

# Star BUSINESS

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Delhi to lift ban  
on Bangladeshi  
FDI soon

Says Indian minister

PALLAB BHATTACHARYA, New Delhi

Several Bangladeshi companies are interested in investing in India and hopefully the ban on foreign direct investment from that country into India would be lifted in a couple of months, India's Minister of State for Commerce Jairam Ramesh said.

"A lot of Bangladeshi companies are interested in investing in India and I'm confident that the ban, which is in place with respect to entry of FDI from Bangladesh into India due to security reasons, would go in a couple of months," he told a meeting of Indian Tea Association in Kolkata on Saturday.

Ramesh, who was in Dhaka last week, said there are 43 Indian companies in Bangladesh at present and many others also have expressed interest in investing in that country.

He said if Bangladesh government showed a positive attitude towards the three billion dollar investment proposal by the Tata Group of India, there is a possibility of India importing one billion dollar worth of steel and fertilizer from Bangladesh apart from what India is importing now.

The Tatas have proposed to set up steel, fertilizer, coal and power plants in Bangladesh, but the offer is yet to get authorities' nod in Dhaka.

Ramesh said the Indian government plans to spend about 25 million dollars to improve infrastructure in Petrapole area in West Bengal state's North 24 Parganas district to promote greater trade between the two countries.

The project to develop the area would be completed in 15 months, he said adding the government also intends to undertake similar projects in other Indian areas like Hilli and Phool Bari bordering Bangladesh.

Ramesh said India's export to Bangladesh stood at 1.7 billion dollars in 2006-07 while Bangladesh exported goods worth 250 million dollars to India.

Tri-nation investment for zipper plant in Comilla EPZ

UNB, Dhaka

China, Taiwan and Bangladesh will establish a zipper industry in Comilla Export Processing Zone investing US\$ 10 million.

This joint venture company, M/s. Shepherd Asia Zipper Limited, will manufacture 3.75 million dozens of Metal zipper and 1.25 million dozens of Nylon zipper annually.

The company will create employment opportunity for 132 Bangladeshi and 2 foreign nationals, said a press release.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and the M/s. Shepherd Asia Zipper Limited here yesterday.

Bepza Member Prasanta Bhushan Barua and Shue Ming Chung, sales director of Shepherd Asia Zipper Limited, signed the lease agreement on behalf of their respective organisations.

## Prescheduled berthing at Ctg port from Aug 6

STAFF CORRESPONDENT, Ctg

To take the country's premier seaport one step ahead, the fixed day window berthing, a prescheduled berthing system of international standard, is being introduced at Chittagong Port from August 6.

The Chittagong Port Authority (CPA) has already approved four feeder vessel operators carrying goods between Chittagong-Singapore and Chittagong-Colombo routes to take advance schedule for berthing in the 'window berthing'.

Presently, there is a 48-hour cut-off time for the gearless vessels

reporting at Chittagong Container Terminal (CCT) and a 72-hour cut-off time for geared ones reporting at other terminals. But, the vessels are not following the cut-off time on various pleases.

After introduction of the 'window berthing', the CPA would keep the jetty free and ready for the vessels scheduled for taking window berthing.

The system would also remove the undesired overstay of vessels in the jetty and speed up the handling operation at the port, the feeder operators concerned believe.

## SEC takes new move to cool down market

Lifts financial adjustment facility for 'A' category shares

SARWAR A CHOWDHURY

In another move to cool down the overheated market, the Securities and Exchange Commission (SEC) yesterday withdrew financial adjustment facility for share trading of 'A' category with effect from today.

Withdrawal of the financial adjustment facility will stabilise the market, SEC Chairman Faruq Ahmad Siddiqi told journalists at his office in Dhaka.

Under the financial adjustment or money netting facility, which was introduced in 2005, any investor is allowed to purchase shares immediately against the sale proceed after completing a sale.

The SEC chief said the commission considered some shares to be

overpriced, as the prices of the securities do not match fundamentals of the shares.

Although it is not the duty of the SEC to intervene in the market, the regulator interferes only to protect the investors' interest, Faruq Ahmad said, adding, "Most of the general investors are inexperienced."

It is a common phenomenon that the general investors buy shares with high prices when the indices go up, he said adding that buying shares with high prices is very risky.

Replies to a query, he said: "We intervene in the market so that the market could not see a volatile or uncontrolled situation."

Talking to the journalists, SEC Executive Director Farhad Ahmed

said the financial adjustment facility was introduced to increase liquidity in the stock market. "But, now there is enough liquidity in the market and the withdrawal of the facility is a temporary measure," he said.

The market regulator also asked the Dhaka and Chittagong bourses to implement the commission's decision immediately.

Earlier, the market watchdog took other measures, including placing shares of five companies under spot trading, to cool down the market.

Meanwhile, the SEC yesterday formed a two-member inquiry committee to investigate whether the margin loan facility given by the merchant banking wing of AB Bank manipulates the market.

## No decision yet on time extension for declaring undisclosed money

UNB, Dhaka

The National Board of Revenue (NBR) has not yet decided whether or not to extend the deadline for declaring the undisclosed money that had been earned legally.

The deadline is due to expire today.

A senior NBR official told the news agency that they have a meeting with the high-ups of the Anti-Corruption Commission today at 3:30pm. "After the meeting, we will decide whether to extend the time or not," he said.

So far, the public exchequer got richer by Tk 137 crore as tax from 3,511 persons who declared Tk 689 crore.

Earlier, the government through a SRO on June 4 granted amnesty for two months to the holders of undisclosed money, earned through legal means, to legalise such money with 5 percent penalty apart from usual tax.

NBR Chairman Badiur Rahman, on a number of occasions, assured the taxpayers that there is no risk involved in declaring undisclosed money by paying the tax.

He, however, had said that the time would not be extended and anyone with untaxed money after July 31 would have to pay 500 percent as penalty over and above the usual tax.

Under the amnesty, the tax-dodgers having Tax Identification Numbers (TIN) will be urged the NBR to extend the deadline for declaring the undisclosed money that had been earned legally by two months more, according to a press release.

In a statement, the FBCCI said many people have failed to comprehend the NBR circular relating to legalising the undisclosed money.

The FBCCI also said if the NBR extends the deadline many people will be benefitted.

Khairuzzaman Chowdhury, is in favour of giving more time to the tax-evaders for availing the amnesty.

"Two months does not seem reasonable to me. I think, the NBR will consider extending the deadline," he told the news agency yesterday.

FBCCI DEMANDS TIME EXTENSION

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday urged the NBR to extend the deadline for declaring the undisclosed money that had been earned legally by two months more, according to a press release.

In a statement, the FBCCI said many people have failed to comprehend the NBR circular relating to legalising the undisclosed money.

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HIGH INTEREST SPREAD  
BB seeks explanations from 27 banks  
STAR BUSINESS REPORT

The central bank yesterday sought explanations from 27 nationalised and privatised commercial banks, who maintain spread between average deposit and lending rates of interest over five percent.

Among them, six are nationalised banks, seven foreign banks and 14 private banks.

The Bangladesh Bank said after getting explanations it will impose restrictions on banks, who will fail to lower the spread.

IDLC reports 70.1pc rise in half-yearly net profit

Industrial Development Leasing Company (IDLC) of Bangladesh Ltd and its subsidiaries recorded a net profit of Tk 103.7 million during January 1, 2007 to June 30, 2007, marking a 70.1 percent rise compared to the same period of the previous year.

Disbursement of lease and term loans during the period was Tk 1,866 million, which is 28.3 percent higher than the corresponding period of 2006, says a press release.

The asset size of the company and its subsidiaries at the half-year end stands at Tk 13.1 billion, marking a growth of 18.3 percent over the year-end of 2006.

The balance of term deposits, held by the company, was Tk 6.9 billion on June 30, 2007, which is 23 percent higher over the balance of December 31, 2006.

IDLC Securities Ltd (IDLCSL), a wholly owned subsidiary of the company that runs security brokerage business, recorded a net profit of Tk 16.94 million during the first six months of 2007.

Another wholly owned IDLC subsidiary, I Cons Ltd, which is in the business of information and communication technology, also witnessed a net profit of Tk 0.88 million during the same period.

China to raise bank reserve ratio to cool economy

ANN/ CHINA DAILY

China, fighting to curb excess liquidity, will raise the reserve requirement ratio by 0.5 percentage points to 12 percent for commercial banks from August 15, the country's central bank announced Monday.

The People's Bank of China (PBOC) said the latest action is the sixth time it has raised the ratio this year.

The ratio represents the money banks must set aside in reserves and increasing the ratio is designed to reduce the amount of money available for lending or investing in an already heated economy.

"The move does not come as a surprise seeing as almost every economic index is overheating," Song Guoqing, an economist with Beijing University was quoted by Xinhua as saying.

## Exports grow 16pc in FY07

UNB, Dhaka

FY'06.

The export growth in manufacturing sector has been better (16 percent) than the primary products (about 8 percent) during the period.

As in last couple of months, export growth also declined in June this year to register only 9.5 percent rise. The overall export growth was over 20 percent till March 2007, but started to decline from April this year.

Woven garments, frozen food, home textile, engineering products, footwear, handicrafts and other manufacturing goods and primary commodities registered growth in

the last fiscal, crossing the period's target as well as previous fiscal year's performance.

Knitwear, leather, chemical products (including pharmaceuticals), ceramic products and computer services crossed the FY '06 performance, but fell short of the FY '07 target.

The worst performers both in terms of failing to achieve the period's target and previous fiscal year's performance were jute goods, raw jute, agro-products, petroleum byproducts, bicycle, textile fabrics, electronics and tea.

Month-long

trade fair in Dhaka from Thursday

UNB, Dhaka

A month-long trade fair will begin at Bashundhara City Complex, country's biggest shopping mall, here on August 2.

Products like cosmetics, crockery, handicrafts, food, pottery, toy, mobile, electronics, ready made garments, saree, leather goods and imitation jewellery will be put on display and sale at the fair, said a press release.

Different manufacturing companies from Pakistan, India, China, Malaysia, Korea, Thailand, Iran and host Bangladesh will take part in the fair, organised by United Fair Corporation.



PHOTO: BANK ASIA

Deputy Managing Director of Bank Asia Ltd Erfanuddin Ahmed inaugurates an ATM (automated teller machine) booth at the bank's Sk Mujib Road branch in Chittagong recently. The bank has also opened another ATM booth at its EPZ branch in the port city. Zonal Head of the bank Khorshed Alam and branch managers of Chittagong zone, among others, were present at the opening functions.

## Correction

In a news item headlined 'Bol, LEIC sign MoU to help SMEs' and a photo caption on the same event published on this page on Monday, it was mentioned that Bol Executive Chairman Nazrul Islam and Rajani Alexander, counsellor and head of development at Canadian High Commission in Dhaka, signed an MoU. In fact, Bol Executive Chairman Nazrul Islam and Centre Director of LEIC Israt Ara Younus signed the MoU. We regret the mistake.

## Employee-employer relationship: The power equation for corporate success

MAMUN RASHID

Business houses or corporates, NGOs and institutions alike make a relentless effort to identify and recruit the best professional for every job. Although our activities are measured in millions or billions of dollars, we select our people one by one. In a service business such thorough selection is necessary, as we know that without the best people we cannot be the best firm.

The employee-employer relationship, a winning combination is but a journey with definite goals. As a facilitator, I strongly believe that the real success can be achieved as a team goes beyond the employee-employer relationship and subscribe to a shared goal or destination. What creates an essential difference in our professional world today is not just technology and machines, but rather teamwork amongst colleagues. Winston Churchill stated: 'Success is never final.'

Indeed, success must be earned over and over again or it disappears. It is the passion with which each individual in a team perseveres that will ensure that success never disappears.

However, as employers, the baton lies in our hands to pass on and ensure that our comrades are given the opportunity to reach the pinnacles of achievement. I firmly believe that an individual's dedication to the firm should not be the sole success-defining factor, but rather we should embark on the shared-vision bandwagon to attain the highest possible standards.

The definition of success is often attributed to unwavering adherence to the low-cost niche strategy. However, the accomplished would beg to differ and argue that real competitive advantage lies in leadership. Competent leaders encourage creativity and innovation and this is the key to improving effectiveness.

Unfortunately, it is seen that creativity is curbed in the search for expertise. On the other hand, we are inclined to believe that most expertise can be achieved and doesn't screen heavily for a certain skill set except for certain specialist jobs. Contrary to common belief, we feel that attitudes are what count. We can change skill levels through training. But attitude is something that we cannot change.

Each organisation is comprised of people from different walks of life each with his or her own strengths and unique abilities, which may affect the collective attitude of a group to a significant degree. As managers, our responsibility is to assure a well-entrenched and balanced workforce - one, which is personally driven, intensely collaborative and business-minded, yet not too busy to celebrate success. Firms could also introduce a 'tournaments' model, i.e. screen new players carefully, disqualify when necessary and reward with

empowerment. While on one hand, innovation is enthusiastically encouraged; this must be matched with adequate rewards and recognition as a means of incentive. I believe that opportunities not taken are opportunities wasted. Every organisation should be a magnet for the most creative minds who are interested in taking the reins when given the opportunity. Leadership is a bit like learning to ride a bike; the theory is interesting, but ultimately you have to go ahead and try it yourself. Like most important decisions, choosing the right career at the right firm is part hard-nosed analysis, part intuition. However, finding the right place is as personal as choosing the right pair of shoes - one that feels right and will take you where you want to go.

As a thriving organisation with clear success motives, 'fit' is a two-way proposition prioritising the interest of both the firm and its people. It should instill the fundamental principles and values that will transform one's career into a profoundly rewarding way to spend their life. What the employers should aspire for is to be that place where a strong community of leaders is created with bonds that last a lifetime.

However, challenge for the firm remains in finding the right mix of Human Resource Management practices that fit the environment. The firm can't try a 'mix and match' strategy. As already stated, the right attitude for a collective group of professionals must be cultivated through the proper channels of empowerment and incentive. This is where it becomes essential for HR practices to be a source of competitive advantage and it is often seen that both unique strategy and innovative HR policy are required. It is also crucial to address the professional problems we presently face and update the culture to tackle today's problems. From inception, companies should

encourage employees to identify themselves with peers and managers alike, deliver great customer service by feeling the pulse of the client and be given empowerment as a tool to balance out one's professional and personal aspirations.

In conclusion, I can only stress the importance of allowing team players to 'breathe' and allow the workplace to be a breeding ground of fresh ideas and innovations in thinking and implementation. The power equation will only be mutually beneficial if the power is in the hands of the efficient as opposed to being limited to those in the echelons of hierarchy. Power struggles will never be the key to success but it is power sharing that will enhance efficiency and allow a firm to reach extreme heights of success.

The writer is a columnist. The article is the except of a key note paper presented at a seminar organised by Prothom Alo jobs.com and Bangladesh Society For Human Resources Management (BSHRM).</p