

Private Sector Development vision team formed

As part of the government's preparation for the proposed World Bank-led multi-donor Bangladesh Private Sector Development Support Project (PSDSP), a "PSD Vision Team" has been formed to help prepare a PSD Vision for Bangladesh.

Representatives from the civil service and private sector have made up the PSD Vision Team.

The proposed PSD Vision will be strongly country-owned, developed through a participatory process, and deeply rooted in Bangladesh's Poverty Reduction Strategy Paper.

The aim of the PSD Vision is to set an ambitious but achievable target for Bangladesh's private sector, says a press release.

The PSD Vision Team has been formed following a series of participatory discussions last week and consultations with the government's Private Sector Development Task Force.

The discussions were held with the government's Private Sector Development Core Group and the Private Sector Consultative Group.

The discussions were facilitated by the SouthAsia Enterprise Development Facility (SEDF), a project development facility managed by the International Finance Corporation (IFC), along with the Foreign Investment Advisory Service, a joint service of the WB and IFC.

Mahmudur Rahman, executive chairman of the Board of Investment and chair of the PSD Task Force, will lead the 12-member PSD Vision Team.

The team will develop a formal draft PSD Vision and Policy Statement. This will be submitted to the PSD Task Force in September 2005 for consideration.

Following the necessary endorsement, the PSD Vision and Policy Statement is likely to be launched on a bipartisan basis in November 2005.

Long ride to Pakistan's first homegrown car

AFP, Karachi

Feroz Khan believes his future was already determined when his homeless mother gave birth to him on a car porch. More than half a century later, he has launched Pakistan's first home-grown automobile.

It's been a long road for the boy from a poor Karachi neighbourhood whose life-long fascination with engines, gears and wheels has just driven his native country into the exclusive club of nations designing and producing cars.

"Every nation in the world has taken a lot of pride in making cars, and I wanted to contribute it to my country," says a proud Khan, whose Adam Motor Company has just rolled out his pride and joy — the Revo.

The compact, five-door 800cc model has made a splash on the roads of Karachi in recent weeks. The snub-nosed model costs 270,000 rupees (about \$4,500), some 30 to 40 percent cheaper than entry-level rivals.

S'pore Telecom opens new frontier in South Asia

AFP, Singapore

South Asia is shaping up as a new frontier for Singapore Telecommunications (SingTel) as the phone giant scouts for new profit drivers while some of its regional units face stiffer competition.

SingTel's recent acquisition activities have centred on the subcontinent, where it spent 118 million US dollars in June for a 45 percent stake in Pacific Bangladesh Telecom, the country's number three cellular operator.

In May, SingTel pumped in an extra 252 US million dollars to raise its stake in India's Bharti Telecom from 26.96 percent to 32.81 percent.

SingTel, however, suffered a setback in its bid to buy a 26 percent stake in Pakistan Telecommunications, but these moves all showed its determination to tap into South Asia, where cellular markets are still at a relatively nascent stage and penetration rates are low.

Nirgunan Tiruchelvam, an analyst with Phillip Securities in Singapore, said it was wise of SingTel to pump up its Bharti stake and enter the Bangladesh market.

Ban on import of rice, sugar thru' land ports goes

STAR BUSINESS REPORT

The government has at last lifted the ban on import of sugar and rice through land ports in order to keep the market prices of these produces stable.

The National Board of Revenue (NBR) in a press statement yesterday said importers can now import sugar through four land ports -- Darshana, Hili, Sonamasjid and Benapole -- and rice through Bhomra land port.

The government imposed the ban on import of sugar and rice

through land ports following the allegation of smuggling of the goods into the country.

The Indian government has also been demanding for a long time to withdraw the embargo.

MVPC Shastry, joint secretary of Indian commerce ministry, at a joint economic commission meeting in Dhaka on August 1 and August 2 requested the Bangladesh government to lift the ban.

The NBR in the statement said the decision will help reduce import cost and prices of these goods in the retail market.

Huawei in talks to buy UK's Marconi

REUTERS, London

British telecoms equipment maker Marconi Corp is in talks to be taken over by its Chinese partner Huawei Technologies for more than 600 million pounds (\$1.07 billion), the Sunday Times newspaper said.

Marconi, whose prospects were thrown into turmoil earlier this year after top customer BT Group Plc bypassed it on a major contract, has previously said it is considering all strategic options.

The paper, citing unnamed sources familiar with the talks, said Huawei was yet to present a formal proposal to Marconi's board and finalizing a takeover could take many months.

"Marconi is also understood to be continuing to pursue other strategic options, including talks with other prospective buyers," the Sunday Times said.

Consensus in FBCCI polls unlikely

SARWAR A CHOWDHURY

As more business leaders are submitting nomination papers everyday to join the race for FBCCI directorship, possibility of a consensus in the polls fades away.

The biennial election of the country's apex trade body is gathering momentum each day after Friday's rescheduling. Business leaders, who withdrew or did not submit nomination papers earlier, got the opportunity to submit nominations afresh after the polls were rescheduled for September 10 instead of August 21.

Speculations are now rife that some more panels from the chamber and the association groups will be formed to contest the polls.

Prior to the rescheduling, business leaders, eyeing the top posts of the FBCCI, reached a consensus on avoiding the contest for the

directorships.

"But, the hectic discussion among different groups at closed-door sessions to bring the election within the grip of a handful leaders will not be fruitful," said a business leader.

"As a number of candidates have submitted nomination papers and more are expected, it seems that there will be no consensus this time," he hoped.

Meanwhile, at least five new candidates, two from the chamber group and three from the association group, collected nomination papers yesterday, sources at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said.

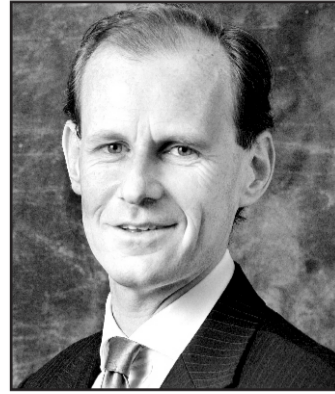
According to the new schedule, the last date for submitting nomination papers is August 11 while the FBCCI election board will publish a list of primary candidates on August 18. August 22 is the last date for

withdrawing nominations.

Nomination fee for directorship of the FBCCI has been fixed at Tk 15,000 per nomination. However, those who collected and submitted nomination papers earlier but withdrew or did not submit at all can also apply afresh, depositing Tk 2,000.

On September 12, the elected directors will choose a new president and two vice presidents for a two-year term.

The FBCCI election board will announce the final results on September 15. Among the 38 executive committee members of the FBCCI, 12 will be elected from chambers, 12 from associations, 7 from local chambers and the rest 7 from local associations. As per FBCCI constitutional provision, the president will be elected from the chamber group this time.



Citigroup Asia Pacific CEO for transaction service due today

Shayne Elliott, Asia Pacific Regional CEO for Citigroup Global Transaction Services, arrives in Dhaka today on a two-day visit.

During his visit, which coincides with Citibank's 10th anniversary in Bangladesh, Elliott will meet senior government officials, major clients of the bank and review Citibank's growth opportunities in the country, says a press release.

Elliott is in charge of the group's cash, trade, securities and funds businesses across 18 countries in Asia.

Besides, he is responsible for the relationship management for all multinational subsidiaries and financial institutions in the region.

New MD of First Security Bank Ltd



AAM Zakaria has become the new managing director of First Security Bank Limited.

Prior to his new assignment, Zakaria was the deputy managing director of Dutch-Bangla Bank Limited, says a press release.

An MA in Economics from Dhaka University, Zakaria started his banking career in 1977 in Rupali Bank.

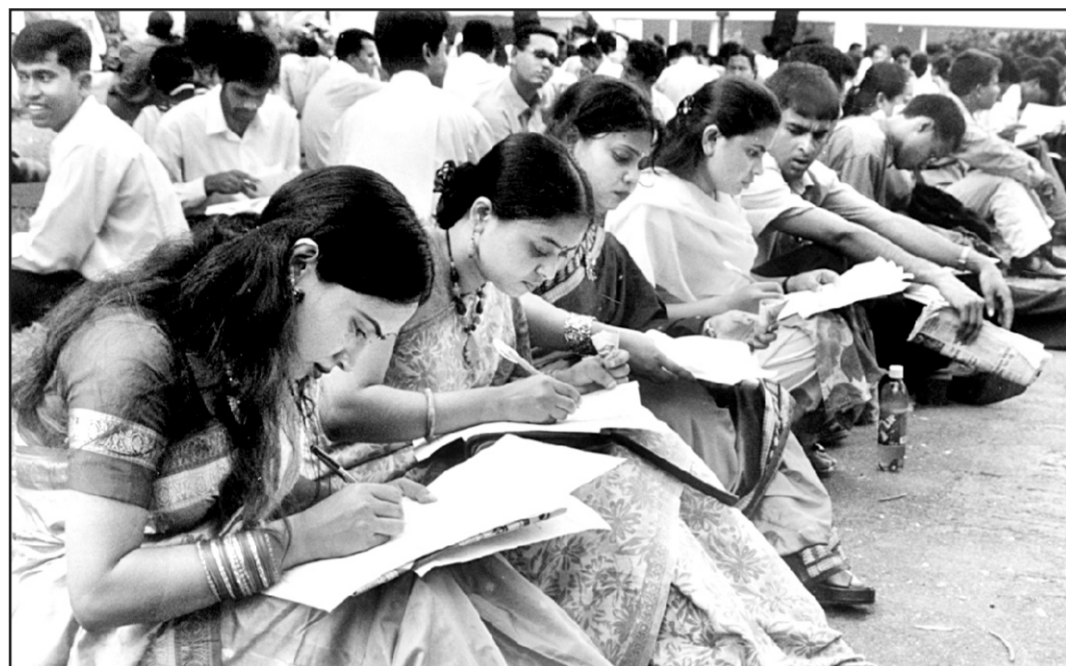


PHOTO: STAR

A large number of job seekers yesterday crowd the premises of Osmani Memorial Hall, the venue of a job fair, to fill in application forms. The two-day fair in the capital concludes today.

Two-day job fair kicks off

STAR BUSINESS REPORT

A two-day job fair started in Dhaka yesterday with an offer of 300 jobs in different national and multinational companies.

The fair, organised by Jubo Karmasangsthan Society (Jubok), has got huge response on the first day with hundreds of job seekers crowding the fair's information booths for getting application forms to get jobs offered by 30 companies.

Education Minister Osman Faruk formally inaugurated the fair at Osmani Memorial Hall where Abdul Awal Mintoo, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI),

was present.

Some business houses and NGOs are offering different jobs in the fields of accounting, finance, education, engineering, information technology, law, management, marketing, media and medical science.

Mahbuba Haque, a Dhaka University student who completed her master's degree recently, said, "I have no idea about such kind of fair but I need a job. My anxiety of being unemployed has forced me to visit the fair."

"Today's job market is very competitive and most of the companies are seeking highly skilled people. But I don't understand if anybody does

not get a job, how he or she will be an experienced one," said Manjur Hossain Rana, a student of Asian University.

Speaking at the inaugural function, education minister said, "We need to invest in such a way that we can create employment opportunities."

The minister also stressed the importance of market-related educational curriculum, which can help job seekers find a suitable career from national and international arena.

Mahbubur Rahman, secretary of information ministry, Ramoni Mohan Chakma, director of Youth Development Department, were also present at the inaugural function.

SMALL POWER PLANTS Investors asked to apply by October 20

STAR BUSINESS REPORT

The government is seeking applications from private investors by October 20 to set up 10-megawatt to 50-megawatt power plants in 23 locations with an aim to award licences to selected applicants by November 30.

A press release of Bangladesh Energy Regulatory Commission (Berc) yesterday spelled out the methods of selection and a tentative schedule for such plants to be set up under the government's revised small power plants policy.

It said the new policy allows private sponsors to set up power plants and arrange distribution of

electricity anywhere without involving the government agencies.

However, the government selected 23 locations from where the public agencies such as the PDB, the REB, Desco and Desa may buy power from the small plants.

In such cases, the private sponsors may apply in a prescribed set of forms to the Berc for a licence to generate electricity.

The Berc shall process the applications through public hearing inviting any objections on specific proposal from any stakeholder.

The small plants having power purchase contract will have gas at the same price as applicable to the

government-owned power stations. Selling price of power produced by them will be fixed by the Berc as per its tariff fixation procedure.

The utilities may select suppliers of electricity from sponsors during August-September 2005. Separate power purchase and fuel supply agreements is expected by the sponsors with parties concerned by December 15 with the expectation that the plants will be on commercial operations by August 20, 2006.

Industry insiders say the revised policy on small power plants eliminated tender process just to award the projects to private investors on the basis of their political allegiance, not on technical or business competence.

Cisco mulls buying Nokia

REUTERS, London

Cisco Systems Inc is considering buying the world's top mobile handset maker Nokia in a bid to gain its wireless infrastructure technology, the Business newspaper reported on Sunday.

The paper, which did not reveal the source of its information, said US-based Cisco had traditionally concentrated on acquisitions of niche technology players, but its Chief Executive John Chambers is believed to be interested in merging with a wireless infrastructure company.

"Nokia has been identified as the most likely target," the paper said.

Cisco, the largest maker of Internet equipment, is worth around \$123 billion, while Nokia's market value is around \$71 billion.

The paper said Cisco's mainstay networking market was fast changing with the convergence of fixed-line and wireless networks, and Cisco needed a merger to acquire the technology to create intelligent wireless applications, which Finnish-based Nokia could provide.

Cisco was not immediately available for comment. A Nokia spokeswoman in Helsinki declined to comment.

Sristy Hometex to take part in Formland Fair in Denmark

Sristy Hometex Ltd, an exporter of home-textile and craft products, is going to participate in the prestigious Formland Fair to be held in Denmark from August 9 to 16.

Formland is the biggest buyers' fair in the Scandinavian countries for handicrafts, applied arts, giftware, furnishing accessories, design and interior products, says a press release.

Presently Sristy is working with CBI (center for promotion of imports from developing countries) and SIPPO (Swiss Import Promotion Programme) for marketing its products in the EU and Swiss markets.

The company has already taken part in three major international trade fairs in Germany.

Suzuki to launch new global model next year

AFP, Tokyo

Japan's top mini-vehicle maker Suzuki Motor Corp. will launch a new car that will be produced and sold worldwide next year, a newspaper said Sunday.

The company will spend some 50 billion yen (447 million dollars) on the development of the new small sport utility vehicle with a two-liter engine, the Nihon Keizai Shimbun said.

Production of the new model will begin next year at its manufacturing bases in Japan, China, India and Hungary, with a sales target set at 200,000 a year worldwide, the business daily said.

The vehicle will sell for about 15,000 dollars in North America, some 20-30 percent cheaper than comparable vehicles sold by other firms such as the RAV4 of Toyota Motor Corp. and the CR-V of Honda Motor Co., the daily said.

It will be targeted mainly at young people as a vehicle for first-time buyers. In Asia, the company will promote the vehicle to drivers who plan to replace their old Suzuki subcompacts with new ones, Nihon Keizai said.

Tk 37 lakh fine realised from insurance firms in FY05

BDNEWS, Dhaka

Office of the Chief Controller of Insurance (CCI) realised Tk 37.16 lakh in penalty from insurance companies for violation of regulations in 2004-05 fiscal year, official sources said yesterday.

The amount was 65 percent higher than what was realised during the previous fiscal, the sources said, adding the amount in fiscal 2003-04 was Tk 22.52 lakh.

"The increase in the penalty money reflects the growing trend of

violation of the insurance act and regulations by different companies," Feroz Ahmed, Chief Controller of Insurance (CCI), said.

He said at least 90 percent insurance companies violated government rules and regulations in the last fiscal.

Although the annual audited financial statements are to be submitted on prescribed forms to the CCI, with separate disclosure of data on each type of coverage — life, fire, marine etc — most companies do not comply with the rules.

"The statements submitted are not sufficient... we have to carry out special audit for every insurance company," Feroz said.

Asked on the outdated insurance act enacted in 1938 and rules adopted in 1958, Feroz said there is no plan to enact new law, but some amendments are being worked out.

The CCI has already raised the penalty money to Tk 10,000 from Tk 1,000 by an amendment, he added.

Sources said the number of insurance companies has grown from 3 to 62 since 1971.