

Star BUSINESS

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RMG industrial park to be set up in Munshiganj

BGMEA, Bscic sign MoU

STAR BUSINESS REPORT

The long-awaited industrial park for the garment industry is going to come into being, as the government formally launched its move yesterday to relocate 390 apparel units on the outskirts of Dhaka.

The industrial park project, located at Bawshia at Gajaria upazila in Munshiganj district, will be ready for relocation of the garment units in a span of three years, according to the plan.

Initiated by Industries Ministry, the project will be implemented by Bangladesh Small and Cottage Industries Corporation (Bscic). BGMEA will take the responsibility of supervising the industrial park after its completion by June 2009.

Aiming to manufacture apparel products, the main foreign export earner of the country, in a decent environment, BGMEA and Bscic inked yesterday a memorandum of understanding (MoU).

S R Osmani, chairman of Bscic and S M Fazlul Hoque, president of BGMEA, signed the deal on behalf

of their respective organisations.

Md Anwarul Iqbal, adviser for Local Government, Rural Development and Cooperatives, was present at the signing ceremony.

World Bank and government will provide 60 percent and 40 percent financial assistance respectively for the Tk310crore project.

As per the project outline, the government initiates the project to give an organised shape of the Dhaka city's garment factories mushrooming in an unplanned way.

According to the BGMEA, a total of 3481 garment units are located in the greater Dhaka city, where 80 percent of the total 20lakh workers are employed.

The increased population density over the Dhaka city will be reduced significantly on the RMG units' relocation to the park.

The park will be set up on an area of 300acres in the Bscic industrial belt, where facilities like sewerage system, drain-culvert, power, water, gas, private and nationalised banks, post office, telephone

exchange, courier service, medical facilities, private small plant, accommodation facilities for workers, police station, shopping centre, children's park will be available.

Speaking as chief guest, Md Anwarul Iqbal said it is government's duty to encourage most of the export-oriented industries, and the new move to set up the park is part of that.

He said as the major portion of the funding for this project is expected to be mobilised from the RMG entrepreneurs, its completion on time would not be a problem, the adviser, also in charge of the ministry of labour and employment, hoped.

The project now awaits the nod of the Executive Committee of National Economic Council (Ecneec).

He also asked the RMG units owners to look to the East Policy to enhance share of the Bangladeshi apparel products in the world market.

He said, "We are exporting major portion of our ready made

garments to the western market. But at the same time we should look for an alternative market for Bangladesh leaning also towards the eastern market in order to retain our global market share".

The Bscic has now 67 industrial parks and it is planning to have another 37 within a short time. To relocate more RMG units from the capital city, the scope for setting up more garments industrial parks would be examined, said the Bscic chairman.

Terming the project as a milestone for the garments industry, the BGMEA president said, "If government provides such facilities to the industry we can achieve a tremendous market share in the global market."

Dr Nurul Amin, industries secretary, former BGMEA presidents Annisul Huq, Tipu Munshi and Kazi Moniruzzaman were present at the function.

Rehab housing fair begins tomorrow

STAR BUSINESS REPORT

A five-day real estate and housing fair will begin tomorrow at Dhaka Sheraton Hotel in the capital.

Real Estate and Housing Association of Bangladesh (Rehab), the apex body of developers, will organise the fair between February 20 and 24.

A total of 128 Rehab member firms and five investment companies will showcase their services and products at the Rehab fair, organisers told a press conference in Dhaka yesterday.

Adviser to the Ministry of Housing and Public Works Mainul Hossain is scheduled to inaugurate the show, which will remain open to visitors between 10am to 9pm everyday. However, on the first day visitors will get access to the fair from 2pm.

The entry fee for an individual is Tk 50 and for a family the fee is Tk 100. However, a visitor will get a five-day entry ticket at Tk 100.

"The fair was scheduled to be held in November last year. As the fair could not be organised during the period due to the political turmoil, we now call the show 'Rehab Fair, Dhaka-2006'," Abdul Awal, president of Rehab, said.

Besides, Rehab has also announced to observe 'Rehab Week 2006' from tomorrow.

For the first time, Rehab will also hold 'Rehab Fair Chittagong 2006' next month.

Spanish company to buy 37.5pc Tata firm stake

ANN/ THE STATESMAN

Tata Group firm Automotive Stampings & Assemblies Ltd yesterday said Spain-based Gestamp Servicios SL will acquire 37.5 percent stake in it in a deal that could be valued at nearly Rs 36.31 crore.

Under the agreement, Gestamp would acquire up to 37.5 percent of the paid-up equity share capital of the company from one of the promoters, Tata AutoComp Systems Ltd (TACO), and partly through an open offer to the shareholders at a price of Rs 94.96 per share, the company informed the Bombay Stock Exchange.

The number of equity shares that Gestamp would acquire from TACO would depend on the number of equity shares tendered by the public shareholders, in response to the open offer, it said.

Post acquisition, Gestamp along with TACO and Tata Industries Ltd would become the promoters of the company, it said.

The board at its meeting held yesterday discussed the acquisition and took note of Gestamp's public announcement issued by Yes Bank Ltd on behalf of the Spanish company for acquiring up to 19,02,261 equity shares of the company.

After completion of the sale of shares as above, the company would become a joint venture of TACO and Gestamp.

Gestamp and TACO, inter se, would eventually have 50:50 equity stake in the company.

Gestamp would provide the necessary technology to Automotive Stampings in terms of an agreement to be finalised for this purpose.

Cash-hungry US states eye business tax

AP, Ohio

A handful of states are taking a new look at an old, often-criticized business tax to thwart what they say are too many companies avoiding their fair share of taxes.

The states also hope to increase revenue to improve schools, create jobs, provide health care for the poor and pay for other essentials of government spending.

Kentucky, Texas and Ohio are the latest to adopt versions of the tax on companies' sales or profits, levied at a very low rate meant to apply to as broad a swath of corporate earnings as possible. Michigan Gov. Jennifer Granholm has also proposed a version as part of a tax system overhaul.

"There were far too many companies doing profitable business here but not paying their fair share of taxes," said Brad Cowgill, Kentucky state budget director.

The states' economic situations drove each to look more closely at the decline in corporate tax revenue brought on by the post-2000 recession. State tax directors believed the drops in corporate taxes had been out of proportion in poor economic times.

Foreign portfolio investment in DSE up 200pc in Jan

SARWAR A CHOWDHURY

Foreign portfolio investment in the Dhaka Stock Exchange (DSE) last month shot up by around 200 percent over the previous month's investment.

The DSE through block market transactions witnessed foreign portfolio investment worth Tk 105.17 crore in January this year, which is around 6.5 percent of the total turnover in the month. In December last year, the DSE experienced Tk 35.33 crore foreign portfolio investment, sources said.

Market analysts have attributed a stable political scenario following the declaration of a state of emergency and formation of a new interim government to the surge in foreign portfolio investment in local securities through merchant banks.

They also said the stock market also started witnessing a huge capital inflow from the local investors in mid January, resulting in upward turnover.

According to the sources, banking sector followed by power, pharmaceutical and cement sectors received most foreign investment.

A healthy operating profit by the banks last year attracted the foreign investors, the analysts pointed out.

"The foreign investment is good for the stock market," DSE Chief Executive Officer Salahuddin Ahmed Khan said.

Some experts, however, said there should be some sorts of lock-in system so that the foreign investors cannot sell all the shares at a time as such kind of selling pressure will create a negative impact on the market.

According to the statistics, the foreign portfolio investment was increasing from the month of July last year. In July, the portfolio investment in the DSE was Tk 10.31 crore while it reached Tk 14.57 crore in August, Tk 21.10 crore in September, Tk 14.54 crore in October and Tk 27.72 crore in November.

DSE, CSE INDICES DROP SHARPLY

The price indices on the stock exchanges fell sharply yesterday amid a selling pressure from the investors following a rumour of crackdown on black-money holders who have invested on the share market.

The benchmark DSE General Index went down by 48.72 points, or 2.63 percent, to close at 1802.98 points while the CSE Selective Categories Index declined by 75.59

points, or 2.76 percent to finish at 2659.40 points.

The DSE All Share Price Index also dropped by 41.60 points, or 2.74 percent, ending the day at 1476.06 points while the CSE All Share Price Index went down by 125.08 points, or 2.97 percent, finishing at 4072.54 points.

Of the 196 issues traded on the DSE, 31 gained, 151 declined and 14 remained unchanged while of the 102 issues traded on the Chittagong Stock Exchange (CSE), 16 advanced, 81 declined and five remained unchanged.

The total turnover came down to Tk 106.48 crore on DSE and Tk 23.86 crore on the CSE.

UNB adds: Finance Adviser Mirza Azizul Islam has dismissed the rumour of crackdown on black-money holders, who have invested money in the share market, led to the sharp fall in share prices on the DSE yesterday.

"There is no justification behind this panic," he told reporters replying to anxious queries.

He emphatically said, "I refute the rumor. There may be other reasons for fall of share market ... There is no justification behind this panic."

Retail giants crowd into China

AFP, Beijing

As Wal-Mart, Carrefour and other foreign retailers crowd into China, they are greeted with open arms by a government which, in this industry at least, shows few protectionist proclivities.

A major reason for the welcoming attitude is that the foreigners, for all their lofty ambitions and deep pockets, remain minor players in a giant market where 1.3 billion people are learning the joys of mass consumption.

"Excessive market share (by a foreign company) is not a concern for the government," said Candy

Huang, an analyst with BNP Paribas in Shanghai.

"The biggest player in China currently has only around a five percent national market share," she said.

The foreigners are working hard to become bigger. Earlier this month, British retailer Tesco said it would open 10 more outlets in China this year after its first store in Beijing opened in January.

With a 90 percent stake in Hymall — a grocery brand under Taiwan-based Ting Hsin International Group — Tesco now effectively has 45 Hymall stores across China.

Home Depot Inc of the US also

recently signed an agreement to buy China-based retailer Homeway's 14 home furnishing stores to better compete with British rival B and Q, which has 52 stores in China.

"Consolidation is definitely the trend," said Huang. "In the end there will be only three or so big players — but the retail market will definitely not be dominated by foreign names."

Local authorities will not allow foreign players to totally dominate and will support Chinese retailers as they move to improve their procurement and marketing practices to overseas standards, analysts argued.

Indo-Pak trade holds potential to hit \$9b: WB

OUR CORRESPONDENT, Mumbai

The World Bank said bilateral trade between India and Pakistan, now at \$1 billion, could be pushed nine times to \$9 billion with the removal of barriers relating to politics, infrastructure, corruption and red-tape in the two South Asian neighbours.

World Bank Managing Director Graeme Wheeler said despite a common location and history, South Asia was the least-integrated region in the world. "Barriers of politics, infrastructure, corruption and red-tape hamper the growth of trade," Wheeler said at a conference here.

Countries now need to work towards reducing the cost of doing business, improving institutions and addressing infrastructure constraints, he said, indicating that Indo-Pak trade had potential to grow over \$9 billion in the next five years if these barriers were adequately addressed.

"Everyday, we see obstacles — protective policies, poor infrastructure, corruption and red-tape. Trucks have to wait around 100 hours at the border of India-Bangladesh which cost an average of \$200 to clear an import consignment from that border.

Twenty signatures are needed before Nepal can trade with India and 140 signatures for India to trade with Nepal," he said.

'Customer Mania Mindset Session' at Pizza Hut

Pizza Hut Gulshan outlet held a 'Customer Mania Mindset Session' for its team members last week, says a press release.

Such sessions are held quarterly by all Pizza Hut restaurants across the world to reiterate and motivate team members on the importance of providing great service to the customers in every way.

Latifur Rahman, managing director and chairman of Transcom Foods Limited, cut the ribbon to launch the session. Riaz Rahman, director, Akku Chowdhury, head of Operations and Amit Thapa, area coach, were also present at the session.

Transcom Foods Limited is the franchisee of Pizza Hut and KFC in Bangladesh.

Latifur Rahman appreciated the team members for their commitment to customer service, product, quality maintenance, cleanliness and overall their 'customer maniac' attitude and team work.

He also inspired the team members to be completely 'customer maniac'.

Pizza Hut Gulshan has already been recognized as one of the best-run restaurants in the sub-continent by YUM! International.

The session, attended by all the crew, managers and Restaurants Support Center team, was a three-hour training, team building and goal setting programme.



PHOTO: STAR

Latifur Rahman, managing director and chairman of Transcom Foods Limited, cuts the ribbon to launch 'Customer Mania Mindset Session' at Pizza Hut Gulshan outlet last week.

Mumbai Declaration aims to cut cost of doing business in Saarc states

Safta implementation in letter and spirit promised

PALLAB BHATTACHARYA, Mumbai

Business Leaders from the Saarc countries yesterday adopted a 13-point policy reform agenda to achieve intra-regional trade of 20 billion dollars by 2010 and reduce the cost of doing business.

The Mumbai Declaration adopted at the two-day Leaders' Conclave which ended here made a resolve to implement Safta, in letter and spirit, prune the number of items on sensitive lists, remove non-trade barriers and regularise and liberalise trade in services.

To achieve the objectives, the countries of seven-member grouping would also make efforts to reduce the cost of doing business in South Asia while adopting a regional investment protocol to promote intra-regional investments and joint ventures in the region.

The declaration resolves to build world class infrastructure at land border ports of the Saarc nations. It would also work towards adopting an Open Sky Policy to improve air connectivity by ensuring direct flights between capitals and other major cities of Saarc and giving access to private airlines to operate in the region.

The Saarc nations would promote energy cooperation to enhance production and transmission among member countries, thus reducing cost and expanding scope of cross-border water cooperation.

The declaration charts a plan to harmonise standards and customs procedure and ensure mutual recognition of certificates.

To address the issue of smooth movement of people within the

region, the declaration suggested providing easy and long-term multiple visas to businesspersons and tourists.

Agencies' earlier reports said: India Saturday said South Asia Free Trade Agreement (SAFTA) should include services and investments in order to enlarge its scope.

"Full implementation of Safta will catalyse other areas of economic integration, including enlarging the scope of Safta," India's External Affairs Minister Pranab Mukherjee said after inaugurating the second Saarc Business Leaders Conclave organised by FICCI here, according to Press Trust of India.

Mukherjee observed that regional integration would provide opportunities of cooperation to address problems of energy shortage, constraints of transit for landlocked regions of the subcontinent and overcoming high transaction costs due to poor facilitation.

An Islamabad report adds: Ahead of the Saarc Commerce Ministers meeting in Kathmandu later this month to discuss among others India's complaint of Pakistan's refusal to fully implement Safta, Islamabad has said it is committed to implementing the trade agreement.

Pakistan Prime Minister Shaukat Aziz told Sri Lankan Foreign Minister Rohitha Bogollagama here Saturday that Islamabad believed that the South Asian Free Trade Agreement would enhance trade among the countries of South Asian Association for Regional Cooperation.

Pakistan while implementing Safta to the rest of the Saarc mem-

ber states declined to apply it to India stating that it cannot permit free trade until the Kashmir issue is resolved.

UNB adds: Experts making recommendation for development in the Saarc region here yesterday suggested that the private sector should take the lead to integrate businesses to capture developed global markets collectively.

"Never wait for governments for what you need, rather take the lead to push the governments move forward to match policy with the private-sector needs," Bhutan's Trade and Industry Secretary Dasho Karma Dorji told a technical session on the concluding day.

A 23-member delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), led by its president Mir Nasir Hossain, attended the conference along with the business leaders from apex trade bodies from the Saarc member-states.

Chairing the session, immediate-past president of SCCI Macky Hashim called upon the private sector to examine the pros and cons of integration between the smaller and bigger nations in the region and then join hands to maximize mutual benefits.

He, however, stressed the need for considering the interests of the smaller nations so they could derive more benefit than the bigger ones.

Citing an example, he said Sri Lanka became more benefited than India through the free-trade agreement between the two countries.