

# Enhance ADP size in next budget

MCCI urges govt

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) has suggested the government enhance the size of its annual development programmes (ADP) in the national budget for the 2008-09 fiscal.

In an editorial remark in the June issue of Chamber News, a monthly journal, the MCCI also pointed out the slow pace of the ADP implementation and asked the government for expediting the process.

The metropolitan chamber said only 31 percent of the development budget has reportedly been implemented in the first eight months of the current fiscal, which is the lowest in the past 10 years.

The implementation of the ADP is in sharp contrast with the increase in the government's recurrent expenditure, much of which was, of course, inevitable because of the unforeseen increase in the emergency expenditures on relief work and payment of subsidies," the MCCI journal said, suggesting more emphasis on quality of the projects under the ADP than that on the project size.

Apprehending a deficit, the journal said despite a strong revenue growth, the government's budget, financed chiefly by borrowing from banks, is a deficit budget. If this borrowing trend continues, the budget deficit at the end of the present fiscal may exceed 6 percent of the GDP, as against the targeted 5.6 percent.

The MCCI recommended for a package of fiscal, financial and other support measures for the manufacturing sector. It said anomalies of tariff, for which local industries were badly hit, should be removed. Budgetary support to non-farm rural activities is also essential, the chamber remarked.

In its set of recommendations the MCCI reiterated to review the discretionary powers of the tax and VAT officials for a higher revenue-GDP ratio ensuring better compliance.

The chamber said the government should give priority to education and health sectors in earmarking fund in the ensuing budget because of their significant contribution to poverty reduction.

It recommended to the gov-

ernment for raising budgetary allocation significantly in Operation and Maintenance (O & M), because underfunding of O&M may constrain the government's ability to maintain the quality and growth of public services in future and thus undermine productivity in various sectors of the economy.

"Allocation to science and technology should be increased significantly, if the country is to remain competitive in the world market. Larger allocation should be made for the power sector, which holds the key to achieving high and sustainable economic growth. Finally, subsidies to farmers on diesel, electricity and fertiliser should be continued," the MCCI said.

Most of the major economic indicators showed that economic growth has slowed down, the journal said, pointing out that agriculture, livestock and fisheries suffered seriously.

"Growth of the industrial sectors also slowed down, the major declines having occurred in output of jute, textiles, garments and leather sectors. Power and mining sectors also suffered negative

growth," it maintained.

The revenue collection has recorded an impressive 23 percent growth in the first nine months of the current fiscal, despite such setbacks in different sectors.

The metropolitan chamber also pointed out that inflation rate soared to a record 11.59 percent in December 2007, with food inflation reaching a staggering 14.5 percent.

"External sector developments, except for inward remittances, are not satisfactory either. In the first 7 months of the present fiscal, the rate of growth of imports was twice that of exports," the journal said.

It said the trade deficit has widened significantly as a result, and at the end of the current fiscal it may rise to \$5.80 billion as against \$3.45 billion of the preceding fiscal-2006-07.

The chamber feels that a high and sustained growth is necessary in agriculture, which accounts for 21 percent of the country's GDP.

"Agriculture sector should therefore receive a high priority in the budgetary allocation in the coming fiscal," the journal said.

It also recommended for extending appropriate fiscal incentives, including tax holiday benefits, which should be extended beyond the present deadline of June 2008 for promotion of promising industries.

There should be budgetary provisions for zero-tariff imports of machinery, spare parts and intermediate goods for export, the MCCI said.

It also suggested removal of duty anomalies to help domestic infant industries grow and survive.

The revenue-GDP ratio in Bangladesh is now among the lowest in the world. This ratio should be raised in the next budget by at least 1 percent from the present 10.3 percent of GDP.

The chamber also suggested that the corporate tax rate be reduced from the present 40 percent to 30 percent in the next budget.

The highest rate of personal income tax should also be reduced from the existing 25 percent to 20 percent and the level of tax-exempt income for payment of personal income taxes may be raised from the present Tk. 150,000 to Tk. 200,000, the MCCI said.



Anisur Rahman Sinha

## New chairman, vice chairmen of Bank Asia

Anisur Rahman Sinha has been elected chairman of Bank Asia Ltd, while M Shamsul Alam and Anwarul Amin have been elected vice chairmen.

They were elected at a meeting of the Board of Directors of the bank in Dhaka on Sunday, says a press release.

A former president of BGMEA, Sinha is the chairman and CEO of Opex Garments and Sinha Textiles, and chairman of National Telecommunication Ltd. He is the sponsor director of Lafarge Surma Cement.

M Shamsul Alam was the managing director of Sadharan Bima Corporation, Jiban Bima Corporation and Reliance Insurance Ltd.

Anwarul Amin was the general manager of Bangladesh Shipa Bank and deputy managing director of Uttara Bank.

# Nokia wants tax reduction on mobile handsets

Submits tax reduction proposal

STAR BUSINESS REPORT

Nokia, the world's largest mobile phone maker, wants a reduction in the tax on mobile handsets.

"We want reasonable taxes on handset, but we don't want get rid of the tax," said Prem Chand, managing director of Nokia in Bangladesh yesterday. Chand said a high tax gave an advantage to illegal importers who did not pay it. The tax also helped the sale of stolen handsets to flourish.

He was addressing a press meet in the capital to celebrate the company's second anniversary in Bangladesh.

He claimed three out of four people in Bangladesh now use Nokia brand handsets and no other brand offers such a diversified product line in the market.

"We are the only mobile phone manufacturer with a spectrum of such diverse products from simple talk and text budget phones to music products and Internet handsets," he said, adding that the idea behind such diversification is to hit all market segments.

"In Bangladesh, our strategy has been consumer education through direct above the line communication, localizing the product, and making it relevant for the Bangladesh market," he added.

Industry sources estimate that Nokia accounted for around 75 percent of all new handsets sold in Bangladesh last year.

Nokia, with a global market share of almost 40 percent, expects to grab half of the total market share in the country soon, according to its managing director in Bangladesh.

Nokia was launched in Bangladesh in June 4 of 2006 and presently has five premium partner outlets and 6500 retail outlets in the country. The company has 28 care centers for providing after sale services to the customers.

In two years, Nokia introduced around 100 models in the local market some of which has Bengali keypads that help the local people to communicate and operate the mobile easily.

# Steel makers hail decision to open up scrap imports

STAR BUSINESS REPORT

The steel manufacturers of the country welcomed the government's decision to open imports of breakable ships and iron scraps saying it would make steel raw materials available in the local markets, stopping the syndication by the major raw material providers.

They also believe this initiative will prevent price volatility of MS (mild steel) rod in the local market since the ship breakers no longer have to maintain stocks and prices will be stable due to a competitive market.

The Ministry of Commerce on Monday took the decision to open imports of breakable ships and steel raw materials. Earlier, only the members of Bangladesh Ship Breakers Association (SBA) could import ship and the owners of steel and re-roll mills could import scrap.

"As there are no barriers to importing ship, the sector will no longer have to face a crisis of raw materials, as anyone can now import breakable ships and scrap," said Alihussain Akberali, chairman of BSRM Group, a top steel manufacturer of the country.

However, he added that if the decision was taken last November, the importers could collect steel from the international market at a much lower rate since the cost of steel was low in the international market at that time.

"Under the decision, I will no longer have to import raw materials and so I will be able to delegate some activities to others," he further commented.

The sector people also urged the government to reduce the import duty on steel raw materials to bring the price of the key construction materials

under control.

"The government's new decision will make raw materials available in the local market but it will not create much reduction in rod price since the price of raw materials are on the rise in the international market," said Masudul Haque Masud, general secretary of Bangladesh Re-Rolling Mills Association.

However, he said the price of billet that generally came from breakable ship is much lower than imported scrap. Now the cost of billet in the international market is \$ 750 a tonne where the average cost of ship

scrap is between \$100-150 a tonne lower than the imported scrap.

"The government's decision is positive but it will also have to ensure that interested people get their proper support to import and break ships," said Syed Sirajul Haque, former treasurer of Real Estate and Housing Association of Bangladesh (Rehab).

"The government has to ensure that the new ship importers get enough space to break ships and an environment clearance without hassles," said Masud.



Dutch-Bangla Bank Ltd (DBBL) launched a three-day plastic surgery campaign to mark its 12th founding anniversary yesterday. National Professor Dr MR Khan and Managing Director of the bank Md Yeasin Ali, among others, are seen visiting two cleft-lipped children at Central Hospital in Dhanmondi, Dhaka.

# Ensure security at garment plants in Chittagong

BGMEA urges govt

CU CORRESPONDENT

BGMEA leaders have called upon the government to ensure security in garment plants, and blamed a vested quarter for the recent unrests at some sweater factories in Chittagong.

"A vested quarter from abroad might be involved in instigating the unrest as most of the incidents happened at the factories that are dealing with renowned buyers," said the leaders of Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

The leaders at a press conference here on Monday also said the real workers are not engaged in any vandalism, rather they are forced by well-organised anarchists from outside to join the destructive activities.

Eighty percent of the garment workers in their factories are female, but they were never seen agitating on the street, said the leaders.

This is the peak season for the sweater factories and the repeated attacks on the plants are planned activities for destroying the sector by creating distance between the workers and the owners," they added.

Over 25 lakh workers are directly involved with this

sector in Bangladesh, while one crore people are dependent on it. More than 6,000 workers will be unemployed if the Azim Group, which came under attack on Sunday, shuts down only three factories in Kalurghat industrial area, the press meet was told.

The BGMEA leaders said the unrests are causing huge financial losses to the factory owners and tarnishing the country's image to the buyers.

Shipments will also be delayed if such activities continue, they said.

The leaders urged the government to form a "Crisis Management Cell" comprising representatives from all institutions concerned of the government for instant mitigation of any crisis that can appear at the sector.

They claimed that the workers are well-paid and getting their salaries regularly but they (workers) go on rampage giving no time for considering their demands.

BGMEA First Vice President MA Salam read out the written statement at the press conference, while directors Ershad Ullah, Abdul Mannan Rana, Mohammad Ferdous, M Mohiuddin Chowdhury and Syed Ahasanul Haque were also present.



Chairman of Trust Bank and Chief of Army Staff General Moeen U Ahmed presides over the 9th annual general meeting of the bank yesterday.

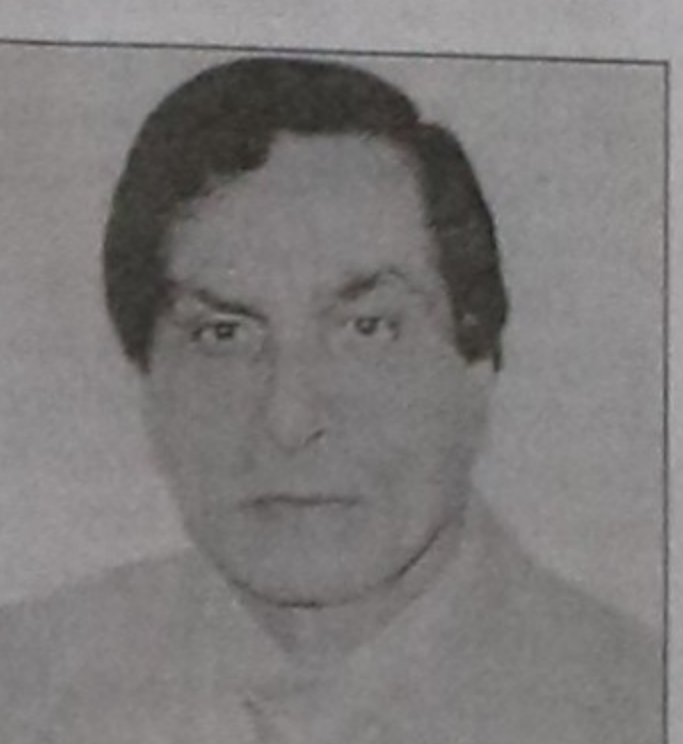
**চট্টগ্রাম বন্দর কর্তৃপক্ষ**  
নির্বাহী প্রকৌশলী (যান্ত্রিক)/যানবাহন এর দপ্তর

**দরপত্র আহ্বান বিজ্ঞপ্তি (IFT)**

ক্র.সং.	সংস্থার নাম	চট্টগ্রাম বন্দর কর্তৃপক্ষ
০১।	সংস্থার নাম	চট্টগ্রাম বন্দর কর্তৃপক্ষ
০২।	কাজের নাম	লট নং ১। চবক জীপ নং-১১-০১৮০ এর বডি ডেভিং, পেইন্টিংসহ আনুসঙ্গিক মেয়ামত কাজ। লট নং-২। জীপ নং-১১-০০২০ এর বডি ডেভিং, পেইন্টিংসহ আনুসঙ্গিক মেয়ামত কাজ। লট নং-৩। জীপ নং-১১-০০৭১ এর বডি ডেভিং, পেইন্টিংসহ আনুসঙ্গিক মেয়ামত কাজ। লট নং-৪। বিভিন্ন প্রকার যানবাহনের জন্য বৈদ্যুতিক জরুরি মেয়ামত কাজের কমন আইটেম সংগ্রহ কাজ।
০৩।	দরপত্র নং ও তারিখ	নিঃস্রা(যা)/যান/কার্য-১১৫ তারিখ ২৮/০৫/২০০৮ইং।
০৪।	প্রকৃতির পদ্ধতি	উন্মুক্ত দরপত্র।
০৫।	দরপত্র বিক্রির শেষ তারিখ	১৮/০৬/২০০৮ইং।
০৬।	দরপত্র গ্রহণের তারিখ ও সময়	১৮/০৬/২০০৮ইং বেলা ১২:০০ ঘটিকা।
০৭।	দরপত্র খোলার তারিখ ও সময়	১৮/০৬/২০০৮ইং বেলা ১২:০০ ঘটিকা।
০৮।	দরপত্র বিক্রি, গ্রহণ ও খোলার স্থানসমূহের নাম ও ঠিকানা	নির্বাহী প্রকৌশলী (যান্ত্রিক)/যান/সেল এর দপ্তর, কক্ষ নং-৩২৭, বন্দর ভবন (এনেক্স), চট্টগ্রাম। ফোন: ২৫১২৫২৭
০৯।	দরপত্রদাতার যোগ্যতা	অনুরূপ কাজে ০৫ বৎসরের অভিজ্ঞতা।
১০।	দরপত্র দলিলের মূল্য	২০০/- (দুইশত) টাকা মাত্র।
১১।	দরপত্র জামানত	লট নং-১১ ৯০০/- (নয়শত) টাকা মাত্র লট নং-২ ১,০০০/- (এক হাজার) টাকা মাত্র লট নং-৩ ৭০০/- (সাতশত) টাকা মাত্র লট নং-৪ ১,৫০০/- (এক হাজার পাঁচশত) টাকা মাত্র
১২।	প্রকৃতির একটি দরপত্র গ্রহণ বা বাতিলের ক্ষমতা সংরক্ষণ করেন।	

নির্বাহী প্রকৌশলী (যান্ত্রিক)/যানবাহন  
চট্টগ্রাম বন্দর কর্তৃপক্ষ  
ফোন: ২৫১২৫২৭

## New MD of IFIC Bank



Mosharraf Hossain has recently joined IFIC Bank Ltd as its managing director, says a press release.

Prior to this appointment, he was the managing director of Standard Bank Ltd for the third consecutive term.

Mosharraf has been in banking sector for the last 38 years.

## ADB to invest \$1b a year for 'clean energy' in Asia

AFP, Manila

The Asian Development Bank (ADB) is to invest one billion dollars annually in "clean energy" projects as part of an effort to encourage their use, the Manila-based bank said Tuesday.

ADB vice-president for sustainable development Ursula Schaefer-Preuss made the announcement at a special forum sponsored by the ADB and the US Agency for International Development (USAID) on finding cleaner energy sources for Asia.

"We launched our energy efficiency initiative about three years ago and set targets for increasing our investments in

clean energy to one billion dollars per year starting 2008," she said at the ADB headquarters in Manila.

The ADB is also working to increase "access to energy for all," while promoting reforms such as transparent tariff rates, appropriate regulations and forming long-term policies, she said.

Among the projects to be financed by the new ADB investment is the installation and operation of energy efficient heating systems in China, Schaefer-Preuss said.

ADB sources said an energy efficiency project in Guangdong was also being considered by the board of the multilateral agency.