Star BUSINESS

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ADB to intensify support for SME growth

BSS, *Dhaka*

The Asian Development Bank (ADB) will increase its support for enhancing the growth of the country's small and medium enterprises (SMEs) if the current pace of the ADB-aided SME development project implementation is sustained.

ADB Country Director Hua Du said this yesterday when she called on Industries Adviser Geeteara Safiya Chowdhury at the latter's office here, according to an official handout.

The bank is providing US$50 million in financial and technical assistance for implementing the SME development project.

They discussed various issues relating to setting up the SME foundation, reorganising the BSCIC (Bangladesh Small & Cottage Industries Corporation), creating women entrepreneurs, developing an SME database, appointing a project consultant and enhancing technical capacity of BSTI (Bangladesh Standards and Testing Institution).

Referring to the role of SMEs in poverty eradication and women empowerment, Hua Du hoped all the stakeholders would work together to ensure speedy implementation of the SME development project.

RMG COMPLIANCE
Manpower dearth at CMC hits monitoring

MD HASAN

The monitoring cell, set up at the state-run promotional agency for exports, that aims to ensure implementation of the compliance issues in the units of ready made garments (RMG) sector is yet to come into effect because of dearth of manpower.

"The Compliance Monitoring Cell (CMC) at the Export Promotion Bureau (EPB) has not been functioning as it runs short of necessary staffs since its inception, although we have enough funds to ensure that the apparel industries implement their compliances," said Edris Ali, in-charge of the CMC.

He lamented that the cell has now only two persons against its minimum requirement of ten skilled staffs. These members of the staff should have knowledge of business and economics to smoothly function the day-to-day activities of the units, he added.

The CMC top official said the cell started its journey with an initial fund of Tk20 crore and recently the United Nations Development Programme (UNDP) has granted an additional US$1,20,000 to reinforce the monitoring body.

According to an EPB high official, bureaucratic tangles and failure of the commerce ministry in taking effective measure are responsible for the present state of the CMC.

Following the labour unrest in the RMG sector during the April-May period in 2006, the government formed the cell to monitor compliance related issues in the garment units.

Sources in the commerce ministry said although recruiting adequate manpower for the CMC is the need of the hour, it becomes a tough job these days as the country is now passing through an economic and political transition.

Meanwhile, taking note of the April-May incident, the Social Compliance Forum (SCF) at his fourth meeting urged Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Export Processing Zones Authority (BEPZA) to mange ID cards for workers after ascertaining the total number of them besides issuance of their appointment letters and provide information on formation of trade unions.

These three organisations were also asked for ascertaining the number of workers arrested, sacked and freed in connection with the labour unrest.

The CMC sources expressed their dismay over submission of none of the figures these professional bodies asked for.

BGMEA and BKMEA, however, said their compliance cells are progressing to provide adequate information to the CMC.

Sonamasjid remains inoperative for three weeks

BSS, *Chapainawabganj*

Activities in Sonamasjid Land Port in the district have remained suspended for the last three weeks due to an indefinite strike called by the importers and clearing and forwarding agents of the port just after four days of its inauguration as a full-fledged port.

The importers and the clearing and forwarding (C&F) agents called on the indefinite strike on December 27, alleging that the port-operating agency, Panama-Sonamasjid Port Link Ltd, was realising excess charges from them. Talking to the news agency, port sources said separate meetings of National Board of Revenue (NBR) and Land Port Authorities were held on Tuesday in Dhaka to solve the problem.

Leaders of Chapainawabganj Chamber of Commerce and Industries, Sonamasjid C&F Agents Association, importers' and exporters' groups and Panama Port Link Ltd attended the meetings.

President of Chapainawabganj chamber Abdul Wahed said the chairman of Land Port Authority will visit the port within a month and talk to the leaders of the organisations concerned to solve the problems.

DSE stock prices continue rallying

STAR BUSINESS REPORT

The stock prices on the Dhaka Stock Exchange (DSE) continued to rally yesterday for the second consecutive day amid huge rush of investors.

Besides, the turnover on the premier bourse reached Tk 90 crore, the second highest in the last ten years, yesterday. Earlier on January 14, the DSE turnover hit Tk 92.33 crore, the highest after 1996's bubble and bust.

The investors are cheering on the hopes that there has been an end to confrontational politics, officials and market operators said.

"Not only the individual investors but also the institutional investors got their confidence back to put their money on the securities," said an official of a DSE broker.

He also said the investors are thronging the market as they see positive signs in the country's bickering politics following declaration of a state of emergency as well as formation of a new interim government.

The DSE All Share Price Index rose by 22.04 points or 1.62 percent to close at 1376.99 points while the DSE General Index increased by 31.20 points or 1.87 percent finishing at 1691.73 points.

Besides, DSE-20 Index, comprising blue chips, also went up by 40.24 points, or 2.75 percent, to close at 1501.10 points.

A total of 18,121,769 shares of 198 issues worth Tk 90.03 crore changed hands on the DSE. Of the issues traded, 145 gained, 38 suffered losses and 15 remained unchanged.

Dhaka Electric Supply Company of Bangladesh (Desco), the state-owned power company, topped the turnover leaders followed by Power Grid Company of Bangladesh, Square Textile, Southeast Bank and Bextex.

The Desco topped the list with 210,700 shares worth Tk 9.15 crore.

Like DSE, trading on the Chittagong Stock Exchange (CSE) also closed higher yesterday with gainers dominating losers.

The CSE All Share Price Index increased by 1.49 percent to close at 3874.41 points while the CSE-30 Index shot up by 2.11 percent to close at 3526.79 points.

CSE Selective Categories Index also went up by 1.65 percent to close at 2554.25 points.

A total of 89 issues were traded yesterday. Of them, 66 gained, 15 declined and eight remained unchanged. A total of 4,253,499 shares worth Tk 17.72 crore changed hands on the bourse.

Offloading of SoEs' shares soon
DSE team told

UNB, *Dhaka*

Finance Adviser Dr Mirza Azizul Islam yesterday said the government would take fresh initiatives to offload the shares of well-performing state-owned enterprises (SoEs) identified earlier.

"The market lacks good shares compared to the demands by the investors," he told reporters after a meeting with a delegation from Dhaka Stock Exchange (DSE) at his office.

He said the quantum of over-subscription in the initial public offerings (IPOs) indicates that the market is in need of good shares. The DSE had identified 22 stocks having government shares more than two years ago, suggesting the authorities concerned to feed the stock-hungry market.

Replying to a question, the adviser sees no artificial movement in the market and said the market was running in its normal course.

Meeting sources said he stressed the need for completing the ongoing reform programmes for the capital market he left incomplete while leaving the Securities and Exchange Commission (SEC) as its chairman on January 22, 2006.

Replying to another question, Dr Aziz, who is also in charge of the Ministry of Commerce, said the government would try to take legal measures against any proven syndication distorting the prices of essential commodities in the market.

He said the Ministry of Commerce has already been asked to identify the possible cases of syndication although it is very difficult to identify it due to its informal nature of transactions. Aziz, however, said the government would try to increase the supply of essential items to the market to offset the influence of the business syndicate and neutralise the prices. "Price control is not desirable in a free market economy... demand-supply determines the prices," said the adviser.

PHOTO: NCC BANK

Md Nurul Amin, managing director of National Credit and Commerce (NCC) Bank Ltd, inaugurates Intramex Knitwear Ltd and Texaid Ltd in Gazipur recently. ATM Enayet Ullah, managing director of Intramex Group, among other senior officials from both the sides, was present. The bank funded Tk20 crore for Intramex Knitwear Ltd & Texaid Ltd.

Revenue collection may face setback this fiscal

UNB, *Dhaka*

The revenue collection of the National Board of Revenue (NBR) is likely to face a serious setback this fiscal year due to political unrest and highly ambitious revenue target.

The immediate past BNP government has fixed the target of revenue collection at Tk41,055 crore for fiscal 2006-07 as against Tk35,652 crore in the last fiscal (2005-06).

According to officials, the NBR collected Tk15,823 crore in revenue against the first six months' target of Tk20,527 crore, marking a shortfall of Tk4,704 crore.

NBR sources said in the last fiscal year, they reached the target with the help of government's option of whitening black money.

Taking the last chance of government amnesty for whitening black money, some 7,246 individuals legalised Tk4,603 crore at 7.5 percent tax rate, which helped the government deposit Tk342.22 crore in the national exchequer in FY2005-06.

On the other hand, the NBR failed to achieve its revenue collection target in the first six months (July-December) of the current fiscal year.

Talking to the news agency yesterday, NBR Member (Income Tax Policy) Ali Ahmed termed the revenue target highly ambitious.

"But, we think, if we get the High Court verdict in our favour in the pending cases, we might get closer to the target," he said.

In this regard, he emphasised the introduction of National Identification Number (NIN) to collect VAT (value added tax) and income tax more smoothly and efficiently.

To avoid the revenue shortfall, newly appointed NBR Chairman Sheikh AK Motahar Hossain held a meeting with the Board's senior officials on January 11, seeking to find out a fresh collection strategy.

This was his first meeting after joining the NBR as its chairman on January 8. Motahar directed the officials concerned of the Board to gear up their collection drive in order to meet the current revenue shortfall.

Meeting sources said the NBR officials blamed the recent political unrest and highly ambitious target for the revenue shortfall in the first six months of the current fiscal year. But they hoped they would be able to get closer to the target at the end of the fiscal year as the economic activities in the coming months are expected to get smoother due to the declaration of state of emergency.

The NBR collected Tk7,302 crore in import duty in the first six months of the current fiscal year, posting a 1.01 percent growth over Tk7,229.19 crore collected during the same period of the last fiscal year.

The NBR collected Tk5,512 crore VAT during the first six months of FY 2006-07, showing a 13.85 percent growth over Tk4,841 crore collected during the corresponding period in FY 2005-06.

The income tax sector performed well in the first six months of FY 2006-07 with the collection totalling Tk2,905 crore, up 21.05 percent over the same period in the previous fiscal.

The revenue collection from other sectors stood at Tk140 crore in six months of the current fiscal year compared to Tk118 crore during the same period of last fiscal.

African Union adopts united front for trade talks

AFP, *Addis Ababa*

African Union ministers adopted a united front for global trade talks at a Tuesday summit, calling on Western countries to scrap agricultural subsidies to allow African imports to compete.

In a declaration that was unanimously adopted at a summit here, the ministers called for "the rapid elimination of all forms of export subsidies."

"We urge the main commercial partners to demonstrate flexibility and to show the necessary political will to facilitate the full resumption of talks and to bring them out of the impasse," the declaration said.

The ministers had chosen a message of "firmness and unity", a AU Commission official told AFP.

The World Trade Organisation (WTO) suspended the latest round of trade talks in July last year after negotiators failed to reach agreement after five years of talks.

Earlier on Tuesday WTO chief Pascal Lamy, also present at the summit, called on African nations to be more flexible.

"If we conclude this round, there will be many winners. If the negotiations fail, no doubt who will be the biggest loser: Africa. We all know that. This is the reality," said Lamy.

Africa states must "alter their position in negotiations to avoid a return to deadlock," added Lamy during a visit to the African Union's headquarters in Addis Ababa for talks with trade ministers from the continent.

New MD of Pioneer Ins

Q A F M Serajul Islam has been recently made the managing director and chief executive officer of Pioneer Insurance Company Ltd, says a press release.

Prior to joining Pioneer in 2005 as an additional managing director, Serajul Islam held various senior positions in different companies, including Sadharan Bima Corporation and Pragati Insurance Ltd.

Meanwhile, former managing director RN Das has been appointed as the chief adviser to the company, the release adds.

India may start border trade with Myanmar, Bhutan in a year

PTI, *Itanagar*

India would start border trade with Bhutan and Myanmar through Arunachal Pradesh within a year, junior minister for Commerce Jairam Ramesh said.

Bleting in Tawang district would be a trading point with Bhutan and Pangsupass with Myanmar. The border trade centres would be developed on the pattern of the centres opened at Moreh in Manipur recently, Ramesh said on Tuesday.

Bumla, also in Tawang district, and Gelling in Upper Siang district would be the proposed centres for border trade with China, he said.

Public sector energy undertakings would invest in Arunachal Pradesh over the next five to seven years, which would harness the vast hydroelectric potential and increase employment opportunities.

Ramesh also laid the foundation stone for the proposed Bamboo Technology Park at Niglok industrial growth centre, 35 km from Pasighat on Monday.

The park, to be developed under National Bamboo Mission, is for imparting training to people for commercial application of bamboo, which is abundantly available in the Northeast.

Chief Minister Gegong Apang said development of infrastructure in the state would lead to economic growth of not only the state but also of the whole nation.

No immediate possibility of cut in oil output

Says Saudi minister

PALLAB BHATTACHARYA, *New Delhi*

The Organization of Petroleum Exporting Countries (OPEC) has indicated that there is no immediate possibility of a fresh cut in production to stem declining international crude prices and said there is "substantial supply" in the market.

Saudi Arabia's Oil Minister Ali Al-Naimi, who is here to attend an international conference on energy organised by India, said, "There is no need for further cut in production to keep global oil prices from falling further".

"All the fundamentals are significantly healthier than they were at the time of the Doha meeting (of OPEC in October). The market is in a healthy condition and moving in the right direction," he told reporters here on Tuesday in remarks, which came amid speculation that the 12-nation OPEC could convene an emergency meeting to discuss fresh cut in output.

Nigerian Oil Minister Edmund Daukoru agreed with Naimi and said there was no need for an emergency meeting of OPEC. "There is substantial oversupply in the market. We will simply wait it out. The sky is not falling because prices are at 52 dollars a barrel". The next meeting of OPEC is scheduled for March this year.

He said he did not know if the output cuts already announced were sufficient. "When we implement it, we will get to see how the market responds", he said.

"The winter has been very mild", Daukoru said in an apparent reference to the weak demand for oil in the United States, the largest consumer in the world.

International crude prices fell to levels in June 2005 due to unusually warm winter in the US as well as in Europe, which have kept down the demand in the two regions.

United Arab Emirates Oil Minister Mohamed Bin Dhaen Al Hamli replaced Dakuoru of Nigeria, the sixth largest producer of oil, as OPEC head.

The OPEC had said late last year that they would reduce their output by 1.2 million barrels per day and plan to cut production by another 500,000 barrels a day beginning in February.

The Nigerian minister spoke of 'energy poverty' in Africa and said there was an urgent need to invest in production and distribution networks in the continent.

Goldman, Citigroup to invest $52m in Indian firm

REUTERS, *Mumbai*

Citigroup and Goldman Sachs will invest a total of $52 million in software firm ICSA Ltd, the company said on Wednesday.

Citigroup would pay $30 million for a 14 percent stake, which ICSA managing director Bala Reddy said would be made up of new shares and 284,000 convertible warrants.

Goldman would buy $22 million of foreign currency convertible bonds, a company statement said.

Citigroup would buy 1.1 million new shares at 950 rupees each, while Goldman could convert its debentures at 1,250 a share, Reddy said. ICSA shares fell 1.4 percent to 1,099.25 rupees in Mumbai market that rose 0.1 percent.

"We would use the funds for our research & development and to improve our infrastructure," Reddy said.

The Hyderabad-based firm, which has an order book of 10 billion rupees ($226.2 million), builds software using GSM technology to monitor transmission and distribution losses in the power and oil sectors.

Oil steady near $51

REUTERS, *London*

Oil steadied near $51 on Wednesday, after falling to a 20-month low the previous session as top exporter Saudi Arabia said there was no need to worry about the market's 16 percent slide so far this month.

U.S. crude futures eased 11 cents at $51.10 a barrel by 1130 GMT, while London Brent rose six cents at $51.68.

The market found support from investors' reluctance to bet that prices would fall below the psychologically key $50 mark.

On Tuesday, NYMEX prices briefly touched $50.53, the lowest level since May 25, 2005, after Saudi Arabia said OPEC production cuts were working well and an emergency meeting of the producer group was unnecessary.

"There is no need to worry because the market is in a very healthy condition," the kingdom's oil minister Ali al-Naimi told reporters on Wednesday.

PHOTO: IDCOL

Hafiz GA Siddiqi, vice chancellor of North South University, and M Fouzul Kabir Khan, executive director and CEO of Infrastructure Development Company Ltd (IDCOL), among others, pose for photographs with the participants in a training course on financial modeling at the concluding ceremony of the programme held in Dhaka. IDCOL organised the training course.

Migration could yield 'triple win': WB

XINHUA, *Washington*

Migration can benefit both sending and receiving countries and reduce poverty among migrants if it is better coordinated between countries, according to a new World Bank report released on Tuesday.

The report, named as Migration and Remittances; Eastern Europe and the Former Soviet Union, said remittances are one consequence of migration that benefit both the migrants' families and their home countries.

"For many of the poorest countries in Eastern Europe and Central Asia they are the largest source of outside income and have served as a cushion against the economic and political turbulence of the past 15 years," it said.

Remittances represent over 20 percent of GDP in Moldova and Bosnia and Herzegovina and over 10 percent in Albania, Armenia, and Tajikistan, the report added.

To ensure that migration benefits both sending and receiving countries and the migrants themselves, countries could more closely coordinate their policies so that the supply of migrant labour can meet demand through legal channels that respect the rights of migrants and are politically and socially acceptable to migrant-receiving countries, according to the report.

"Existing bilateral agreements can be improved to facilitate migration in the region by matching the supply of migrant labour with the demand through economic incentives," said Bryce Quillin, World Bank Economist and co-author of the report.

There are no ready-made solutions for effective migration policy, yet one possible route might be to combine short-term migration with incentives for return or circular migration. Circular migration could allow migrants to spend short periods of time abroad without creating new amounts of permanent migration.