

# BB asks customs, banks to stop malpractice in import

## Unveils guidelines

### STAR BUSINESS REPORT

In a bid to stop malpractice in import procedure through land ports, Bangladesh Bank (BB) yesterday directed the banks and customs houses to set up direct communications between themselves through telephone, fax and internet.

In case of food import, post-landing inspection has also been made compulsory to make sure the food meets the internationally used Harmonised System Code. BB in a circular also said food products will not be unloaded without special audits.

The BB circular said the branches of the banks will have to send a copy of letters of credit (LCs), which will be opened for importing goods, to the customs houses of the

land ports. In case of any change in the LC, the banks will also have to inform the customs houses and send a copy to them.

BB also directed the NBR (National Board of Revenue) and banks to set up a data bank where all types of information relating to import will be preserved. The data bank will help them check any malpractice.

The circular also made it mandatory to submit import registration certificate and business identification numbers while opening a LC.

Earlier on December 8, a high-powered meeting chaired by Finance Minister M Saifur Rahman adopted some specific measures for immediate implementation to stop exploitation of customs and banking loopholes in the import procedure for money laundering.

After the meeting the finance minister explained that presently, importers open letters of credit to import expensive fine rice, but bring in cheap and coarse rice. A substantial amount of foreign exchange is being siphoned off thus and there is no scope now to detect these forgeries, he added.

In case of importing goods through the land ports, any LC worth over US\$5,000 now has to be sent to the advising bank through SWIFT (Society for Worldwide Interbank Financial Telecommunication). The meeting urged the authorities concerned to take immediate steps to develop infrastructure for such speedy telecommunication services.

According to another decision of the meeting, import duties from now

on have to be paid through pay orders, demand drafts or treasury chalan.

The decisions followed threadbare discussions on a report tabled by a high-powered committee formed earlier with BB Deputy Governor Mohammad ARume Ali in the chair. The other committee members are the managing directors of Sonali Bank, Janata Bank, Agrani Bank, National Bank, United Commercial Bank and Southeast Bank, BB executive director and deputy general manager, and NBR second secretary (tax).

Meanwhile, the NBR has already issued a circular containing similar directions to the customs houses.

## Gemini Sea Food declares 25pc dividend

Gemini Sea Food Ltd has declared a 25 percent dividend for its shareholders for the year 2004-05.

The dividend was approved at the 23rd annual general meeting (AGM) of the company held recently in Khulna, says a press release.

Kazi Shahed Ahmed, chairman and managing director of the company, presided over the AGM, which was attended, among others, by directors and other senior officials of the company.

## Eastern Housing okays 10pc dividend

Eastern Housing Limited has declared a 10 percent cash dividend for its shareholders for the year ending in July, 2005.

The dividend was approved at its 41st annual general meeting Sunday in Dhaka, says a press release.

Manzurul Islam, chairman of the company, presided over the AGM that was also attended by directors.

## WTO bell tolls for farmers Experts say

AFP, Hong Kong

The angry South Korean farmers who protested against the WTO meeting may have had some immediate success, but analysts say their way of life cannot be safeguarded in the long term.

"From a tactical standpoint, the street protests drew attention to their cause. When it comes to achieving their goal, it was a failure," said Kang Moonsohn, head of the WTO research team at the Korea Institute for International Economic Policy here.

Governments with farming lobbies who have political clout beyond their economic power -- such as South Korea and France -- fear the kind of direct action that powerful farming lobbies can use to dramatize their cause.

But in the end, can direct action change anything?

"No," said a foreign diplomat from an agriculture exporting country based in Seoul. "But it can delay the future from happening for long enough to annoy trade partners."

The long-term goal of South Korean farmers, shared by other powerful farming lobbies in countries such as Japan, is to maintain high levels of government protection for a way of life that is, economically at least, destined to wither away.

# Lacklustre response at Dhaka int'l trade fair

## Organisers eye high turnout as Eid nears

### STAR BUSINESS REPORT

Nine days into its inauguration, Dhaka International Trade Fair (DITF) witnessed a low turnout of visitors yesterday with organisers expecting considerable crowd ahead of the Eid-ul-Azha next month.

Participants said compared to the last year's fair, turnout is poor this year but the number will increase within a week as Eid is knocking at the door.

The exhibitors said as the fair was delayed by almost one year, they were expecting a huge turnout this time. But they are not getting expected response, they said. The DITF-2005 was originally scheduled for January this year.

"As the turnout is very low, we may have to curtail our sales target set for the mega show," said Abu Sayed Mahmud, an official of Monno Ceramic Industries Ltd.

The company is offering 30 to 50 percent discount on its bone china ceramic products at the fair. Monno sold ceramics goods worth Tk 3 crore at last year's show.

Meanwhile, 421 local and foreign companies are displaying machinery, agriculture equipment, chemicals, allied products, cosmetics,

dairy products, electrical and electronic items, food and groceries, tableware, melamine, plastic goods, gift and novelty items, handicrafts, furniture, home appliances, leather and leather goods, footwear, sports goods, building materials, textile and garments products at the exposition.

Along with the Bangladeshi companies, 22 foreign companies from USA, Singapore, Italy, South Korea, Pakistan, China, India, Iran, Thailand, Austria and Myanmar are showcasing their products.

Among the foreign companies, Iranian and Pakistani products are specially drawing visitors' notice. Carpets, curtains, cosmetics, melamine products are being displayed at the Iranian stalls and pavilions, while cotton fabrics, yarn, rice, furniture, handicrafts, leather goods and garments are on display at the Pakistani pavilions.

Besides, Kashmiri woolen shawls attracted huge visitors yesterday.

"The product is very gorgeous in terms of design and quality, said Mahfuz Ahmed, an official of a private organisation, while bargaining with the sellers of Kashmir Gift House at the fair.

Visitors are interested in Kashmiri

shawls, which are selling at Tk 300 to Tk 10,000 a piece, due to the winter, said Tariq Ahmed, a salesman of New Dar Handicrafts.

"We are getting some response from the visitors," a salesperson of Jenny's Leather said adding that Bangladeshi leather goods have already got international recognition. "We are offering 10 percent discount at the fair."

Most of the local participants are offering discounts.

Export Promotion Bureau (EPB) and commerce ministry are organising the eleventh version of DITF as their annual event to help local enterprises expand their business globally.

The month-long fair has 419 stalls, four special pavilions, seven premier pavilions, 37 pavilions, 12 premier mini-pavilions, 33 mini pavilion, 35 premier stalls, six restaurants and four drink kiosks.

The show on Sher-e-Bangla Nagar fair ground will remain open from 10am to 9pm everyday with a Tk 10 entry ticket for adults and Tk 5 for children. The first DITF was organised in 1995.

## NBR clarification

The National Board of Revenue (NBR) has contradicted a news item headlined 'NBR hints at raising VAT rate' printed on this page Sunday.

Referring to the news item, a NBR letter, signed by a public relations officer, said it is incorrect that NBR Chairman Khairuzzaman Chowdhury at a seminar on taxation policy hinted at raising value added tax (VAT) rate from the next fiscal year.

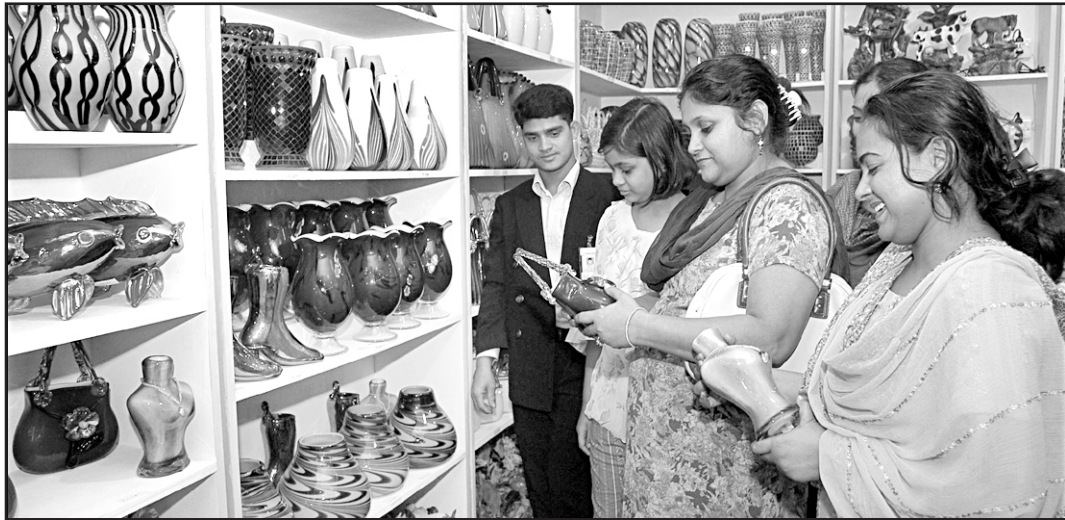
The letter said the NBR chairman only commented that the rate of VAT in the UK is 17.5 percent, which is higher than that of Bangladesh.

## Office bearers of crop protection association

Ruman Hafiz of Shetu Corporation Limited and Musfiquur Rahman of Haychem (Bangladesh) have been elected president and general secretary of Bangladesh Crop Protection Association, says a press release.

They were elected at the 25th annual general meeting of the association held in Dhaka recently.

Other office bearers include Kazi Ali Hossain of Padma Oil Company Limited, vice chairman, Md Mizanur Rahman Khan of The Limit Agro-products Limited, joint secretary, Waliur Rahman of Corbel International Limited, organising secretary, Mahbubur Rahman of Globe Insecticides Limited, publicity secretary, and QN Abedin of Krishi Banijya Protisthan, treasure.



Visitors at a stall at the 'Dhaka International Trade Fair-2005' at Sher-e-Bangla Nagar yesterday.

PHOTO: STAR

# Emerging Asia tipped to grow 7.2pc in 2006: ADB

AFP, Manila

East Asia, excluding Japan, will grow 7.2 percent next year, up from 7.1 percent in 2005 on the back of a rise in demand for electronics products, the Asian Development Bank said Monday in Manila.

The ADB said individual performances are likely to vary significantly, with China to slow to slightly below 9.0 percent after estimated 9.3 percent growth in 2005.

Excluding China, emerging East Asia is expected to post average growth of 5.3 percent in 2006, up from 4.6 percent this year.

South Korea will likely accelerate to 5.0 percent from 4.0 percent in 2005, with Singapore rising to 6.0 percent from 5.2 percent.

"With (China) a major trading partner for many countries in emerging East Asia, increasing (Chinese) imports should provide

additional impetus for these economies," the ADB said in Manila.

China's growth is likely to continue to be driven by strong gains in private consumption while investment will slow but to still robust levels.

The ADB said the forecasts are subject to four major risks -- a disorderly adjustment of growing global payment imbalances, a sharp upturn in the global interest rate cycle, higher oil prices and a possible bird flu pandemic.

## WTO AGREEMENT

# Summary of gains and concessions

AP, Hong Kong

What key parties gained and gave up in the latest WTO trade agreement.

EUROPEAN UNION: European farmers will have to adjust after the EU agreed to stop paying them to export goods by 2013, but Brussels held out against pressure from Brazil and other developing nations to eliminate such export subsidies by 2010.

The EU failed to get concessions it wanted from major developing countries on cutting tariffs on industrial goods and services.

UNITED STATES: The U.S. made concessions to West African cotton producers by agreeing to

eliminate export-oriented subsidies to American cotton-growers by 2006.

But the U.S. was able to avoid discussion of further cuts to its other farm subsidy programs.

The U.S. and other wealthy nations agreed to give duty-free and quota-free privileges to the world's least developed nations, but did manage to exclude 3 percent of imports from these countries after it raised concerns about textiles from Bangladesh.

The US also failed to get the European Union to further cut its import tariffs on agricultural goods.

BRAZIL, INDIA: These big developing nations secured an end to wealthy nations' farm export subsidies, but not as soon as the 2010 date that they would have liked.

They were able to maintain protections for their still-young industrial and services sectors. They also got exemptions on some agricultural products from any WTO tariff-reduction plan.

But they failed to wring further concessions from the EU on import tariffs on agricultural goods. The EU has offered to cut these tariffs by an average 46 percent, but developing nations want bigger reductions.

POOREST COUNTRIES: The world's so-called least developing nations, 32 of which are members of the WTO, secured duty-free and quota-free access to rich countries' markets. But they gave rich countries the right to exempt 3 percent of poor nations product lines from that special treatment.

## WTO talks a boost to Hong Kong brand

AFP, Hong Kong

Politicians hailed it as a success, a boost to Hong Kong's worldwide image, while citizens, businesses and the police will breathe a sigh of relief that it has finally ended.

For the little progress it made in achieving its goals of liberalising global commerce, the World Trade Organisation conference, which concluded on Sunday night, had a major impact on its Hong Kong host.

Scuffles during protests brought the city centre to a standstill, tight security left much of the downtown off limits to ordinary people and transport services were disrupted to accommodate visiting dignitaries' motorcades.

Also, businesses near the venue were forced to close for security reasons losing vital custom at a normally busy time of year.

Pre-summit warnings of possible violent protests also kept thousands of citizens away from the area, prompting some to go on early Christmas holidays or day trips, even to the city's Disneyland theme park, which said it registered its first sell-out on the opening day of the talks.

But as the city slowly returns to normal after more than a week of disruptions, experts say the cost to the community has been relatively small and that it will prove to have been worth the pain.

"The external costs are quite low, in fact there are likely to be more benefits than costs because it was a worldwide event -- the name of Hong Kong was published internationally because of the WTO," said Mo Pak-hung, assistant economics professor at the Hong Kong Baptist University.

## New MD of IPDC Bangladesh



Shah A Sarwar has been appointed managing director and chief executive officer of Industrial Promotion and Development Company (IPDC) of Bangladesh Ltd with effect from December 18.

Prior to this new assignment, he was senior director and chief operating officer of American Express Bank Ltd in Bangladesh, says a press release.

Sarwar has a 23-year banking career at major international financial institutions including Standard Chartered Bank and ANZ Grindlays Bank.