

Star BUSINESS

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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 Maqsur Rahman, president of Bangladesh Frozen Foods Exporters Association (BFFEA).

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 fiscals," the BFFEA 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 Nitrofurant antibiotic on regular basis, they are controlling the problem with different preventive measures, the BFFEA president argued.

The association has already opened a letter of credit to procure a Nitrofurant 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 Nitrofurant 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.



PHOTO: STAR

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 Dyeing 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.

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 (PBT), 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.

PBT, 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 PBT'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 PBT, and Mamun Rashid, chief executive of Citibank NA Bangladesh, were present.

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.

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 anti-corruption strategy of 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

purchasing power parity, growth potential, democracy, human development and equality."

He said the country has advantage in these indicators but the criteria under the new resolution were set on the basis of mainly the GDP.

"We've no immediate interest in this resolution. It should have been done in a comprehensive manner," he added. Some 23 member-countries have voted against the reform.

At the plenary session, policymakers supported plans to root out corruption and promote sound governance in developing countries but cautioned its promoter, WB President Paul Wolfowitz, to keep his eyes on the real prize the war on poverty.

"We have to stay involved with governments and work with governments, not around them, as long as they are determined to take action against corruption," said Hilary Benn.

"And even when this isn't the case, we should not turn our backs on poor people. After all, the behaviour of some officials or some politicians is not their fault," Benn told a session of the World Bank Development Committee.

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."



PHOTO: AMCHAM

Hua Du (centre), country director of Asian Development Bank speaks at a luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) in Dhaka yesterday. Also seen from right are A Gafur, executive director of AmCham, Andrew L. Fawthrop, president of AmCham, Gene V. George, director of USAID, and Syed Ershad Ahmed, vice president of AmCham.



PHOTO: STAR

FBCCI Vice President Dewan Sultan Ahmed speaks at the closing ceremony of the Quality Fair-2006 in Dhaka yesterday.

Execution of QMS at every level stressed

STAR BUSINESS REPORT

The closing ceremony of 'Quality Fair-2006' was held at a local hotel in Dhaka yesterday.

Dewan Sultan Ahmed, vice president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) was present as chief guest on the occasion. Ahmed H Kabir, president of Bangladesh Association of QMS Professionals (BAQP), and participants of the fair also attended the function.

The three-day fair was organised at the Bangladesh China Friendship Conference Centre on June 26 to 28.

BAQP in association with Katalyst and Strategica Limited organised the show. The Daily Star, Channel i and Wega Zone were the media partners of the fair.

Speaking at the closing ceremony, the FBCCI vice president stressed execution of quality management system (QMS) at every level of the local companies so that local products can compete in the world market.

He said, "We have to adopt the QMS at every level of industrialisation as it is the basic requirement to

ensure product quality in the present global market".

In his speech, BAQP president made a commitment to continuing their campaign to ensure quality at every level of production.

Later, Dewan Sultan Ahmed handed over the crests awarded to the participants of the quality fair at the function.

In the fair, a total of 25 companies including Abul Khair Steel, BSB, Certification International, Daffodil PC, MSS, NHPC, ORI, PMTC, QIA, RDER, Shah Cement, StarShip, SEYLON, URS, USAID and other QMS certified companies took part.

The fair was aimed at highlighting the companies having management standards, such as ISO 9000, ISO 14000 and HACCP certifications, and the QMS consulting and certification houses that offer services for achieving such management standards.

Mosharraf Hossain, general secretary of BAQP, Kazi Javed Islam, marketing and sales manager of Rahimafrooz, Mahbul Alam, managing director of Strategica, were also present at the closing ceremony.