

SMEs likely to grab limelight

SAYEDA AKTER

Small and medium enterprises (SMEs) are likely to get substantial duty exemptions on the import of basic raw materials and get a flat VAT rate of up to 3 percent in the national budget for fiscal 2009-10.

The government is expected to cut import duty on base metals, the main input for light engineering to the lowest possible level, said a senior government official, seeking anonymity. The present rate is 7 percent.

Block allocation is also expected for infrastructure development and capacity building of the sector, he said.

It is highly likely that the government will allocate 80 percent of industrial development budget for the SME sector.

The government considers prioritising three things, easy access to finance, capacity building and upgrading of technologies to boost SMEs.

The government is to ensure a balance by reducing duty on the import of raw materials by SMEs, fixing the rate at a three percent tariff

slab and increasing duty on the import of finished products, including capacitor and welding machine, said the official.

The import duty on basic raw materials is to decrease from 12 percent to 5 percent for calcium carbonate and from 25 percent to 5 percent for dolomite powder. Alternatively, duties on capacitors and welding machines are increasing from 12 percent to 15 percent.

They said the government is encouraging the SME manufacturing sector to alleviate poverty and employment generation.

The SME manufacturing units are also likely to get complete VAT exemption on utility services, including electricity and phone, and insurance services.

Presently, these units are enjoying an 80 percent exemption of VAT on those services.

The government plans to boost rural industrialisation by the SMEs. It will encourage enterprises with nominal capitals by providing support, including an easy access to bank loans and proper information relating to their business, the official

said.

Simultaneously, the government is likely to increase the cottage industry minimum threshold for capital machinery and equipment from Tk 15 lakh to Tk 50 lakh in the national budget.

Industry people said SMEs have not received any budgetary allocations so far.

Earlier, Commerce Minister Faruk Khan said the government considers a further cut in bank interest rates, especially for SMEs.

Khan also said the government is considering a special package for the SME sector in the next fiscal budget.

Presently the SME sector plays an important role in exports and employment generation, as 98 percent of the country's enterprises fall in that category.

As per the government's election pledges, it is also expected to formulate policies regarding a SME friendly tax structure, collateral free bank loans for women entrepreneurs and the latest technologies in the manufacturing units to enhance growth.

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said.

Asian stocks soar

AFP, Hong Kong

Asian markets jumped Wednesday, led by Hong Kong as bargain hunters stepped in following recent falls while commodities stocks benefited from the continued rise in the price of oil.

Hong Kong soared four percent, while Tokyo rose 2.09 percent, Sydney 2.3 percent and Seoul three percent.

All markets across the region were up despite data out of Japan showing the world's second biggest economy looked to be spiralling into a stint of deflation, while China also revealed prices were still falling despite its stimulus moves.

Resource firms were given a hand as crude oil breached the 71 dollars a barrel barrier in Asian trade. Banks were boosted by news that 10 US lenders have been cleared to repay government bailout funds.

KL's April industrial output drops 11.4pc

AFP, Kuala Lumpur

Malaysian industrial output slid 11.4 percent year on year in April as weak exports caused a drop in the manufacturing, mining and electricity sectors, official data showed Wednesday.

The industrial production index fell 0.3 percent compared to the previous month, the government's statistics department said in a statement.

Manufacturing tumbled 15.7 percent in April compared to a year ago, largely due to a sharp fall in demand for electrical and electronics products amid the economic downturn.

Mining and electricity both fell 2.9 percent from a year earlier due to lower prices of crude oil.



An MCCI delegation led by its President Abdul Hafiz Choudhury meets Bangladesh Bank Governor Dr Atiur Rahman at his office in Dhaka yesterday. (Story on B1)

INVITATION FOR RE-TENDER							
1. Ministry/Division	Ministry of Power, Energy & Mineral Resources/ Power Division.						
2. Agency	Rural Electrification Board						
3. Name of Procuring Entity	Superintending Engineer (Project), Dhaka Zone, Rural Electrification Board.						
4. Invitation For	Supply, Installation & Commissioning of Deep Tube-Well.						
5. Invitation Reference No. & Date	REB/SE(D)/WO-15/2009/828 Date: 08-06-2009.						
6. Procurement Method	Open Tendering Method.						
7. Budget & Source of Funds	Revenue Budget						
8. Tender Package No.	009						
9. Tender Package Name	Supply, Installation & Commissioning of Deep Tube-Well of REB Head Quarter Building, Nikunza-2, Khilkhet, Dhaka.						
10. Tender Publication Date	Within 14-06-2009.						
11. Last Date & Time for selling Tender	29-06-2009 within office hour.						
12. Date & Time for submission of Tender	30-06-2009 up to 12:00 noon.						
13. Date & Time for opening of Tenders	30-06-2009 at 12:30 noon.						
14. Name & Address of the Offices of the Selling of Tender Documents.	i) Office of the Chief Engineer (Project), REB, HQ. Building (3 rd floor), Nikunza-2, Khilkhet, Dhaka. ii) Office of the Superintending Engineer (Project), Dhaka Zone, REB, Nabinagar, Savar, Dhaka.						
15. Name & Address of the Offices of the Receiving & opening of Tenders	Office of the Chief Engineer (Project), REB, HQ. Building (3 rd floor), Nikunza-2, Khilkhet, Dhaka.						
16. Eligibility of Tenderers	The Applicants shall submit with their prayer attested copies of the upto-date renewed Trade License, Latest VAT, Income Tax clearance certificate & Work completion certificate of as such type of works of minimum for Tk. 20,00,000/- (Twenty Lacs) in a single works within last 5 (Five) years in Govt./Semi-Govt./Autonomous Organization & have to show the original documents of those attested copies at the time of purchasing the Tender documents. Work completion certificate should have to be issued minimum by Executive Engineer in his official letterhead pad containing full address of organization including phone number.						
17. Price of Tender Documents	Tk. 750/- (non-refundable) for each tender document in the form of Bank Draft/Pay order in favour of REB, Dhaka from any schedule Bank of Bangladesh (except REB black listed Bank i.e. Al-Arifa Islami Bank Ltd.)						
18. Short Description of the Packages:							
Bid Package No.	Tender No.	Name of Works	Budget & Source of Funds	Procurement Method	Tender Security (Tk.)	Completion Time	
23/2008-09	009	Supply, Installation & Commissioning of Deep Tube-Well at REB H.Q., Nikunza-2, Dhaka.	Revenue Budget	OTM	73,000.00	30 days	
19. Special Instruction	(a) The Procuring Entity reserves the right to reject all tenders prior to acceptance. (b) Tenderer and their authorized representatives are allowed to attend at the time of opening to Tenders. (c) Contract will be awarded- & conducted as per PPR 2008. (d) Tenderer shall submit their Tender following the requirement as specified in Tender document						
20. Name, Designation, Address & Contact details of official Inviting tender.							
 রাজ্য বিদ্যুতায়ন বোর্ড RURAL ELECTRIFICATION BOARD		Abu Zafar Fazlul Karim Superintending Engineer (Project) Dhaka Zone, REB, Nabinagar, Savar, Dhaka. Phone : 02-7792148, Fax : 02-7708877					
পর্যবেক্ষণ (১১১) ২০০৮-২০০৯							

Marketing of adulterated medicine to be prevented

Says PM

UNB, Dhaka

Prime Minister Sheikh Hasina asked for updating the country's existing laws governing the pharmaceutical industry to fully utilise the export prospects, as the industrialists hope for the highest foreign currency earning through this sector in future.

At the same time, she said the government would take necessary action to prevent the marketing of fake and adulterated medicines in the local market.

The Prime Minister made the remarks when the Board of Directors of Bangladesh Association of Pharmaceutical Industries (BAPI) led by its President Salman F Rahman and Secretary General Abdul Muktadir called on her at her office yesterday.

The BAPI donated Tk 50 lakh by cheque and medicines worth Tk 1 crore to the Prime Minister's Relief Fund for the succour of the victims of cyclonic storm Aila that recently hit the country's coastal districts.

The Prime Minister said it is a matter of pride that world-class medicines produced in Bangladesh are exported to 72 countries of the world.

"But, at the same time, you have to keep it in mind that local market is the priority sector as it has to be



A delegation of Bangladesh Association of Pharmaceutical Industries meets Prime Minister Sheikh Hasina at her office in Dhaka yesterday.

ensured that common people get all necessary medicines with standard quality and at cheap rate," she told the country's medicine business magnets.

Reports have it that there are lots of substandard medicines at local markets. Also, prices of many brands of medicines are not affordable for the poorer sections of people.

Finance Minister AMA Muhith, Health Minister Dr AFM Ruhul Haque, Adviser to the Prime Minister Dr Syed Mudasser Ali, Foreign Minister Dr Dipu Moni, Secretary of the Prime Minister's office Mollah Waheeduzzaman, Prime Minister's Press Secretary Abdul Kalam Azad and Health Secretary Sheikh Altaf Ali were present on the occasion.

Nazmul Hassan MP, BAPI's adviser, through a power-point presentation informed the Prime Minister about the prospects and problems of the industry.

"If the government can remove some legal barriers to exporting medicines within the next three years, we are going to be the largest forex earner," he said.

Hassan put forward several demands that include modernising the Drug Administration, setting up Independent Drug Testing Laboratory, Clinical Testing Bioequivalence Centre, Active Pharmaceutical Ingredients (API) Industrial Park, allowing the industries to spend sufficient amount of money in operating office abroad in line with the rules of foreign markets, changing Bangladesh Bank's limit to

spending necessary finance over registration cost and sending product samples abroad.

As for example, Hassan said according to Bangladesh Bank's rule, a pharmaceutical industry in Bangladesh annually can spend maximum US\$ 30,000 for operating office abroad whereas only in Russia or Singapore a company needs approximately US\$ 25,000 per month for setting up office and giving salaries of the employees.

Besides, a pharmaceutical industry has to send US\$ 22,000 as the fee for only product registration in some countries and the fee has to be renewed every five years. On the other hand, only as bioequivalence-test charge, a company needs to send US\$ 50,000-100,000.



Golam Mainuddin, chairman of British American Tobacco Company Bangladesh Ltd, presides over the company's 36th annual general meeting in Dhaka yesterday. The meeting declared Tk 24 per share for 2008.

Publish investors' charter

SEC calls upon brokerage houses

STAR BUSINESS REPORT

Stock market regulator called upon yesterday the brokerage houses to bring out investors' charter to create awareness among investors.

"If the brokerage houses formulate and publish booklets on investors' rights and responsibilities and distribute those among the investors, they will be able to participate in trading complying with regulations," said Md Ziaul Haque Khondker, chairman of Securities and Exchange Commission (SEC).

As the investors will be aware of their rights and responsibilities in the stock market, more transparency and accountability in the market will be ensured, he said at the inauguration of a

brokerage house of Industrial and Infrastructure Development Finance Company (IIDFC) at Dilkusha in Dhaka.

The SEC chairman assured the brokers of all necessary supports from the commission in ensuring better services and facilities for the investors in line with the market rules and regulations.

The SEC boss said fresh investors are entering the market everyday and of the newcomers, most are new generation investors. Efforts are on to educate these investors, he said.

The commission will soon establish a capital market institute as the government has already allocated a fund of Tk 10 crore for the purpose, Khondker said.

He also said financial institutions will bring qualitative and quantitative changes in the market.

Dhaka Stock Exchange President Rakibur Rahman said the country's capital market now has a strong base. The DSE was ranked sixth globally on the basis of performance, he said.

Under the auspices of the government and the brokerage houses, Rahman said, it is possible to raise around Tk 20,000 crore to Tk 30,000 crore from the capital market in the next five years that can be used in infrastructure development of the country.

IIDFC Chairman M. Matiul Islam, Vice Chairman M. Syeduzzaman and Managing Director Asaduzzaman Khan also spoke at the function.



Ziaul Haque Khondker, chairman of Securities and Exchange Commission, and M. Matiul Islam, chairman of Industrial and Infrastructure Development Finance Company (IIDFC), inaugurate the company's brokerage services division in Dhaka yesterday.

Philippines economy to contract in 2009: IMF

AFP, Manila

The International Monetary Fund on Wednesday forecast that the Philippine economy will shrink by 1.0 percent this year but rebound to post 2.25 percent growth in 2010.

In a report the IMF cut its earlier forecast of zero gross domestic product (GDP) growth for Manila this year.

Philippine economic officials are to meet with President Gloria Arroyo on Thursday to review GDP growth targets, which now stand at between 3.1 and 4.1 percent, after the economy grew by a slower than expected 0.4 percent in the three months to March.

The economy needs to do better than in the three months to June to escape a technical recession.

The IMF had earlier projected GDP to remain flat this year before expanding 1.0 percent in 2010, when the Philippines is to elect a new president.

The IMF forecast remittances from expatriates to fall 4.0 percent this year compared with central bank projections of flat growth from 2008.

British trade deficit worsens in April

AFP, London

Britain's trade-in-goods deficit widened to 7.0 billion pounds (8.1 billion euros, 11.4 billion dollars) in April from a revised 6.5 billion pounds in March, official data showed on Wednesday.

The March deficit was originally put at 6.6 billion pounds by the Office for National Statistics (ONS).

Market expectations had been for an April deficit of 6.4 billion pounds, according to economists polled by Dow Jones Newswires.