Star BUSINESS

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Law to protect consumers' rights demanded

OUR CORRESPONDENT, *Ctg*

Speakers at a roundtable here yesterday urged the government to enact a comprehensive law for protecting consumers' rights.

The Consumers' Trust (TCT) organised the roundtable on 'Consumer Rights in Bangladesh: Affective Law Needed' at the auditorium of Chittagong Press Club.

Presenting her keynote paper at the roundtable, Barrister Dr Tureen Afroz, assistant professor of School of Law of the Brac University, said the consumers in Bangladesh are being denied their basic rights, whereas Nepal like other neighbouring developing countries has already enacted comprehensive consumer protection legislation.

She said there are some laws like Control of Essential Commodities Act 1956, Pure Food Stuff Ordinance 1959, Essential Commodities Price and Bond Ordinance 1970, Weight and Measure Ordinance 1982 or Trade Mark Act 1940, which are not directly related to the consumer rights.

Pointing to some limitations of these laws, other speakers said the present law for protection of the consumers' rights is backdated as any deprived consumer is not entitled to suing a person who violates the law, adding that only the government-selected persons can take measure or file case in this connection.

They urged the present caretaker government to finalise the process of enacting the draft consumer protection law formulated in 1998 by the Ministry of Commerce.

Two bills were approved in the parliament in the tenure of two elected governments in this connection and another revised draft of a law that was framed in 2006, but the law is yet to be enacted, they lamented.

The speakers also laid emphasis on creating mass awareness about the issue.

Hossain Kabir, associate professor of Public Administration Department at Chittagong University, Advocate Wahida Idris of Bangladesh National Women's Lawyers Association (BNWLA), Shahriar Khaled, member secretary of Consumer Rights Protection Committee (CRPC), and Barrister Manjur Hasan, TCT director, spoke among others.

GROWTHS IN EXPORT, REMITTANCE

BoP surplus reaches $360m in Jul-Jan

STAR BUSINESS REPORT

Despite slow foreign direct investment (FDI) and foreign aid, the country's overall balance of payment (BoP) surplus reached $360million in the first seven months of the current fiscal, thanks to continued export growth and huge remittance inflow.

The BoP was $11million deficit in the same period last year.

FDI reached $285 million in the same period this fiscal, registering a 33 percent drop, while the amount was $425 million during the same period of the 2005-06 fiscal.

However, portfolio investment has increased up to 44 percent in the 2006-2007 fiscal, amounting to $23 million. In the last year, during the same period the amount accumulated to $16 million.

Meantime, foreign aid also marked a 44 percent fall as fourteen out of many development partners did not disburse any aid to Bangladesh in the first seven months this fiscal.

Besides, there was no aid disbursement from a number of Aid Club donors due to political instability here and lack of reforms deemed necessary to curb corruption and improve governance.

Bangladesh received $445 million in foreign aid in July-January this fiscal, while it was $790 million in the corresponding period of last fiscal, according to the Economic Relations Division (ERD).

Remittances jumped by 27.55 percent in the July-February period compared to a year earlier to reach $3.82 billion. The surge resulted from the increased use of official channels by Bangladeshis abroad to send their money home.

However, the trade imbalance has gone up to 6.69 per cent this fiscal as imports surpassed exports. Trade imbalance recorded a larger deficit of US $ 1.87 billion during July-January in FY 2006-07 compared to the deficit of US$ 1.49 billion during the same period in FY 2005-06.

The July-January exports fetched $7.03 billion, growing at around 21.36 percent. The earning from exports in the same period last fiscal was $5.8 billion.

Imports in July-January this fiscal increased 22.07 percent to reach $9.79 billion against $8.02 billion in the same period of FY2006.

Despite larger deficits in services and income, current account balance posted a surplus of US$245 million during July-January in the 2006-07 financial year, down from US$321 million during the same period in the 2005-06 fiscal.

PHOTO: BANK ASIA

Chairman of Bank Asia Ltd M Syeduzzaman inaugurates the 25th branch of the bank in Chatkhil, Noakhali on Thursday. Director Jahir Uddin and President and Managing Director Syed Anisul Huq, among others, were present at the opening ceremony.

Iran plans to stop pricing oil in dollars

AFP, *Tehran*

Giant petroleum producer Iran plans to stop pricing its oil in dollars, the state-run television quoted the central bank governor as saying on Friday.

"Iran plans to stop selling its oil in dollars," Ebrahim Sheibani was quoted as saying, adding that Iran had reduced its assets held in dollars to 20 percent.

The report did not give further details.

Iran said in December it would replace the dollar with the euro in foreign transactions and state-held foreign assets, in an apparent response to mounting US pressure on its banking system.

Iran is under UN sanctions over its refusal to halt sensitive nuclear work. The sanctions, targeting its nuclear and missile programmes, include a freeze on assets for people involved in these programmes.

Decision on Vodafone's purchase of Hutch delayed

AFP, *New Delhi*

India has delayed the approval of British telecoms giant Vodafone's multi-billion-dollar deal to buy Hutchison Essar while it decides whether the Indian cellular company's shareholding structure meets foreign investment rules.

The announcement came after a meeting of the Foreign Investment Promotion Board which was examining if the shareholding structure breached regulations allowing foreign ownership of up to 74 percent in a domestic telecom firm.

"I have sought more comments from the companies. They have agreed to give us more details. The decision has been deferred," Finance Secretary Ashok Jha told reporters late on Thursday.

He gave no time frame for a decision.

Last month, Vodafone agreed to buy Hong Kong-based Hutchison Telecommunications International Ltd's (HTIL) controlling interest in India's fourth-largest cellular player Hutchison Essar for 11.1 billion dollars.

Joint venture firm to assemble TVS motorcycles

STAR BUSINESS REPORT

TVS Auto Bangladesh Ltd, a joint venture between India's TVS & Sons Ltd, and Bangladesh's Rian Motors Ltd, will assemble and market TVS motor cycles in the local market.

The newly formed company also plans to expand its operations here through distribution of spare parts, cars, commercial vehicles and equipments, according to a press release.

An agreement to this effect was signed on Friday by R Dinesh, executive director of TVS & Sons Ltd, and Akthar Hussain, vice chairman of Rian Motors Ltd.

"We believe that this joint venture will make meaningful impact on the rapidly growing competitive automotive market of Bangladesh," said Dinesh.

"The collaboration with TVS & Sons will offer us the opportunity to expand our business," Akthar Hussain was quoted as saying.

In addition to the Victor brand, TVS Auto Bangladesh will distribute StaR range of 100 CC motorcycles; electric start version of GLX and few other new products, including Scooty, a two-wheeler exclusively for the women.

TVS will bring in its 80 years of experience in the industry, while Rian Motors, a concern of Rangs Group, aims to be one of the major players in Bangladesh's auto industry through this joint venture.

PHOTO: TVS AUTO BANGLADESH

R Dinesh, executive director of TVS & Sons Ltd, and Akthar Hussain (L), vice chairman of Rian Motors Ltd, exchange documents after signing a joint venture agreement on Friday.

BASIS software show concludes today

STAR BUSINESS REPORT

The BASIS SoftExpo2007 is heading towards its final momentum with a considerable turnout as the five-day IT and IT-enabled services fair comes to a close today.

Bangladesh Association of Software and Information Services (BASIS) is organising the IT exposition at Bangladesh-China Friendship Conference Centre in Dhaka.

On the sidelines of the show a number of IT-related seminars are being organised, and one of the yesterday's roundtables was on 'Electronic Transaction in ICT ACT-2006: New Business Opportunities'. Secretary to Science and ICT ministry SM Wahiduz Zaman was the chief guest at the seminar.

Zaman discussed different aspects of the pilot project regarding setting up of a government community e-centre for benefiting the rural community through IT, said a press release.

At the seminar Barrister Tanjibul Alam talked about the legal validity of electronic transaction under the newly gazetted sections of ICT ACT-2006.The passage of this law has given legal recognition to online and cellular transactions that will play an important role in promoting e-commerce, he said.

At the other roundtable on 'Non-Traditional Financing for Software & ITES Industry', which was presided over by BASIS President Sarwar Alam, speakers discussed the ways how banks and financial intuitions can finance different software firms in the country.

Two other seminars on 'Awaiting Opportunities: Aligning IT Education towards Software Industry Needs' and 'IT Outsourcing to Bangladesh: New Growth Trends' will be held today.

Besides, on the concluding day BASIS will give away 'Best IT Use Award' to seven companies for the best use of IT in their business. Industries Adviser Geeteara Safiya Choudhury is expected to be present at the award giving ceremony.

The show is open for all between 10am and 8pm with an entry fee of Tk20.

Cellphone operator AKTEL is the main sponsor of the event while Microsoft Bangladesh and Business Promotion Council of commerce ministry are the co-sponsors. The Daily Star, Channel i and Radio Today are the media partners.

Etihad adds new flight to Dhaka-Abu Dhabi route

Etihad Airways, the national carrier of the United Arab Emirates, has added another flight to its Dhaka-Abu Dhabi route.

With this additional flight, the airline will now fly from Dhaka six times a week, says a press release.

"This increase to six flights demonstrates our commitment to serving the Bangladesh market and we look forward to further expansion in near future," said Jill Errington, Bangladesh country manager of the airline.

Currently, Etihad offers flights to 38 destinations in the Middle East, Europe, North America, Africa and Asia.

ROK-US FTA talks resume after deadline extended

AFP, *Seoul*

US and South Korean officials on Saturday resumed talks on a long-sought free trade deal after agreeing to extend a deadline in a bid to secure agreement after 10 months of tough bargaining.

South Korea's Assistant Agriculture Minister said he was optimistic thefree trade agreement could be reached after the deadline was extended for 48 hours to allow further closed-door negotiations in Seoul.

"There still exists delivery pain but I think we can meet the new deadline for wrapping up the talks," Min Dong-Seok told reporters without detailing the sticking points.

The new deadline will expire at 1:00 am Monday (1600 GMT Sunday, noon Sunday Washington time), officials told a press briefing after a marathon 22-hour negotiating session overnight.

The US Trade Representative's office said the new deadline would still allow any agreement to be reviewed by Congress while President George W. Bush has his authority to "fast-track" deals.

"Negotiations continue between the US and the Republic of Korea on a number of outstanding issues," the office said in a statement.

The free trade agreement, if approved, would be the biggest for the United States since the North American Free Trade Agreement in 1993.

Earlier, the White House warned that negotiators were not making headway.

"The talks aren't going well, and unless the negotiations show some signs of significant progress in the next few hours this agreement will most likely not come together," spokeswoman Dana Perino said.

Trade between the world's largest and 11th largest economies totalled 74 billion dollars in 2006 and studies show this could rise by about 20 percent if trade is liberalised.

Corporate profit: Justifiable necessity versus undesirable obscenity

MAMUN RASHID

Recent developments in our country have maligned the image of private sector companies and corporations to a great extent. The various cases of massive corruption by the nexus of corrupt politicians and businessmen have shaken the fundamental tenet of our economic policies-- private sector based growth. Serious question has been raised about whether the corporates are making tremendous and undesirable profit? In Bangladesh, like many other things, any backlash usually goes to the other extreme and completely hide the more pertinent issues.

If we believe that private sector growth is the key to development, we have to accept the reality of corporate profit. We cannot treat this to be an ugly and obscene object. There is no such thing as tremendous profit. The important thing is that whether the corporation in making ' tremendous profit' is complying with the laws of the land, sufficiently compensating its various stakeholders like its employees, its consumers and its regulators and contributing to the overall nation building. There is no conflict of interest between the development of the economy and the soaring corporate profit. Only the important issue is whether the distribution mechanism is working fairly with everybody. However, in the name of resolving the unfairness of the distribution, destroying the wealth-generating machine will be tantamount to the killing of the 'golden goose'. This will ultimately hurt those stakeholders most for whose benefit it is supposed to be driven and will benefit those who are incompetent and require unfair protection to survive.

Let us not be pretentious and admit upfront that the present distribution mechanism is not working and, we cannot deny the existence of many unlawful practices in our business dealings. We observe that most businesses do not pay taxes as they are required by the law to do so. Most businesses hide their income and wealth in the financial statements. Some businesses pay bribe and enjoy unlawful benefits. Often many businesses take illegal connection of electricity, gas and other utilities and deprive the public exchequer. The list can go on further. The bigger issue is that not only these illegal activities are prevalent, but also that the corrupt persons are never punished. In many cases, the unlawful practices have become the general norm. The lack of governance puts the honest businessmen in trouble.

While admitting the lack of corporate governance, most business leaders blames it on the government, the politicians and the over all system. While there is great deal of truth in that argument, the business community cannot just take shelter on that and avoid responsibility. Business leaders would have to realise that for their own sake, they would have to enhance the level of corporate governance. They simply cannot just point fingers towards government and politicians and wait for the system to change. They have to bring in self-regulating gestures and contribute towards creating an environment that is transparent. Their effort to bring corporate governance will not only create trust in public eye, but will also help the private sector. Business leaders of our country must realise that our private sector is no longer at an infancy stage. It has been almost three decade that the private sector has flourished. While in the early stages, it may have been acceptable to consider some deviations, now the business entrepreneurs simply have to grow up. They need to take leadership in enhancing their corporate governance. Without adequate corporate governance, not only they will lose the credibility in public eyes, but also will be unable to facilitate their future growth in the next trajectory. In this circumstances, our businesses will only move around the vicious circle of mediocrity and continue to be mistrusted by the general people at large. This is not at all good for our economic development.

A common aspect of the propaganda against private sector and 'obscene corporate profit' is to demonize foreign investments. One of the arguments that has been raised against foreign investment is that, foreign companies take away large dividend in foreign currencies, which reduces our foreign exchange reserve. The accusation is mainly against those companies who do not earn foreign exchange like the mobile phone operators (though they also earn some foreign exchange out of roaming facility and borrow a hand some amount in foreign currency for capital expenditure since local market can't meet up their appetite for funds, not to talk about their continuous equity infusion). First of all, the statement that these foreign companies are taking away huge foreign exchange is quite exaggerated. Nothing as yet has been reported that they have repatriated any foreign currency illegally. Secondly, when anybody invests in any project, it is only natural that the investor would want some dividend. If we cannot accept this basic idea, we should be moving away from market based economic philosophy. If we are really committed to market based economy, we should be focusing more on how much incremental economic activity the investment is bringing in, how many employments are being generated, whether the company is adequately complying with all the laws of the land. In our experience, we have seen most foreign companies pay their taxes and adhere various government regulations to the letter and spirit. However, the same cannot be told about many local companies. Now, if we try to penalise those investors who are efficient and honest corporate citizens and protect those who are not, we shall be sending a very wrong message across the market, which will have long-term detrimental effect.

Another accusation that has been raised against the foreign investors is most foreign companies' apparent unwillingness to get listed with stock exchanges of Bangladesh. This is an important issue and we all agree that to vitalise our capital market we must ensure maximum participation of foreign investors, for that matter successful investors both foreign and domestic, in our bourses. However, we must not resolve the issue with arbitrary imposition, but try to understand that whether the companies actually can gain economic benefit by joining the capital market. A lot of profitable companies-- both local and foreign -- find capital market not very attractive despite some tax advantages. In the stock market, general expectation from a good company is 25 percent dividend, whereas the same good company can borrow from the banks at much below 15 percent to finance its operation. This apparent disincentive works as a strong barrier for companies to become enthusiastic about capital market. We have seen many local companies with annual turnover of more than US$ 50 million and who enjoy long tax benefits not opting for capital market. We must raise question that how much tax the steel industry which is entirely controlled by the local private sector pay and why there is no pressure on them to get enlisted with the capital market? We should also raise the question how much tax the local cement companies' pay compared to the foreign ones, while this industry segment is shared between foreign and local owners on 50:50 basis? Our analyst friends must be aware why our local land phone services could not flourish, while there is a boom in cell phone segment. Why our local entrepreneurs could not implement (with one or two exceptions) even small 20-40 MW power plants, not to talk about another Meghnaghat or Haripur power plants. Why there is no significant participation from our RMG or textiles industries in the local stock market, though they are the `centre of the plate' for our economy. Our fiscal experts must be aware that there is no tax incentives between listed and non-listed companies in Pakistan, but the capital market there is one of the most vibrant ones in this part of the world and gets regularly mentioned by international financial media.

We must realise that we have a serious problem in our distribution mechanism. To improve the situation we need to improve our governance issue significantly. Otherwise, just by targeting the 'corporate greed' or the `foreign investment' we shall not be able to provide a solution to the crises. We will move around aimlessly around the vicious circle of poverty, poor governance, failure to generate wealth and widening rich and poor gap. We want to get rid of the past legacies and move forward as a sensible nation, keeping track of what is happening around.

The writer is a banker

India allocates more credit for farm sector

ANN/ THE STATESMAN

The government has decided to allocate more funds for extending credit to agriculture in order to raise its contribution to about four per cent to the GDP.

"The Union finance minister, P Chidambaram has allocated Rs 1,90,000 crore for agricultural credit this year in the Budget and for next financial year we have set a target of increasing it to Rs 2,25,000 crore," Union minister of state for finance, Mr PK Bansal said here on Friday.

Bansal was speaking at a seminar organised by the Bharat Chamber of Commerce (BCC) on "Emerging financial sector reforms: Banking and Insurance".

He said that the government aims to extend 18 per cent of the total credit to agriculture emphasising that unless the share of agriculture in the country's GDP rises, a double-digit growth would remain a distant dream.

Pubali Bank declares 75pc stock dividend

Pubali Bank Ltd has declared a 75 percent stock dividend (three bonus shares for every four ordinary shares) for its shareholders for the year 2006.

The dividend was announced at the 24th annual general meeting (AGM) of the bank held yesterday in Dhaka, says a press release.

Chairman of the bank Hafiz Ahmed Majumder presided over the AGM, which was also attended by directors Moniruddin Ahmed, Sk Wahidur Rahman, Giasuddin Ahmed, Monzurur Rahman, Syed Moazzem Hussain, Ahmed Shafi Chowdhury, Habibur Rahman, Fahim Ahmed Faruk Chowdhury and M Faizur Rahman, Managing Director Helal Ahmed Chowdhury and other senior officials.

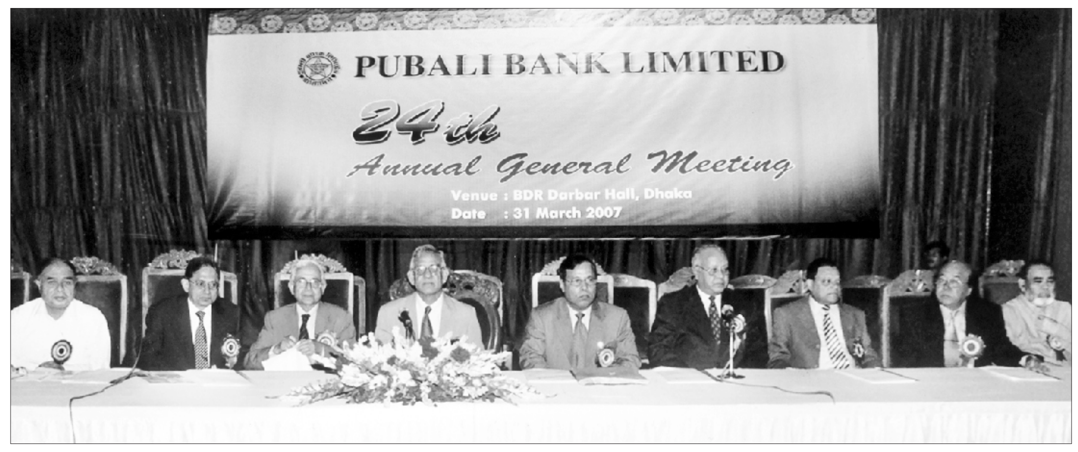

PHOTO: PUBALI BANK

The 24th annual general meeting (AGM) of Pubali Bank Ltd was held yesterday in Dhaka. Chairman of the bank Hafiz Ahmed Majumder presided over the AGM, which was also attended by directors and other senior officials.