

# Star BUSINESS

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## BGMEA nominates Annisul Huq for FBCCI presidency

Bangladesh Garment Manufacturers & Exporters Association (BGMEA) yesterday nominated its former president and Chairman of Mohammadi Group Annisul Huq as the candidate for the office of the president of FBCCI, says a press release.

The FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) polls is scheduled to be held on August 16.

BGMEA President Anwar-Ul-Alam Chowdhury Parvez formally made the announcement at a meeting organised on the occasion.

Samson H Chowdhury, chairman of Square Group, Mahbubur Rahman, president of the Bangladesh chapter of International Chamber of Commerce (ICC), Latifur Rahman, president of the Metropolitan Chamber of Commerce & Industry, Dhaka, Hossain Khaled, president of the Dhaka Chamber of Commerce & Industry, Anwar Hossain, chairman of Anwar Group, and Abul Kashem Ahmed, president of the Tangail Chamber of Commerce & Industry, were present among others.

## Turkish-Bangla chamber formally launched

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Turkey-Bangladesh Chamber of Commerce and Industry (TBCCI) was launched Wednesday aiming to boost trade and economy between the two friendly countries.

Turkish Ambassador Ferit Ergin formally announced the launching at a city hotel.

Addressing the function, Ergin said the present trade volume between the two countries is not satisfactory and does not match with the potentials.

He suggested that the TBCCI members should work for enhanced trade relations between the two countries.

The chamber was established in April 2007 in Dhaka with Fikret Cicek as its founding president.

Its main objective is to develop commercial, economic and social relations.

To explore business potentials, the chamber will regularly arrange meeting between the business people of the two countries.

In line with the plan, it will also provide assistance for any commercial agreement in future.

The chamber will play the role of a facilitator for the Turkish entrepreneurs to find new avenues for investment in Bangladesh giving a boost to both the country's economy.

Executive Chairman of the Board of Investment Md. Nazrul Islam, President of the TBCCI Fikret Cicek and President of the Bangladesh chapter of International Chamber of Commerce Mahbubur Rahman attended the function among others.

## Exclusive showroom for Titan watch opens

Titan, a leading brand and manufacturer of watches based in India, has opened its first-ever exclusive showroom in Bangladesh styled 'World of Titan' at Bashundhara City shopping mall in Dhaka, says a press release.

Bipasha Hayat, an actress, inaugurated the showroom yesterday, while Manoj Tadeipalli, Titan's business head for Saarc and Far East markets, and Ghulam Mostafa, managing director of Kallol Group of Companies, the franchisee of 'World of Titan' in Bangladesh, among others, were present.

With watches of over 800 designs, the showroom will offer customers Titan's many sub-brands, including Raga collection for women and Fastrack for the youth.

Titan plans to open more such showrooms in major cities including Dhaka and Chittagong in near future, said Tadeipalli at the inauguration.

## New budget lacks mechanism to contain inflation: BEA

### Cashing in on zero duty on essentials by syndicate feared

STAR BUSINESS REPORT

The proposed budget for the 2007-08 fiscal would not help keep inflation at a tolerable level, rather it would mount the inflationary pressure, Bangladesh Economic Association (BEA) told a post-budget press briefing in Dhaka yesterday, pointing out that it lacks any mechanism to contain inflation.

The BEA leaders described the government's philosophy of free market economy as unacceptable.

They also blasted the National Board of Revenue for its move to whiten money.

Dr Abul Barakat, the BEA general secretary, read out a written statement on behalf of the association at the press conference held at the Dhaka Reporters Unity office.

BEA President Dr Quazi Kholiuzzaman Ahmad was present.

The reduction in import duty on

some essential items, including lentil and edible oil, is not enough to cut down inflation, they remarked, fearing that a strong syndication in the supply chain, which is still in existence, might take such a zero duty facility to their advantage and make windfall profits.

They suggested market monitoring and good financial governance to yield positive results in this regard.

"It is not possible for the government to check the rice and wheat prices following the open market slogan, because prices of these items have increased in the world market," said Dr Barakat.

The BEA identified 10 reasons for continued price-hike, which include an active integrated syndicate, breakdown of supply chain, inadequate stock of food grains in government silos, weak monitoring of the demand-supply situation and

adverse situation in the international market.

Wondering what type of money would be whitened by government's recent move, Dr Barakat said, "Any amount of undisclosed money should be treated as black money."

However, the BEA chief said if such money can be utilised in production sector, it would bring something good.

There should be a strong mechanism by which government can check inflation, Dr Kholiuzzaman said, adding that the Consumer Rights Protection Act could be a tool to check syndication.

Resenting the government's decision to raise the kerosene price, he said this is totally against the concept of poverty reduction.

The BEA termed the proposed new duty structure for import 'a drawback for the local industries.' It said due to the slash of infrastruc-

ture development surcharge, import duties of around 2,600 items would decrease, but in most cases there would be nothing good for the poor people.

Dr Barakat questioned the rationale of the proposed withdrawal of zero duty facility from nearly 400 items, mostly industrial raw materials and capital machinery. "Even the government proposed to withdraw zero duty from garments and textile machinery," he lamented.

Expressing dissatisfaction over the proposed big Annual Development Programme (ADP), the BEA said when the Tk21600 crore ADP of the current fiscal gets half of its projects implemented, then the bigger new ADP would be too tough to implement.

## Trust Bank opens branch in Moulvibazar

Trust Bank opened a branch in Moulvibazar recently, says a press release.

Chief of Army Staff and Chairman of Trust Bank Limited General Moeen U Ahmed inaugurated the new branch.

Managing Director of the Bank Iqbal U. Ahmed presided over the function. Major General Abdul Hafiz, GOC Comilla, Shahud Ahmed, SVP and head of Human Resources, Farhad Uddin, SAVP and company secretary, Aftab Mahmud Khurshid, head of Corporate Brand and Market Communications, and Md Masud Chowdhury, Moulvibazar branch manager and SAVP, were also present.

## Xerox Global Services launched in Dhaka

STAR BUSINESS REPORT

Xerox Corporation, the global document management company, has announced plans to further strengthen its presence in Bangladesh as Xerox Global Services (XGS) was launched yesterday in Dhaka to help organisations reduce costs in the document management space.

XGS is the consulting arm of Xerox that offers device and document management services. XGS solutions include three offerings: Business Process Services, DOCS (Document Outsourcing and Communication Services) and Xerox Office Services.

Speaking at the function, Andrew Horne, chief of Xerox Corporation (South Asia Chief), said, "We believe XGS will prove to be a great success in Bangladesh."

About its partnership with International Office Equipment (IOE), Horne said, "With IOE we will be positioned to offer corporates in Bangladesh an end-to-end portfolio of products and solutions."

Aftab ul Islam, chairman and CEO of IOE, said, "With the introduction of XGS, we will be able to further diversify our client portfolio and multiply the growth opportunities available to us."

## Students flying with BA can carry extra 23kg bag

Students flying with British Airways between June 15 and October 31, 2007, can carry an extra bag weighing up to 23 kilos, says a press release.

This special offer is valid for ticketing between June 15 and September 30, 2007 and travel commencing between 15 June and 31 October 2007. To book, students can simply visit [ba.com](http://ba.com) or call British Airways in Dhaka and Sylhet.

Chris Phipps, British Airways' manager Bangladesh, said: "We want to do something special for our student travellers. We have come up with this offer to be able to provide a fare and baggage allowance that suits their requirements."

The offer only applies to students holding a valid student visa to the country of destination.

## Withdrawal of 10pc duty, 15pc VAT on textile machinery demanded

UNB, Dhaka

The FBCCI Standing Committee on Textile and 12 other associations of the textile and apparel sector, including BGMEA and BKMEA, Wednesday demanded the proposed 10 percent import duty and 15 percent VAT in the new budget on capital machinery be withdrawn.

In a joint statement, Chairman of the FBCCI Standing Committee on Textile MA Awal and top leaders of the 12 associations put forward their 12-point demand and urged the caretaker government to accept those in the interest of the textile and apparel sector's rapid growth and development.

The statement was issued after their joint meeting held at the office of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

They said it would be impossible for the textile sector to flourish and survive the global competition by paying 10 percent customs duty and 15 percent VAT on capital machinery import.

The business leaders said the textile and apparel sector became

the second highest foreign-exchange earner since the government declared it as the thrust sector in 1992 and withdrew import duty and VAT on capital machinery import.

They mentioned the government has set a target to increase the textile and apparel export to US\$ 12 billion by 2010 and per capita income to US\$ 1000 by 2015.

"We're urging the government to withdraw the proposed tax from the textile sector for the sake of achieving this target," the statement said.

It said, "Our competitors -- India and China -- produce the capital machinery of textiles. So, it would be impossible (for us) to survive the competition by paying this proposed import duty and VAT."

The leaders also demanded the withdrawal of customs duty and VAT on import of raw materials like cotton, different fibers and dyeing products used in textile industries.

The other signatories to the statement include BGMEA President Anwarul Alam Chowdhury, BKMEA President Fazlul Haque, Bangladesh Textile Mills Association (BTMA) acting

President Jahangir Alam, Specialised Textile and Powerloom Industries' Association President Liakat Ali Bhuiyan, Terri-towel and Linen Manufacturers and Exporters' Association President Khandaker Badrul Ahsan, Bangladesh Textile Dyeing and Printing Industries Association President Badrul

Huda Mashuk, Bangladesh Cloth Merchants' Association President Muhammad Ayub, Bangladesh Grew and Finished, Fabrics Mills and Exporters Association President Harun-ur-Rashid, BTMOA President Afzal Hossain, Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters' Association President Shafiqullah Chowdhury, Bangladesh Embroidery Manufacturers and Exporters' Association President Major (retd) Ekram U Siddiqui and Bangladesh Jamdani Manufacturers and Exporters Association President Mohammad Ali.



Chief of Army Staff and Chairman of Trust Bank Limited General Moeen U Ahmed inaugurates a new branch of the bank in Moulvibazar recently. Managing Director of the bank Iqbal U. Ahmed was also present.

## Banks asked for short-term loans for RMG units

STAR BUSINESS REPORT

Had the financial institutions come forward to provide short term loans for smooth running of ready made garment units, the owners would have ensured workers' monthly salary on time, remarked the management of an RMG unit that fell victim to the last month's labour unrest while narrating the situation to the press yesterday at Gazipur.

"Sometimes banks take longer than scheduled time to receive letters of credit (L/C), which often forces us to delay paying workers' salaries," said M Abu Taher, chairman of Fortuna Apparels Ltd, a concern of Fortuna Group, at a view exchange meeting with journalists on his factory premises.

He said, "If banks provide us with short-term loans and take it back when the L/C are received, we can run our factories without any hassle and disruption."

When asked about the measures the factory management took after the May 20 violent incident,

Taher said they gave Tk 1 lakh compensation to the family members of the female worker who was killed as the police fired upon the workers staging demonstration for realising their dues.

In the incident, many workers, including cops, were injured.

Responding to another query, the factory owner said they are now more cautious about protecting workers' interests and maintaining compliance issues. He said a workers-management misunderstanding led to the untoward incident.

Fortuna Apparels is one of the leading woven item exporters. It supplies RMG products to the major buyers of EU and the USA.

Recently, it received a \$ 12 million export order from Wall Mart, the largest retail chain store of the world, officials of the factory informed the newsmen.

On May 12, Fortuna Apparels Ltd celebrated its 24th founding anniversary.

## Dollar above 123 yen

AFP, London

The dollar surged past 123 yen on Thursday following news in the United States that producer prices jumped higher than expected in May.

The dollar leapt to 123.13 yen in mid-afternoon European trading, which marked the highest level since early December 2002.

## Tough new US currency bill

AFP, Washington

High powered US Senators on Wednesday unveiled a tough new attempt to punish countries with "misaligned" currencies, hours after the Treasury decided not to brand China a "currency manipulator."

The new bill, which Senators predicted would pass with a veto-proof majority in both chambers of Congress, reforms criteria for declaring a currency out of line, and introduced new penalties for lack of action by a foreign government.

## Eastern Bank declares 20pc cash, 25pc stock dividends

Eastern Bank Ltd (EBL) has declared a 20 percent cash dividend and a 25 percent stock dividend (bonus share) to its shareholders for the year 2006.

The dividends were approved at the 15th annual general meeting (AGM) of the bank held on Tuesday in Dhaka, says a press release.

Chairman of the bank AQI Chowdhury presided over the AGM, which was also attended by directors AM Shaikat Ali, Ahmed Jamal, Mahbuba Hossain, Asif Mahmood and Meah Mohammad Abdur Rahim, and Managing Director K Mahmood Sattar among others.



Turkish Ambassador Ferit Ergin (R) formally announces the launching of Turkey-Bangladesh Chamber of Commerce and Industry (TBCCI) in Dhaka on Wednesday.

## Kuwait to resume recruiting Bangladeshis after enacting law

STAR BUSINESS REPORT

Kuwait will decide to resume recruitment of workers from Bangladesh after it formulates a law relating to employment of foreign workers, Kuwaiti labour minister has said.

During a bilateral meeting with Bangladesh's Labour and Employment Adviser Anwarul Iqbal on Wednesday in Geneva, Sabah Khaled AL-Hamd Al Sabah also expressed annoyance over some unscrupulous recruiting agencies in Bangladesh, according to a message received in Dhaka yesterday.

Kuwait has not been hiring workers from Bangladesh for the last seven months.

In response to Kuwaiti minister, Adviser Anwarul Iqbal said it is an imperative to frame a law to ensure protection of workers going abroad.

Urging the Kuwaiti minister to withdraw the ban on hiring workers from Bangladesh, Iqbal said Dhaka is ready to extend full support to Kuwait for manpower export.

The Kuwaiti minister invited

Bangladesh to attend a conference for sharing the experiences of the foreign workers employed in Gulf nations to be held either at the end of 2007 or at the beginning of 2008.

Kuwait allowed irregular foreign workers to leave the country without any penalty during May and June this year.

Following the declaration, Bangladesh approached Kuwait to regularise Bangladeshi workers or extend the amnesty period for them considering the workers' plight.

The foreign ministry officials recently told The Daily Star that Kuwait may entertain Bangladesh request.

According to foreign ministry officials, there are 5,000 irregular Bangladeshi workers in Kuwait, while the manpower businesses put the number at around 30,000.



## Oriental Bank gets new chairman

AH Tawfique Ahmed, former deputy governor of Bangladesh Bank, has taken over as the chairman of Oriental Bank Ltd, says a press release.

Bangladesh Bank, through an order, appointed Ahmed the chairman of the bank recently. Prior to his new assignment, he was serving as the secretary general of the Institute of Bankers Bangladesh.

Ahmed started his banking career in 1970 with the State Bank of Pakistan after obtaining his post graduate degree from the University of Dhaka



Actress Bipasha Hayat shows off watches at the 'World of Titan', a showroom that opened at Bashundhara City shopping mall in Dhaka yesterday.



The 15th annual general meeting (AGM) of Eastern Bank Ltd (EBL) was held on Tuesday in Dhaka. Chairman of the bank AQI Chowdhury presided over the AGM, which was also attended by directors, managing director and senior officials among others.