training, appropriate technology and finance, they often have to struggle to cope with the new system of market economy

and democracy, they observed.

They were speaking at a daylong workshop on 'Preservation and Packaging of Agro-processing Products' held at DCCI auditorium Dhaka. The Dhaka Chamber of Commerce and Industry (DCCI) and Agro-based Industries and Technology Development Project (ATDP) jointly organised the workshop in cooperation with the Center for International Private Enterprise (CIPE), an affiliate of the US Chamber of Commerce, Washington, DC.

Omar Faruque, director of DCCI, read out the written statement on behalf of the Chamber president.

"Initially the most important thing

is to popularise the products at grass-roots level as general people have become very conscious about the use of chemicals and preservatives in food processing and packaging," Faruque said.

Besides, the local entrepreneurs also have to learn the techniques on how to produce goods as per the international standard, he added.

In his speech DCCI Director KMH Shahidul Haque said in each season plenty of fruits and green vegetables are available in Bangladesh. But the farmers do not get the actual price due to transportation problem and lack of maintenance facility.

Ron D Gillespie, chief of party of

ATDP, said 52 million people in Bangladesh are involved in agriculture. On that account, the agro-based sector has great potential in the open market economy.

The speakers also urged the agro-based entrepreneurs to utilise facilities, declared in the proposed budget, of 30 percent cash subsidy for export of agricultural commodities and 20 percent on electricity use in agro-based industries.

Ferdous Ara Begum, additional secretary and coordinating officer of DCCI-CIPE, ERRA Project-2005, and representatives from local agro-based enterprises were present at the workshop.

Four NBFIs get SEC nod to go public

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) yesterday approved proposals for allowing four non-banking financial institutions (NBFIs) to go public, official sources said.

The companies include Progressive Life Insurance Company Ltd, Sonar Bangla Insurance Company Ltd, Premier Leasing International Ltd and Islamic Finance and Investment Ltd.

The approval was made at a meeting of the SEC. The face value of each share of the four companies will be Tk 100.

Progressive Life Insurance, which has a paid-up capital of Tk 30 million, will float shares worth Tk 45 million for public subscription, while Sonar Bangla Insurance, with a paid-up capital of Tk 60 million, will offer shares worth Tk 90 million.

Premier Leasing, with a paid-up capital of Tk 400 million, will offer shares worth Tk 105 million. The Islamic Finance and Investment Ltd will float shares worth Tk 100 million with a paid-up capital of Tk 147 million.

CHINESE DELEGATION IN CAPITAL

Dhaka asks Beijing to reduce trade gap

STAR BUSINESS REPORT

As a six-member Chinese delegation visits Bangladesh, Dhaka yesterday urged Beijing to reduce the existing trade gap between the two countries, which is now in favour of China.

"We also discussed duty-free access of 82 Bangladeshi products to Chinese market side by side reviewing the entire range of bilateral issues," said acting Foreign Secretary Khairuzzaman after a meeting with visiting Chinese Vice Minister for Foreign Affairs Wu Dawei in Dhaka.

Khairuzzaman told reporters that the Chinese delegation agreed to look into the matters and would send Chinese officials soon to Dhaka.

Dawei, who is leading the dele-

gation, termed the meeting 'fruitful, positive and constructive' and hoped that the existing bilateral cooperation would be further enhanced in the days to come.

"We have exchanged ideas for extensive cooperation in all fields, particularly social, economic, trade, investment, public security and defence," he said.

Both the sides reaffirmed their commitment to work together for the common benefit of their peoples and to boost further the bilateral relations in all fields.

China is eagerly waiting to welcome Bangladesh Prime Minister Khaleda Zia in Beijing on the occasion of 30 years of Sino-Bangla diplomatic ties, said Dawei.

Khairuzzaman said China is actively considering relocating its additional textile mills to export

processing zones in Bangladesh.

China also reiterated its willingness to cooperate in defence sector and assist peaceful use of nuclear energy in Bangladesh.

Regarding prime minister's visit to China, the acting foreign secretary said Chinese Premier Wen Jiabao visited Bangladesh in April marking the 30 years of diplomatic ties and Bangladesh PM will also visit China.

Official sources said yesterday's meeting was a follow-up of Wen Jiabao's visit to Dhaka and discussed the implementation of five agreements, two memoranda of understanding (MoU), a contract and an exchange of letters, which were signed during his visit this year.



Chairman Vice chairman

Chairman, vice chairman of Al-Arafah Islami Bank

Md Anwar Hossain and Dr Bahauddin Mohd Yousuf have been made chairman and vice chairman respectively of Al-Arafah Islami Bank Ltd.

The Board of Directors of the bank in a meeting in Dhaka recently elected them for a one-year term.

Both of them are sponsor directors of the bank. Besides, Hossain is the chairman of Islami Commercial Insurance Co Ltd and managing director of Tania Textiles Ltd while Yousuf is the managing director of Ayman Textile and Hosiery Ltd (Pvt) and Motmaein Sweaters Ltd (Pvt), says a press release.

StanChart opens new ATM in Ctg

Standard Chartered Bank, Bangladesh has opened its 27th ATM (automated teller machine) on Jamal Khan Road in Chittagong.

M Sajidur Rahman, head of Consumer Banking of the bank, inaugurated the ATM service on Monday, says a press release.

Tanvir Haider Chaudhury, head of Shared Distribution, and other senior officials of the bank were present at the function.

Karnaphuli Ins declares 12pc stock dividend

Karnaphuli Insurance Company Ltd has declared a 12 percent stock dividend for its shareholders for the year 2004.

The dividend was approved at the company's 18th annual general meeting (AGM) on Monday in Dhaka, says a press release.

Chairman of the company Nizamuddin Ahmed presided over the AGM, which was attended by other senior officials.

Commercial Bank of Ceylon holds orientation programme

Commercial Bank of Ceylon Ltd recently organised a two-day orientation programme for its newly recruited employees.

S Renganathan, country manager, S Prabagar, chief operating officer, and other senior officials of the bank attended the function held in Dhaka, says a press release.

India warns against farm subsidies of rich nations

Progress in industrial tariffs talks unlikely

PALLAB BHATTACHARYA, New Delhi

India yesterday warned there could be no progress in negotiations on industrial tariffs between the developed and developing countries under WTO unless the industrialised world makes a substantial commitment on cut in agriculture subsidies and access to services from developing nations.

"There can be no accord in Non Agricultural Market Access (industrial tariffs of developing countries) if there is no progress on agriculture and services," said Indian Commerce and Industry Minister Kamal Nath at a workshop here.

His remarks assume significance as they come just a few months ahead of the WTO ministerial level meeting in Hong Kong later this year.

Nath said India will not succumb to pressure by developed countries to cut its customs duty rates further.

While the reduction in average tariff rate to the current 15 percent on non-agricultural products has helped the global competitiveness of Indian industry, it cannot be used as a pressure tactic by developed countries to press for fresh cuts, he added.

"Some developed countries are

calling for what they call real market access by which they mean reduction of bound duties below current applied rates. This is a new thing which was not part of the Doha round of talks or July 2004 Framework", he said.

In the WTO, countries bind tariffs at rates above which they commit not to hike import duties and applied rates are the rates which are actually applied and are by and large lower than bound rates.

Nath said the basis of cutting tariffs could only be bound rates as the entire WTO is based on bound rates and this was non-negotiable.

He said the July Framework provided flexibility for developing countries either by not undertaking formula cuts on certain tariff lines or keeping unbound certain tariff rates for in areas where their domestic industries' sensitivities are involved.

Nath also rejected the Swiss formula put forward by developed countries which stipulate tariff countries by developing countries with higher tariffs.

He said as most developing countries have higher tariffs, the Swiss formula will affect them adversely.

Nath said there was no mandate

for harmonisation of tariffs among different countries and India will resist any attempt in this regard.

He said apart from duty cuts the concerns of developing countries on use of non-tariff barriers by developed countries against developing countries also needs to be addressed to ensure WTO talks move ahead.

India's interest in Non Agriculture Market Access is in gaining market access in agriculture in developed countries and this will be possible only through elimination of non tariff barriers, he said.

The US and EU want to show some gains in Non Agriculture Market Access in the form of further duty cuts by developing countries on import of industrial goods from developed countries to justify concessions in import of agriculture goods and services from developing countries.

Duty in developed countries on goods from developing countries are low but developed countries have a huge subsidies on their domestic agriculture which put developing countries at a sharp disadvantage. Hence, Nath demands for dismantling of non-tariff barriers by developed countries.

Baby toiletries of Saudi co launched

STAR BUSINESS REPORT

Baby toiletries of a Saudi Arabian company were formally launched in Bangladesh market yesterday.

Ubiquitous Trade, the local agent of the Saudi brand Nunu, is marketing the products.

Some 14 baby care products with prices ranging from Tk 80 to Tk 520 are now available in local market, said officials of Ubiquitous Trade.

Batterjee Factory that manufactures Nunu brand goods will produce the products locally in future, said Ubiquitous President Badruddoza Mithun.

Barkatullah Bulu, advisor to commerce ministry, was present at the launching function as chief guest.

Batterjee Factory started production in 1992 in Saudi Arabia with the technical support of UK-based Europharma Ltd.

24 firms line up for feasibility study on deep seaport

BDNEWS, Dhaka

The government has received proposals from 24 international consulting firms to carry out a US\$ 2.0 million feasibility study on a planned deep seaport in Bangladesh.

Of the 24 firms, 19 are foreign firms while five are Bangladeshi firms, shipping ministry officials said yesterday.

The ministry floated tender in late May to select an international consulting firm to carry out the feasibility study in association with local consultants within a period of one year.

"Now the authorities will short list the applicants and ask them to submit technical and financial proposals," said a senior shipping ministry official.

Among the foreign firms, three are from the United States, while two each are from Australia, India,

Netherlands, Germany and Philippines.

Nepal Chandra Sarker, joint secretary of the Ministry of Shipping, said he is very much encouraged to see the response from two dozens of consulting firms.

Tera International Group of USA, Water Power Consultancy Service of India, HPC Hamburg Port Consultancy of Germany and Star Trading Corporation and Orient Resource Limited of Bangladesh are among the firms submitted proposals for the work.

Sources said the winning consulting firm will recommend the location, facilities and details of the infrastructure and services to be provided, through analysis of the project's technical, social, economic and financial aspects.

It will also examine the potential of using the deep seaport for trans-shipment.

The consultant is also supposed

to estimate costs and investment needed for development of the seaport in different phases - short term (5-15 years), medium term (15-30 years) and long term (30-50 years).

Sources said special attention will be given to the first phase (short term) that involves construction of a new port in a green field site and identifying components and public-private allocation of costs.

Experts said a deep seaport in the country will help address the chronic congestion problem in the key Chittagong port, which deals with nearly 90 percent of the country's two-way external trade.

Shipping ministry officials said such a port may act as the "Mother Port," for not only Bangladesh but also for the region as a whole. If constructed it may be regarded as the gateway to this region like Hong Kong.



PHOTO: KARNAPHULI INS CO

Nizamuddin Ahmed, chairman of Karnaphuli Insurance Company Ltd, speaks at the 18th annual general meeting (AGM) of the company in Dhaka Monday. Other senior officials were also present at the AGM.

WB for roadmap to up farm productivity in Bangladesh

UNB, Dhaka

A soon-to-be-published World Bank report recommended Bangladesh to increase spending on agricultural research to 0.6 percent of Agriculture GDP to further improve agricultural productivity.

The donor agency also suggested institutional reforms for enhanced system efficiency and strengthening research management.

"Higher agricultural productivity is an important component of the rural development strategy for raising farm income, reducing poverty and making Bangladesh agriculture more competitive in the global market," a WB release yesterday quoted the report as saying.

The draft of the report titled "Revitalising Agricultural

Technology System in Bangladesh" has been sent to the concerned government ministries and agencies for comments.

The study is based on extensive one-to-one and group consultations with various stakeholders, including researchers, scientists, extension specialists, NGOs, agro-processing enterprises, farmers and government officials.

"One major constraint to higher agricultural productivity is the low level of government expenditure on agricultural research," says the study report.

At present, the expenditure is only about 0.2 percent of Agricultural GDP, compared to 0.6 percent in other developing countries and over 2 percent in developed countries.

HSBC, Equity Property Management sign deal

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh and Equity Property Management Ltd, a real estate developer, have recently signed a memorandum of understanding (MoU) in the bank's Chittagong premises.

Under the MoU, customers of Equity Property will be able to get HSBC Home loan with a reduced processing fee of 1 percent of the loan amount. HSBC Home loan customers will also get discounted prices on the purchase of apartments from the company, says a press release.

Mamoon M Shah, manager (Personal Financial Services) of HSBC, and Mahfuzul Haque, director (Construction) of Equity Property, signed the deal on behalf of their organisations.