

New site selection mooted for economic zone in Sylhet

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A donor supported pre-feasibility study has recommended for selecting a new site for establishing an economic zone in Sylhet as the current site does not allow a profitable public-private partnership (PPP) due to its high development costs.

"The high development costs for the Sylhet site do not allow for a profitable PPP structure. (But) demand for an economic zone in Sylhet does exist, so a new site should be considered," said the study, funded by IFC-BICF (International Finance Corporation-Bangladesh Investment Climate Fund).

The findings of the study were revealed at the launching programme of a report on 'Special Economic Zones: Performance, Lessons Learned and Implication for the Zone Development'. The programme was co-hosted by Bangladesh Institute of



Kamaluddin Ahmed, executive chairman of Board of Investment, speaks at the launching programme of a report on 'Special Economic Zones: Performance, Lessons Learned and Implication for the Zone Development' in Dhaka yesterday.

Planners and Board of Investment (BoI) in Dhaka.

BoI Executive Chairman Kamaluddin Ahmed at the

programme said the Council of Advisers has approved in principle a draft ordinance on economic zones.

"The government is going to promulgate the ordinance very soon to encourage investment in the country," Kamaluddin said,

adding that the government is also trying to find out some new areas for economic zones.

The BoI, which had earlier identified a site for establishing an economic zone in Sylhet for encouraging non-resident Sylhetis' investment, initiated the pre-feasibility study.

The study, considering four PPP scenarios, observed that the project generates an internal rate of return lower than the cost of capital, making it a poor investment choice.

"The results of the financial modelling show that the Sylhet economic zone at that particular site is not a financially feasible project for a developer/operator unless capital costs can be reduced substantially," the study said.

The BoI initially chose an area of 961 acres of land in Sylhet. The land, comprising low and wetlands, rivers and a lake, is situated five kilometres south of Sylhet, and has direct access to the highway and adjacent rail corridor.

IMF wants full reform in VAT system

Foreign Investors' Chamber of Commerce and Industry



Jonathan C Dunn, resident representative of the International Monetary Fund (IMF), is seen speaking at the monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (FICCI) held yesterday at the Pan Pacific Sonargaon Hotel. Members of the chamber, Waliur Rahman Bhuiyan, president, MA Matin, secretary general and Rudolf P Klink, vice president, among others, were present at the meeting.

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Jonathan C Dunn, resident representative of IMF yesterday said a thorough reform is urgent Bangladesh's value added tax (VAT) system to make it business-friendly.

He said the two-decade-old VAT system is nothing but an excise duty in Bangladesh. "VAT has to be designed properly to turn it into an international standard one," Dunn told a monthly meeting of the Foreign Investors' Chamber of Commerce and Industry (Ficci) at a city hotel.

"We have been discussing the issue with the government," he added.

Waliur Rahman Bhuiyan, president of Ficci, delivered welcome address.

Highlighting the overall macroeconomic situation of the country, Dunn said Bangladesh's economy showed a remarkable resilience despite natural disasters and political uncertainty.

He said inflation, which is likely to increase further, is a major challenge for the government. "Monetary policy stance should anchor the

inflation," he added.

The IMF representative also said trade is still restrictive in Bangladesh as lot of supplementary duties is imposed on many items. He advised the government to introduce a secondary bond market as it has been done by other South Asian nations.

Waliur Rahman Bhuiyan said Bangladesh needs to improve its infrastructure, political uncertainty and law and order situation to attain double-digit growth.

Rudolf Paul Klink, vice president of Ficci, gave vote of thanks.

MERCANTILE BANK AWARD-2008

Policy formulation to encourage participation in CSR practices in progress

Says finance adviser



The 'Mercantile Bank Award-2008', an award-giving programme, was organised by Mercantile Bank Foundation in Dhaka on Saturday. Finance Adviser Mirza Azizul Islam, who addressed the award-giving programme, is seen among the recipients of the award.

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Finance Adviser Mirza Azizul Islam said on Saturday the government is framing a policy to encourage greater participation of corporate bodies in CSR (Corporate Social Responsibility) practices.

"We have increased budgetary allocation in social safety net programmes in the current fiscal. But still there is a gap between requirements and budgetary allocation, and corporate organisations' increased participation in CSR can help narrow down this gap to a greater extent," said the finance adviser.

Azizul Islam made the remarks while addressing the 'Mercantile Bank Award-2008', organised by Mercantile Bank Foundation in Dhaka. The foundation introduced the award in 2002.

Mercantile Bank Chairman Mosharrar Hossain chaired the function.

The Mercantile Bank Foundation, a charity organisation of Mercantile Bank Ltd, awarded four personalities and two organisations in recognition of their contributions in 2008 in areas of Bengali Language and Literature, Research on Liberation War, Industry and Commerce, Science and Technology, Journalism and Sports.

The foundation awarded novelist Showkat Ali for his contribution to Bengali Language and Literature and Liberation War Museum for its role in documenting peoples' struggle for independence.

Geeteara Safiya Chowdhury got award in the field of industry and commerce, Bangladesh Council of Scientific and

Industrial Research (BCSIR) in science and technology, Faye Ahmed in journalism and Rakibul Hasan in sports.

"A healthy competition in CSR practices is being witnessed among the banks. We expect more of this competition," said the finance adviser.

Referring to bank owners' demand for tax exemption on their CSR practices, the finance adviser said the government is positively considering the issue and also working on framing a policy in this regard.

"But we need to examine its implications on the government's revenue earnings and social safety net programmes," he added.

Bankers Association of Bangladesh (BAB) President Nazrul Islam Mazumder also spoke, among others, on the occasion.

IFC-BICF launches Regulatory Reform Core Group

UNB, Dhaka

The IFC Bangladesh Investment Climate Fund (IFC-BICF) will launch today its Regulatory Reform Core Group at an event entitled 'Stimulating Private Sector Development Reforms for Economic Empowerment of Bangladesh' at Pan Pacific Sonargaon in Dhaka.

Former Advisor to the caretaker government and member of Regulatory Reform Commission Syed Manzoor-e-Elahi will inaugurate the two-day programme, said a press release.

Members of the Core Group included representatives from over 30 government agencies and nine private sector chambers.

The Regulatory Reform Core Group aims to expose mid-

level officials from government's private-sector-related agencies, as well as private sector representatives, to an intensive, hands-on experimental learning focused on encouraging individuals to identify and implement regulatory reforms within their two agencies.

The driving mechanism of the Regulatory Reform Core Group program is the working groups that will assist in the implementation of the broad Regulatory Reform objectives of the government of Bangladesh.

To support and facilitate the work of the Regulatory Reforms, the Core Group members will focus on two areas: administrative barrier reviews (ABR) and regulatory impact assessments (RIA), the release added.

Joint Stock Companies automation system begins

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The automation system of the Registrar of Joint Stock Companies and Firms' (RJSC) began yesterday, said a press release.

Commerce Secretary Feroz Ahmed was present at the inaugural function as chief guest.

"By this automation all types of cost and harassment will go down. This sort of service will reduce all human delays," said Feroz.

He said the government has introduced Better Business Forum and Regulatory Reforms Commission to enhance the image of the country. Unless we can improve our image, we cannot attract the

foreign direct investment as per our desire, he added.

The database will help analyse the appropriate information about companies, which can be used to provide input to policy development. It will also allow other government bodies to verify company information, leading to revenue generation.

The automation of RJSC will demonstrate the potential benefits of computerisation and the use of electronic systems in other government processes.

Syed Naquib Muslim, chairman, Bangladesh Tariff Commission, Sheikh Md Mobarok Hossain, registrar, RJSC were also present.

Need for Saarc common market emphasised

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Saarc countries' policy makers should establish a unique customs union and set up a South Asian common market for an overall economic development of the region, speakers said at a press conference in Dhaka yesterday.

They also urged an immediate launch of a common South Asian currency for easy financial activities among the countries in the region.

Despite signing the Sapta and Safta agreements, the regional trade of Saarc countries was only 4.44 per cent of the region's total international trade and the barriers

behind the trade should be eliminated, said Quazi Kholiquzzaman, chairman of INSA Regional Steering Committee.

Imagine a New South Asia (INSA), a citizens' initiative to implement Saarc's visions and missions, organised the press conference.

It was organised to brief the proposals and outcomes of INSA's second South Asian social summit, which took place in Candy of Sri Lanka one week ahead of the 15th South Asian Association of Regional Cooperation (SAARC) summit in Colombo.

Human rights and good governance, peace and jus-

tice, economic management, education, food and agriculture, natural resources management, climate and disaster management were the main areas that were discussed during the INSA summit.

Farah Kabir, Bangladesh country director of Action Aid, urged an emphasis on education for people at the function to bring about the overall success of Saarc.

Shirin Akhtar of Karmajibi Nari, Nawazish Ali Khan, programme adviser of the ATN Bangla television station, Mostafa Faruque Mohammed, former foreign secretary, among others, spoke at the function.

Asian int'l trade expo begins today

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A 10-day international trade exhibition begins today at Bangladesh China Friendship Conference Centre in Dhaka.

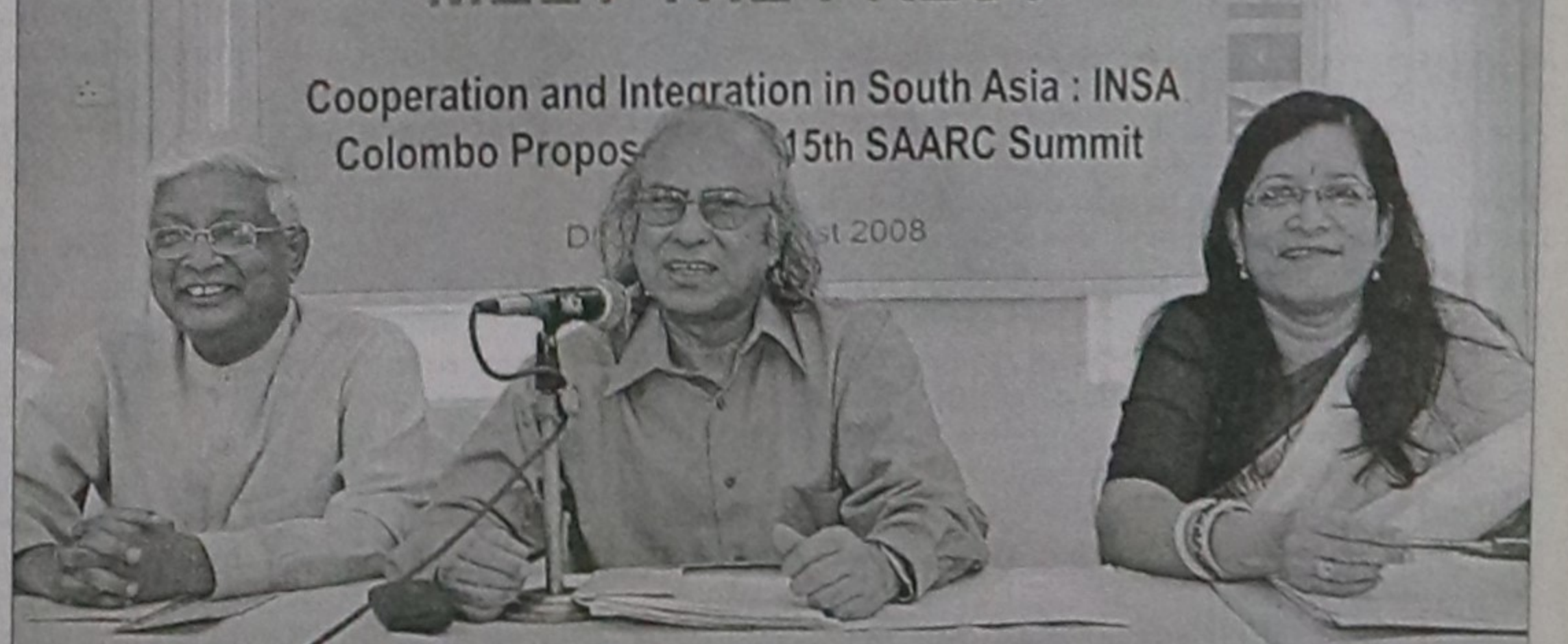
Over 150 exhibitors from more than 7 countries will showcase consumer electronics, communication technology, automobiles, motorcycles, food and beverage, healthcare products, personal care and beauty products, household products, real estate products, fashion and accessories, arts and crafts in the exhibition.

The fair will remain open for visitors everyday from 10.30am to 8pm.

Conference & Exhibition Management Services (CEMS) Ltd, USA in association with 'CEMS Bangladesh' is organising the fair styled 'Asian International Trade Expo 2008', says a press release.

CEMS USA has launched a series of exhibition showcasing all products / services from Asian countries. The exhibition will revolve within Asia as the next edition will be held in Mumbai in 2009 and in Singapore in 2010.

Imagine a New South Asia INSA MEET THE PRESS



Quazi Kholiquzzaman (C), chairman of INSA (Imagine a New South Asia) Regional Steering Committee, speaks at a press conference in Dhaka yesterday. Farah Kabir (R), Bangladesh country director of Action Aid, and Mostafa Faruque Mohammed, a former foreign secretary, are also seen.



Abdul Awal Mintoo (2-R) and Nasreen Awal Mintoo (2-L) are seen at the re-launching ceremony of 'Good Knight Octagon Coil' in Dhaka yesterday.