

Star BUSINESS

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Graft ups cost of doing business in Bangladesh

Dutch envoy tells Ficci meet

STAR BUSINESS REPORT

Corruption leads to higher cost of doing business in Bangladesh, observed the Dutch envoy in Dhaka yesterday. There has been widespread corruption when it comes to doing business in this country, although it is possible to do business here without indulging in corrupt practices, Kees Beemsterboer told the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (Ficci).

He said, "If companies are not willing to pay bribes, euphemistically called 'speed money', in Bangladesh it may for example take a long time, as I have been told, to get goods cleared in customs or to get your contract enforced via the judiciary."

Masih Ul Karim, president of the chamber, among other foreign investors in Bangladesh, was present at the meeting.

The Dutch ambassador however lauded the present government's crackdown on corruption.

The Dutch traders have faced barriers during the last few months due to slow speed of the administration, he said, pointing to the fact that although the Netherlands has regained its bird flu-free status in

November 2006, the import ban on Dutch poultry is yet to be lifted.

He listed power shortage and mismanagement in ports as the main bottlenecks being faced by the Dutch businessmen in Bangladesh.

"I feel that the current government has already taken some positive steps. Still, more needs to be done to really overcome these serious bottlenecks, particularly the energy related problems," Beemsterboer said.

The ambassador thinks that as the foreign business community in Bangladesh is a very large taxpayer, it has the right and obligation to voice a demand for change and hold the government accountable for policy measures and rules and regulations.

"I believe that if all chambers would agree on a joint agenda, the voice of the business sector would increase manifold and structural changes would be achieved", the Dutch envoy added.

In 2006, the Netherlands has a trade deficit with Bangladesh of 260 million euros. Total export from Bangladesh to the Netherlands was approximately 303 million euros, while import from the Netherlands to Bangladesh was 43 million euros in 2005.



PHOTO: FICCI

Masih Ul Karim (2-R), president of Foreign Investors' Chamber of Commerce & Industry (Ficci), speaks at the monthly luncheon meeting of the chamber in Dhaka yesterday. Kees Beemsterboer (2-L), the Netherlands' ambassador to Bangladesh, Carlo Cifelli (L), Ficci vice president, and MA Matin, chamber secretary, are also seen.

The Netherlands investment here during the period between 1971 and 2006 reached approximately 132 million euros as registered with the Board of Investment (BoI).

In a bid to encourage Dutch investment in emerging markets, the Netherlands government has a programme called PSOM (Program for Cooperation with Emerging

Markets). Recently, a memorandum of understanding (MoU) to this end has been signed to extend the PSOM in Bangladesh until 2009.

"Along with other sectors, I see a big opportunity for PSOM in leather sector, mainly to reduce the environment pollution, which is a huge problem in Bangladesh," the Dutch ambassador said.

Bangladesh trade fair in KSA June 30

BSS, Dhaka

A six-day single country Bangladesh trade fair will begin in Jeddah of Saudi Arabia on June 30.

Saudi-Bangladesh Chamber of Commerce and Industry (SBCCI) with the assistance of the Ministry of Foreign Affairs will organise the fair, said a press release yesterday.

As many as 70 stalls will be set up at the fair to showcase products including readymade garments, food items, ceramics, handicrafts, pharmaceuticals, electronic appliances and jute and jute goods. Interested parties to take part in the fair have been requested to contact the SBCCI office in Purana Paltan, Dhaka.



PHOTO: GREY WORLDWIDE

Brac Bank Ltd organised a press conference in Dhaka yesterday to highlight the features of a new service of the bank styled 'Medical File' for providing customers with healthcare facilities of Singaporean hospitals at special rates. Kaiser Tamiz Amin, chief operations officer of the bank, Cheang Kok Ming, general manager (Bangladesh) of Singapore Airlines, and Steven Mock, manager (International Business Development Unit) of National Healthcare Group (Singapore), among others, were present at the press meet.

Bank holiday May 1-2

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on May 1 and 2 on account of the May Day and Buddha Purnima, said a central bank release.

Wolfowitz opposition growing firmer

AP, Washington

Paul Wolfowitz encountered stiffening opposition Saturday to staying on as World Bank president amid allegations he showed favoritism in arranging a promotion and pay package for his girlfriend.

European countries led by Germany and France want Wolfowitz to step down, while support for the embattled president has eroded in Nordic nations and elsewhere, according to bank officials and others close to the situation.

A special bank panel is investigating whether Wolfowitz violated bank rules in his handling of the 2005 promotion of bank employee Shaha Riza to a high-paying State Department job.

The World Bank's 24-member board will decide what action, if any, to take; a decision is expected this week. The board could ask him to resign, signal it does not have confidence in his leadership, reprimand him or take no action.

Critics, including World Bank staff, former bank officials, the European Parliament, aid groups and some Democrats say the controversy has damaged the development institution's reputation and may hobble its ability to fight global poverty. They are pressing Wolfowitz to step down on his own.

Wolfowitz has said he made a mistake, and he has apologized. He plans to make his case before the special panel on Monday.

His attorney, Robert Bennett (news, bio, voting record), said

StanChart, DBBL sign deal on sharing ATM network

Standard Chartered Bank and Dutch-Bangla Bank Ltd (DBBL) yesterday signed an agreement on sharing their ATM network, under which customers of both the banks can withdraw cash from over 150 ATM (automated teller machine) booths across the country.

Vikram Issar, head of Consumer Banking of Standard Chartered Bank, and Abul Kashem Md Shirin, senior executive vice president and head of IT of DBBL, signed the deal on behalf of their banks, says a press release.

Osman Morad, chief executive officer of Standard Chartered, and Md Yeasin Ali, managing director of DBBL, among other senior officials from both the sides, were present at the signing ceremony.

HEALTH PACKAGE Brac Bank, S'pore's airline, healthcare group team up

Brac Bank Ltd organised a press conference in Dhaka yesterday to highlight the features of a new service of the bank styled 'Medical File', the first of its kind in Bangladesh, says a press release.

This service will help customers receive high quality medical services of Singapore.

Singapore Airlines and National Healthcare Group (NHG), Singapore have partnered with Brac Bank to offer an attractive health-screening package at Singapore National Hospital and Tan Tock Seng Hospital, Singapore.

At the press briefing, the companies jointly announced a special 'Health Screening Package' at only Tk66,200. This price includes a bundle of benefits such as airfare, taxes, hotel accommodation for two nights and three days (twin share basis), breakfast, airport transfer and whole-body screening.

In addition to this special package price, customers will get complementary 10 kg extra baggage facility from Singapore Airlines at the time of return, and 50 percent discount on commission will be given on all foreign currency purchases by Brac Bank.

All these services will be available at a single point of service at Bulu Ocean Tower (12th Floor) on 40 Kemal Ataturk Avenue in Banani, Dhaka.

Kaiser Tamiz Amin, chief operations officer of Brac Bank, Cheang Kok Ming, general manager (Bangladesh) of Singapore Airlines, Steven Mock, manager (International Business Development Unit) of National Healthcare Group (Singapore), Dr Niaz Mohammad Sharif, managing director of National Healthcare Group (Bangladesh), Saifuddin M Naser, head of Retail Banking, and other senior officials of the bank were present at the press conference.

Wolfowitz opposition growing firmer

Saturday that Wolfowitz "has no intention of resigning under this cloud." Bennett said that when Wolfowitz personally addresses the special panel on Monday, "We are going to be presenting powerful evidence that Mr. Wolfowitz acted in good faith."

The panel, which is make recommendations to the board, is said to be finalizing its work.

"We have full confidence in Paul Wolfowitz and expect that he will be able to work with the World Bank to resolve these issues," White House spokesman Tony Fratto said Saturday.

NCC Bank approves 22.5pc dividend

National Credit and Commerce (NCC) Bank Ltd has approved 22.5 percent dividend (10 percent cash and 12.5 percent bonus share) for its shareholders for the year 2006.

The approval came at the bank's 22nd annual general meeting (AGM) held yesterday in Dhaka, says a press release.

Chairman of the bank Mahbubul Alam Tara presided over the AGM, which was also attended by directors, Vice Chairman Md Nurun Newaz, Managing Director Md Nurul Amin and other senior officials.

GROWTHS IN EXPORT, REMITTANCE

BoP surplus reaches \$577m in 8 months

STAR BUSINESS REPORT

Despite slow pace in FDI and foreign aid flow into the country, the overall balance of payment (BoP) surplus reached \$577 million in the first eight months of the current fiscal year (2006-07), thanks to considerable export growth and remittance inflow.

The BoP witnessed a \$59 million deficit during the same period of the last fiscal year (FY).

Foreign direct investment (FDI) reached \$325 million in July-February period this fiscal, registering a 34 percent drop, as the amount was \$489 million during the same period of 2005-06 fiscal.

Foreign aid also marked a 38 percent fall as the country received \$532 million aid during the first eight months in this fiscal, while it

was \$850 million in the corresponding period of last fiscal, according to the Economic Relations Division.

However, portfolio investment increased 162 percent during the eight-month period of this fiscal to \$42 million, which was \$16 million during the same period in the last fiscal.

Remittance jumped by 27.55 percent during the period of the current fiscal compared to the last fiscal's to reach \$3.82 billion. The surge was mainly due to the increased use of official channels by the Bangladeshis abroad to send their money home.

However, trade imbalance went up to 18.33 percent this fiscal as imports surpassed exports. Trade imbalance recorded a larger deficit of US\$2.09 billion during July-February in FY2006-07 compared

to the deficit of US\$ 1.77 billion during the same period in FY2005-06.

The July-February exports fetched \$8.02 billion, posting a growth of around 21.13 percent. The earning from exports during the same period in last fiscal was \$6.62 billion.

Imports during the first eight months of this fiscal increased 20.47 percent to reach \$11.12 billion against \$9.23 billion in the same period of previous fiscal.

Despite larger deficits in services and income, current account balance posted a surplus of \$484 million during July-February period in 2006-07 financial year, down from \$423 million during the same period of 2005-06.



PHOTO: STANDARD CHARTERED BANK

Vikram Issar, head of Consumer Banking of Standard Chartered Bank, and Abul Kashem Md Shirin, senior executive vice president of Dutch-Bangla Bank Ltd (DBBL), exchange documents after signing an agreement for sharing ATM network of the banks at a function yesterday. Osman Morad, CEO of Standard Chartered, and Md Yeasin Ali, managing director of DBBL, among other senior officials from both the sides, are seen.

ACU board meet in Dhaka May 14-16

UNB, Dhaka

Bangladesh Bank will host the 36th meeting of the Board of Directors of Asian Clearing Union (ACU) in the city on May 14-16 for the second time in the last seven years.

The central bank governors of the eight members of ACU -- Bangladesh, Bhutan, India, Iran, Myanmar, Nepal, Pakistan, and Sri Lanka -- will attend the meeting at Hotel Sheraton, a senior official of Bangladesh Bank told the news agency yesterday.

Central bank governors of non-member Maldives, Iraq and Afghanistan will also be present at the meeting as observers.

Some 26 foreign delegates from the member countries and ACU secretariat would participate in the board meeting. A 5-member delegation of Bangladesh Bank, led by its Governor Dr Salehuddin Ahmed, will represent Bangladesh in the meeting.

Other members of the Bangladesh Bank delegation are deputy governor Allah Malik Kazemi, executive directors Khandakar Muzaharul Huq and Yasin Ali, and general manager Belayet Hossain.

Finance and Planning Adviser Dr Mirza Azizul Islam is scheduled to inaugurate the board meeting on May 15. Besides attending the board meeting, central bank governors of the Saarc countries would

hold meetings on the sidelines.

Bangladesh Bank officials said the meeting would take stock of the ACU activities during the last year and look for further deepening the cooperation among the member-states.

"ACU helps deepening regional integration of trade," said a senior official. He informed that Bangladesh settle a bimonthly payment of US\$ 350-400 million with the ACU.

In the 36th meeting, delegates will elect the Board chairman and vice chairman for the year 2007 and decide the venue and date of the next board meeting.

The Asian Clearing Union, basically a clearing and settlement organisation, was founded in 1974 with headquarters in Tehran.

Its objectives include multilateral settlement of current account payments, conservation of forex, promotion of monetary cooperation among central banks, increasing relationship among banking system of member-countries and providing currency swap arrangements.

The annual board meeting of the ACU is hosted by member-countries on rotation.

The ACU transactions are growing since 1975 and it has not registered any defaulters so far. The central banks of the eight member countries, not their governments, are involved in its operations.

Mittal tops Britain's rich list again

AFP, London

Indian-born steel tycoon Lakshmi Mittal on Sunday again topped the list of Britain's richest with a fortune estimated at 19.25 billion pounds (28.23 billion euros, 38.46 billion dollars).

The Sunday Times Rich List 2007 said that the combined wealth of Mittal and the other richest 999 people amounts to just under 360 billion pounds, up from 301 billion pounds a year ago.

In the decade since Prime Minister Tony Blair came to power promising greater fairness, the wealth of the top 1,000 has risen by 260 percent, compared to average people whose wealth has increased by 120 percent, it said.

Having bolstered his position by acquiring Arcelor, the world's second-largest steel maker behind Mittal Steel, Mittal's fortune rose sharply from last year's 14.88 billion pounds, the newspaper said in its annual review.

Arcelor Mittal, as the combined business is known, produces 115 million tons of steel a year and accounts for about 10 percent of the world market.

Following Mittal on the list is Russian entrepreneur and Chelsea owner Roman Abramovich, who remained at number two while his fortune also remained the same at an estimated 10.8 billion pounds.



PHOTO: NCC BANK

Mahbubul Alam Tara, chairman of National Credit and Commerce (NCC) Bank Ltd, presides over the bank's 22nd annual general meeting (AGM) yesterday in Dhaka. Directors, managing director and other senior officials were present at the AGM.