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FIRE INCIDENTS

Campaign begins today to make RMG units efficient

STAR BUSINESS REPORT

A special campaign begins today to make garment units efficient to face fire incidents.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have chalked out the crash programme in the wake of a series of fire incidents in garment units.

BGMEA President Tipu Munshi will formally inaugurate the programme in Dhaka, while a total of 10 fire safety teams will visit factories in Dhaka, Savar, Gazipur and Narayanganj and five teams will work in Chittagong.

Sources in the BGMEA said a total of 21 additional staff comprising retired army and civil defence people have been appointed to assist the existing BGMEA workforce to successfully conduct the crash programme.

After a short orientation course, the teams will start their work simultaneously in the country. The BGMEA will directly monitor and supervise the programme through its safety and labour cell.

Under the programme, factories will be asked to ensure the installation of adequate fire safety equipment.

DBH awarded 'AAA' rating

Delta Brac Housing Finance Corporation Ltd (DBH) received long term 'AAA' and short term 'ST1' ratings, which are the highest levels of ratings, says a press release.

Credit Rating Agency of Bangladesh (CRAB) performed the rating assignment and the DBH was the first entity to get the highest investment grade rating.

A press briefing to announce the achievement of the DBH was held in Dhaka yesterday. Masihur Rahman, managing director of the CRAB, and QM Shariful Ala, managing director of the DBH, among others, were present at the briefing.

Take initiative to privatise operation of New Mooring Container Terminal

Foreign investors urge govt

STAR BUSINESS REPORT

Foreign investors in Bangladesh yesterday urged the government to take an immediate initiative to denationalise the operation and management of New Mooring Container Terminal of Chittagong Port.

They said the efficient operation and management of the container terminal is of utmost importance for Bangladesh to attract foreign direct investment (FDI).

Masih Ul Karim, president of the Foreign Investors Chamber of Commerce and Industry (FICCI), placed the demand at the chamber's monthly luncheon meeting in Dhaka. Commerce Minister Altaf Hossain Choudhury attended the meeting as a guest of honor, while Peter May, vice president, and M A Matin, secretary of FICCI, among other foreign investors in Bangladesh, were present.

FICCI president said for maintaining the smooth flow of FDI transparent operation of container terminals is needed, as some neighbouring countries are providing such management facilities in their terminals.

"So, government should appoint a competent operator having proven track record in such management," he said.

Karim said the investment and trade related policies of Bangladesh are liberal and attractive for foreign direct investment. The macro-economic fundamentals are sound and incentive package for investment is excellent.

However he said, "Lack of proper governance, law and order situation, corruption, inadequate infrastructure and last but not the least -- contract sanctity -- are the major areas of concern for foreign investors, both existing and prospective ones".

Therefore, the government should formulate a comprehensive trade policy encompassing both export and import trades without any further loss of time to face the challenges and achieve the desired economic growth.

Moreover, he said it is being observed that the government is not moving fast enough to ensure that the country's laws and regulations relating to trade are in conformity with the WTO agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS).

Although, there are laws existing in the country for protection of intellectual property rights (IPR), these are not adequate and it takes years, even at times decades to get redress by the owners of IPR, he added.

Addressing the meeting, the commerce minister said in the last few years we received a huge amount of FDI in Bangladesh, which proves that Bangladesh is a safe harbour for FDI.

He said, "We offer a lot of incentives packages to encourage FDI in both export processing zones and outside the zones in Bangladesh. As part of wooing FDI, we are working to set up another EPZ in the country."

Credit facility for maize farming pays dividend

REJAUL KARIM BYRON, *back from Patgram, Lalmonirhat*

Crossing the conventional banking line, a private commercial bank experimentally gave loans to maize farmers in remote areas in Lalmonirhat district in 2004. The result was excellent for both lenders and borrowers. The growers were benefitted and the bank was successful to recover 98 percent loans.

The National Credit and Commerce Bank Ltd (NCCBL) teamed up with poultry and fish feed producer Doyel Agro Industrial Complex Ltd to give loans to the farmers in Patgram upazila, mostly a tobacco producing area. Doyel Agro started an initiative in 2003 to source its main raw material, maize, from the growers.

The lending also revolutionised the farming scenario. The upazila has now become a maize producing area.

Abdul Mannan, a farmer of Mominpur village, said, "I used to cultivate tobacco, but now I grow maize. I used to make profit of Tk 4,000 to Tk 6000 by cultivating tobacco in one acre of land. But now I make profit of more than Tk 15,000 by growing maize in one acre of land. This year I have cultivated the crop in 18 acres of land."

Another farmer, Nur Alam Khandakar of Islam Nagar village, said, "As the soil in the area is sandy, a large part of the land remained uncultivated in the past. But now we can grow maize."

During a recent field visit to the area, this correspondent saw maize cultivation on hundreds of acres of land. Even the maize farming can be seen in Dahogram and Angurpota, the enclaves where there was no credit facility. Now the enclave people are getting credit facilities, thanks to the NCCBL project.

Mokhlesur Rahman, a farmer of Dahogram village, said, "Since we live in an isolated area, we did not have access to any kind of credit facilities by any organisations. As a result, we were forced to borrow from traditional moneylenders at high interest rate. Now, we get loans and we also repay."

DOYEL AGRO'S INITIATIVE

In its bid to source raw material, Doyel Agro selected Patgram upazila for maize cultivation. The company selected some farmers and provided them with training on maize cultivation. The poultry and fish feed producer then approached the NCCBL to give loan facilities to the farmers. Initially, the bank gave Tk 10,000 loan for one acre of land.

Doyel Agro became the grantor for the loan and it also took the responsibility of paying off the loan from the farmers.

Mizanul Hoque Mizan, vice chairman of Doyel Agro, said only 36 farmers used to cultivate maize in some 100 acres of land in 2002 while some 341 farmers cultivated maize in 2003.

BANKING FACILITIES

As NCCBL had no branch in Patgram, it disbursed loans among the farmers in 2004 from its Rangpur branch. However, the bank opened a branch in December, 2004. In 2005, the Patgram branch of the bank made a profit of Tk 1 lakh from its lending.

NCCBL's Managing Director Nurul Amin said if entrepreneurs come up with innovative proposals, his bank will respond positively.

New office bearers of France-Bangla chamber

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Syed Farhad Ahmed, managing director of Texax Resources Ltd, has been elected president of France-Bangladesh Chamber of Commerce and Industry.

Alamgir MZ Rahman, managing director and chief executive officer of Consumer Products Ltd, and Yong Ngai Chan, managing director of Lafarge Surma Cement Ltd, have also been elected vice presidents of the chamber while Humayun Rashid, director and chief executive officer of Energypac Power Generation Ltd, has been elected treasurer.

The names of the new office bearers were announced at the annual general meeting (AGM) of the chamber for the year 2005 held at Economic Department of French Embassy in Dhaka yesterday.

Outgoing president of the chamber A Qayyum Khan, also managing director of Bureau Veritas (Bivac) Bangladesh Ltd, presided over the AGM, which was also attended by French Ambassador in Dhaka Jacques-Andre Costilhes.

PHOTO: STAR

Newly elected President of France-Bangladesh Chamber of Commerce and Industry Syed Farhad Ahmed (3-R) and French Ambassador in Dhaka Jacques-Andre Costilhes (4-R) pose for photographs with others at the chamber's annual general meeting for the year 2005 held yesterday in Dhaka.

Japan keen to support private sector development

BDNEWS, *Chittagong*

Japanese Ambassador in Dhaka Matsushiro Horiguchi yesterday said his country is keen to assist Bangladesh in developing trade and investment climate, economic infrastructure and human resources to facilitate private sector development.

The envoy said Japan as part of its Country Assistance Strategy is attaching importance to private sector development projects with the financial assistance of World Bank and other donor agencies.

Addressing a seminar on "Promotion of Trade and Investment: Japan- Bangladesh Initiatives" at the Chittagong chamber, Horiguchi referred to some impediments to enhancing trade and investment, and said his government is ready to extend necessary support to improve the situation.

Presenting a paper on Investment Prospect in Bangladesh, Chittagong chamber President Saifuzzaman Chowdhury identified 40 impediments and said less than desired level of economic development and inflow of foreign investment is reducing the prospect of national development.

President of the Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) Matiur Rahman requested the Japanese envoy to facilitate more Japanese investment in potential sectors of Bangladesh to narrow down the trade gap between the two nations.

Vice President of JBCCI Hideo Ueno made an audio visual presentation on Japanese investment in Bangladesh, while Vice Chairman of the Chittagong Stock Exchange (CSE) A Q I Chowdhury presided over the working session of the seminar.

News Analysis

BTRC plays foul with Dhaka's fixed telephone licences

ABU SAEED KHAN

Bangladesh Telecommunication Regulatory Commission (BTRC) has stipulated several controversial and extra-legal conditions in the bids it has invited for private sector-operated fixed phone operating licences in Dhaka, which may prolong the capital's gruelling telephone crisis.

Local, foreign and joint-venture companies have been invited to bid for 'Central zone' that is comprised of metropolitan Dhaka, the municipal areas of Narayanganj, Gazipur, Tongi, Savar and Zinzira. The regulator will issue four licenses among the top four successful bidders.

'Regulatory and Licensing Guidelines' of this bid that has been posted in the website (www.btrc.org.bd), however, grossly contradicts fundamentals of the bid invitation notice. Because the regulator has explicitly and repeatedly expressed its preference for specific type of bidders, instead of open competition.

The guideline says, 'The applicant/offerer having PSTN Zonal Licence for 4 zones will be given highest marks while others will be marked accordingly.' Industry insiders believe such deliberate stipulation of prejudiced criteria diminishes competition of this bid. Because BTRC has issued nine licenses to operate fixed telephones in all the four zones. Therefore, the other six companies who are operating in less than four zones gets straightaway relegated during the primary evaluation.

The regulator further dwarfed competition by another clause. It says, 'The highest marks will be given to the applicant/offerer which has built/established the longest Microwave backbone network for its services. The lowest marks will be given for the shortest backbone and others will be marked accordingly.'

It means only the four companies, who have activated their fixed telephone networks in the four zones, remain in the race of winning four licenses in Central Zone. Rest of the local and foreign bidders get disqualified in this bid.

Besides, the technical experts say that microwave is a conventional technology to build transmission backbone while optical fibre is far more efficient and modern replacement of microwave. 'Therefore, setting a bidder's microwave network's length as a qualifying criterion proves BTRC's lack of basic knowledge,' commented a source.

BTRC's also dictates the fundamental human resources profile of the prospective bidders. Chief Executive of each company has to have minimum 20 years of experience with minimum 10 years in the telecoms sector. Similar mandatory non-telecoms requirements are also applicable for the Project Manager, Operations Manager, Engineering Manager and Finance Manager of each prospective operator in Dhaka.

Another expert says, 'The BTRC has no legal authority to influence an operator's human resources.' Besides, the regulator itself badly lacks competent hierarchy and professional workforce, he added.

Stipulation of these biased and irrelevant conditions in the bidding guideline grossly contradicts BTRC's bid invitation notice, which is also a legal document of this licensing process. Sources fear it may trigger litigation against this bid, which can jeopardise the entire bidding process. As a result, the availability of affordable private sector fixed phones in the capital may remain uncertain for further indefinite period.

BTRC has also grossly deviated from its fixed telephone licensing rules of 2004. The regulator had officially fixed Tk.1.2 million application fees for the central zone but now it has been increased to Tk.10 million.

Tk.50 million entry fees that was officially set in 2004, has now been raised to Tk.150 million and the Tk.10 million annual license fees has also been inflated to Tk.12 million. Originally an operator was to share two percent of its gross annual revenue with BTRC but now the regulator has doubled that figure straight away.

Sources fear the regulator's such unilateral escalation of various licensing fees will be passed on to the users and ultimately punish the waiting subscribers in Dhaka city who are being harassed by the state-owned telecoms provider, BTTB.

Sources also allege the BTRC has structured these debatable preconditions to limit competition to only a few companies in the country's most lucrative segment of telecoms market, the Dhaka metropolis. 'It is basically a strategic fund-raising tool ahead of next year's parliamentary election,' commented a former BTRC commissioner requesting anonymity.