

Star BUSINESS

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Govt tries to free economy from loan defaults, tax evasion

Finance adviser tells Ficci meet

STAR BUSINESS REPORT

The caretaker government is trying to free the economy from the 'culture' of loan defaults and tax evasion, Finance Adviser Mirza Azizul Islam said yesterday.

Millions of taka have been misappropriated either through loan defaults or tax dodging and this malpractice should not continue, the adviser told a luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (Ficci) in Dhaka.

The adviser also said as the government is trying hard to improve the 'business environment', some businesspeople, who have earned money through illegitimate

means, have been arrested.

The honest businesspeople have no reasons to be worried to continue legitimate business, he added.

Urging the business community to maintain ethics, he appealed to them to make a distinction between profit and profiteering.

Profiteering is an illegitimate attempt to maximise profit through unfair means, including cheating consumers, Islam explained.

"In short term, it [profiteering] will contribute to your bottom line [profit], but in the long term it will be very dangerous for your company," he said.

The adviser also said the Representation of People Order is

being amended to restrict the participation of corrupt people in the elections.

Islam recognized the private sector contribution to the national economy, but at the same time expressed dissatisfaction over some of the businessmen who have resorted to corruption and malpractice.

He warned against any malpractice further, reiterating the government's virtual war against corruption. "None is immune from it," he said.

On the regulatory side, he said efforts will be made to simplify regulations and reduce discretionary powers to improve the business environment.

He further said a consumer protection law will be enacted in a couple of months.

Ficci President Masih Ul Karim appreciated the present government's efforts to improve governance and business climate in the country.

He, however, stressed the need for further improvement in governance including corruption, and law and order situation as well as removing infrastructure bottlenecks and maintaining contract sanctity.

The Ficci chief also urged the government to take quick decision on the pending foreign investment proposals to attract more FDI.

China begins drilling 'Asia's deepest' oil well

AFP, Beijing

Energy-hungry China has started drilling what it says will be Asia's deepest oil and gas well, state media said Sunday.

State-owned Sinopec plans for the Chuanke No. 1 Well in southwest Sichuan province to reach a depth of 8,875 metres (30,000 feet) – more than the height of Mount Everest, Xinhua news agency reported.

It will take the company, Asia's largest oil refiner, 676 days and 300 million yuan (39 million dollars) to complete the project, according to Xinhua.

But if the past is any guide, the work could eventually be in vain.

In July 2006, China completed drilling of the 8,408-meter Tashen No. 1 Well, in the Taha oil field in northwest China's Tarim Basin – but discovered no gas.



PHOTO: FICCI
Masih Ul Karim, president of Foreign Investors' Chamber of Commerce & Industry (Ficci), speaks at the monthly luncheon of the organisation in Dhaka yesterday. Finance Adviser A B Mirza Azizul Islam (2-L), Ficci Vice President Carlo Cifelli (L) and Secretary M A Matin are also seen.

CORRECTING GLOBAL IMBALANCES

IMF for further dollar depreciation

REUTERS, Berlin

The International Monetary Fund will say further depreciation by the US dollar is needed to help correct global imbalances in its latest World Economic Outlook (WEO), Germany's Sueddeutsche Zeitung reported on Saturday.

Quoting from a draft of the WEO, the paper said the Washington-based fund argued "extraordinarily

aggressively" for a correction in exchange rates, above all so as to reduce the massive US current account deficit.

The dollar, which slid to a 2-year low against the euro last week, should continue to depreciate in the mid-term, while the yen, the Chinese yuan and currencies of oil-exporting countries in the Middle East should all appreciate, the draft WEO said.

The WEO, which is due to be published in mid-April, will add that there is no great need for further interest rate increases by the European Central Bank, according to the paper.

Thanks to solid growth in the 13-nation euro zone, the ECB would not create problems by raising its main lending rate to about 4.0 percent from 3.75 percent at present, the IMF said.

Sabbir Yusuf

Chairman of jute spinners assoc re-elected

UNB, Dhaka

Sabbir Yusuf, Managing Director of Faridpur Jute Fibres Ltd, has been re-elected as chairman of Bangladesh Jute Spinners Association (BJSAs) for the years 2007-08 and 2008-09.

He was re-elected at the 28th Annual General Meeting (AGM) of the BJSAs held at the conference room of BJSAs in the city yesterday.

Mahmudul Huq, Deputy Managing Director of Janata Jute Mills, was also re-elected as BJSAs vice chairman.

The other office bearers elected are AKM Shamsul Azam, Md Abu Hossain, Muhammad Shamsul Huda, M Humayun Kabir, Md Harunor Rashid and Kashif Mustaque Wazid.



PHOTO: BASIC BANK
Bangladesh Bank Governor Dr Salehuddin Ahmed inaugurates the online banking system of Bangladesh Small Industries and Commerce (BASIC) Bank Ltd on Thursday in Dhaka. BASIC Bank Chairman and Industries Secretary Mohammed Nurul Amin, among others, was present at the function.

New quota soon to procure shrimps

BFFEA's 15-member new body

STAR BUSINESS REPORT

A quota system to restore discipline in the procurement of shrimps will be introduced, the new leadership of Bangladesh Frozen Foods Exporters Association (BFFEA) made an assurance at the organisation's annual general meeting (AGM) in Dhaka on Saturday, according to a press release.

The AGM, chaired by the association's outgoing president, Maqsoodur Rahman, was addressed, among others, by the newly elected President, Kazi Belayet Hossain, Senior Vice President Md Towhidur Rahman, vice presidents Mahmudul Hasan and Sk Md Abdul Baki, former presidents Kazi Shahnewaz and Md Golam Mostafa, former secretary general Major (rtd) Manzoor Ahmed, MMA Salam, Ferdous Alam, Major (rtd) Dr Akhtar Ahmed,

EU-US 'open skies' pact clouded by future talks

AFP, Brussels

The European Union and the United States are headed for a dogfight over transatlantic air travel, with Britain determined to ensure that an "open skies" agreement will not leave Europe grounded.

But however much Britain might complain, Washington is seen as unlikely to cede much ground going forward on key issues such as lifting limits on foreign control of US airlines or offering EU airlines the right to fly between US cities.

European transport ministers gave a big boost on Thursday to plans to create a more open transatlantic air traffic market by backing a draft EU-US deal for a first round of liberalisation.

But Britain only signed onto the agreement after securing a five-month delay in its application and an option to suspend the US traffic rights under the deal if Washington does not commit to further market opening in future talks.

British Transport Secretary Douglas Alexander stressed that the suspension threat "sends a very clear signal to the US that we are serious about making early progress to a second stage deal."

India blacklists 14 Qatar firms

PTI, Dubai

Ministry for Overseas Indian Affairs has blacklisted 14 Qatar companies at the recommendation of the country's embassy here for not treating Indian workers properly.

Another 40 local firms have been put on the mission's watch-list following complaints from Indian workers about not fulfilling their contractual obligations.

"This is only a watch-list and when a company is found to have improved its track record, its name would be removed from it," George Joseph, the Indian ambassador to Qatar, was quoted as saying in media.

Half-a-dozen Indians, including two maids, are languishing at the detention centre for over six months. The Qatari authorities are said to be tracking their sponsors to retrieve their passports.

Porsche moves to keep VW in German hands

AP, Frankfurt

Prestige automaker Porsche will increase its stake in Volkswagen AG, maker of the Beetle, Golf and Jetta, in a widely expected move aimed at keeping the company firmly in German hands.

A spokesman for Porsche said the company did not plan to acquire Volkswagen, Europe's biggest car maker, which is partly owned by the state of Lower Saxony and is looked to as both an industrial powerhouse and a major provider of jobs.

Stuttgart-based Porsche AG, which makes upscale and expensive sports cars like the 911 and Boxster, said Saturday it would increase its stake in Volkswagen from 27.3 percent to 31 percent in the next week, a move that legally obliges it to make a mandatory takeover offer for the company.

Foreign feeder ship stuck at Ctg port for over 5 days

Businesspeople worried about possible export order cancellation

RAFIQ HASAN

A Singapore-bound foreign feeder ship remains stuck for more than five days at the outer anchorage of Chittagong port with export goods, mainly apparels, worth over Tk 100 crore due to technical fault in its engine, leaving exporters worried about meeting the lead time of the exportables, according to industry insiders.

When the Singaporean vessel Pacc Palwan reached the outer anchorage after its departure from the port terminal Wednesday, its engine broke down. The shipping agent, Columbia Enterprise, is yet to repair the old ship, which was supposed to reach Singapore today with a total of 621 TEUs (twenty equivalent unit) of export container.

There are allegations that a nexus between officials of the port and some shipping agents often allows even 20-25 years old ships, which face mechanical faults, to ply the route.

Amirul Haque, chairman of the standing committees on port and shipping constituted by the Chittagong chamber and FBCCI, suggested that the ship owners should be more careful and maintain certain standard.

He said such an incident that occurred at the outer anchorage might turn very detrimental for the exporters as 'its residual effect is too high as many a exporter are now at the risk of facing cancellation of export orders'.

The shipping agent should have also declared the inability of the ship to sail before loading costly export cargo, said some exporters. Then the designated cargo could be diverted to other ships and the exporters would not have faced such anxiety, he added.

A high official of the shipping ministry told The Daily Star if such

an incident occurs, the urgent export cargo should immediately be sent by air.

He said few days back the crane of a ship became non-functional and the shipping agent immediately cancelled the sailing schedule and the cargo was shifted to other ships.

But, in this case, although the port officials knew the poor condition of the ship's engine it did not inform the exporters and allegedly kept the matter secret with the connivance of the shipping agent, he lamented.

An exporter demanded that the export cargo immediately be sent by air to the destination as it is now certain that the defected ship is not reaching its destination on time.

Despite several attempts over telephone, Chittagong Port Authority Chairman Mohammad Moslehuddin could not be reached for his comments.

Govt moves further to consolidate procurement reform

Says World Bank

STAR BUSINESS REPORT

The government has undertaken further initiatives to consolidate the procurement reform and improve the performance of the system to strengthen the public sector governance, according to the World Bank.

The recent success in making a systematic change in the country's procurement environment encouraged the government to take the initiatives, a World Bank release said yesterday.

The World Bank is assisting the government in preparing this new procurement reforms package which will help institutionalise procurement management capacity, strengthen key sectoral agencies and the procurement policy

unit, introduce electronic procurement on a pilot basis, and build the concept of social accountability in procurement.

With World Bank support in the last four years, the country has now an improved procurement policy framework, applicable to all public sector entities.

A procurement act has also been passed by the last parliament, that soon will help enhancing efficient use of public resources with better value-for-money and backed up by a transparent and accountable system to improving the overall business environment, added the release.

A recent World Bank pre-appraisal mission held discussions with all relevant stakeholders about various arrangements of the following

on procurement reforms initiative. The arrangements include training of procurement officials, engineers, auditors, bidding community including policy makers, help government's key sectoral agencies to manage and monitor their own procurement following the national laws and regulations and using the procurement management information system, with piloting of the electronic-procurement system.

The appropriate disclosure of procurement information, combined with a strategic communication plan and the engagement of civil society group/ beneficiary groups in monitoring of procurement outcomes, are also being contemplated under the new procurement reforms package.

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The AGM, chaired by the association's outgoing president, Maqsoodur Rahman, was addressed, among others, by the newly elected President, Kazi Belayet Hossain, Senior Vice President Md Towhidur Rahman, vice presidents Mahmudul Hasan and Sk Md Abdul Baki, former presidents Kazi Shahnewaz and Md Golam Mostafa, former secretary general Major (rtd) Manzoor Ahmed, MMA Salam, Ferdous Alam, Major (rtd) Dr Akhtar Ahmed,

Abdul Khaleque Sarker, Sk Kamrul Alam, Md Khalilullah and Golam Kibria Sarker.

The BFFEA leaders said they will put their all efforts to increase shrimp production and maintain quality in the interest of surviving in the international market.

They demanded of the government to disburse the dues of Tk 350 crore cash incentives to overcome liquidity crisis in the banks. They also sought immediate implementation of the government's previous decision to allot the non-agricultural khas lands for shrimp farming to the exporters.

The BFFEA chose its 15 office bearers in an election on March 3 under the Trade Organisation Rules and Ordinance. Kazi Belayet Hossain and Maqsoodur Rahman have been elected president and senior vice president for a two-year term (2007-2008).