

EPZs in western region offer good prospect

Bepza chief tells visiting Taiwan entrepreneurs

STAFF CORRESPONDENT, Ctg

With lower tariff of industrial plots and an atmosphere free from labour unrest, the export processing zones (EPZs) in the western region of the country offer a good prospect for labour intensive industries, the Bepza executive chairman told a visiting Taiwanese team in the port city yesterday.

"Industries that run without gas can find Mongla, Uttara and Ishwardi EPZs as the most suitable sites where investors can also get respite from unbearable gridlock during transportation of products,"

Brigadier General Jamil Ahmed Khan said.

Andy Kund, president of Pou Chen Group, is leading the 9-member delegation from Taiwan.

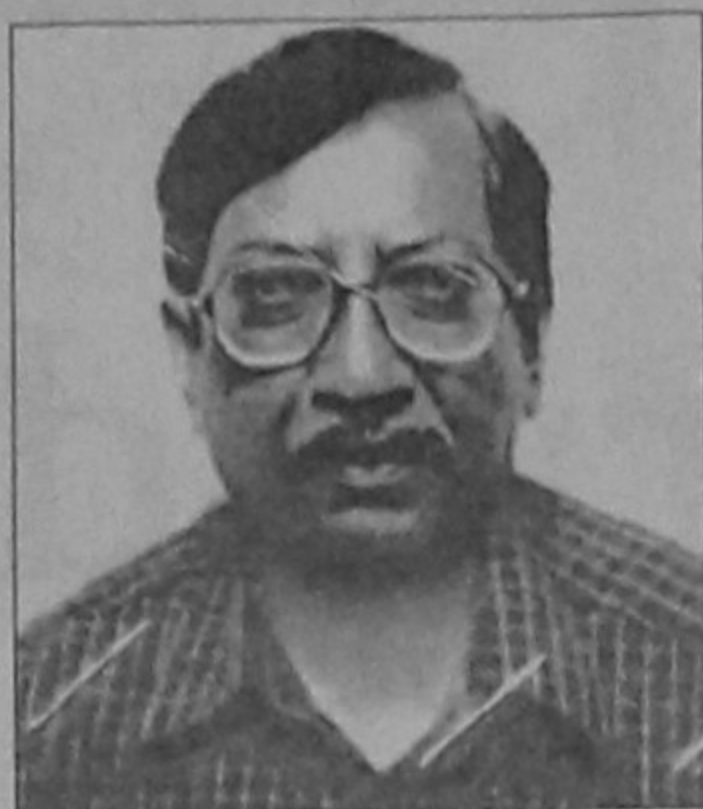
The team visited Chittagong and Karnaphuli EPZ yesterday. Taiwan has already proposed to set up a \$100 million worth of labour intensive shoe and leather products industry in any EPZ in Bangladesh.

Since all the five EPZs in the eastern region-- Chittagong, Dhaka, Comilla, Karnaphuli and Adamjee (in Narayanganj) are already saturated, the

investors now can choose industrial plots in the three EPZs in the western region, said the Bepza chief while briefing the delegation at CEPZ Zone Service Complex.

Of these three EPZs, gas supply could be ensured only for Ishwardi EPZ at Pakshi in Pabna, while this energy connection to Uttara EPZ in Nilphamari and Mongla EPZ in Bagerhat is yet to be developed.

But tariff of industrial plots in these EPZs was only \$1 per square metre a year as against \$2.20 for those in the EPZs in the eastern region.



AHM Moazzem Hossain

Southeast Bank gets depositor director

STAR BUSINESS DESK

Southeast Bank Ltd elected Financial Express Editor AHM Moazzem Hossain as director of the bank from its depositors, according to a press statement.

Moazzem, a BA and MA in Economics from the University of Dhaka, started his career as a banker in Habib Bank Ltd Pakistan in 1969. He has also worked as Economic Investigator for the Ministry of Finance of the Government of Pakistan in 1970.

He was associated with the Bangladesh Observer, the New Nation and the United News of Bangladesh as executive editor, The Daily Star as economic editor, The Telegraph as deputy editor, Press Institute of Bangladesh and Bangladesh Sangstha at various stages of his career.

Moazzem was also a member of the board of directors of Janata Bank for five years.

Listed firm, dealer fined for defying securities rules

STAR BUSINESS REPORT

The stock market regulator has fined a listed company's directors and a stock dealer for violation of securities rules.

Securities and Exchange Commission has imposed a Tk 1 lakh fine on three directors of Tamijuddin Textile Mills each for non-submission of audited financial statements for the year ended on June 30, 2007 within stipulated time, according to the Dhaka Stock Exchange web posting yesterday.

The directors fined are Chairman Abdul Kader Mia and directors Md Mohsinuddin Ahmed and Kamrun Nahar.

The SEC has slapped a Tk 1 lakh fine on Shyamol Equity Management Ltd a stock dealer for defying rules.

Local businessmen urge Chinese to help grow exports

STAR BUSINESS REPORT

Bangladeshi businessmen yesterday urged the visiting Chinese delegation to continue sending purchase teams to Bangladesh so that the country's export volume could continue to grow.

"Bangladesh's exports to China last year grew by over hundred percent mainly due to the business contracts between enterprises. If the process continues, the actual export will surpass the contracts value from this year," said Hossain Khaled, president of the Dhaka Chamber of Commerce and Industry while signing purchase-contracts between Chinese and local firms.

Nine jute and jute yarn firms, two leather firms and one sea food exporting firm signed deals worth \$ 80 million with eight Chinese firms.

Hossain Khaled requested



Dhaka Chamber of Commerce and Industry President Hossain Khaled, Chinese Ambassador to Bangladesh Zheng Qingdian, Export Promotion Bureau Vice Chairman Md Shahab Ullah, Commerce Ministry Joint Secretary Golam Hossain and the leader of the visiting Chinese delegation Liang Wentao, are seen at the signing of purchase-contracts between Chinese and local firms in Dhaka yesterday.

Chinese delegation to ease the visa hassles that Bangladeshi businessmen face and to arrange several tours to augment more business.

He said only seven to eight

Bangladeshi products, among the 84 products that China allows duty free entry into its market, could be exported from Bangladesh.

He said the Chinese gov-

ernment should provide technical assistance to graduate export level of the products for which China granted Bangladesh duty-free market access.

Chinese Ambassador to Bangladesh Zheng Qingdian, Export Promotion Bureau (EPB) Vice Chairman Md Shahab Ullah, Commerce Ministry Joint Secretary Golam Hossain and Chinese Deputy Director General of Department of Asian Affairs of the Ministry of Commerce Liang Wentao, also the leader of the visiting team, spoke on the occasion.

Liang said the huge trade gap between the two countries is not intentional but due to difference that exists between the two countries.

The Chinese business delegation arrived in the city yesterday in order to push forward the trade cooperation between the two countries.

NBR to open offices in 100 big upazilas

Chief warns tax evaders won't be spared

OUR CORRESPONDENT, Tangail

The National Board of Revenue (NBR) chairman yesterday said from now tax commissioners will go to upazila level, and offices will be opened at all district headquarters as well as 100 big upazilas in a bid to come close to the taxpayers.

"Tax collection is not a duty only of the NBR and we believe in a coordinated administration," Muhammad Abdul Mazid said.

"So we related the district and upazila administrations to the 'self tax collection'

programmes since January this year," he added.

The NBR boss was speaking at a view exchange meeting with the self-taxpayers in Tangail.

Tangail Deputy Commissioner Md Muksodur Rahman Patwary chaired the meeting where the top five taxpayers of the district were honoured.

Our correspondent from Pabna reports: The NBR chairman has reiterated that nobody would be spared to evade tax and conceal wealth. "It's everyone's duty to dis-

close correct information to the government and pay tax regularly," he told a programme on 'motivation for spontaneous tax payment' in Pabna yesterday.

The NBR chief said the government has taken initiative to give identity cards to the people who have paid taxes willingly.

Pabna Deputy Commissioner Mokslesur Rahman presided over the programme.

Earlier, 503 new taxpayers submitted tax returns paying Tk 10.46 lakh income taxes to the NBR chairman willingly.



Niaz Rahim, chairman of ISIS Foods Bangladesh, inaugurates an ISIS food corner at Agora chain superstore in Gulshan, Dhaka yesterday. Other senior officials of the company were present.



Biz Letters, Star Business, The Daily Star, 19 Karwan Bazar, Dhaka-1215

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Isn't interest a curse?

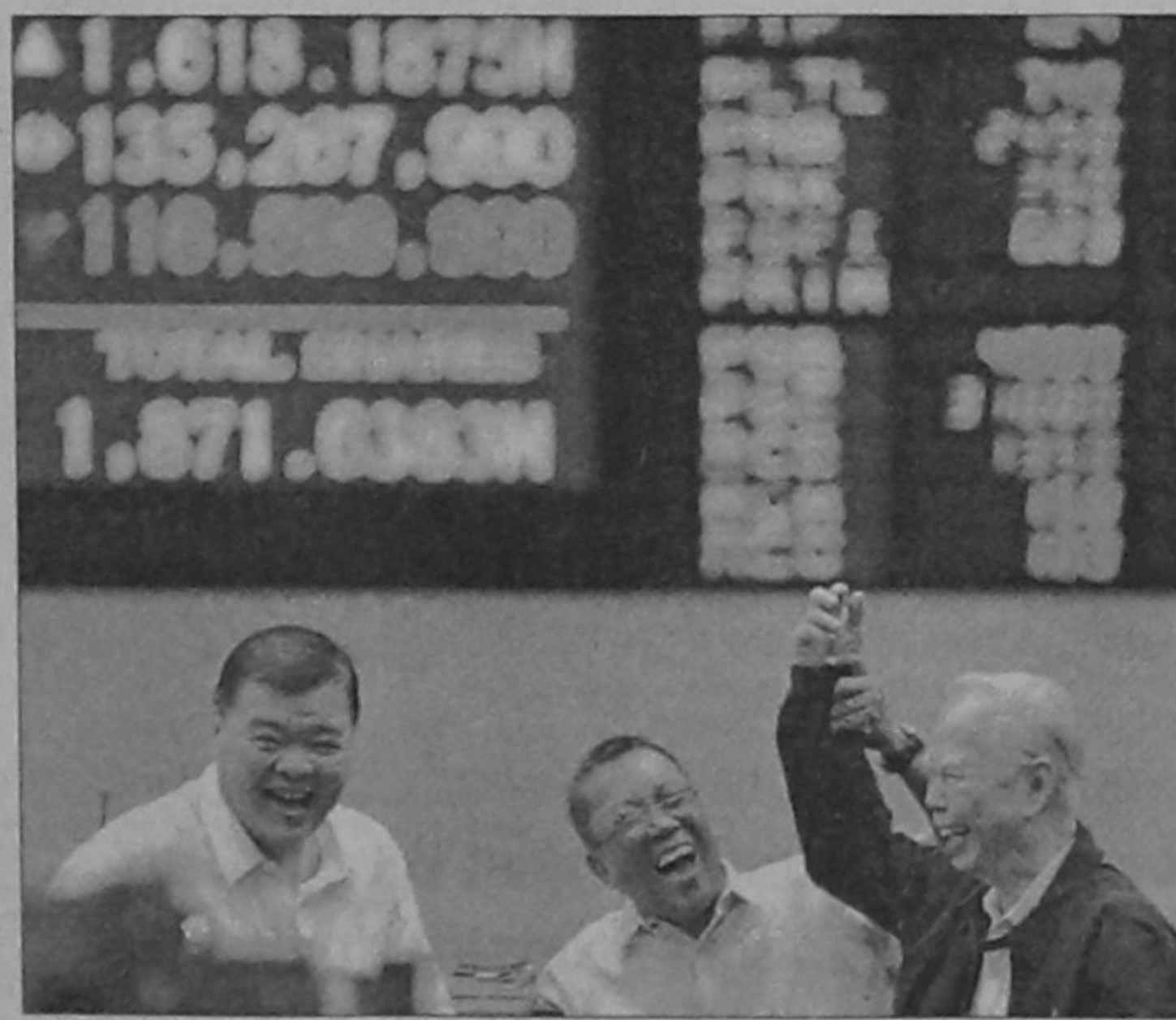
The truth is that the global financial system is simply crumbling. This is the horrifying truth whether we like it or not and it is only due to manmade financial systems that this financial meltdown has occurred.

The situation has worsened so much that some experts are even predicting the likes of another incident like the great depression of 1929. And in order to avoid such mayhem, the US government has undertaken laudatory steps to save the financial sector from total collapse. The Senate and the House of Representative have approved the \$700 billion bailout plan by Treasury Secretary Henry Paulson. It is a good and an aggressive move but we should really ask ourselves why such events happened to big financial institutions anyway? Should the big financial institutions have any financial problems even after being run by the world's most renowned people with extra ordinary qualifications from various top ranked universities around the globe? Well, it proved again that no matter how good finance people might be, man made financial system can also crumble.

A recent report shows that amidst this crisis, American International Group Inc spent \$440,000 on a posh California retreat for its executives, complete with spa treatments, banquets and golf outings, according to lawmakers investigating the company's meltdown. AIG took \$85 billion loan from the government in order to stave off bankruptcy. It is sad to hear that people still do not learn from mistakes. How could a bankrupt company send its executives to resorts for fun? Will we ever take any didactic lesson from this incident?

It is understandable why these financial institutions face bankruptcy. Financial systems all over the world are more or less the same. Banks and financial institutions trust each other and therefore, easily lend to each other without much concern. They lend money with confidence. But when this confidence, which is nothing but faith, breaks down, banks stop lending to each other. This is exactly what is happening now. The financial system is not sure who holds what in terms of the toxic mortgage assets and are therefore suspicious of lending to each other.

But we all are missing the main point. We all fail to understand the most crucial thing that plays a vital role in the destruction of today's financial system. It is due to nothing but the interest that banks implement on the borrowers. No one is talking about the curse of interest that is destroying the leading financial institu-



tions of the world. As long there exists high interest rates, this type of mayhem will continue to happen. A country or a company or even a person can never move towards prosperity through interests.

We talk about how we can overcome this financial turmoil that is making the governments crazy but we somehow miss this crucial issue of interest. Interest is a curse, it can never bring prosperity to any society and after realising this fact, the world's central banks have recently announced coordinated interest rate cuts as they try to restore confidence in the economy. Like US, Britain also announced a three-part multibillion-dollar bailout for its troubled banks. Eight of Britain's banks will be part-nationalised. Then the Federal Reserve Bank of US reduced its key rate from 2 percent to 1.5 percent. In Europe, the Bank of England cut its rate by half a point to 4.5 percent, while the European Central Bank reduced its rate to 3.75 percent. It is the same case with other central banks in Canada, Sweden and Switzerland.

China also cut its key interest rates to stimulate the slowing economic growth. Russia agreed to negotiate a four billion Euro (\$4 billion dollar) emergency loan to help Iceland fight against national bankruptcy.

These are just a prelude to what is about to come if we do not take stern actions starting now. We must understand that as long as high interests control our financial systems, incidents like the great depression can easily be prognosticated in future. Financial troubles will again hamper our lifestyles.

If we do not learn the impacts of interest then this present financial meltdown will scarcely impinge our consciousness and we will keep on facing this turmoil again and again.

Minhaj Ahmed
Dhaka

Stopping imbalanced wages

Nowadays the world economy is in a catastrophe. In mid-September 2008, Lehman Brothers, one of the most prestigious players on the Wall Street, went bankrupt. Fannie Mae (the federal National Mortgage Association) and Freddie Mac (the Federal home lone Mortgage Corporation), the largest mortgage lenders also went bankrupt. But what is the reason behind it? One of the main reason is high wages with other facilities.

Recently, US lawmakers grilled the head of Lehman Brothers demanding 500 million dollars he had earned since 2000, as well as the huge bonuses sought for the top executives that even the bank failed to pay. In Bangladesh, we have to learn from their fate. As per our national pay scale of 2005 the highest salary was fixed at Tk 24,000 for the head of the state while the lowest rate is Tk 2,400 for peons or messengers.

For cadre services, the starting salary for the AC land is Tk 6800 where as the top executives of the NGOs, private banks, private organisation, group of industries, private universities and other organisation are enjoying more than Tk 100,000 with other facilities. In the same society, varying families live and service holder salaries should be compared favourably with other occupations requiring similar or equivalent qualifications to ensure a reasonable standard of living. It is difficult for people to afford a living as they go to the same markets and purchase commodities at same prices.

The imbalanced opportunities have been creating a troubled situation in society. Such situations sometimes lead people to corruption. So the government should impose rules or laws for the maximum and minimum citizen charter wages or salaries for the betterment of the country.

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BIZ LETTERS

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BB should check forex back

In the fiscal year 2007-08, Bangladesh earned around \$7.94 billion and in the same period, our foreign export earnings were \$14.95 billion. The country's total foreign currency is equivalent to our one-and-a-half year budgetary money. Besides, foreign aid is also swallowed by our financial year budget and in development projects. For our foreign currency, we would like to remember with honour and dignity those who are engaged in hard earnings.

More than 1.5 million RMG workers and about six million Bangladeshi expatriates are toiling at work and their earnings and contributions have already been booming Bangladesh Bank reserves. It is no doubt good news but we should not forget their contributions and we should expedite their security and facilities in home and abroad.

On the other hand, it is a matter of great regret that a section of unethical local and foreign economical experts are engaged in dragging foreign currency back. Their attitude is to prove that our country is a bottomless basket just like before. Under these circumstances, our big lenders such as the World Bank, IMF, ADB, DFID and other donor agencies should consider lessening the fat salaries, wages or consultancies, against our loan. Bangladesh is not rich in natural resources. So our country has to import crude oil, edible oil and other essential items to meet our domestic needs.

Thinking ahead about the world economy, Bangladesh Bank should give up their supercilious attitude to save and check foreign currency back.

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