

Govt to phase out PSI system

Muhith speaks at AmCham meeting

STAR BUSINESS REPORT

Finance Minister AMA Muhith said yesterday the existing pre-shipment inspection (PSI) system for imported goods would be substituted by a new system in the customs.

He said it is not yet decided whether the government will withdraw the proposed mandatory PSI system for nearly 1,800 products, to phase it out from the next fiscal year.

"Our idea is that we will not have the PSI system in future. A new system will be in place in future," Muhith told the regular monthly luncheon meeting of the American Chamber of Commerce (AmCham) in Bangladesh at Dhaka Sheraton Hotel.

Delivering his speech on the 'Future Economic Outlook for Bangladesh', Muhith said dependency on textiles will be reduced and ICT will be the second largest exporting sector for Bangladesh by 2021.

Other major exporting sectors will include footwear, toys and furniture, the minister said.

On topsy-turvy stocks, Muhith said the stockmarket in Bangladesh



AMA Muhith, third from left, finance minister, speaks at the monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel yesterday. Nicholas J Dean, charge d'affaires of American Embassy in Bangladesh, and A Gafur, executive director, Aftab ul Islam, president, and Khalid Hasan, vice president of AmCham, are also seen.

expanded a lot over the years, but the number of good shares has narrowed.

Criticising the activities of the Board of Investment (BoI), he said it has almost ceased to exist.

He acknowledged the government's slow progress in formulat-

ing the public-private partnership guideline, which is a new avenue proposed in the national budget for last year to conduct government development projects.

Digitalisation is only a method of development and reduction of corruption, Muhith said, adding that

the economy would primarily be agriculture-based.

Aftab ul Islam, president of AmCham, urged the government to improve the power and gas supply situation, reduce daily gridlocks from the city and spearhead public-private partnership.

GMG to fly to Abu Dhabi

STAR BUSINESS REPORT

GMG Airlines is set to open flights to the United Arab Emirates capital of Abu Dhabi next week, to carry more Bangladeshi travellers, especially migrant workers, to the Gulf.

The carrier said it will fly twice a week between Dhaka and Abu Dhabi on Thursdays and Sundays, beginning March 28, according to a press conference at Pan Pacific Sonargaon Hotel yesterday.

The 6-fleet carrier launched its eighth destination as part of its plan to fly on wider skies in the days ahead.

The airline said its flight will leave Dhaka at 21:10 and reach Abu Dhabi at 02:00 the next day. It will leave Abu Dhabi at 03:15 and arrive at Dhaka at 11:45.

"The Dhaka - Abu Dhabi route is becoming increasingly popular with businessmen, students, families and migrant workers, and we are confident that we will see strong demand on the two frequencies," said Shahab Sattar, managing director of GMG Airlines.

Businessmen seek safeguard for industrial sector

STAR BUSINESS REPORT

Businessmen from different sectors yesterday asked Industries Minister Dilip Barua to bravely deal with the finance ministry to protect the interests of the industrial sector in the upcoming national budget.

They also asked the minister to form a core group, involving businessmen, to help the ministry guide development of the industries, especially the private sector.

Businessmen made these suggestions, as they have never seen an industries minister deal proactively with a finance minister in safeguarding local interests.

The observation came at a discussion on the aspirations of the industrial sector on tariff and non-tariff structures in the coming budget to be placed in parliament in June.

Representatives from different chambers and associations took part in the discussion chaired by Abul Kashem, vice president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at Purbani Hotel.

"The industries minister should have the guts to protect the interests of the local industries," said Gazi Golam Dastagir, a ruling party lawmaker and a leading businessman.

He said multilateral lenders, such as the World Bank, always push the government to reduce duties for the import of finished goods and increase it for raw materials.

Golam Dastagir said businessmen were able to manage the finance minister to reduce import duties for raw materials by 2 percentage points to 5 percent last year.

"Keep an eye on any move by vested quarters to raise duty on raw materials and reduce it for finished items," he urged businessmen.

Abdur Razzak, president of Bangladesh Engineering Industries Owners Association, said the gap in duties between finished goods and raw materials should increase further to help local industries flourish.

Mahbubul Islam Runu, an FBCCI director, requested the industries minister to help local businesses.

Manzur Ahmed, adviser to the FBCCI, said there are no restrictions on Bangladesh on import liberalisation

because of its least developed country status.

Businessmen said there will be no industrialisation without improvement of infrastructure, particularly energy and power.

They asked Barua to reduce the import duties on power generation related equipment.

Representatives from the Metropolitan Chamber of Commerce and Industry and Foreign Investors Chamber of Commerce and Industry demanded continuation of the PSI (pre-shipment inspection) system for a few more years.

Barua said his ministry has left behind the traditional practices of dealing with state-owned factories.

"I am an ardent supporter of an industry-based economy, not trade-based economy."

The minister said he is working to increase contribution of the industries sector to 40 percent from 28 percent in a couple of years.

He assured industrialists that their recommendations would be passed on to the finance ministry and the national board of revenue soon.



ICCB President Mahbubur Rahman and South Asia Director of IFC Paolo Martelli exchange documents after signing the project agreement on Bangladesh International Arbitration Centre, in Dhaka yesterday. MCCI President Anis Ud Dowla, Head of IFC James Crittle and DCCI President Abul Kashem Khan are also seen.

Alternative dispute resolution mechanism underway

STAR BUSINESS DESK

Bangladesh Investment Climate Fund (BICF) has partnered with Bangladesh International Arbitration Centre (BIAC) to help develop a centre to resolve commercial disputes out of court.

An agreement was signed by Paolo Martelli, South Asia director of International Finance Corporation (IFC) of World Bank Group, and Mahbubur Rahman, chairman of BIAC and president of the International Chamber of Commerce, Bangladesh (ICCB).

The centre is expected to help businesses and investors save on time and money by giving them scope to deal with disputes out of court.

"Given delays and uncertainties in settlement of case through the legal process, alternative dispute resolution (ADR) systems can play an important role in reducing the cost of doing business," ICCB said in a statement yesterday.

mechanism must be in place to help such a system gain wide commercial acceptance."

"Investors or businesses can now turn to BIAC to resolve business disputes in a fair and efficient manner," said Rahman.

"IFC is very hopeful that on completion of the three years project by BIAC, the cost of doing business in Bangladesh will improve and will definitely have a positive impact on the business environment," said Martelli in the statement.

"The lack of alternate dispute mechanisms was an impediment to the investment climate," said James Crittle, head of BICF.

Bangladesh Investment Climate Fund is managed by IFC, in partnership with the United Kingdom's Department for International Development and the European Commission.

MCCI Dhaka President M Anis Ud Dowla and DCCI President Abul Kashem Khan were also present during the signing ceremony.

BIAC has been established by the three leading chambers: ICCB, DCCI and MCCI.

Minister urges interest rate cuts for fish farmers

STAR BUSINESS REPORT

Fisheries and Livestock Minister Abdul Latif Biswas asked banks to reduce loan interest rates to encourage grassroots fishermen and businessmen in the fisheries sector.

Biswas was speaking at a meeting at his ministry with representatives of different banks yesterday.

The meeting aimed at finding a way of giving loans to the people involved in fishing and fish farming, poultry and dairy farms located in the areas, including Aila and Mongra-affected areas.

The minister said different banks charge 1 percent to 3 percent additional interest against loans in the sector, compared to the agriculture sector.

Due to lack of loans, hundreds of poultry farmers shut their businesses in primary stages, he said.

The bankers issue crores of taka to large-scale entrepreneurs but show reluctance to provide loans to the sector's small businessmen, Biswas said.

"We are planning to improve the condition of state-owned hatcheries and poultry farms to provide chicks and fry at a cheaper rate to farmers than it is now," the minister said.



Dr Kazi Anis Ahmed, chief executive officer of Kazi & Kazi Tea Estate Ltd, is seen at the company's stall at the FOODEX Japan 2010, in Tokyo recently. The company launched its organic tea under the brand name 'Teatulia' in Japan.

Most sharecroppers unaware of banks' flexible lending programmes

Study reveals

STAR BUSINESS REPORT

Most sharecroppers are not aware of flexible lending programmes of the country's formal financial institutions, reveals a study.

"They have no idea about required documents, eligible loan amount, interest rate and repayment method", finds the study, conducted by Bangladesh Institute of Bank Management (BIBM).

In this regard authorities are required to go for massive promotional efforts, including roadshow, village-to-village campaign, and announce loan disbursement programme to create awareness, suggested the study formally presented at a roundtable in Dhaka yesterday.

Bangladesh Bank Governor Dr Atiur Rahman chaired the programme.

The study also pointed to the dearth of manpower banks now face and urged the government to appoint skilled officials to disseminate financial lending information properly.

Professor Abdul Jalil Chowdhury, director of BIBM, presented the study, Reaching out the Sharecroppers of Bangladesh with Financial Assistance-Means, Techniques and Methods.

During the survey it was found that in most cases banks select borrowers haphazardly and do not form groups for disbursing loans among sharecroppers. 'Influence of local elite and touts' was also detected in lending.

The research also emphasised a complete farmer database and introduction of identity cards to reach the target group easily.

The BB governor said the government is now preparing a farmers' database, which will include their vital information.

Pointing his finger at the absence of a farm loan policy, Atiur Rahman laid bare the central bank's plan to formulate a first-ever such policy.

On farmers' being unaware of a loan scheme at 2 percent interest rate for import substitute crop cultivation, the central bank chief said such loan disbursement has increased in the last one year.

This year the government has provided Tk 11 lakh to the commercial banks as subsidy

against such loans, while it was Tk 40,000 last year, Rahman said, adding that 4 percent subsidy are being given to banks against disbursement of farm loans at 2 percent interest rates.

Khondkar Ibrahim Khaled, chairman of Bangladesh Krishi Bank, urged the government to conduct a census to categorise farmers and sharecroppers properly.

Dr Uttam Kumar Deb, additional director and head of research at the Centre for Policy Dialogue, hailed the government's move to give loans to import substitute crop cultivators at 2 percent interest.

M Fazlul Hoque, managing director of Rajshahi Krishi Unnayan Bank, said sharecroppers are the majority of the farmers. These sharecroppers cultivate over 40 percent of the arable lands.

Some officials from banking and non-banking financial institutions also spoke.

MASSIVE SME PLAN UNDERWAY

UNB adds: During a meeting with a delegation from the Dhaka Chamber of Commerce and Industries at his office yesterday, the BB governor told them that suggestions on SME loan policy would be sought from the managing directors of different banks whom he meets today (Wednesday).

"We've already taken suggestions from all the banks regarding the plan on small and medium enterprises. We'll discuss this broadly with all bank MDs on Wednesday to take their opinions," Rahman said.

The central bank has already fixed a target for all banks and financial institutions for distribution of Tk 23,995 crore in loans to SMEs this year to boost the potent sector.

He urged the business delegation to install effluent treatment plants in their factories for efficient waste management, and to contribute to environment-friendly industrialisation in the country.

He also suggested that the industrialists could take loans from an ETP fund set up by the bank for this purpose, if necessary.

Atiur Rahman expressed his concern over the crops preservation system, saying the country's food security is threatened due to such preservation constraints, although the country is experiencing a bumper output of crops.

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বাংলা একাডেমী ঢাকা ১০০০	
স্মারক নং : ক্রেনিস/৬৬২/০৭(১ম খণ্ড)/২৭২/ বাএ	তারিখ : ২১.০৩.১০
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বাংলা একাডেমী প্রেসের অফসেট শাখায় ব্যবহারের জন্য মালামাল সরবরাহের লক্ষ্যে প্রকৃত ব্যবসায়ী/সরবরাহকারী/আমদানীকারক প্রতিষ্ঠানের নিকট হতে সীলমোহরযুক্ত খামে প্রতিযোগিতামূলক দরপত্র আহ্বান করা যাচ্ছে। দরদাতাগণকে নিম্নবর্ণিত নির্দেশনা মোতাবেক দরপত্র দাখিল করতে হবে।	
১ প্রতিষ্ঠানের/দরপত্রের নাম	: বাংলা একাডেমী
২ দরপত্রের বিষয়	: বাংলা একাডেমী প্রেসের অফসেট শাখায় ব্যবহারের জন্য মালামাল সরবরাহ।
৩ দরপত্র প্রচারের তারিখ	: ২৩.০৩.২০১০
৪ দরপত্র আহ্বানের সূত্র ও তারিখ	: ক্রেনিস/৬৬২/০৭(১ম খণ্ড)/২৭২/ বাএ তারিখ : ২১.০৩.১০
৫ ক্রম পদ্ধতি	: উন্মুক্ত দরপত্র পদ্ধতি (OTM)।
৬ বাজেট ও অর্থের উৎস	: আবারক বাজেট।
৭ দরপত্র বিক্রয়ের স্থান	: ক. কোষাধ্যক্ষ, বাংলা একাডেমী, ঢাকা ১০০০ খ. উপসচিব -৩, সংস্কৃতি বিষয়ক মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা।
৮ দরপত্র বিক্রয়ের শেষ তারিখ	: ৬.০৪.২০১০ তারিখ অফিস চলাকালীন।
৯ দরপত্র দাখিলের স্থান	: ক. বাংলা একাডেমীর সভাকক্ষে রক্ষিত দরপত্র বাস্তু। খ. উপসচিব -৩, সংস্কৃতি বিষয়ক মন্ত্রণালয়, বাংলাদেশ সচিবালয়, ঢাকা -এর কক্ষে রক্ষিত দরপত্র বাস্তু।
১০ দরপত্র দাখিলের শেষ তারিখ ও সময়	: ০৭.০৪.২০১০ তারিখ দুপুর ১২:০০টা।
১১ দরপত্র খোলার স্থান, তারিখ ও সময়	: বাংলা একাডেমীর সভাকক্ষে আগামী ০৭.০৪.২০১০ তারিখ দুপুর ০৩:০০টায় দরদাতাদের উপস্থিতিতে (যদি কেউ উপস্থিত থাকেন) দরপত্র বাস্তু খোলা হবে।
১২ দরদাতার যোগ্যতা	: প্রকৃত ব্যবসায়ী/সরবরাহকারী/আমদানীকারক।
১৩ দরপত্রের সাথে যে সমস্ত কাগজপত্র জমা দিতে হবে	: ক. দরপত্র ক্রয়ের মূল সিল। খ. দরদাতা প্রতিষ্ঠানের হালতক ট্রেড লাইসেন্স, TIN-নম্বরসহ আয়কর পরিশোধের সনদ, ভ্যাট নিবন্ধন সনদ এবং ব্যাংক সলভেন্সির সত্যায়িত কপি। গ. যে কোনো তফসিলী ব্যাংক হতে বাংলা একাডেমী, ঢাকার অনুকূলে জামানতের ব্যাংক ড্রাফট/পে-অর্ডার।
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বাংলা একাডেমী প্রেসের অফসেট শাখায় ব্যবহারের জন্য মালামাল সরবরাহ।	: ৫০০.০০ (পাঁচশত) টাকা ২০,০০০.০০ (দুই লাখ) টাকা ব্যাংক ড্রাফট/পে-অর্ডার
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