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BUSINESS

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CCCI seeks 150-day storage time for imported goods

STAFF CORRESPONDENT, Ctg

Chittagong chamber in a fax message to the Chief Adviser (CA) to the caretaker government (CG) yesterday recommended for incorporating a provision of at least 150-day storage time for imported commodities in the anti-hoarding act.

The Chittagong Chamber of Commerce and Industry (CCCI) put forward a three-point recommendation in this regard as per the observation it made through monitoring the import activities of essential commodities at Chittagong port, the country's premier seaport.

In the fax message Dr Fakhruddin Ahmed, CCCI President Saifuzzaman Chowdhury referred to the proposed Anti-hoarding Act that earmarked a 90-day time for storage of the imported commodities and said such time limit is unrealistic.

The chamber recommended for a minimum of 180 days time for preservation of seasonal products like gram, pulse and mustard seeds that are collected or imported only during the harvesting period.

The CCCI president said businesspeople might feel discouraged at a short period of storage as they fear they would face difficulties in selling the imported items within 90 days, which would also hinder the normal flow of the essentials in the market.

DSE for widening tax gap between listed, non-listed companies

UNB, Dhaka

Dhaka Stock Exchange (DSE), the country's main bourse, yesterday urged the government to widen the tax gap between the listed and non-listed companies.

The DSE also called for taking effective steps to make the bond market more vibrant through waiving taxes from bond profits.

DSE officials, led by President Md Abdullah Bokhari, came up with the proposals in a meeting with Finance Adviser Dr Mirza Azizul Islam at his secretariat office.

The DSE proposed widening the tax gap between the listed and non-listed companies to 10 percent from 7.5 percent in the next budget. As per the existing rules, the listed companies have to pay 30 percent tax on their profits against 37.5 percent by the unlisted companies.

To make the 'almost ineffective' bond market vibrant, the DSE urged the finance adviser to withdraw taxes from bond profits, which is now 10 percent.

"We also proposed the adviser to introduce zero coupon bonds to raise funds for infrastructure development," DSE Senior Vice-president Ahmad Rashid said.

"If we can introduce zero bond market, it'll help us a lot build up our big infrastructures like Karnaphuli Bridge," he said.

After the meeting, the finance adviser said he would look into the proposals that are relevant while formulating the next budget.

S'pore Health Services to set up office in Dhaka

STAR BUSINESS REPORT

Singapore Health Services Pvt Ltd, the largest healthcare group in Singapore known as SingHealth, is going to set up an office in Dhaka in a bid to broaden clinical collaborations with Bangladesh's doctors.

The office, which will provide information, will be established in Gulshan area in collaboration with Galaxy Bangladesh Healthcare Services, officials told a press briefing in Dhaka yesterday.

Speaking at the briefing, Vijaya Sreenidhi, senior director of marketing of SingHealth, said SingHealth eyes to establish a greater relationship with the medical community in Dhaka.

She also said SingHealth comprises three hospitals, five national specialty centres and a network of primary care facilities that offer an integrated and comprehensive range of healthcare service to patients.

President and CEO of Galaxy Bangladesh Healthcare Services Ahmed Yusuf Walid said local patients who are referred to SingHealth institutions will be assisted by the SingHealth-Galaxy office in Dhaka.

Re-fix registration fee of property at 5pc

Developers urge govt

STAR BUSINESS REPORT

The housing industry leaders have demanded re-fixation of property registration fee at 5 percent from the existing 15 percent to save the industry.

"Government is now losing a huge revenue as owners usually show lower price of their property during registration. If the government brings down the registration fee, the buyers would not conceal the actual prices of their properties, and thus, revenue from the sector would mark a rise," Tanveerul Haque Probal, general secretary, Real Estate and Housing Association of Bangladesh (REHAB), said at a press conference at a city hotel yesterday.

REHAB President Mohammad AbdulAwal chaired the conference.

Probal said the tendency of showing less valuation of properties also helps create a huge amount of black money in the market.

In order to create a secondary housing market, the REHAB felt, bringing down the registration fee of old apartments and commercial

buildings to 1.5 percent is the need of the hour.

All these suggestions have been made at the conference for executing them in the coming national budget for the 2007-08 fiscal.

The REHAB also proposed to completely withdraw the present 1.5 percent VAT (value added tax) from the sale of any apartment.

"Such tax creates extra burden for the buyers as it has already led to a surge in the prices of apartments," Probal observed.

The developers also demanded reduction in the present advance income tax payable by them on any sale of apartment. They said it should be re-fixed at Tk150 from Tk 175.

They also proposed reduction in import duty on building materials as depreciation of taka against dollar on many occasions resulted in a pressure on the sector.

According to the REHAB, the housing industry along with other related industries contribute 20 percent to the GDP every year.

The journalists were also informed that the REHAB members

provide 6000 apartments on an average every year for the members of the public with an annual growth of 10 percent.

Around 2.5 crore people directly and indirectly depend on the industry where 15 lakh skilled and semi-skilled workers are employed in the sector.

Although the housing-related industries like brick, MS Rod, cement, paint, ceramic, tiles, electric and sanitary products industries experienced a growth of over 10 percent in the last few years, they are now facing crisis due to a persistent downbeat mood in the sector.

If specific changes are brought about in the taxation, the industries will be survived, the association leaders claimed.

Toufiq M Seraj, former REHAB president, Rupali Chowdhury, director operation, Berger Paints, Bangladesh Ltd., Sakib Arif Tabani, director, Mirpur Ceramic Works Ltd., and Arshi Haider and Syed Sirajul Haque, REHAB executives, were present at the press conference.

Remittance grows 18pc in Jul-Mar

UNB, Dhaka

Foreign remittance from wage earners registered a robust growth of about 18 percent to US\$ 4,096 million during July 1 to March 15 period of the current fiscal year as compared to the same period last fiscal.

During the same period last fiscal year, expatriate Bangladeshis sent US\$ 3,475 million, according to Bangladesh Bank figure released yesterday.

A senior Bangladesh Bank official said the remittance would continue to increase paid-up capital of the commercial banks.

The commercial banks will have to raise their paid-up capital to a minimum Tk 200 crore once the amendment is made to the existing Bank Companies Act.

"It will be better to go to the stock market to raise the capital. It's more transparent," Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed told reporters at his office yesterday.

Local apparel firms get \$15.1m orders from Las Vegas show

UNB, Dhaka

Bangladesh's RMG and knitwear firms received confirmed export orders worth \$15.1 million at the 4-day ASAP Global Sourcing Show held in Las Vegas, USA from February 12.

They also got prospective orders worth \$ 20.1 million, said an EPB press release yesterday.

Twenty-eight garment and knitwear exporting firms, also members of BGMEA and BKMEA, took part in the show.

The participating firms showcased various categories of readymade garments and knitwear such as shirts, T-shirts, polo-shirts, skirts, sweaters, pullovers, jackets and child cloths.

The main objective of taking part in the show was to introduce Bangladesh's products, especially readymade garments and knitwear products, to buyers, importers and agents of the USA to give a boost to the country's export to the American market.

SQ Group signs joint venture agreement with Stevensons UK

SQ Group, one of the leading export-oriented sweater manufacturers of the country, has signed a joint venture agreement with Stevensons UK, a concern of Quantum Clothing Group.

M Ghulam Faruq, chairman and CEO of SQ Group of Bangladesh, and Mike Shotton, chairman of Quantum Clothing Group of United Kingdom, inked the deal on behalf of their organisations recently, says a press release.

The joint venture project for setting up a garment dyeing plant has been named SQ Stevensons Chroma Limited.

Under the accord, Stevensons will bring in machinery and technical know-how where SQ will provide the infrastructure facilities in its industrial park located at Bhaluka in Mymensingh.

The project is expected to be operational in June 2007 with a production capacity of six million pieces of items per annum.

Stevensons UK has a vast experience in garment dyeing for Marks & Spencers and others. Its main strength is dyeing of sweaters made of different types of yarn as well as various casual garments.

Deep sea port opens in Pakistan

AFP, Islamabad

Pakistan President Pervez Musharraf Tuesday inaugurated a multi-million-dollar Chinese-funded deep sea port in southwestern Baluchistan province, officials said.

Gwadar port, on the Arabian Sea, has been around 75 percent financed by Pakistan's close strategic and economic ally China. The cost of the development is around 250 million dollars.

Singapore's PSA International, owned by state-linked investment firm Temasek Holdings, will run the port when its terminal begins operations in the second quarter of 2007.

"Gwadar will become an industrial hub and this port will become the centre of containers, inshallah (God willing)," Musharraf told a ceremony after the formal inauguration.

PROPOSED AMENDMENT TO BANK COMPANIES ACT

Small investors to get opportunity to raise stakes in banks

Says BB governor

UNB, Dhaka

Small investors will soon get the opportunity to raise their stakes in the banking industry as a move is underway to increase paid-up capital of the commercial banks.

The commercial banks will have to raise their paid-up capital to a minimum Tk 200 crore once the amendment is made to the existing Bank Companies Act.

"It will be better to go to the stock market to raise the capital. It's more transparent," Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed told reporters at his office yesterday.

Bangladesh Bank and the

Securities and Exchange Commission (SEC) will act as watchdog bodies to ensure transparency.

The Council of Advisers, in principle, approved the proposals for amending the Bank Companies Act as well as including certain additional provisions in the Anti-Money Laundering Act.

The Law Ministry will now examine the provisions before finalising the amendments, said the central bank governor. "The laws will be put in place soon."

He explained that if the banks and financial institutions mobilise the additional capital from the stock market through issuing IPOs, more

and more people would have stakes in the banks.

"There are very good small investors in the banks... it'll help diversify the ownership of the banks," Dr Salehuddin said, replying to a question.

The earlier regulation of Bangladesh Bank to raise the paid-up capital of commercial banks to Tk 100 crore had opened up an avenue for the small investors to have their stakes in the banks.

Dr Salehuddin said the small banks and financial institutions would also go for merger and acquisition among themselves to comply with the enhanced paid-up capital requirements. The central bank recently formulated a guideline in this regard, he added.

He said Bangladesh Bank has kept the provision of the amendment a bit flexible so that the amendment gives Bangladesh Bank the authority to raise the ceiling of paid-up capital whenever deemed necessary.

"The increased paid-up capital will help increase the stake of the sponsor directors too while the banks will have a strong capital base," said the governor, adding that it would also help banks to become more disciplined, competitive and efficient in global perspective.

He said the regulations are already there in the form of Bangladesh Bank circulars, but they (guidelines) often face challenges. If the guidelines become law, it would be convenient for Bangladesh Bank to face the challenges, he added.

The central bank chief said Bangladesh Bank also sought more powers on default loans' regulations so that it can update the regulations in keeping with the international norms when considered necessary.

On the Anti-Money Laundering Act 2002, he said the proposal for inclusion of additional provisions are for giving clarity to some definitions and make things simpler as well as to make few issues more specific.

Westin Dhaka set to start journey by May

New five-star hotel GM says

SHAMIM A. ZAHEDY

A new five-star hotel, Westin Dhaka, is set to make a foray into the Bangladesh hospitality market by May this year, the top official of the hotel has said.

Banking on its location at Gulshan-2, the prime diplomatic and commercial zone in the capital, the Starwood Hotels & Resorts Worldwide-managed hotel eyes the growing hospitality market here, San Amalan, general manager, said in an interview with The Daily Star last week.

When the Westin is going to start its journey, at least two other international chain hotels -- Intercontinental Dhaka and Holiday Inn Dhaka -- are also under construction, showing the growth of hotel business in the country.

Dhaka's new hotel Radisson Water Garden has emerged as the best performing hotel in the international chain's Asia Pacific region, registering \$9.5million revenue in its first year of operation. The hotel officials announced the business figure at a press briefing early last month. Radisson went into operations in February 2006.

When asked about their plans to grab the market share here, Amalan said: "We are very much confident looking at the location of the hotel, its proximity to the airport, foreign missions and many multinational companies. It has a great potential that people will stay here."

Besides, there are clients who look for extra luxury in Bangladesh and the 23-storey hotel with 344,600 square-foot floor areas is ready to offer quality services by ensuring safety and security, added Amalan, a Sri Lanka-born Australian.

Room fares will be expensive compared to those in other hotels in Dhaka. The hotel with lots of amenities including spa, 'heavenly bed' and 'heavenly bath' will charge on an average \$160 for a room, said Amalan, who has over 30 years experience in the hospitality industry.

The features of the 'heavenly bath' include a dual showerhead providing guests with a therapeutic shower spa and a curved shower rod providing eight additional inches of elbow room in the shower, the general manager described, adding that the all-white 'heavenly bed' consists of mattress with 900 individual coils.

Unique Hotel & Resorts Limited, a sister concern of local Unique Group, owns the hotel, which has 241 rooms including 24 suites.

Among the three five-star international chains that are in operations in Dhaka, Sheraton has 272 guest rooms, Pan Pacific Sonargaon 304 and Radisson 206.

The new hotel, which has parking facilities for 120 cars initially, will create employment opportunities for some 450 people and 7-8 of them will be foreigners.

Asked what measures are required to woo more foreign tourists in Bangladesh, Amalan said: "The



San Amalan

country has lots of things including its culture to promote tourism."

"People would love to come and see its culture...the way of living here. The river cruises, cultural festivals at Ramna Park and even rickshaws will attract tourists. And the Sundarbans is a great spot," added Amalan, who was the general manager of Dhaka Sheraton between 1996 and 2000.

Besides, Bangladesh has a potential to sell it as a popular tourist destination since the country is surrounded by some international tourist spots such as Nepal, India, Bhutan, Sri Lanka, Singapore and Thailand, Amalan went on. "These places are not far from Dhaka. People visiting Bangkok might come to Dhaka for a few days if there are enough tourist facilities."

The hotel is ready to promote Bangladeshi cuisine as the general manager said restaurants will also offer local foods. The hotel also looks to ways of popularising fusion cuisine, a delicious combination of Eastern and Western dishes.

Starwood Hotels & Resorts that manages the new five-star hotel in Dhaka is one of the leading hotel and leisure companies in the world with approximately 850 hotels in more than 95 countries.

Apart from Westin, Starwood's other brands include St Regis, Luxury Collection, Sheraton, Four Points, Le Méridien, aloft, element, and W Hotels.



Vijaya Sreenidhi, senior director of marketing of Singapore Health Services Pvt Ltd, speaks at a press briefing in Dhaka yesterday to announce the launch of an office of the healthcare group in Bangladesh. Galaxy Bangladesh Healthcare Services officials were also present at the briefing.