

Star BUSINESS

E-mail: business@thedailystar.net

Ratan Tata still hopeful of Bangladesh plans

PALLAB BHATTACHARYA, New Delhi

Their three billion dollar proposal for Bangladesh hanging fire notwithstanding, the Tata Group has said it is still keen on the projects.

"We have decided to go to Bangladesh. But we have not received necessary approvals so far. Once we get the clearance, we will activate the projects", Ratan Tata, chairman of Tata Group, told the company's annual general meeting in Mumbai on Wednesday.

The Tatas want to set up a fertiliser, power and steel plants in Bangladesh.

The company said Tata Power is interested in entering nuclear power market in India and is in talks with French group Areva for sourcing nuclear power equipment.

StanChart offers depository participant services

Standard Chartered Bank has recently launched depository participant services for its retail customers, says a press release.

Osman Morad, chief executive officer of Standard Chartered Bank handed over the first two welcome packs to two of the priority customers in a simple ceremony held at the head office at Gulshan, Dhaka.

Under the DP services, customers of the bank will be able to open BO (beneficiary owner's) account with CDBL (Central Depository Bangladesh Ltd), dematerialise shares and securities, carry out transactions in the accounts with proper instruction, and receive bonus entitlements.

Trust Bank official to get int'l brand leadership award



Aftab Mahmud Khurshid, head of Corporate Brand & Market Communications Department of Trust Bank Ltd., will receive brand leadership award at

Asia Brand Congress 2007 to be held in Mumbai, India in September.

He is also the chairperson (Marketing Commission) of JCI (Junior Chamber International) Bangladesh, says a press release.

Aftab has work experiences in different national and multinational companies including ACI (formerly ICI), Radio Today, Siemens, Pride, WB and DFID funded marketing projects for SMEs.

He also worked with such brands as ACI Aerosol, Fly Ban, Aquafresh, Canderel, ICI Toiletries, Johnson & Johnson and Dabur.

Aftab will present a paper on 'Ensuring Brand Clarity and Consistency in Today's Multi-Channel World' at the brand congress.

NBR makes good start to new fiscal year

Income tax collection grows 58pc in July

JASIM UDDIN KHAN

Riding on a 58 percent growth in income tax collection, the National Board of Revenue (NBR) has made a good start to the new financial year as it achieved a 13.5 percent revenue growth in the first month of 2007-08.

The NBR collected a total of Tk 2783 crore revenue in the month of July against Tk 2450 crore in the same period of the previous fiscal year.

The income tax department posted the highest growth as it collected Tk 509 crore in July this fiscal year against Tk 320.9 crore in the same month of the previous fiscal year.

NBR Chairman Badiur Rahman

said the hefty growth in income tax collection has been possible due to the changing political scenario situation and some of the recent promotional activities to encourage people to pay taxes.

Wealthy people especially businesspersons now pay more income taxes than before, Rahman said.

He hoped the high rate of income tax growth will continue in the coming months.

The customs department collected Tk 1274 crore. Of the amount, Tk 678 crore was collected as import duty, Tk 502 crore as value added tax in import stage and Tk 93 crore as supplementary duty at import stage. The overall revenue from customs department was Tk

1167 in July last fiscal year.

In local production stage, the NBR collected Tk 566 crore as value added tax and Tk 408 crore as supplementary duty during the month.

The overall revenue target for the current 2007-08 fiscal year was set at Tk 43,850 crore. Out of the target, Tk 17812 crore was set for customs duty, Tk 10838 for income tax and Tk 14800 crore for value added tax and supplementary duty.

Meanwhile, the NBR experienced a Tk 449 crore revenue deficit in the just concluded fiscal year as it earned Tk 37,030 crore revenue against the revised target of Tk 37479 crore.

The actual target for the fiscal 2006-07 was Tk 41,055 crore.



PHOTO: STANCHART

Standard Chartered Bank has recently launched depository participant services for its retail customers. Osman Morad, chief executive officer; Vikram Issar, head of Consumer Banking; Ahmed Ali Shah, head of Client Relationship; and other senior officials of the bank are seen along with Abdul Latif and Md Mushfiqur Rahman, two of the priority customers who have opened the first two BO accounts with the bank.

Poverty fight gets harder as Asia modernises

AFP, Manila

The struggle to lift 600 million Asians out of poverty is becoming harder despite the region's hectic pace of modernisation, experts told a regional conference here Thursday.

By 2015, Asia is expected to enjoy a 42 percent share of global economic output but it will still be home to half the world's poor, most of them living in rural areas, according to the International Food Policy Research Institute (IFPRI).

"It is becoming more difficult to confront poverty in Asia," the research institute's director-general Joachim von Braun told reporters on the sidelines of the Manila conference.

He said governments were becoming less generous in targeting the poor.

Lawrence Greenwood, vice president of the Asian Development Bank which is hosting the gathering, said that even as millions emerge from poverty as Asian economies soar, "we are seeing rising inequality" between poorer rural areas and

wealthier urbanites.

The ability of Asian farmers to link up with the global market will become an important factor, he said, as will increasing environmental degradation, climate change and the drive from hydrocarbon-based fuels to ones derived from crops.

Keijiro Otsuka of Japan's National Graduate Institute for Policy Studies said increased rice and wheat yields from scientific breakthroughs coupled with state investment in the farm sector in the 1970s "triggered the transformation of rural Asian economies by stimulating investments in schooling."

Despite reduced farm sizes from growing populations, people were able to move out of poverty "by diversifying their income away from rice to non-rice crops, livestock, and non-farm sources," said Otsuka.

Otsuka cited long-term household data in rural villages in the Philippines, Thailand, Bangladesh and India.

"The resulting economic growth was the most pro-poor in history

and led to the most rapid and widespread reduction in poverty over four decades that has ever been witnessed," said Peter Timmer, a senior fellow of the US think-tank Center for Global Development.

Non-farm income -- from trading, services, transportation, handicrafts and remittances -- and small-scale manufacturing has risen to outshine agriculture and make up 51 percent of income in Asia's rural areas, according to an IFPRI paper.

By contrast, the share of agriculture in the gross domestic product of East Asia and the Pacific fell to just 13 percent in 2005 from 32 percent in 1975, the paper added.

IFPRI data show just 614 million Asians now live on less than one dollar a day, from nearly one billion in 1990.

However, progress has been mixed, with the most dramatic improvements seen in China and the rest of East Asia. Now, almost three in four of the region's poor live in South Asia.

Dhaka int'l trade fair in January

STAR BUSINESS REPORT

The 13th version of Dhaka International Trade Fair (DITF) will begin in January next year at Sher-e-Bangla Nagar in the capital.

Export Promotion Bureau (EPB), the organiser of the fair, has invited applications from interested local and foreign companies to reserve their stalls for the month long fair.

EPB officials said a steering committee has been formed recently to conduct activities of the fair.

"We are working to organise the fair in due time," said Faridul Hassan, director general of EPB.

The DITF was launched in 1995 with aims to attract overseas buyers and promote exportable goods produced in Bangladesh.

Last year, a total of 418 companies, of those 53 from seven foreign countries, from took part in the fair.

The fair layout plan in terms of number of stalls and pavilions would be the same as that of the previous year, said Hassan adding that this time more spaces will be allocated for the visitors' freer movements.

At the last DITF, there were 10 premier pavilions, 14 premier mini pavilions, 35 premier stalls, 46 pavilions, 240 general stalls and 10 restaurants.

Fair of women entrepreneurs' products begins

Proceeds to go to flood victims

STAR BUSINESS REPORT

A two-day fair to exhibit and sell the products made by women entrepreneurs began in the capital yesterday.

British High Commissioner in Dhaka Anwar Chowdhury inaugurated the exhibition styled 'Summer Products Show 2007', organised by Women Watch Bangladesh (WWB) at Abacas Convention Centre in Eskaton Garden.

Products including traditional ready-to-wear garments, hand-made handkerchiefs, home textiles, ladies' fashion bags and accessories are put on display at the fair, which is open for all without any entry fee.

"A woman can do everything a man can. But, there is lack of confidence among the women. You have to build up your own capacity to face challenges," the British envoy told the women entrepreneurs at the inaugural function.

WWB Chief Executive Officer Dil Afroje Chowdhury said the proceeds from the fair will be donated to the country's flood victims. WWB Chairman Manjurul Ahsan Bulbul also spoke at the function.

Correction

In a news item headlined 'Prescheduled berthing introduced at Ctg port' published on Business Page on Tuesday, the agent's name of Markur Bridge ship was inadvertently mentioned as PIL instead of APL. We regret the mistake.

Mirza Aziz sees no quick respite from essentials' price hike

'Anti-corruption drive won't affect honest businesspeople'; 'BDR-run stores to help set up alternative marketing system'

REJAUUL KARIM BYRON

Finance Adviser Mirza Azizul Islam does not see a quick respite from the soaring prices of essentials, but said the government is investing all its efforts to keep the market stable.

"Domestic demand is high as purchase capacity of people has increased, and at the same time we are witnessing high prices of commodities on the international market," Azizul said in an interview with The Daily Star on Sunday.

The adviser also talked about the government's anti-corruption drive, increasing inflation rate, Rupali Bank sell-off, plan to hike prices of gas, power and petroleum oil, and donors' conditional aid.

Asked about lack of confidence of traders in the move to curb graft, the adviser said the government is taking action only against the corrupt people. "The nation should decide what it wants... whether it will live with corruption or make a temporary sacrifice to eliminate or drastically reduce the corruption," he said.

The adviser however said there was lack of coordination at the initial stage. "But, now civil administration and the army are jointly working well."

"What we have tried to assure is that honest and genuine businessmen will not be affected," Azizul said.

"If you go through the track record of the people who have been arrested, I do believe that nobody will say these people's reputation was high."

Turning to the reasons for price hike, the adviser said there are lots of factors. "Per capita income rose by 11.1 percent in 2006-07 compared to that of FY 2005-06. Real income of people also increased by 6.7 percent during the period," he referred to the statistics, saying these are the indicators of purchase capacity.

Population has increased and many of the people are now above the poverty line, meaning their demands have increased as well, the adviser said, adding that these factors have contributed to price hike.

He said food prices have



Mirza Azizul Islam

increased globally and this is a major reason for price hike of essentials as the country depends on global market for a number of food items.

"Once India was an exporter of wheat. But, now it has started importing wheat to meet domestic demand. The situation is same in Pakistan, which has imposed ban on export of wheat," he said.

The adviser was also critical of a section of economists who decried the government initiatives to stabilise the market by involving Bangladesh Rifles (BDR).

A number of leading economists recently stated the initiative of introducing alternative marketing system by BDR, saying such initiatives will not bring any positive results.

On the BDR efforts the adviser said, "We are trying to set up an alternative marketing system with the help of BDR. This is not to hamper the normal marketing system."

"If there is any monopoly or syndication of traders, such marketing system run by the BDR will force them [syndicates] to lower prices of commodities," he said. "People naturally will go to the places where they will get lower prices."

ECONOMIC SITUATION
When asked about the overall economic situation, the adviser said, "I don't think that the overall picture is too bad. Import growth is over 15 percent and the growth of private sector's credit flow is more than 16 percent."

About the declining trend of credit flow since January, the adviser said, "I have asked officials

concerned to analyse the matter on quarterly basis and we will get a picture after the analysis."

POWER, GAS, OIL PRICES' HIKE
The adviser declined to give a categorical answer about the government plan to increase the prices of power, gas and petroleum products. "I can't give you an answer in 'yes or no' right now. We are examining the situation," he said.

IMF CONDITIONS
About the International Monetary Fund's (IMF) latest proposal for fresh loans under the PRGF (Poverty Reduction Growth Facility) and the conditions the IMF has tagged with, the adviser said, "The IMF has some conditions for the loans and at the same time we will consider our benefits. Things will be discussed soon and it's a matter of mutual interest."

The adviser however said some of the recommendations by donors such as lowering loss of the SoEs should have done much before.

"This is not a viable matter that we will go with such huge losses of the SoEs for a long time," he said.

Asked about some economists' reservation on taking the IMF loan, the adviser said, "The economists have their own versions, but PRGF loan is not solely for balance of payment, it also serves other purposes." "We will not be benefited by creating any clash with the IMF," he said.

RUPALI BANK SELL-OFF
About the Rupali Bank sell-off, the adviser said, "The ball is in their (Saudi prince) court. Saudi prince, the prospective buyer, is yet to withdraw his proposal and we expect immediate response."

"So far I know, the Saudi prince's representative, Sir Peters, is now in Dhaka and he met the Privatisation Commission chief. I am yet to be notified about the outcome of the talks," Azizul said.

"We are showing utmost patient. But it is also true that we will not give them unlimited time for such a big deal. We will have to settle the matter," he said.