

Star BUSINESS

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Four power, 12 other uplift projects okayed

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The Executive Committee of National Economic Council (Ecne) yesterday approved 16 development projects involving Tk 4,932, including Tk2,638 crore as project aid.

The Ecne, with Chief Adviser Fakhruddin Ahmed in the chair, gave nod to four power projects at a cost outlay of Tk2,205 crore.

The approved power projects are rehabilitation and

modernisation of Ghorashal Thermal power station unit 1 and 2 (revised), construction of Chandpur 150 MW combined cycle power station (revised), rehabilitation of Karnaphuli Hydropower unit 3 (revised) and construction of Siddhirganj 2x120 MW peaking power plant (revised). Following the meeting, Finance Adviser Mirza Azizul Islam said they focused on the government's previous decision about priority sectors and thus power projects were given more money.

He said of the total amount approved, agricultural projects account for Tk 561 crore, rural infrastructure development Tk 424 crore, water resources development Tk 978 crore and other infrastructure projects Tk 765 crore. Of the total 16 projects, nine are new and the other seven revised ones.

DHL wins Asia platinum award

DHL, one of the world's leading express and logistics companies, has won the Asia Platinum Award for the third consecutive year in the Airfreight/Courier Service category, says a press release.

The award was announced at the ninth annual 'Trusted Brand Awards 2007' organised by Reader's Digest.

The company improved its performance in 2006, when it garnered three Platinum and five Gold awards. This year, DHL received Platinum Awards in the 'Trusted Brand Awards' surveys conducted in Hong Kong, Singapore, Malaysia and Taiwan, as well as Gold Awards in the same surveys carried out in India, the Philippines and Thailand, the release adds.

WASHINGTON PUBLIC HEARING

Yunus pleads for Dhaka's duty-free access to US market

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Nobel laureate Professor Muhammad Yunus participated Wednesday in a public hearing in the American capital city Washington to elicit opinions on allowing duty and quota-free market access of products from the least developed countries (LDCs) to the US.

Yunus also attended the question and answer session during the hearing and highlighted the necessity of the duty free market access facility.

The US Senate Committee earlier invited him to participate in the hearing as part of the US fresh initiative to allow the LDCs duty free access to the US market.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA) appreciated

Yunus' participation in the Washington hearing.

BKMEA President Md Fazlul Hoque said the participation will help realise the Bangladesh long-cherished demand for a duty and quota-free access to the US market.

In his hearing Yunus argued that if the US gives Bangladesh duty free and quota free (DFQF) market access, it will not hamper the facility given to the African countries under the existing African Growth and Opportunity Act (AGOA).

Yunus also explained that the proposed DFQF will also benefit American manufacturers as the facility will create huge opportunity for the US exporters to cater to the machinery needs for the RMG industries in Bangladesh, according to the BKMEA chief.

US senators Max Baucus, Jeff Bingaman and Ken Salazar attended the hearing.

Bahrain, Qatari investment teams due in June, July

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Two separate state minister-led delegations from Bahrain and Qatar will visit Bangladesh in June and July to explore investment potentials in numerous sectors including energy and real estate.

Foreign Affairs Iftekhar Ahmed Chowdhury was informed of these visits during separate bilateral meetings with the state minister for foreign affairs for Qatar and Bahrain yesterday on the sidelines of the Islamic Conference of Foreign Ministers (ICFM) in Islamabad, according to a Foreign Ministry press release.

Meanwhile, Albanian Deputy Foreign Minister Edith Harxhihi asked Bangladesh to support for a draft pending with the United Nations Security Council on the independence of Kosovo, as proposed by Marti Ahtassari, UN Secretary General's Special Representative to Kosovo.

The Qatar Investment Council delegation will visit Bangladesh in either July or October this year after Qatari State Minister for Foreign Affairs Ahmed Bin Abdullah Al-Mahmoud expressed their keenness to invest in Bangladesh to Iftekhar.

In the bilateral meeting, Iftekhar and Al-Mahmoud discussed the visit, headed by the Qatari state minister, and identified energy, real estate and infrastructure development of Special Economic Zones as possible projects for initial consideration.

Bahrain State Minister for Foreign Affairs Nazar Sadeq Al Baharna will visit Bangladesh between June 20-24 to discuss investment and partnership in small and medium scale industries.

Private sector-based economic growth in SA has unique strength

RBI governor tells MCCI meet

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Private sector-based South Asian economic growth has a unique strength and efficiency in its self-acceleration and reasonable stability in the long run, observed Yaga Venugopal Reddy, governor of Reserve Bank of India (RBI), while talking with top business leaders in Dhaka yesterday.

The Metropolitan Chamber of Commerce and Industry (MCCI) organised the meeting at its office.

The RBI governor said, "The average South Asian (SA) growth of over 6 percent has been impressive, inflation moderate in spite of elevated prices of oil and food grains, and the external sector is stronger.

"I believe that the SA economic model has some inherent and unique strength. And domestic entrepreneurial class leads the output growth and enhanced efficiency," Reddy added.

He said, "There is a feeling that the prospects for the South Asian economies appear brighter than ever before in history, with a potential to be amongst the most-rapidly growing economies of the world—while contributing to significant reductions of global poverty".

In his welcoming speech, Latifur Rahman, president of Metropolitan Chamber of Commerce and Industry (MCCI), said, "It is our view that with the exception of one or two, monetary policies in the South Asian countries are yet to be fully able to foster and help the growth process".

Except some policy adjustment, the main emphasis remains limited to currency depreciation to improve competitiveness and thereby boost economic growth, he said.

The metropolitan chamber chief said in Bangladesh, exchange rate has been depreciated several times mainly to make the export prices competitive, but such devaluations yielded only one transaction benefit to the exporters and did not help the country's external competitiveness.

The banking and financial sector of South Asia suffers from huge non-performing assets, high interest rate, existence of liquidity



PHOTO: MCCI

Yaga Venugopal Reddy (2-L), governor of Reserve Bank of India, speaks at a meeting organised by Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday. Mahbubur Rahman (L), president of International Chamber of Commerce-Bangladesh, Latifur Rahman (3-L), MCCI president, and M Syeduzzaman (2-R), chairman of Bank Asia Ltd, are seen among others.

overhang and underdeveloped capital market (except India and Pakistan), he observed.

"We often talk about connectivity in terms of trade, transportation and cultural exchange, but without monetary cooperation much of this will remain constrained," added Latifur Rahman.

Besides, there is a need for a greater mandate to Saarc Finance committee, which is an organisation of governors of central banks and secretaries of the member-countries of the regional forum, he said.

The chief guest, Yaga Venugopal Reddy, replied to a number of queries from the local business leaders.

Asked if the contraction of monetary policy is the only answer to combat inflation, he said,

"Tightening or not tightening monetary policy depends on context, but not only on domestic context, also what other central banks are doing".

He however thinks contraction of monetary policy is only a solution, but definitely it depends much on effective monetary policy.

He said contraction of mone-

tary policy could be adopted to maintain supply chain.

Pointing to the fact that contraction of monetary policy is being adopted everywhere in today's world, the Indian central bank governor said, "If you look at Japan, UK and even US, you can see contraction of monetary policy in these countries. In the context of the globalised monetary policy, we have to think about ourselves whether we shall go for such a policy."

Reddy said, "We believe that monetary policies help the growth process in South Asia in three ways—by providing price stability, by ensuring financial stability and by enabling availability of financial resources for an efficient growth process".

The RBI governor said it can be argued that it was possible for the South Asian economies to show impressive macro-economic achievements in the last five years, precisely because of the enabling monetary, financial and external sector environment, as managed by central banks.

Replying to an issue of harmonisation amongst trade, investment and financial integration raised by the MCCI president, Reddy said the

RBI view is that the trade integration is undeniably beneficial, but financial integration has both, benefits and risks, at our stage of development.

To develop India-Bangladesh business relationship, he said, there should be intensive business-to-business interactions, dialogues and partnership between India and Bangladesh as long as they benefit businesses and people of both countries.

On good business culture, he said when two persons commence a train or bus or plane journey as business partners and end up as strangers, it is not so good a culture, but when two persons commence a journey as strangers and end up as business partners that is a good business culture.

Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B), M Syeduzzaman, chairman of Bank Asia Ltd and a former finance minister, C K Hyder, secretary general of MCCI, and Mohammad A (Rumi) Ali, a member of Brac Bank Board of Directors and former deputy governor of Bangladesh Bank, were also present at the meeting.

Fraud in lifting imported edible oil detected at Ctg port

STAFF CORRESPONDENT, Ctg

Customs authorities on Wednesday spotted a massive fraud in withdrawing around 20,000 tonnes of edible oil worth Tk 135 crore that evaded a Tk22 crore tax.

Customs officials here in the port city detected the fraud when they found a huge gap between the enlisted quantities of imported and delivered edible oil at a privately owned customs bonded tank terminal.

According to sources, a customs team led by Joint Commissioner Matiur Rahman during an inspection found that a huge quantity of oil was delivered without inclusion in the records of the terminal to evade the tax.

The tank terminal of M/S Elias Brothers (Pvt) Limited at Patenga received 20,000 tonnes of crude edible oil that arrived here by four vessels few weeks ago. Of the amount, 16,000 tonnes were imported in the name of M/S Elias Brothers, while the rest under the name of M/S Marine Oil Mills, sources added.

A similar type of fraud in delivering 4,000 tonnes of edible oil was detected at the same terminal earlier on May 9, said Matiur Rahman.

Sources said a vested quarter of terminal officials in connivance with some dishonest bond officials and shipping agents did such evil practices.

British Airways offers flat bed service to local customers

British Airways (BA) is now offering its Bangladeshi customers the award-winning flat bed at a special fare of \$1999 for the Dhaka-London-Dhaka route, says a press release.

BA was the first international airline in 2000 to offer a seat that converts to a completely flat six-foot bed for business class travellers.

The new club world bed is 25 percent wider and offers more privacy, greater comfort with more storage, the release adds.

Customers booking directly with the airline can take advantage of this offer and experience the comfort at a bargain, Chris Phipps, BA manager for Bangladesh, was quoted as saying.

Govt wants cellphone operators to be listed on bourses by year-end

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The government wants to get all the leading private mobile phone operators listed on the stock market by the end of this year, said Chairman of Bangladesh Telecommunication Regulatory Commission (BTRC) Manzurul Alam yesterday.

"We talked to four cellphone operators except Warid Telecom and state-run Teletalk....we also talked with Securities and Exchange Commission about bringing the operators to the capital market, and we want to see them listed within the next six months," Alam told reporters.

All these operators have agreed in principle to offload shares in the stock market, while Warid Telecom, the newcomer to the 24.6-million-strong domestic mobile phone market, said it would require more time to float IPOs (initial public offerings), chairman of the telecoms watchdog said.

He was talking to the reporters on the sidelines of World Telecommunication and Information Society Day celebration in Dhaka. The theme of the day this year is 'Connecting the Young: The Opportunities of ICT'.

"A few sections will try to delay the process but we want to do it immediately as the interest of the country is involved with it", said Alam who took the charge of BTRC in April.

He said leading mobile phone operator Grameenphone Ltd has wanted three years to offload shares but BTRC told the operator that it would not allow this.

The government is contemplating some changes in the terms and conditions of the licensing process of BTRC meant for cellphone operators in a bid to compel them to come to the capital market. "Licence is not any unchangeable document and the provision of changing any clause is mentioned in the licences", he said.

He also said the committee formed to formulate the Voice over Internet Protocol (VoIP) policies would submit its proposals to the government within this month. Making available the VoIP facilities is a matter of time, he said, adding

that the BTRC will take decisions regarding VoIP issues in line with the policy paper.

About the alleged involvement of some mobile phone operators in illegal VoIP business, he said 16 cases have been filed so far in this regard.

"Although there is no provision of cancelling licences of mobile phone operators if they are found guilty of illegal VoIP business, we want to impose heavy penalty on the wrongdoers," he added.

Post and Telecommunications Adviser AB Mirza Azizul Islam, who spoke at the function as chief guest, said although resources of the country are limited, the government allocates a handsome amount for telecoms sector.

The country's tele-density rate is now 16 percent and this is far more than the target to be achieved by 2010, the adviser said.

Shaikh Khurshid Alam, secretary to the Ministry of Post and Telecommunications, and Anwarul Azim, chairman of Bangladesh Telegraph and Telephone Board, among others, spoke at the function.

Amendment to draft financial reporting act demanded

The Institute of Chartered Accountants of Bangladesh (ICAB) has demanded amendment to the draft Financial Reporting Act-2007, which the government is reportedly going to enact as law to establish a Financial Reporting Council, says an ICAB press release.

A delegation of the ICAB headed by its President M Farhad Hussain met Finance Adviser Dr Mirza Azizul Islam at his office on Sunday to place the demand.

Some provisions of the proposed FRA-2007 such as composition of the council, standards setting procedure, public interest oversight of professional accounting bodies that directly concern ICAB were discussed.