

# Star BUSINESS

E-mail: business@theluckystar.net

FALL OF GREENBACK PRICE

## Frozen food exporters incur Tk 100cr loss in two weeks

Non-receipt of Tk 250 cash incentives lamented

STAR BUSINESS REPORT

The sharp fall of greenback price against local currency has hit the frozen food exporters hard as they have incurred loss of around Tk 100 crore in the last few weeks.

"The exporters are incurring loss of at least Tk 10 lakh against each container due to the fall in dollar rate," said Maqsudur Rahman, president of Bangladesh Frozen Foods Exporters Association (BFEEA).

Exchange rates of taka against US dollar marked a 3.8 per cent rise in the last two weeks, which resulted mainly from substantial drop in imports as traders are unwilling to import now, sensing political impasse in the coming days.

On the other hand, banking sources attributed the appreciation of taka against the greenback to rise in remittance flow and exports. Bangladesh Bank (BB) statistics shows that average selling rate of

US dollar in the inter-bank foreign exchange market was Tk 69.71 on September 3 and it dropped to Tk 67 on Sunday.

Meanwhile, the exporters have urged the government to clear the around Tk 250 crore cash incentives earmarked for the sector in the 2004-05 and 2005-06 financial years.

"The finance ministry is reluctant to pay the cash incentive of Tk 250 crore for the 2004-05 and 2005-06 financial years," the BFEEA president said in a statement issued yesterday.

The exporters are unable to pay the dues of the shrimp farmers, as the government did not clear the cash incentive, Rahman mentioned, fearing that frozen food export may fall sharply in the current financial year as the exporters are faced with serious financial losses.

In another development, the association has strongly protested against the decision of the Department of Fisheries to sus-

pend four fish processing plants.

Although the shrimp and food exporting countries are detecting Nitrofurantoin antibiotic on regular basis, they are controlling the problem with different preventive measures, the BFEEA president argued.

The association has already opened a letter of credit to procure a Nitrofurantoin detecting machine and the problem of antibiotic may be resolved to an expected level with the commissioning of the machine, he hoped.

Contradicting the recent news carried out in different newspapers, Rahman said actually 12 containers with goods worth Tk 8 crore were returned by the importing countries recently for finding Nitrofurantoin in them. "It is beyond control of the exporters," he added.

According to newspaper reports, around 80 containers with frozen fishes worth Tk 100 crore returned from the importing countries.



US Ambassador to Bangladesh Patricia A Butenis receives a bouquet from Dhaka Stock Exchange President Abdullah Bokhari at a function at the bourse in Dhaka yesterday.

## Recruit also unskilled, semiskilled manpower from Bangladesh

PM urges Oman

UNB, Dhaka

Prime Minister Khaleda Zia yesterday urged Oman to recruit unskilled and semiskilled people from Bangladesh apart from the skilled ones.

### SEC fines 2 firms for defying rules

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday fined managing directors and all directors of M Hossain Garments Washing and Dying Limited and Saleh Carpet Mills Limited for breaching securities rules.

The directors and managing directors were fined Tk 100,000 each and the payments will have to be made to the stock market regulator within the next 15 days.

The managing director and directors of M Hossain Garments were punished for not submitting audited account statements of the year 2004 and 2005 to the commission while the managing director and directors of Saleh Carpet were disciplined for not holding annual general meeting in the year 2005, said an SEC press release.

The release also said each errant officials will have to pay Tk 10,000 every day if they fail to submit audited account statements or to hold annual general meeting.

The prime minister made the request when the newly appointed Oman Ambassador, based in Pakistan, Mohamed Said Mohamed Al-Lawati, made a courtesy call on her at the Prime Minister's Office.

According to an official source, some 1.07 lakh Bangladeshi people are working in Oman. Now it is recruiting engineers, physicians, teachers, IT experts and other skilled professionals from Bangladesh.

Both the prime minister and the ambassador emphasised the need for further bolstering the existing good bilateral relations between the two countries through enhancing trade, commerce and other areas of cooperation.

The prime minister also requested for setting up a residence mission of Oman in Dhaka to help strengthen further the relations between the two Muslim countries.

The ambassador handed over a personal letter of Sultan of Oman to the prime minister but its contents could not be known.

Khaleda Zia also said Oman could import quality goods from Bangladesh, particularly pharmaceutical items, RMG, leather and leather goods and jute goods.

The envoy said, "Oman will always remain with Bangladesh and it has introduced open visa system for businessmen as it wants development and progress of Bangladesh." The prime minister through the envoy invited the Sultan of Oman to visit Bangladesh.

Indian consumer packaged goods major Marico Industries, whose Camelia and Aromatic brands of soaps are popular in Bangladesh, has acquired the 'Fiancee', the hair care oil of Egyptian Ready group of companies.

The acquisition, reportedly for 18 million US dollars, by the Rs 1,150 crore Marico group will give the Indian company access to the manufacturing facility and marketing network of Ready group.

Marico product range includes value-for-money creams and hair gels and is estimated to command 20 percent of the Rs 170-crore Egyptian market in this segment.

"This footprint in Egypt will help us widen our strides in the international hair care market," said Marico group Chairman Harsh Mariwala.

Egypt also gives Marico an opportunity for Marico's core business of hair oil with its flagship brand of Parachute, which already sells in Egyptian market in a small quantity, and provide the Indian company access to technology in relatively high-margin skin care segment also, industry sources said. One of the skin care products of Marico was recently launched in Dubai.

Marico bought Camelia and Aromatic soap brands in Bangladesh to expand its share of international business which accounts for just about 10 percent of the Indian company's annual turnover of nearly Rs 1000 crore.

More than half of it comes from Bangladesh and the rest from neighbouring markets like Nepal and the Gulf.

## Citigroup arranges \$61m syndicated financing for CityCell

Citigroup arranged US\$ 61 million international agency backed and local currency syndicated financing for Pacific Bangladesh Telecom Limited (PBTL), the provider of CityCell mobile phone, says a press release.

The formal ceremony of this fund raising was held on Monday. Mahmudur Rahman, energy adviser, was present at the function. Patricia A. Butenis, US ambassador to Bangladesh, was the special guest.

PBTL, whose 45 percent stake is held by Asian telecoms giant SingTel, has embarked on an expansion project with Citigroup acting as the financing lead arranger for the US\$ 61 million terms facility from international and local sources.

Overseas Private Investment Corporation (USA) extended its support along with Infrastructure Development Company (IDCOL) and a host of local commercial banks and institutions.

This financing is a part of PBTL's expansion plan to increase its network capacity and acquire new

subscribers.

Pubali Bank Limited and Prime Bank Limited were the co-arrangers for the local currency syndicated finance tranche while IDCOL was the co-arranger for the international tranche. The participating banks for this transaction were Agrani Bank, Bank Asia Limited, Citibank, NA (Bahrain), Citibank, NA (Dhaka), Dutch-Bangla Bank Limited, Eastern Bank Limited, Export Import Bank of Bangladesh Limited, IDCOL, Jamuna Bank Limited, Overseas Private Investment Corporation (USA), Prime Bank Limited, Pubali Bank Limited, Saudi-Bangladesh Industrial and Agricultural Investment Company Limited, Shahjalal Islami Bank Limited, The City Bank Limited, The Premier Bank Limited and Uttara Bank Limited.

Among others, Chye Hoon Pin, chief executive officer of PBTL, and Mamun Rashid, chief executive of Citibank NA Bangladesh, were present.

## Homegrown projects better alternative to WB, IMF assistance Says BB governor

UNB, Singapore

Bangladesh Bank Governor Dr Salehuddin Ahmed here yesterday said homegrown development projects would be the better alternative to World Bank and IMF assistance for the country.

"If we can take good projects, others would be interested to provide funds...money will come from bilateral donors," he told the news agency on the sidelines of the Annual Meetings of the World Bank and International Monetary Fund at Suntec Singapore.

"They (Bretton Woods Institutions) should not give any policy prescription. They should support our own policies," he said.

Salehuddin was critical of World Bank President Paul Wolfowitz for making "hue and cry" against corruption and governance, and stopping disbursements to Bangladesh under the criteria.

"Well, we too want corruption in our country to go, but still we can question whether the World Bank has the mandate to do that," he said.

His observation came amid rising voice of the developed countries against the World Bank and IMF at the plenary session, as the BWIs could not properly utilise the funds they contributed for poverty alleviation.

British Secretary of State for International Development Hilary Benn strongly criticised the BWIs and apprised that the British government would have to step back from funding the institutions unless it improves governance within themselves. Several members, including Britain, France and Germany, were worried for tagging restrictive conditions to development assistance.

"The developed countries started raising their voice against... they (BWIs) will be pressurised,"

the central bank governor said.

In her plenary address, Indonesian Finance Minister Mulyani Indrawati came down heavily on the BWIs and called for investigation into the BWIs to have a test in their governance status.

She also asked for forming a joint investigation committee on corruption and called on the World Bank to be open and transparent.

Indian Finance Minister

Chidambaram

also criticised the BWIs

saying,

"The strategy is bound to

hurt the development process in

the countries that need the Bank's assistance... One-size-fits-all strategy will not be appropriate in improving governance."

The Bangladesh Bank governor

slammed the World Bank and IMF for the unpredictability in disbursement of loans and said the loans must be time-bound and predictable.

African Development Bank

President Kaberuka

at a seminar

here also laid emphasis on disbursement of loans in a long-term,

time-bound and predictable manner if the BWIs really wants to alleviate poverty.

About the IMF reform adopted at the meetings, the Bangladesh Bank governor sees hardly any hope for recent future, at least in the next two years, that Bangladesh would get its voice and vote raised.

In the first phase of the reform

resolution, the shares of four

countries

China, Korea, Mexico and

Turkey

have been increased, while

measures

would be taken in the

next two years under the resolution

to raise shares of the low-income

countries, at least by double.

"But

the set criteria

will not match

Bangladesh

to get the share

raised," Salehuddin said.

He felt, "It would have been

better for Bangladesh if the criteria

had been measured on the basis of

poverty reduction."

Wolfowitz's plan would link the

WB's

financial aid to commitments

by beneficiary countries to good

governance, such as transparency

in public procurement and anti-

corruption measures.

The World Bank in recent

months

has frozen aid worth hundreds

of millions of dollars

destined

for several

countries,

such as the

Democratic

Republic of Congo, in a

bid to prod them into cleaning up

the management of their public

finances.

Wolfowitz said his aim was to

attack poverty.

"It's very clear and

simple that the purpose of this is

poverty reduction."

India's Marico

buys Egyptian

Fiancee brand

hair oil

PALLAB BHATTACHARYA, New

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