

## SEC warns 9 firms for violating securities rules

UNB, Dhaka

The Securities and Exchange Commission yesterday warned directors, managing directors and company secretaries of nine listed companies and a depository participant for violation of rules.

They were warned for changing dates or not publishing dates for annual general meetings and book closures, appointing audit firms for more than three years, failure to submit audited accounts timely and failure to hold AGMs.

The companies are Bangladesh Autocars Limited, Chittagong Vegetable, General Insurance company, Karnafuli Insurance, Meghna Condensed Milk, Meghna Pet Industries, Eastern Lubricants, Tulip Dairy, Exelsior Shoes and Md Shahidullah and Company.

## China Eastern Airlines declares daily flight on Dhaka-Kunming-Beijing route

China Eastern Airlines (MU) has announced daily flight on Dhaka-Kunming-Beijing route from March 27.

China Eastern (MU) flight will now leave Dhaka at 1:30pm instead of 4:30pm to allow most passengers same day connection to other China cities and regional destinations of Far East/Asia, says a press release.

As usual, the airline has announced new competitive fare effective from 27th March 2006. All travel agents who may not have received new fare have been requested to contact GSA Skybridge International for details.

Travel in group of 10 persons or above shall enjoy further lower fares.

## EBL launches banking solutions for students

Eastern Bank Ltd has launched "EBL Campus", a banking solution for students in Bangladesh, says press release.

It is a tailor-made package for students only, which will progressively include deposit, loan, card and other facilities.

Under the package, the first product introduced is "EBL smart student" especially designed to take care of money transfer needs for students studying abroad. Effective from March 27, five branches of EBL in Dhaka and Chittagong will be offering this service at a very low fee. The branches are Gulshan, Dhanmondi, Shantinagar, Principal Branch and Agrabad.

Deputy Managing Director Ali Reza Iftakhar formally inaugurated a booth at the Commerce Faculty of Dhaka University at a simple ceremony on Tuesday. Head of Consumer Banking Mashrur Arefin was also present.

Under the EBL Campus, the next product, "Campus Account," will be launched soon.

## Malaysia to unveil new plan in race for developed status by 2020

AFP, Kuala Lumpur

Malaysia is set to unveil a five-year development blueprint aimed at reducing rural poverty as it struggles to achieve its goal of becoming the world's first developed Muslim nation by 2020.

The Ninth Malaysia Plan, to be tabled in parliament on Friday, will spell out strategies for boosting economic growth and spreading wealth more equally in this multicultural nation.

After more than two decades of economic planning under former prime minister Mahathir Mohamad, it will also be the first blueprint handed down by Prime Minister Abdullah Ahmad Badawi who took over in 2003.

Analysts say the proposals will shift away from Mahathir's grand plans for industrial and technological development, which saw the launch of the national car and the construction of the world's tallest building.

# Remittance to hit \$4.5b this fiscal year

## Says BB governor

STAR BUSINESS REPORT

The inward remittance will reach around US\$4.5 billion this fiscal year if the positive trend of flow continues, Bangladesh Bank Governor Salehuddin Ahmed said yesterday.

The overseas wage earners have already sent \$3.17 billion during the first eight months (July-February) period, posting a 25 percent growth, he added.

The governor was speaking at a seminar on inward remittances

at CIRDAP auditorium.

English language monthly 'The Business Bangladesh' organised the seminar. Editor of the monthly Neo G. Mendes presided over while Ali Ahmed, former member National Board of Revenue, moderated the programme.

Salehuddin pointed out some bottlenecks in smooth flow of remittance. Lack of easy access to banks and unfavourable investment atmosphere for expatriates are some of the hurdles, the governor added.

He said imposition of flat rate for remitting any amount of currency by banks and exchange houses is another bottleneck for lower wage earners.

"It is difficult to pay £25 for sending £250," Salehuddin said.

He emphasised the need for improving better services by banks and exchange houses and investment-friendly environment to encourage non-resident Bangladeshis and expatriates to remit more in the country.

## WTO NEGOTIATIONS

# US, EU should make more concessions

## BEI discussion observes

STAR BUSINESS REPORT

Speakers at a discussion in Dhaka yesterday observed the US and European Union should come up with enhanced concessions to make WTO negotiations more meaningful.

Least developed countries have been fighting for duty and quota free access of their products to the developed markets for more than a decade but the demand is not fully met yet, they noted.

Bangladesh Enterprise Institute (BEI) organised the discussion on 'WTO Stalled: Is the multi-lateral system heading for crisis?' in the capital.

Speaking at the discussion as a special guest, Tofail Ahmed, former commerce minister, said poor countries are not given duty-free access of their products, though they are fighting for more than a decade.

"Main issue of the LDCs is to get

duty and quota free access to the rich countries but we face serious discriminations from them," mentioned Tofail, also an Awami League leader.

Participating in the discussion also as a special guest, Amir Khosru Mahmud Chowdhury, former commerce minister and a lawmaker of ruling BNP, said LDCs have to make the WTO talks working.

Bangladesh has also pushed movement of natural person issue very hard, he recalled.

Dr Jean-Pierre Lehmann, professor of International Political Economy and founding director of Evian Group, made a presentation on the topic.

Developing countries can take measures to attract substantial foreign capital, Lehmann pointed out.

Debapriya Bhattacharya, executive director of the Centre for Policy Dialogue (CPD), said: "Do not accept Hong Kong declaration as

final."

It is necessary to make more concessions to take the WTO negotiations forward and the concessions must come from the EU and the US, he observed.

Syed Alamgir Farouk Chowdhury, former commerce secretary, noted the US still has a very important role to play.

Mirza Azizul Islam, former chairman of the Securities and Exchange Commission, said getting duty and quota free access to the developed markets, movement of natural persons and addressing non-tariff barriers are some of the major concerns of the LDCs including Bangladesh in the WTO talks.

In his welcome remarks, Farooq Sobhan, BEI president, said the globalisation process will nonetheless continue and Bangladesh has to do something on improving the infrastructure.



PHOTO: BEI

Dr Jean-Pierre Lehmann, professor of International Political Economy and founding director of Evian Group, makes a presentation at a discussion titled 'WTO Stalled: Is the multi-lateral system heading for crisis?' at Bangladesh Enterprise Institute (BEI) in Dhaka yesterday. Amir Khosru Mahmud Chowdhury, former commerce minister, Farooq Sobhan, BEI president, and Tofail Ahmed, former commerce minister, are also seen.

# Pakistan, India plan cross border bank branches

REUTERS, Islamabad

Pakistan and India will accelerate plans to open bank branches across their borders to promote trade, officials said on Wednesday.

A joint statement issued after three days of talks between top commerce officials also said Pakistan, which has been reluctant to increase trade with India until there is more progress on political disputes, would consider enlarging a list of commodities from India.

It also said the two countries' central banks should "expeditiously" process applications from each other's commercial banks to open branches. Pakistani Prime Minister Shaukat Aziz had first proposed the step in 2004.

India and Pakistan began a peace process to resolve all disputes two years ago.

But despite discussions on a host of confidence-boosting measures, Pakistan complains that progress on settling core disputes, such as the decades-old row over Kashmir, has been too slow.

Trade between the two remains hostage to progress on Kashmir, the disputed Himalayan region at the centre of two of the three wars fought by India and Pakistan since they won independence from Britain in 1947.

Trade has grown since the peace process started, but it remains well below \$1 billion a year, and under \$2 billion including a black-market trade often routed via Dubai.

"Pakistan would consider enlarging the list of importable items from India...", the statement said.

Pakistan has close to 800 items

on that list.

But it feels the balance of trade already favours India too much, and has not accorded India most-favoured nation status, although New Delhi has granted Pakistan that status.

The two sides said on Tuesday they had agreed to jointly patent a popular variety of aromatic Basmati rice, finally uniting to counter the patenting of three varieties of long-grain rice under the same name by a US firm in 1997.

During the talks, the Indian side offered to sell more tea to Pakistan.

Pakistan is the world's third-largest buyer of tea, but it only buys around \$600,000 worth from India each year.

The statement also said the two sides agreed to investigate problems related to rail transportation of goods.

## Accord with Asia Energy to be based on new coal policy

### Says energy adviser

UNB, Dhaka

The Phulbari coal mine project will be awarded to the UK-based Asia Energy once the company accept the government's offer based on the proposed coal policy.

The government stance was conveyed to the international coal mining company when Chief Executive Officer (CEO) of Asia Energy Corporation (Bangladesh) Gary Lye met the adviser of the energy ministry at his Secretariat office yesterday.

Steve Bywater, CEO of London-based parent Asia Energy PLC, was present during the meeting.

"Our stand is very clear: whatever the agreement the government will sign, it will be on the basis of the new coal policy," Mahmudur Rahman told reporters after the meeting.

"We had a positive meeting with the energy advisor," Gary Lye said. "We told him that we want to work with the government to make the coal policy and the coal sector a success for Bangladesh... we look forward to implement our Phulbari Coal Project in an economically and environmentally sustainable manner."

The government already prepared a draft coal policy, which is now being discussed at various levels to accommodate suggestions from different circles.

After finalising the policy, it is likely to be placed in the cabinet for approval sometime next month.

In the new policy, the government has planned to increase the royalty rate from existing five percent to about 16 percent and add some new conditions making it mandatory for the coal mine developer to set up a 500 MW power plant simultaneously with its mining project.

In addition, the use of coal for domestic purpose will be given priority and export to be discouraged.

But the UK company prefer to sign a mining agreement with the government to implement its plan on the basis of the old coal policy where the project developer is allowed to make unlimited export of coal.

Earlier, the Asia Energy conducted a feasibility study for Phulbari coal mine project and submitted its development plan to the government under an agreement signed in 1998 on the basis of old policy.

Energy Advisor Mahmudur Rahman, who earlier termed the Asia Energy's agreement contrary to national interest, said a technical committee going through the Asia Energy's development plan to see its pros and cons.

## Manufacturers plan to set up 'Furniture Village'

STAR BUSINESS REPORT

In a bid to attract customers in a specific selling point, local furniture manufacturers yesterday said they are planning to turn Rokeya Sarani area at Mirpur into a 'Furniture Village'.

They said as some 110 furniture shops, including all renowned local brands, are located on Rokeya Sarani, the area can be turned into a specialised zone for furniture.

The furniture entrepreneurs announced the plan at the closing ceremony of 18-day furniture festival in Dhaka.

Bangladesh Furniture Industry Owners' Association (BFIO) organised the festival in association with SME support provider Katalyst and event management company Windmill Ltd.

Rubaiyath Sarwar, business consultant (industry and rural services), and Nusrat Nahid, business consultant of Katalyst, among others, were present at the function.

Speaking at the closing ceremony, BFIO leaders pledged to run their business with honesty. The leaders also sought policy support from the government for the growth of furniture industry.

"If manufacturers come forward, it is possible to establish a modern Furniture Village," said Selim H Rahman, president of Mirpur chapter of BAFIOA.

Addressing the function, Nitun Kundu, managing director of Otobi Ltd, put emphasis on developing good relationship between sellers and buyers to promote local products.



PHOTO: STAR

(From left) Asian Development Bank Country Director Hua Du, Dhaka Chamber of Commerce and Industry President MA Momen, Prof Dr Wahiduddin Mahmud and International Chamber of Commerce-Bangladesh President Mahbubur Rahman are seen at a seminar titled 'Business Development in Light Engineering and Electronic Sector of Bangladesh' in Dhaka yesterday.

# Light engineering growth appears to be unsatisfactory

## DCCI seminar told

STAR BUSINESS REPORT

Termining the Industrial Policy-2005 'unfriendly' speakers at a seminar yesterday said the growth and development of light engineering and electronic sector of Bangladesh appear to be slow and unsatisfactory, constrained by various problems.

They said although a taskforce on small and medium enterprise (SME) presented a set of recommendations to the government, some of the vital recommendations relating to tax rationalisation at import and VAT waiver were excluded from the policy.

They also stressed the need for technology transfer to develop the light engineering and electronic sector of Bangladesh.

They were addressing the seminar titled 'Business Development in Light Engineering and Electronic Sector of Bangladesh' jointly organised by the Dhaka Chamber of Commerce and Industry (DCCI) and Centre for International Private

Enterprise, an affiliate of the US Chamber of Commerce, held in the DCCI auditorium.

Speaking at the function, Asian Development Bank (ADB) Country Director Hua Du said the success of the garment industry, which developed from a scratch to a multi-billion dollar industry, has not been replicated to other manufacturing areas. "Based on the experience of other countries, there is no reason why Bangladesh should not also succeed in light engineering and electronic sector," she said.

She also said the ADB is assisting the government in implementing a new national policy for SME development, and improve SME access to finance and policy support. "We are also addressing specific regulatory, information, market access, and technology bottlenecks to broaden SME operations, and support reforms and capacity building of financial intermediaries relevant to SME development."

DCCI President MA Momen said

in the present era, all progressive countries as part of their development strategies have been intensifying their efforts to develop the light engineering and electronic sector.

"A large number electronic, electrical and engineering products are contributing to the economic growth," he added.

Dr K Siddique-e-Rabbani, professor of Department of Physics, Dhaka University, presented a keynote paper on light engineering and electronic sector of Bangladesh at the seminar.

Among others, Prof Dr Wahiduddin Mahmud, Bangladesh Engineering Industry Owners' Association President Abdur Razzaque, SME Taskforce Member Dr Nuimuddin Chowdhury, Bangladesh Electric Innovative Manufacturers Association President Shariful Islam, and MIDAS Managing Director Abdul Karim also spoke at the function.



A Rouf Chowdhury, CEO of Rankstel, and Mahmood Malik, managing director of IIDFC, exchange documents after signing a term sheet in Dhaka recently. Under the deal, IIDFC will act as the lead arranger for arranging Tk 1 billion as syndicated facilities. Anwar Hossain, director of Rankstel, Zakaria Swapan, COO of Rankstel, Ashrafuddin Ahmed, director (Finance) of Rankstel, and Kh. Shafiqur Rahman, head of Structured Finance of IIDFC, are also seen in the picture. The syndicated loan will be utilised for implementation of phase-II of Rankstel.

# US urges China to head off rising trade anger

REUTERS, Beijing

Secretary of Commerce Carlos Gutierrez warned China on Wednesday that rising protectionist anger in the United States could damage economic ties and urged Beijing to narrow the trade gap.

Gutierrez said China needed to act on US complaints about widespread Chinese piracy of films, software and other intellectual property, as well as demands to expand market access for American companies.

But he said legislation threatening China was not the way to defuse complaints and narrow the US trade gap with China, which reached \$202 billion in 2005.

"The way to address any conflict we may have with any of our trading partners is through negotiation, through dialogue," Gutierrez said when asked by

reporters in Beijing about bills aimed at China.

"Clearly, a protectionist sentiment in the US that is backed by action and legislation ... would be very bad for China and the United States."

On Tuesday in Washington, Senate Finance Committee Chairman Charles Grassley, an Iowa Republican, and Sen. Max Baucus, a Montana Democrat, proposed a law pushing the Bush administration to act more aggressively on China's currency policy.

Washington and Beijing have jousted for months over China's reluctance to let the yuan trade freely in financial markets, which many in Congress say keeps its exports artificially cheap.

On Tuesday two other US Senators -- New York Democrat Charles Schumer and South Carolina Republican Lindsey

Graham -- said they would defer a vote on their separate bill threatening a 27.5 percent duty on Chinese imports. They said their recent trip to China had left them more encouraged that Beijing would reform its currency rules.

Gutierrez said he was unfamiliar with the Grassley-Baucus bill but repeatedly warned against rising protectionist rancour aimed at China, while urging Beijing to address US complaints.

"All that we have done together can be put at risk by rising the level of trade tension in the US government," Gutierrez told US business executives in Beijing.

Gutierrez declined to comment on whether Washington would back EU moves to complain to the World Trade Organization about Chinese policies on auto component imports.