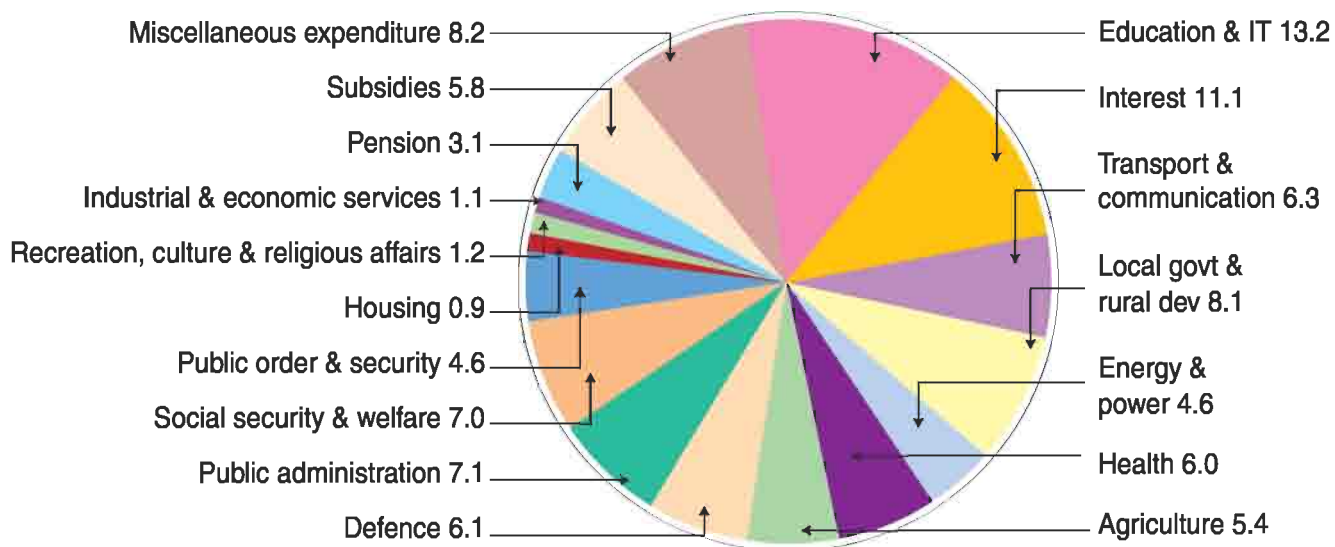


DCCI REVIEW

Budget: Challenges and Opportunities



ঢাকা চেম্বার অব কমার্স অ্যান্ড ইন্ডাস্ট্রি
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National budget: challenges and opportunities

National budgets are no more mere statements of income and expenditure of a government they are outlines of initiatives for improving the quality of life of the citizens. As time passes, new initiatives become necessary which are stated in the budget as visions. From these points, the 2010-11 national budget appears to be continuation of the past instead of bold new initiatives. Naturally it created few excitements and experts focused mainly on the implementation side. This is important because with a huge budget of Tk 132,000 crores implementation will call for vigilance, sincerity, expertise, efficiency and as much less corruption as possible.

There had been a furor over the last fiscal year's GDP (gross domestic product) growth of around 5.5 per cent. The projected growth for the next year is 6.7 per cent with targets of eight percent around 2013. This might look a little optimistic but if the government can ensure proper implementation of the budgetary provisions then it will be possible to achieve the targets. Ambitious targets have been set for revenue putting more emphasis on income tax and value added tax (VAT). The effort to lessen dependence on foreign grants and loans is a good sign and should be continued. However, to achieve the target of about Tk 92,000 crores in revenue would require updating the income tax laws and spreading the net of VAT. Consumer prices will rise but keeping them under control would be a different challenge. This would call for a more efficient tax administration and steps to encourage people to pay taxes. The tax net needs to be expanded without putting strains on regular tax-payers with higher taxes. Our per capita income has passed the US\$ 700 mark. Without questioning the authenticity of the figure, we can safely say that this does not reflect the bitter reality of income disparity. The rich-poor gap is widening and poverty alleviation remains a problem to be addressed. There is no significant emphasis on this aspect in the budget.

We thank the government for introducing our proposal on TAX CARD with a view to expanding the tax net. This would help generate tax payer's confidence. We believe that the scheme should be widened in the coming years, so that all tax payers are given special privileges. The DCCI had called for enhancing tax exemption limit of individual tax payers to at least taka two lakh. The budget proposed to increase tax offices in the country. This will increase revenue expenditure and people's harassment, we felt and suggested that the government

should consider automation of submission of tax return in lieu to reduce administrative expenditure of Taxation Department.

The driving forces behind private investment remain expectations of the future of the Bangladesh economy. These expectations should be strengthening as the real economy improves; there is no substitute for reality to lead to greater investment. The most serious negative indicator is the rising level of political conflict in the society; this discourages private investment. One should not forget that a majority of the successful businessmen have been associated with or sympathetic with major political parties. These business groups are uncertain and need to feel confident that things are going to be all right. The budget did not really deal with the problem of increasing foreign investment in the labor intensive export industries. The prospects here are very favourable if the right environment can be created. The government appears to be too relaxed about this and should be much more pro active.

Nevertheless the main investment is made by domestic entrepreneurs. There is one point that should be noted. The taxes on construction materials have been increased; this will make construction more expensive and tend to reduce the demand for construction. Since construction is about 75% of private investment, these taxes have a negative impact on private investment. The proposed higher tax at source for the export sector will hamper RMG export growth. The sector will lose global competitiveness if the provision of one percent tax at source on exportable goods, which is four times higher than the previous year, is implemented.

The Finance Minister's upbeat projection of GDP growth for the next year at 6.7% is deemed plausible, subject to the proviso that the 1700MW of power generation planned for 2010 and 2011 do actually come on stream. However, what gets the Finance Minister into a bit of a quandary is his stipulation of FY2010 GDP growth of 6.0% when Bangladesh Bureau of Statistics already produced an estimate of only 5.54%. True, BBS estimate could not have taken full account of the improved economic picture in the last quarter of FY2010. That does give the Finance Minister scope to contest BBS estimates. By targeting 6.7% GDP growth for the coming year, the Finance Minister has also given short shrift to the idea of growth fragility believing rather on the economy's potential for growth of higher than 6.0%, in the hope of attaining 8.0% growth by 2013-14. He acknowledged that higher growth would need raising the rate of investment to as high as 32% in the outer years of the Sixth Plan. That puts a daunting challenge

before the public and private sector planners and investors of this country. Can this be delivered when investment rates have been stuck at 24-25% of GDP for the past decade? The budget takes a few steps to rev up the investment effort, but is it enough? A coherent programme for improving the investment climate, in making room for domestic investment, in diverting foreign direct investment from China, Vietnam, and India, into Bangladesh, appears all but missing. While acknowledging the lack of progress in Private Public Partnership (PPP) achievements, he outlined the new initiative called the Bangladesh Infrastructure Finance Fund, which got a Tk. 16 billion infusion of public funds and some tax incentives for investors to invest in BIFF bonds. To be fair, the budget does place the topmost priority on resolving the crisis in the power and energy sector. A Road Map for Development of Power and Energy Sector has been revealed which not only talks about augmenting generation, but addresses more fundamental issues of diversification of fuel use, improving transmission and distribution, tackling load/demand management, promoting use of renewable energy, and the like. The programme is bolstered with a whopping allocation of Tk. 61 billion, a 61% increase over last year's allocation. That said, the Finance Minister has left a few unanswered questions regarding how he proposes to deal with the projected ballooning subsidies to the power sector stemming from the high cost of rental power projects that are expected to be commissioned on an emergency basis and the proposed use of diesel and furnace oil in future generation. The estimates by Power Development Board (PDB) indicate that adding the 9500MW of generation upto 2015 will create a subsidy burden on the budget of Tk. 150 billion over the next five years. The saving grace to all of this is the Finance Minister's assertion that if the power sector plan takes effect, the gap between demand and supply will be history by close of 2012. All would otherwise like to share that optimism and hope that comes about.

The nagging traffic jams in cities are taking a huge toll on private investment. Loss of precious man-hours and delays in movement of goods and services have led to the rising cost of doing business in Bangladesh and thus having its role in rising prices of essentials. This, coupled with serious power crisis, is making our exportable goods uncompetitive in world market. Traffic jams have to be addressed on an emergency basis. That was why we had proposed to introduce Congestion Tax on movement of vehicles within Dhaka city.

The budget as a macro economic instrument is sensible but not exciting about increasing demand. Prospects

look reasonable for achieving the 6.7 per cent growth rate. There are some prospects for doing better and some for doing worse. Those are linked to the confidence of the private sector and the export demand particularly in the apparel sector.

The emphasis on human resources development, as shown in the highest allocation of Tk 17,000 crores for education, deserves unqualified praise. True, bulk of it would be spent on overheads but there would still be scope for improving the quality of education. Strict vigilance would be necessary for proper use of the funds. We say this because of our bitter experience about the mess in MPO listing this year. Investment in education is the best guarantee for improving the collective quality of life. The next highest allocation is for the communications sector. It would have been better if the Finance Minister had specifically mentioned restoring the health of our seriously ailing railways. Over the years the beneficiaries of the road transport sector have managed to destroy the railways although its development and expansion could have contributed to national development significantly. A separate Railway Ministry could have gone a long way in setting the vital sector of mass transportation on the right track.

The annual development program (ADP) of Tk 38,500 crores is a real big challenge. Considering that this year's ADP implementation has not been that satisfactory, the increased allocation raises doubts over its implementation. We have not seen any improvement in the efficiency of the administration. We wonder what percentage of implementation would be deemed as satisfactory but we can tell the Finance Minister that with inefficiency, corruption and lethargy the salient features of the administration implementation would be a real challenge. The imposition of tax at source for real estate will increase the prices but we would have preferred if the Finance Minister had clearly explained how the tax laws would be strictly enforced in these two areas.

Another big challenge would be controlling inflation. Prices have more or less stabilized but at levels not affordable by that 50 to 60 per cent of population belonging to the poor and low income groups. Has quality of life changed since 1972? The answer is a plain no. The surge in population growth, decline in moral standards and lack of foresight have created a situation that is almost unmanageable. What the Finance Minister has done is making the best of a bad situation. That alone deserves some praise. In brief, budget 2010-11 would not affect life in any big manner. Promises will remain promises till they are fulfilled. We will wait and see.

DCCI hails budget as a milestone

Dhaka Chamber of Commerce and Industry (DCCI) has hailed the 2010-11 national budget as a milestone towards achieving higher GDP growth at 6.7% in order to achieve its Vision 2021 target.

The chamber noted that the budget has given priority to the power, energy and transportation sector – which will set a roadmap of the infrastructure development of the country.

Infrastructure development is considered a pre-condition to the development of Bangladesh. Allocation in power and energy sectors are Tk. 6,115 crores in this year's budget. DCCI in its budget recommendations proposed for allocation of Tk.10,000 crore for power and energy sector. DCCI still believes, in order to come out of the existing power and energy crisis in the country, the government should reconsider the allocation in this sector. Allocation in unproductive sectors should be reduced to allow more on power and energy, the chamber felt.

President of Dhaka Chamber of Commerce & Industry (DCCI) Abul Kasem Khan and members of the Board of Directors in a meeting reviewed the budget 2010-2011 at the DCCI Board Room. Past Presidents, DCCI Directors and other business community representatives were present. DCCI expressed its initial reaction on some challenging issues addressed in the proposed Budget.

DCCI Board suggested that to achieve the targeted GDP growth timely implementation of the projects under ADP in power and energy sector is required. Secondly, the budget did not specify the critical elements of energy related issues like coal policy. In the budget speech, the Finance Minister did mention the importance of coal, LPG and LNG – but a stipulated time frame should have been mentioned in the budget in creating business confidence and boosting investment.

DCCI said, it would like to see an appropriate Coal Policy for ensuring energy security. “We appreciate the proposal for capacity building of BAPLEX. We are confident that by strengthening BAPLEX, in-house capability for gas exploration will enhance”, said the DCCI President.

However, DCCI expressed its concern for not allocating any fund exclusively for improvement of Dhaka city transportation and traffic system, which is one of the serious concerns of the private sector. DCCI proposed for allocation of Taka 5000 core for improvement of Dhaka city transportation and traffic system. In the budget, however, construction of a 32km elevated

express way from Uttara to Jatrabari, to ease the traffic of Dhaka city has been proposed, besides construction of a few fly-overs and over passes. DCCI appreciated these initiatives, but felt that these would not be enough in managing ever-increasing traffic load of Dhaka city, which is considered to be contributing to high cost of doing business in Bangladesh and causing huge loss of working hours.

To ease city traffic congestion, DCCI proposed to introduce Congestion Tax on movement of vehicles within Dhaka city. But this has not been included in the budget. DCCI said, it would like to see that this proposal be considered.

DCCI appreciated the government's overall plan to modernize Bangladesh Railway under the 20-year Master Plan to be announced soon. Tk. 3,600 crore was allocated in the last budget for this purpose. In this budget proposal, an allocation of Tk. 7,549 crore was made for roads and railways, which is 26% higher than that of last year. DCCI welcomed this increase but said it would like to see a separate Ministry for Railways with exclusive allocation, in order to accelerate the development of railways. Rail network within Dhaka city should be given priority in order to reduce traffic congestion on the road.

DCCI appreciated the vision of establishment of Deep Sea Port expressed in the budget and development of 12 different ports under BOT. The usage of waterways around Dhaka city especially from Ashulia to Demra and Badda, Govindapur and Rampura should be expedited to increase movement of traffic by waterways, it said.

DCCI said, it did not see any special attention on the Dhaka – Chittagong Economic Corridor (DCEC). Dhaka – Chittagong Economic Corridor development project should be given priority in the budget. DCEC will help decentralize Dhaka centric growth. Proper development of this economic corridor will increase GDP growth by additional 1%, it is estimated. DCCI wants to see fast implementation of the Special Economic Zones (SEZ) policy.

DCCI hailed allocation of Tk. 3,000 crore under PPP initiatives in the budget. However, DCCI would like to see the legal frame work to be finalized at the earliest, otherwise private investors will not feel confident to invest in projects under the PPP model. The chamber welcomed the allocation of Tk. 1600 crore for Bangladesh Infrastructure Financing Fund (BIFF).

In order to promote Digital Bangladesh, DCCI proposed reduction of SIM tax and also withdrawal of all duty and taxes from Telecom equipments. This was not reflected in the budget, the DCCI regretted.

The DCCI said, there has been a reduction of duty on renewable energy products. However, there is a duty of 12% on energy saving components imported by commercial firms. The chamber said it does not understand the logic of having a duty on this.

The chamber thanked the government for introducing the TAX CARD with a view to expanding the tax net. "We think this would help generate tax payer's confidence. We believe that the scheme would be widened in the coming years, so that all tax payers are given special privileges."

The DCCI called for enhancing tax exemption limit of individual tax payers to at least taka two lakh. The budget proposes to increase tax offices in the country. This will increase revenue expenditure and people's harassment, the DCCI felt and suggested that the government should consider automation of submission of tax return in lieu to reduce administrative expenditure of Taxation Department.

A refinancing fund of Tk.300 crore to facilitate installation of ETP plants has been allocated in the budget. DCCI proposed for zero duty facility for all equipments used for ETPs.

Turn Over Tax facility limit has been increased to Tk. 60 lakh from Tk. 40 lakh, which is appreciable. However, DCCI proposed for increasing the limit to Taka 1 crore and reduce rate of tax to 2% instead of 4%.

VAT revision for SME (fixed rate) has been set at Tk. 6,000 for Dhaka and Chittagong metro areas from Tk. 4,000 and Tk. 4,800 for all other metro areas from Tk. 3,600 and Taka 1,800 for other parts of the country. The DCCI suggested that the government should revert to the existing rate in order to promote SMEs.

To encourage industrialization, the budget has indicated withdrawal of VAT and reduction of duty on certain raw materials, which is viewed by DCCI as a positive step. Manufacturing of refrigerators, freezers, motor cycles and energy saving bulbs have been made duty free and raw materials of these items have also been given such benefits, which is surely beneficial for the development of these sectors, the chamber said and added that there should be reduction of lowest slab of duty on all industrial raw materials from 5% to 3% to encourage SMEs to flourish further. Continuation of 5% Regulatory Duty has been accepted as per DCCI proposal. DCCI felt encouraged for this gesture of the government.

The budget mentioned that Industrial Policy 2010 would be announced soon. DCCI looks forward to the policy for accelerated industrialization of the country, as the government has set a target of attaining industrial contribution in our GDP to 40% from present 25% by 2021.

DCCI, however, disagreed with the policy to stop privatization of SOEs. Privatization of SOEs should continue - the government should not be in business but only in governance. "Therefore, we expect the government should not put a stop to privatization of the SOEs", DCCI said.

Overall budget deficit has been shown at 5% of GDP of which 3% will be met from domestic sources. DCCI opined, deficit financing in the budget should be curtailed by reducing unproductive government expenditure.

DCCI supported the steps taken regarding PSI- but capacity building of the tax officials should be taken up seriously and interest of businessmen should be safeguarded during the interim period.

Budget has introduced an amendment of the provision about deduction of VAT at source at import stage for commercial importers and fixation of VAT deductible at source at the rate of 3%. DCCI proposed that the rate should be as it was earlier.

The budget has announced highest allocation for human resources development, specially in education. DCCI proposed the budgeted amount should not be spent only for paying salary to the teachers and constructing buildings, a significant portion of it should be spent for vocational and skill development technical education and R&D.

Issuance of S R O should not be practiced frequently, unless it is essentially required, DCCI said. It went on: the government may consider discontinuation of the practice of mid-term changes of rates of duties by SROs as business is a continuous process and consistency of policy is one of the pre-conditions pursuing sustainable business.

Govt urged to reconsider tax proposals

The Dhaka Chamber of Commerce and Industry has said the proposed higher tax at source for the export sector will hamper RMG export growth. It said the sector will lose global competitiveness if the government proposal of one percent tax at source on exportable goods, which is four times higher than the previous year, is implemented. The chamber leaders' call came at a post-budget press conference in Dhaka.

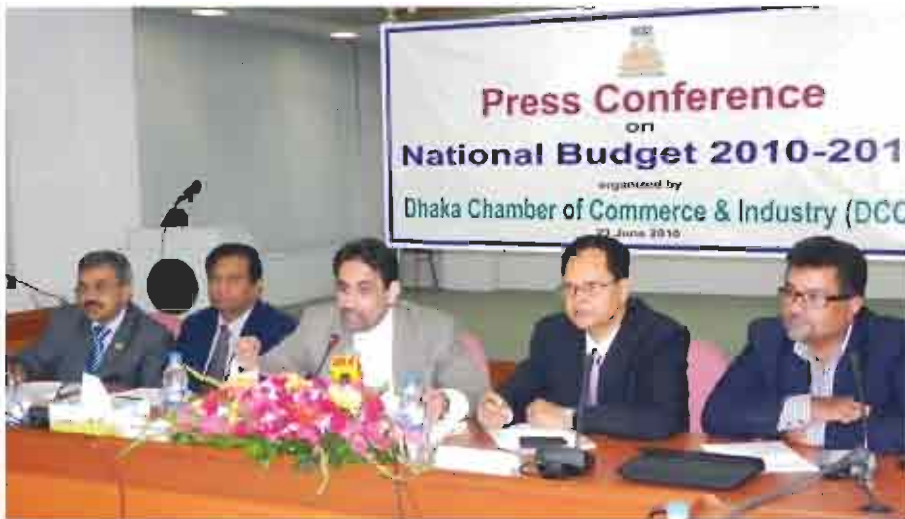
They also urged the government to increase the lowest ceiling for income tax to Tk 2 lakh from the existing Tk 1.65 lakh, as the cost of living has significantly increased on inflation and a price spiral of necessities.

They proposed that the government reduce the corporate tax to 25 percent from the proposed 27.5 percent for listed companies; to 35 percent from 37.5

percent for non-listed companies; and to 40 percent from 42.5 percent for banks.

The value added tax (VAT) is a government revenue collection mechanism, which is ultimately borne by the end user. The business leaders claimed that the prices of products will rise next fiscal year as the government imposed 20 percent VAT on business operations, which is two times greater than the rate in the outgoing budget.

They also said the government imposed VAT on some items, such as the rent for commercial office space, which is an extension of the VAT concept.



DCCI President Abul Kasem Khan (third from left) seen exchanging views with the representatives of different media at a press conference on National Budget 2010-11 organized by Dhaka Chamber of Commerce & Industry at DCCI on June 23, DCCI Vice President Md. Sirajuddin Malik (second from left), Directors Rafiqul Islam Khan, FCA (second from right) and Asif Ibrahim (right) are also seen in the picture.

"VAT is levied on each stage of value addition of a product or service. Since VAT on rent of commercial office space has no value addition, businessmen want to know from the government why they have to pay VAT on it," said Rafiqul Islam Khan, a director of DCCI.

Abul Kasem Khan seeks more public-private sector dialogue

DCCI President Abul Kasem Khan has sought support of the government in tapping, for the welfare of the nation, the potentials of the private sector.

He was speaking at a programme planning workshop of the Executive Core Group programme (ECGP) organized by Bangladesh Enterprise Institute (BEI) on June 8.

BEI is running a civil service training programme on Private Sector Development (PSD) supported by Bangladesh Invest Climate Fund (BICF) which is managed by IFC in partnership with the U.K Department for International Development and European Union.

In response to a query, a section of DCCI leaders, who are involved in the garments sector, said they would increase the minimum wages for RMG workers as per the government-fixed rate as soon as possible.

"We want to increase the minimum wages for the RMG workers, but they have to wait for the time being as the government has taken initiatives to upgrade the minimum wages," a DCCI leader said. The leaders also proposed that the government operate the PSI (pre-shipment inspection) through PPP (public private partnership) programmes.

"We urge the government to operate the PSI system under PPP by involving exporters as the customs department of NBR is yet to raise capacity," said Abul Kasem Khan, president of DCCI.

Apart from this, they urged the government to finalise the PPP guideline by enacting a law through parliament, rather than issuing an executive order, as there is a common phenomenon in Bangladesh of changing the policies when a new government assumes power. The private sector wants protection for their investment. If they do not get protection, they will not invest under PPP, said industry insiders.

The DCCI leaders also urged the government to allocate Tk 10,000 crore for the power and energy sector from the proposed Tk 6,115

in the budget, provide special allocation of TK 5,000 crore to ease traffic congestion in Dhaka, continue privatisation of state-owned enterprises, create a separate ministry for railways and implement the Dhaka-Chittagong Economic Corridor project with special budgetary allocation.

The President of DCCI said, as a third generation business entrepreneur, he, like others, is quite aware about the importance of bureaucracy. He termed government as a large company. By announcing annual budget, it achieves its target, he opined.

He said motivation in the public sector is lacking but said there are a lot of de-motivating factors in the bureaucracy which needs to be overcome. He asserted that there are both motivation and enthusiasm in the private sector but it needs support of the government.

Abul Kasem Khan suggested for frequent public-private sector dialogue for regulatory reforms as the best solutions and referred to BBBF as one of the suggested measures. He requested for continuation of the system.

The DCCI President said, democracy is a good system where people learn as to how to listen to others for co-existence imbued with national feelings. Reform is a continual process but there should be coordination and consistency of policies as investment is a long-term process. Entrepreneurs need to see security of their investment, Khan pointed out. He termed the BEI programme as a very effective one and the institute for inviting him. More than 20 mid and senior level government level officials were attending the programme, which will continue for about a year.

DCCI welcomes decision for mandatory use of jute in industrial units

DCCI has hailed the government's decision of framing a law for mandatory use of eco-friendly jute and jute products in different industrial units in Bangladesh. DCCI felt that it is a timely initiative of the present government.

DCCI opined, if the law is enacted, jute-based industries of Bangladesh will get a boost and generate employment opportunities in the country. Moreover, such an initiative will be treated as a milestone in implementing world climate change agenda, DCCI observed.

DCCI seeks initiatives to boost Sino-Bangladesh trade

DCCI Senior Vice President M. Shahjahan Khan has sought initiatives to boost bilateral trade between Bangladesh and China. He sought the initiatives while he was presenting a paper at the 5th China-South Asian Business Forum in Kunming of China.

Khan led a 32-member trade delegation of DCCI at the 5th China-South Asian Business Forum at Lily Hall, Yunnan Convention Center, Kunming on June 5, 2010.

Deputy leader of the delegation and Director of DCCI M. A. Baten, Directors of DCCI Rafiqul Islam Khan, FCA, M. Bashir Ullah Bhuiyan, former Director Saiful Islam,

Additional Secretary (Admn), DCCI Syed Delwar Hossain and Deputy Secretary (Training), DCCI Md. Shamsuddin Azad were also present at the event.

The DCCI Senior Vice President highlighted SAARC-Bangladesh Trade and Bangladesh - China bilateral trade relations. He pointed out that Bangladesh has been offering various stimulus packages to the foreign investors. Besides in financial, fiscal and policy areas, the government of Bangladesh also initiated major administrative reforms. The government also has undertaken a project on "One Household One Farm" to generate employment opportunities. Shahjahan Khan said, Bangladesh is going to celebrate its 50th year of independence (Golden Jubilee) in 2021.

Referring to DCCI's role, He said, in 2005, Dhaka Chamber launched "Vision 2021 for Bangladesh" at a National Conference where the then President of Bangladesh was the chief guest. Policy researcher like Centre for Policy Dialogue (CPD) developed the vision-paper. Finally, the government of Bangladesh has adopted its Vision 2021 and its main objective is to graduate Bangladesh out from the status of LDC into a Middle Income Country (MIC) by 2021, he pointed out.

Three hundred exhibitors from seven countries participated at the event. After the opening session, dignitaries present at the event visited Bangladeshi booths as well as DCCI booth.



DCCI Senior Vice President M Shahjahan Khan and leader of the 32-member trade delegation of DCCI addressing the parallel session of the 5th China-South Asian Business Forum at Lily Hall, Yunnan Convention centre, Kunming in China on June 5.

DCCI donates burn and plastic surgery equipment

Dhaka Chamber of Commerce & Industry (DCCI) donated medical equipments to Burn and Plastic Surgery Unit of Dhaka Medical College Hospital (DMCH) for treatment of Nimtoli fire victims at DMCH on June 14.

President of DCCI Abul Kasem Khan handed over medical equipment to Dr. Samanta Lal Sen, Project Director of Burn and Plastic Surgery Unit Project of DMCH.

The DCCI President said that Dhaka Chamber always works for the distressed humanity and will also work for them in future. He also urged all to come forward with generous assistance in such crises.

Dr. Samanta Lal Sen thanked DCCI Board of Directors for their benevolent contribution to the Unit for rendering services to the fire victims. He also said, we have to create awareness among the people about fire safety measures at home and industry. We do not have any dearth of resources, but we do not have good planning, he commented.

Vice President Md. Sirajuddin Malik, Directors Rafiqul Islam Khan, FCA, T. I. M. Nurul Kabir, Mahabub Anam, Al-haj Md. Nasiruddin Khan, M. Anwarul Haque and M. S. Shekil Chowdhury were present at that time.

Seminar on business confidence survey

Dhaka Chamber of Commerce & Industry and Bangladesh Investment Climate Fund (BICF) jointly organized a seminar on 'BICF Business Confidence Survey of the first quarter of 2010' at DCCI on June 2.

Commerce Minister Muhammad Faruk Khan was present as chief guest and Executive Chairman of Power and Participation Research Centre (PPRC) Dr Hossain Zillur Rahman was present as session chairperson.

IFC, a member of the World Bank Group, conducted a business confidence survey among 1500 businesses in the country to assess trends in levels of investment, employment, profitability and overall performance over the January-March 2010 quarter.

DCCI Board mourns loss of lives

DCCI President Abul Kasem Khan and members of the Board of Directors expressed deep shock at the loss of 117 lives in the devastating fire at Old Dhaka on June 3.

DCCI President and members of the Board of Directors prayed for the salvation and eternal peace of the



DCCI President Abul Kasem Khan (third from left) handing over medical equipments to Project Director of Burn and Plastic Surgery Unit Project Dr. Samanta Lal Sen (third from right) at Dhaka Medical College & Hospital (DMCH) for the treatment of Nimtoll fire victims on June 14. DCCI Vice President Md. Sirajuddin Malik (left), Director Rafiqul Islam Khan, FCA (second from left) and Al-haj Md. Nasiruddin Khan (right) are seen.

departed soul and prayed for early recovery of the injured at the incident. They expressed deep sympathy for the bereaved families.

DCCI President Abul Kasem Khan in his address of welcome said that the objective of the survey is to measure business confidence on a quarterly basis in order to assess the pulse of the economy.

Through this kind of survey we will be able to identify the shortcomings in the business arena and create improved business climate, he added.

Senior Programme Manager of IFC Syed Akhter Mahmood said, the government policy making on the economy or investment climate issues should be based on solid data and rigorous analysis. He emphasized the need for a comprehensive programme of investment climate analysis to be carried out by various parts of the government in collaboration with think-tanks, and private sector chambers and associations.

He opined that the Business Confidence Survey is a useful instrument but needs to be complemented by other surveys and research works.



DCCI President Abul Kasem Khan (second from left) addressing a meeting between National Defence College (NDC) delegation and DCCI at DCCI on June 9. Leader of the NDC Delegation Major General AKM Muzahid Uddin, ndc, afwc, psc (second from right), DCCI Senior Vice President M Shahjahan Khan (right), Vice President Md. Sirajuddin Malik (left) are also seen in the picture.

Minister for Commerce Muhammad Faruk Khan said, power crisis has been identified as one of the top investment constraints in the country. Therefore, the government has already taken measures to add about 1500 megawatt power to the national grid by March 2011. He also said, the present government is taking realistic measures for the rapid expansion of business. He sought support from all in this regard.

The Minister called upon the business community to work for the sake of national interest. He also said, the present government is working hard to develop skilled manpower in the country. He said, the issue of sick industry is in government's active consideration.

Aminur Rahman of IFC-BICF made a detailed multimedia presentation.

BKMEA President Fazlul Haque, President of The Institute of Chartered Accountants of Bangladesh Dr. Jamaluddin Ahmed and Director of DCCI Asif Ibrahim took part in the discussion at the seminar as panel discussants.

Executive Chairman of PPRC Dr. Hossain Zillur Rahman emphasized on understanding implication of research data. He said, the government should take

appropriate measures to help Bangladeshis working abroad. He stressed on developing skilled workforce and utilizing the potentials of our business sector. He suggested that the government should avoid adopting regulatory attitude.

In the open discussion session, President of ICC- Bangladesh Mahbubur Rahman said, the government should take initiatives for development of infrastructure in the country by taking pragmatic strategies.

DCCI Senior Vice President M Shahjahan Khan gave vote of thanks.

DCCI Vice President Md. Sirajuddin Malik, Directors Rafiqul Islam Khan, FCA, Major Md. Yead Ali Fakir (Retd.), M. Bashir Ullah Bhuiyan, T. I. M. Nurul Kabir, Al-haj Md. Nasiruddin Khan, M. Anwarul Haque, M. S. Shekil Chowdhury and Md. Sirajul Islam (Bulbul) were present during the seminar.

National Defence College delegation calls on DCCI President

A 56-member delegation from National Defence College (NDC) led by Commandant Major General AKM Muzahid Uddin, ndc, afwc, psc, called on the DCCI President and members of the Board of Directors at DCCI on June 9.

DCCI President Abul Kasem Khan thanked the delegation members for paying visit to DCCI. He said in his address of welcome that DCCI is working hard for development of business in Bangladesh.

As one of the major trade promotion organizations of the country, DCCI places its recommendations on behalf of the business community to the government, he added. Beside the promotion of bilateral trade relation, DCCI participates at different Task Forces, Advisory and Consultative Committees constituted by the government, he said.

Abul Kasem Khan said, DCCI has established DCCI Business Institute (DBI) for development of human resources in the country in which a total number of 663

participants took part in the short training courses in 2009.

Members of the NDC delegation participated in the question-answer session.

Senior Vice President of DCCI M Shahjahan Khan, Vice President Md. Sirajuddin Malik, Directors Rafiqul Islam Khan, FCA, Major (retired) Md. Yead Ali Fakir, Mahabub Anam, Al-haj Md. Nasiruddin Khan, M. Anwarul Haque, K. G. Karim, M. S. Shekil Chowdhury and Nasir Hossain were present at the meeting.



DCCI President Abul Kasem Khan (middle) addressing a seminar on BICF Business Confidence Survey: Highlights from 1st Quarter 2010 jointly organized by Bangladesh Investment Climate Fund and Dhaka Chamber of Commerce & Industry at DCCI on June 2. Minister for Commerce Muhammad Faruk Khan (third from right), Executive Chairman of PPRC Dr. Hossain Zillur Rahman (third from left), President of ICC Bangladesh Mahbubur Rahman (second from left), President of BKMEA Fazlul Haque (right), DCCI Senior Vice President M Shahjahan Khan (left) and Vice President Md. Sirajuddin Malik (second from right) are also seen in the picture.

Bengal Chamber team calls on DCCI Board of Directors

An 11-member delegation from Bengal National Chamber of Commerce & Industry (BNCCI) led by its President S. K. Roy called on President of Dhaka Chamber of Commerce & Industry Abul Kasem Khan and members of the Board of Directors at DCCI on June 21.

The DCCI President thanked the BNCCI delegation for paying visit to Bangladesh and DCCI. He said, there is a huge potential of bilateral business between these two

friendly neighbouring countries and we have to utilize these potentials for our mutual benefit.

Abul Kasem Khan stressed on removing barriers of businesses between the two countries. He said, we have to minimize trade imbalance between India and Bangladesh and solve various problems including that of visa for better trade relations.

Leader of the BNCCI delegation S. K. Roy called upon the business community of both the countries to come forward with a changed mind set. He also stressed on infrastructure development of Bangladesh for attracting foreign direct investment. Representatives from different business organizations took part in the open discussion.



DCCI President Abul Kasem Khan (second from right) addressing a business meeting with the delegation from Bengal National Chamber of Commerce & Industry (BNCCI) at DCCI on June 21. DCCI Vice President Md. Sirajuddin Malik (second from left), Past President Matjur Rahman (left) and President of BNCCI Shri S. K. Roy (right) are seen.

DCCI Vice President Md. Sirajuddin Malik, Rafiqul Islam Khan, FCA, M. A. Baten, Major (retired) Md. Yead Ali Fakir, M. Bashir Ullah Bhuiyan, T. I. M. Nurul Kabir,

Waqar Ahmad Choudhury, Al-haj Md. Nasiruddin Khan, M. Anwarul Haque, , Md. Sirajul Islam (Bulbul) and M. S. Shekil Chowdhury, Past President Matjur Rahman, past Senior Vice President Ashraf Ibn Noor, Past Vice President Kh. Shahidul Islam and Al-Haj Alauddin Malik, Past Director Syed Moazzem Hossain, Abdul Aziz Sarker and Ahmed Hossain Majumdar, were also present at the meeting.

Workshop on intellectual property

DCCI, in cooperation with World Intellectual Property Organization (WIPO), Geneva and with the assistance of the European Union organized a five-day (June 13-17) Training the Trainers (TOT) Workshop in Hotel Sheraton.

The objectives of the workshop were to create a critical mass of trainers having the basic knowledge and skills to provide preliminary assistance to entrepreneurs and



Director of Small and Medium Sized Enterprises Division of WIPO, Geneva Guriqbal Singh Jaiya addressing a 5 day workshop on Intellectual Property and Business Development organized by DCCI and World Intellectual Property Organization at Hotel Sheraton, Dhaka on June 13. DCCI Director TIM Nurul Kabir (third from left), Additional Secretary Ferdaus Ara Begum (left) and Counsellor of Small and Medium Sized Enterprises Division of WIPO Tamara Nanayakkara (second from left) are seen.

SMEs on intellectual property asset management; that is the identification, protection, exploitation and management of their intellectual property assets.

The programme tried to give participants ideas about different intellectual property rights and how they would be able to help entrepreneurs and SMEs identify the IP assets they own or use. The trainers will now be able to advise SMEs on how these assets can be protected by formal registration or otherwise, how these rights as acquired can be maintained, enforced and utilized.

In total, 46 participants from different government offices/Ministries, SME support organizations, Chambers of Commerce, BCSIR, business support organizations and teachers of private and public universities participated.

In the inaugural session, Director and Co-ordinating Director of Telecom, ICT and Intellectual Property Rights Standing Committee 2010 Nurul Kabir was present as the chief guest. Director, Small and Medium

Sized Enterprises Division, World Intellectual Property Organization (WIPO), Geneva Guriqbal Singh Jaiya also spoke on the occasion.

Kabir in his speech said, continuous development of industrial and technological innovations have been posing as a serious threat for business entrepreneurs and increasing demand for patentable subject matter. He said, from the global scenario it is seen that IPR law suits are increasing faster than that of ordinary law suits.

Bangladesh, being an LDC with a target to graduate to a middle income country by 2021, needs to harness its IP systems as per need of the hour, he said adding that today's world is the age of knowledge and competition. A country which has technology, knowledge, information and skilled manpower would survive and be successful in the knowledge-based world, he observed. He urged the participants to take full benefit of the TOT Workshop so that they are able to convince and guide SMEs on how to take IP as a Tool for success in business development.

He informed that a number of initiatives have been taken by the private sector to build capacities with regard to IP. An IP Association has been formed recently. A proposal for establishing IP Society is in the process. Some

stakeholders suggested for establishing IP Institutions at even in the central places of the city. If possible it can be extended to regional levels. DCCI, the prime chamber in the country, is also working for establishing an IP Knowledge Centre in the chamber. The Centre will help create awareness about the IPR and related issues and initially it will work to create a Database on the IP issues in Bangladesh.

Counselor, Small and Medium Sized Enterprises Division, WIPO, Geneva Mrs Tamara Nanayakkara, Saad Nusrullah of Hamayunus IP Consultants, Lahore and CEO, Vision-IPR, Mumbai, India Dr Prabuddha Ganguli were the foreign local consultants.

Among local consultants Registrar, DPDT Enamul Hoque, M A Kasem Bhuyian of Remfry & Son Limited and Additional Secretary(R&P) and DCCI Ms Ferdaus Ara Begum presented papers at different sessions.

Provisional certificate were given to the participants after the five-day programme.

DCCI wins CACCI Award

In recognition of its crucial role in promoting the cause of business community in Bangladesh, Dhaka Chamber of Commerce & Industry (DCCI) won the 4th Confederation of Asia-Pacific Chambers of Commerce



Abul Kasem Khan (left), President, DCCI receiving 4th Confederation of Asia-Pacific Chambers of Commerce & Industry (CACCI) Award in Big Chamber Category from the newly elected President of CACCI Ambassador Benedicto V. Yujuico (right) on July 06, at Cinnamon Grand Hotel, Colombo, Sri Lanka.

& Industry (CACCI) Award in Big Chamber Category on July 6, 2010.

DCCI President Abul Kasem Khan received the award from the newly elected President of CACCI Ambassador Benedicto V. Yujuico at the award-giving ceremony of the 24th conference of the Confederation at Colombo, Sri Lanka.

A total of six nominations from five Asian countries were received for the 4th CACCI Local Chamber Awards under the Big Chamber Category.

DCCI attended the ceremony with a three-member delegation including its President Abul Kasem Khan, Directors Nessar Maksud Khan and Waqar Ahmad Choudhury.

The Awards Committee evaluated all the nominations based on the following set criteria:

1. Outstanding services to members (policy advocacy efforts, training programmes),

2. Outstanding services to community and to country (trade and investment promotion projects, employment-generation activities), 3. Participation in CACCI activities and projects.

Based on the evaluation of the Awards Committee, the CACCI Board of Judges of Awards Committee nominated DCCI for Best Local Chamber Award.

The Local Chamber Awards, which CACCI first presented in 2004, aims to recognize local chambers for their outstanding achievement in promoting industrial, commercial and social welfare of their respective communities.

DCCI organized a press conference on winning the award on July 10, 2010 at DCCI auditorium wherein DCCI President narrated the background of winning the prestigious award. DCCI Senior Vice President M. Shahjahan

Khan gave vote of thanks.

DCCI Past Presidents Benajir Ahmed, Hossain Khaled, Vice President Md. Sirajuddin Malik, Directors M. A. Baten, Major Md. Yead Ali Fakir (Retd.), T. I. M. Nurul Kabir, Mahabub Anam, Waqar Ahmad Choudhury, Nessar Maksud Khan and Al-haj Md. Nasiruddin Khan, were present at the press conference.



Abul Kasem Khan (third from right), President, DCCI addressing a press conference for winning 4th Confederation of Asia-Pacific Chambers of Commerce & Industry (CACCI) Award in Big Chamber Category at Colombo, Sri Lanka. The press conference was held at DCCI on July 10. DCCI Senior Vice President M Shahjahan Khan (second from right), Vice President Md. Sirajuddin Malik (third from left), Past Presidents Benajir Ahmed (second from left) and Hossain Khaled (left) are also seen.

Reforms for economic development

By Ferdaus Ara Begum

The primary aim of regulations is to promote economic development and growth of a country. Regulations help market to function and operate properly by enabling proper allocation of physical and technical resources. Transparency and adequate implementation of regulations reduce opportunities of rent seeking, increase strengths and incentives for formal participation in the economy, reduce costs and risks of business, promote investment, help the economy to grow and create new jobs.

In order to conduct regulatory impact analysis (RIA), an articulated policy mechanism is required. Initially, it is obligatory to do a detailed diagnosis of the policy meaning and defining the policy problems. You need to identify the policy objectives. Then, a detailed assessment i.e. a SWOT analysis, is also required. Consultation with the stake-holders and assessing its contribution to the economy and finally reviewing the whole process are important for a practical RIA.

The present government has announced its Vision 2021 with a target to be graduated to a middle income country (MIC) by 2021. The government has already fixed several targeted indicators which will require several policy reforms. In the meantime, several globally reputed investment companies have rated Bangladesh as a country of potentials and predicted that it could emerge as a powerful economic actor if policy implementation strategies are guided in the right direction. If we cannot set our goal in the right direction to translate our potentials into realities, we will have to miss the train. In that respect, good policies are a number one pre-requisite.

Regulations add some business costs on business entrepreneurs, who have to follow these burdensome laws and regulations. If these do not match with the changing pattern of business system, they fail to cater to the needs of the private sector. So policy reforms should be a continual process. Reforms can be both for existing policies and also for new ones. At this stage of crossroads of Bangladesh, the role of regulators is very important. Private sector has shown its resilience and is ready to take risks for investing in new and diversified business sectors. Now it needs an enabling environment for them to be competitive.

Korea is an example, which has done a great job in reforming its regulatory regime. Regulatory reforms became an official policy of Korea since the early 1980s. To deal with mounting inefficiencies and distortion, regulatory reforms have become an official policy of Korea since 1980s. As per a Presidential order, Korea eliminated 50% of its existing 11,125 regulations by the end of April 1998. Each Ministry had to submit a full inventory of its regulations and must propose elimination of more than 50% of its regulations. By 1999, the total number of regulations in Korea decreased to 7,127. The government formulated policies to enhance quality of regulations. Initially, there were some problems because of lack of cooperation among Ministries but eventually they have been able to overcome those problems. Korea established Regulatory Reform Committee, Regulatory Reform Task Force, Ministries of Self Regulatory Reforms and Regulatory Ombudsman Centre.

Major sectoral reforms identified relate to financial sector, labour market, corporate sector, public sector etc. In 1997, the Basic Act on Administrative Regulations (BAAR) was enacted. BAAR requires establishment of Presidential Regulatory Reform Committee (RRC), registration of all regulations, mandatory Regulatory Impact Analysis (RIA) on all new and existing important regulations. It also started a comprehensive process for regulatory improvement plan by each Ministry every year. In order to make a permanent system of reforms within the government, they devised a system called Bureaucrats against Bureaucrats model. They fixed specific time-frame for reviewing each rules and regulations. They defined important regulations having an annual effect on the economy of \$10 million or more, have an effect on one million people, apparently undermining competitiveness.

Vietnam, yet another example, has been able to discard about 2,268 policies out of 5,275 policies through RIA. Vietnam had 52,627 provincial rules and regulations, discarded most of them and reduced to 3,000 finally. Many OECD countries have been practising RIA for getting better result from the policy impact.

Bangladesh Enterprise Institute (BEI) initiated a project for civil service training programme on Private Sector Development (PSD) supported by BICF managed by IFC in partnership with the UK Department for International Development and the EU. IFC-BICF started the project in 2006 and progressed through formulating a core

group format, with these efforts they are trying to establish a community feedback from whom it tried to create the basis for developing strategies for regulatory impact analysis and have been able to improve quality of regulations.

The project organized a planning workshop recently for a Business Bureaucracy Interface sharing experience and for this formed an Executive Core Group Program (ECGP). The ECGP contributed for a base line survey where opinions of participants and their impression on policy reform needs were indexed. An experience sharing session was followed where a regulatory impact analysis on the process of duty exemption and drawback office (DEDO) was presented. Private sector perspective was also presented which was one of the objectives of the programme. RIA is a process to assess the cost and benefit of the regulations. The project will try to develop a structured system for policy reform. RIA will help countries to know on how regulations will help to accrue more benefits than the cost of regulations.

In case of Bangladesh, there is a lot of debating policies for which cost benefit analysis is very important, for an example, whether importing reconditioned car or new car is beneficial for Bangladesh. RIA can answer the questions. Smoking is one of the problems in Bangladesh. Whether banning cigarettes could be effective in the context of Bangladesh can be seen by having a RIA. The paper presenter in the programme mentioned about the guillotine approach. Before doing it, one should analyze whether it is necessary, legal or business friendly. Based on the importance of the nature of the policy it can be revised, retained or eliminated.

BEI's noble endeavour for this type of interactive meeting with senior level government officials is very much appreciative. In the present age of private-sector led economy, the government's role as a facilitator through promulgation of supportive regulation, is very vital. Today's competitive business arena requires flexibility in terms of resource allocation, global supply and logistics chain competitiveness, input and market access, scalable economies, rapid physical transfer of merchandise etc. Otherwise, private sector will not be able to compete. For all these supportive ingredients, the present government's visibility is important.

The program aims to effectively transform 20 potential government officers into champions within the

government bureaucracy to facilitate achievement of the government's goal for private sector development.

Through this program, some tools are planned to be developed for administrative barriers review and reform impact analysis. The project initiated its first programme with the PM's office, secondly they continued a programme with RRC core group and they are implementing the present programme in cooperation with the Ministry of Establishment.

Through private-public dialogue, some amendments will be suggested. As a successful example, they mentioned about the postal law amendment in which courier service was not lawfully allowed. The policy is now in the process of amendment. The project will be a vehicle to get feedback from the concerned and even concerned ministries can propose small projects which will help private sector development(PSD).

The programme will create some champions who will be able to identify and initiate potential reforms required for developing a conducive business environment for growth.

The main objective of the programme is to create a critical mass of civil servants who will eventually support Bangladesh's commitment to improved social and economic development and ultimately contribute to reduce poverty. It will inculcate to infuse a positive mind-set among government officials for effective services to the business community. The programme will enhance the incentives for government officials to seek new learning and to apply new lessons to enhance job performance.

Business entrepreneur would like to put emphasis on the issue that positive mindset of bureaucrats is very much required to help and guide business entrepreneurs to generate and create new businesses. Encouragement from the government is very vital for the success of private sector to sustain in today's business world. Business entrepreneurs know about the importance of bureaucracy. They feel that the government is also like a company. Budget is the fiscal plan through which it runs its offices. Motivation from the public sector is very important. In view of this, pub-private dialogue is very important. Bangladesh Better Business Forum (BBBF) was established but is now non-functional. Regulatory Reform Commission (RRC) is also in slumber. These mechanisms should have legal status. In order to get a clear orientation

about corporate environment, government officials may have short experiences of working with corporate body.

Over-regulation is also not good and can give birth to a tendency among entrepreneurs to operate informally. An IMF study reveals that about nine trillions dollars –roughly a third of GDP of emerging markets–was generated informally. Similarly in 1999, ILO figures indicated that 17% to 84% of the urban labour force in a developing country work informally. Informal businesses hinder generating required employment and thus contribute less to the economy.

In order to lower business costs, the government should ensure transparency in the decision-making procedures so that entrepreneurs can easily comment on existing and draft laws or propose new ones. There is a need for a policy formulation strategy where the role of both private and public will be defined clearly. Things have been changed a lot now- -a-days. The government is now very keen to get private sector opinion of the concerned sections before formalization of policies. We need to establish a Policy Reforms Research Centre to get supportive information to suggest and revise as per needs of the private sector.

DCCI takes part in ITC roundtable in Kenya

A regional network roundtable on Modular Learning System in Supply Chain Management (MLS-SCM(P)) was held in Nairobi, Kenya from May 6 to May 7.

It was jointly organized by International Trade Centre (ITC)/ UNCTAD/WTO, Geneva and Kenya Institute of Supplies Management (KISM).

The objectives of the event were to exchange views on the key SCM challenges facing Africa and the world in 2010 and discuss related best practices and solutions, to share experiences and best practices in developing, promoting and making MLS-SCM(P) -based training across Africa and beyond, to develop closer cooperation among network members and develop win-win regional and global networks and to highlight impact of MLS-SCM(P) Programme from presentation of selected success stories from the global network.

Seventy one Network Administrators, coordinators and trainers from Asia, Africa and Latin America participated in the event and shared their learning

Mechanism for implementing RIA needs several procedure and research. We are not sure whether the ministries are capable of doing that impact analysis of regulation. RRC was established in Bangladesh as an interim measure. If RRC is the implementing body, it should be established by law.

Prime Minister's secretariat could have a RIA office. Sectoral experts need to be engaged to define regulations in such a manner that the meaning of regulations becomes clear to all. Acts, Rules, Procedures, and Operations have different roles to play. Problems arise at the operational stages. We need to know how and when RIA will be able to address these issues. In order to get benefits, some regulations may be dropped. Transparency and political decision are important to get benefits from regulations. E-government is yet another answer to get better result from policy impact analysis. Information is the basic tool for reforms. Creation of awareness among people and stakeholders to provide instant information is essential. There should be a clear understanding of what benefits we are going to get if we have good regulations. Appropriate public-private partnership government (PPPG) is the key to the success.

--The writer is Additional Secretary of DCCI Ferdous Ara begum

experiences, successes and challenges. From ITC, Prof. Arjan van Weele, Chairman of the Board of Governance of MLS-SCM(P) Programme, Ms. Acia Pouye, Director, ITC, Roberto Smith Gellespie, Member of the Board and Ms. Margareta Funder, Manager, MLS-SCM(P), among others, participated in the round table.

Four MLS-SCM(P) lead trainers of DCCI Business Institute (DBI) participated in the roundtable. They were Syed Asgar Ali, Enayet Hossain, A M Mainuddin Khan, and Mamtaz Hassan Khan.

Among ten global success story participants, for whom traveling and other expenses were borne by ITC, Geneva, Syed Asgar Ali, Import Manager, BOC, Bangladesh Limited and Mamtaz Hassan Khan, Production Engineer, Tullow Bangladesh Operating Ltd. participated in the round table and presented success stories of MLS-SCM(P) in Bangladesh on behalf of DCCI Business Institute.

In his success story, Syed Asgar Ali demonstrated that by applying the tools and techniques of ITC's MLS-SCM(P), his company BOC Bangladesh became

a High Performance Organization (HPO) and saved 2.6 million Euro (15% cost) in financial year 2009 and scored highest position among 10 companies of Linde Group in South East Asian region. He got second place in the overall success story competition, held on May 7, 2010.

In his success story, Mamtaz Hassan Khan showed that his company Tullow Bangladesh Operating Ltd (TBL) saved US \$ 78,336 (73% cost) on procurement of a particular lubricant by using the technique of Supply Positioning Model of ITC's MLS-SCM(P).

During the round table, the contribution of DCCI Business Institute and its lead trainers, specially Syed Asgar Ali, was much appreciated by ITC team and other participants for the remarkable success of MLS-SCM(P) programme in Bangladesh.

Ms. Margareta Funder, Manager, MLS-SCM(P) Programme, ITC was given the updates on DBI Programme. Overall, she was very happy on the successful and effective participation of DCCI team in the Africa round table. The successful participation in the round table helped to highlight the bright image of DCCI in the network and the ITC, Geneva.

ITC published and distributed a brochure on the round table, electronic copy of which was also posted in the Learningnet, ITC website. In the 1st page of the brochure of the MLS-SCM(P) Roundtable, Kenya, 2010, institutional profile of DCCI Business Institute was published which is reproduced below:

Dhaka Chamber of Commerce & Industry (DCCI), the voice of private sector, serves as the first point of business contact for penetration into new market, a vibrant platform putting forward research-based recommendations and suggestions as policy input to government of Bangladesh and conducting training courses for development of forward-looking entrepreneurs and business executives for a brighter tomorrow in the sphere of trade, commerce and overall economy. DCCI is the largest and most active chamber of Bangladesh.

DCCI, established in 1958 and registered under Companies Act. 1913, celebrated its Golden Jubilee (50th anniversary) through a year-long programme in 2008. The programme culminated in holding of three-day International Business Conference (IBC) in Dhaka from October 31 to November 1, 2008. In the IBC, among other dignitaries, Ms. Patricia Frances,

Executive Director, ITC-WTO/UNCTAD, Geneva, and Dr. Supachai Panitchpakdi, Secretary General of UNCTAD were present as guest speakers.

Lead MLS-IPSCM programme administrator :

Md. Hossain Ali, Executive Director, DCCI Business Institute (DBI)

Lead MLS-IPSCM trainers: Syed Asgar Ali, A M Mainuddin Khan, Shankar Kumar Roy and Enayet Hossain

Number of active trainers: 15

Full Time Trainers: None

Part Time Trainers; 15

Approximate number of participants trained to date on MLS-SCM(p): 220

Accredited Examination Body: YES NO

Approximate percentage of participants taking exams: around 90%

DCCI entered into an agreement with ITC to conduct MLS-SCM(P) Programme in 2004. Since then it has been successfully conducting MLS-SCM(P) courses and holding examinations regularly.

In January, 2010, 39 participants have been enrolled for MLS-SCM(P) Certificate Course (7th batch). In last March, 78 participants sat for examination of 222 Modules of MLS-SCM(P). More new trainers are in the development process through continuous TOT programmes with the support of ITC. Last ToT in DBI was conducted by Ms. Margareta Funder, Manager, MLS-SCM(P) Programme, ITC in March 2010 and 18 trainers participated in the ToT. In 2008, three trainers attended regional Training of Trainers workshop – Asia and Regional Network Meeting, held in Bangkok. Three trainers of DBI also participated in the "Global MLS-SCM(P) Network Roundtable" Montreux, Switzerland, 22 – 24 April 2009.

DCCI won the "World Chamber's Competition Award 2007", in the 5th World Chamber Congress, ICC, held in Istanbul on 4-6 July, 2007. The award was given for "Best Skills Development Programme". During the Congress, Hossain Khaled, the then President, DCCI presented a case study on successful implementation of MLS-IPSCM programme in the DCCI Business Institute (DBI) in co-operation with ITC-WTO/UNCTAD, Geneva. This presentation was applauded by the Congress.

2010-2011 national budget with huge deficit eyes higher growth

Finance Minister Abul Maal Abdul Muhith proposed expansionary fiscal measures with the highest allocation for power and energy sector as he placed in the parliament the national budget proposal for the 2010–2011 financial year with an outlay of Tk 1,32,170 crore.

The proposed budget will have a deficit of Tk 39,323 crore or 5 per cent of the proposed gross domestic product, the total value of goods and services produced in a year, estimated at Tk 7, 80,290 crore with a growth rate of 6.7 per cent. The outlay figure accounts for 16.9 per cent of the total proposed gross domestic product.

Although the minister proposed a big budget, the total budget implementation in the nine months of the outgoing financial year till March has been 53 per cent.

The revised budget for the 2009–2010 has an outlay of Tk 1,10,523 crore and the outlay of the budget proposed for the next financial year is 35 per cent higher than the figure of the revised budget for the outgoing financial year.

The proposal for the second budget of the Awami League-led government gave priority to power and energy, agriculture, rural and human resources development and social safety net in keeping with the ruling party's electoral pledges.

Although the power and energy sector has received the highest allocation of Tk 6,115 crore with an increase of 61.5 per cent on the figure of the budget for the outgoing financial year, no subsidy has been proposed for the sector which may compel the government to increase power and energy prices in the coming days.

The budget was placed with a Power Point presentation. This was the 39th national budget and the 11th of the Awami League government. The minister also gave two concept papers on power and energy and another concept paper on the district budget.

The Awami League government has once again proposed the provision for legalizing undisclosed money by way of investment in infrastructure for the second time in a breach of the ruling party's electoral pledge.

'Factors such as global turnaround from the financial crisis, continued growth in the agriculture sector and capacity to sustain domestic demand have helped us to make upward corrections to the economic growth in the 2010-11 financial year,' Muhith said as he placed the budget proposal in the parliament in the absence of the main opposition Bangladesh Nationalist Party and its allies.

'It is projected in the framework that our economic growth will be 6.7 per cent in the next financial year,' the minister said, who delivered the speech for about two hours and a half beginning about 4:00pm

Muhtith also said, 'We hope the expected progress will be achieved by augmenting revenue collection, crowding in private sector investment through ADP implementation, expediting private sector investment with an increase in the supply of credit for the private sector, including PPP, and making the external sector competitive through a stable exchange rate.' 'Alongside, we will continue with our efforts to contain inflation within a tolerable limit as well,' he said.

The budget proposal has a revenue earning target of about Tk 92,850 crore, which is 11.9 per cent of the GDP. Of the amount, the National Board of Revenue would earn Tk 72,590 crore. Tax sources outside revenue board have been projected to earn Tk 38,520 crore and Tk 16,805 crore would be coming from non-tax earning. The minister in the budget proposal relied heavily on borrowing to meet the budget deficit of Tk 39,323 crore or 5 per cent of the GDP.

The deficit will be managed with Tk 15,643 crore from foreign sources and Tk 23,800 crore from domestic sources. Among domestic sources for deficit financing, the banking sector would provide Tk 15,680 crore and non-banking sectors Tk 8,000 crore. The budget has proposed an ambitious annual development programme of Tk 38,500 crore and another public-private partnership involving Tk 3,000 crore.

Muthith said the rate of ADP implementation in the outgoing financial year had not been encouraging and the next ADP implementation would need effective supervision and monitoring to achieve the targeted 6.7 per cent GDP growth in the next financial year with an average 6.5 per cent inflation.

The number of beneficiaries under the social safety net programmes has been increased by 10 per cent with a 14 per cent increase in the amount on the figure of the revised budget for the outgoing financial year.

According to the budget speech, the government has planned to tighten VAT regulations in the next financial year and some changes will be brought about in this regard to stop evasion of VAT payment and the changes will also provision for stringent punishment for such offences .

The value-added tax at 15 per cent has been proposed on about 35 types of businesses such as land development and building construction, building construction firms, theme parks, courier service

providers, consultancy firms, audit firms, constructors, English-medium schools and coaching centers.

The tax on export for the local cigarettes will not increase, according the budget proposal. In cases of small and medium enterprises, the amount of turnover for tax relief has been proposed to be increased from Tk 40 lakh to Tk 65 lakh. Muhtith also proposed tax holiday facilities for industries manufacturing solar panels and energy-saving bulbs.

The budget proposes that the National Board of Revenue would give depreciation allowance on physical infrastructure such as bridges, roads, flyovers or any infrastructure to be built under the public-private initiative.

According to the budget proposal, the government will issue investment bonds under the Bangladesh Infrastructure Finance Fund up to June 2021 on payment of tax at a rate of 10 per cent of undisclosed money holders to develop physical infrastructure. Some untapped areas such as gain taxes on profit from the stock market and property have been proposed to be brought under the tax net.

Duty up

1,000cc motor cars, 1,001cc-1,500cc cars, up to 1,800cc minibuses, CKD (complete knocked down) motor cars, jeeps and station wagons, motorcycles, sugar, glass tubes, zarda, gul, ceramics, stones, tiles, mosaic, ceramic bath tubs, sink basins, shampoo, woven fabrics, chenille fabrics, knitted fabrics, air-conditioner spares, television set spares, remote controls for electronics, power meters, urea resin, maize starch, cast polypropylene film, fly ash, aluminium foils, surfaced coloured papers, paper boards, plastic sheets and printed PVC.

Duty down

Locally manufactured energy-saving lamps, locally manufactured refrigerators, freezers, locally manufactured motorcycles, milk powder, coconut oil, LCD/LED panels, SIM cards, colour photo paper, silica sand, plastic lens, tin-plated can for aerosol product, agar, iron wire, industrial vacuum cleaners, industrial

filters, kiln furniture, ceramic rollers, solar-operated storage water heater, LPG valve, LPG safety valves and energy-saving light with blasts and fittings.

Power, energy allocation up by 42 percent

Finance Minister AMA Muhith has proposed an increase of 41.86 per cent in allocation for the power and energy sector in the next budget, but has given no indication of giving any subsidy to offset the high cost of electricity from rental power plants.

The budget documents presented by the minister at the parliament rather showed that the price of electricity will be increased by 20-30 per cent in phases in two to three years because of the high cost electricity.

In his budget speech Muhith said that Tk 6,115 crore would be allocated for the power and energy sector in the 2010-11 financial year. The allocation for the sector

was Tk 4,310 crore in the budget in the 2009-2010 fiscal year.

He said that the ongoing power crisis has aggravated people's sufferings, slowed down industrial production and hampered trade to a considerable extent.

The allocation, which will mostly be spent for installation of a number of fuel oil-based peaking power plants, a few gas-based power plants, electricity transmission lines and gas exploration, is still low given the current power and gas shortage, said power experts.

Experts also doubt whether the government will be able to spend the allocation in the next fiscal year as it had to cut down the budget for the power sector to Tk 2,658 crore in the revised budget from the original budget of Tk 4,495 in the current fiscal year because of non-implementation of a number of power projects.

Muhith admitted that even after conclusion of contracts for power plants, production of power is being delayed due to a variety of reasons. 'Despite the precautions taken against this, there could be delays in the implementation of certain projects.'

To mitigate the shortage, the government will have to depend heavily on expensive electricity from fuel-oil

Budget highlights

Total outlay: Tk 1,32,170cr
Interest payment: 11.1percent
Education & IT: 13.2pc
Energy & Power: 4.6pc
Agriculture: 5.4 percent
Social security & welfare: 7percent
LGRD: 8.1percent

Projections

GDP growth: 6.7percent
Inflation: 6.5percent
Income: Tk 92,847cr
Deficit: Tk 39,323cf
Domestic borrowing: Tk 23,680cr
Foreign borrowing: Tk 15,643cr
Revenue expenditure: Tk 93,670cr
ADP: Tk 38,500cr

based rental power plants of the private companies. 'As there is no indication of any subsidy in the budget, consumers will have to bear the brunt of the high cost of electricity as the Power Development Board will have to raise the price of power,' said an expert.

Muhith revealed the plan to generate 9,426 MW of power by 2015, of which 792MW will come by 2010, 920MW by 2011, 2,269MW by 2012, 1,675MW by 2013, 1,170MW by 2014 and 2,600MW by 2015.

He said that the government has so far finalised contracts with fast-track rental power plants without floating tenders for generating 1,107MW. The PDB will need at least Tk 5,000 crore in subsidy for buying costly electricity from the plants for five years or will have to raise the price of electricity by around 10 per cent each year.

'I want to state unequivocally that within the current term, our government will be in a position to work out an acceptable solution to the power crisis,' said Muhith adding that the gap between demand and supply of electricity will be removed by two years.

He said that they had given resolution of the power crisis top priority and they believe that they will be able to create a 'rare example' of development in this sector.

Muhith, who had pledged in his previous budget that the government would finalise the draft of coal policy this fiscal year, said on Thursday that the draft of the National Coal Policy had already been prepared.

GDP growth target at 6.7pc for next fiscal

The Awami League government has projected the growth in gross domestic product for the next fiscal year at 6.7 per cent, much higher than the current financial year's estimated growth performance at 5.5 per cent.

Finance Minister AMA Muhith in his budget speech forecast the higher growth in view of a few positive indicators of the economy, despite shortfall in energy and power supplies that plagued investments and growth. He further insisted that the 'overall economic growth in FY2009-10 will be 6 per cent' although Bangladesh Bureau of Statistics made a provisional estimate of GDP growth at 5.54 per cent for the 2009-2010 fiscal.

'We know that although supply is increasing in the power and energy sector, it cannot cope with the growing demand,' Muhith said, admitting that two important sectors of the economy showed weak performance.

The size of the country's gross domestic product - the annual total value of goods and services - has been

estimated at Tk 7,80,290 crore for the coming fiscal year. The GDP of the current fiscal is shown at Tk 6,90,571 crore.

The finance minister projected the growth target in line with the medium term macroeconomic framework and the ruling party's election manifesto. The framework has laid out the GDP growth target at 6.7 per cent for 2010-2011, 7.2 per cent for 2011-2012 and 7.6 per cent for 2012-2013, which is close to the ruling Awami League's pre-polls targeted growth of 8 per cent in 2013.

The finance minister's targeted growth for the next year also contrasts the declining trends in GDP growth at 6.4 per cent in 2006-07, 6.2 per cent in 2007-08, 5.7 per cent in 2008-09 and 5.54 per cent [provisional] in 2009-2010.

'We hope that expected progress will be achieved by augmenting revenue collection, crowding in private sector investment through ADP [annual development programme] implementation, expediting private sector investment through an increase in supply of credit for the private sector including PPP [public-private partnership] and making the external sector competitive through a stable exchange rate,' he said in his budget speech.

Renewed focus on SMEs in budget

The small and medium enterprises have been given a renewed attention in the proposed budget for 2010-11 fiscal, envisaging a number of measures for promoting the promising sector.

Finance Minister AMA Muhith in his budget speech said the government fixed a target of Tk 23,995 crore as SME loans to be disbursed through banks and financial institutions. The loan policy would also be friendly to women entrepreneurs, said Muhith. 'The banks and financial institutions will distribute loans to the SMEs and women entrepreneurs in accordance with the ascertained target.'

The budget also eased taxes on SMEs as the finance minister proposed expansion of annual turnover limit up to Tk. 60 lakh, instead of existing Tk. 40 lakh. The rate of tax would remain unchanged at four per cent. He also said that SME units in apparel export sector would be given specific stimulus supports so they could offset the impacts of global recession.

Muhith cited that the 'SME Re-financing Scheme' managed by Bangladesh Bank disbursed Tk.1,541 crore up to April, 2010 while some 15,672 SMEs had been

benefited. The minister said SMEs would also get facilitation from the government as rural non-farm sector.

Abdur Razzak, president of the Bangladesh Engineering Industries Owners' Association, welcomed proposed increase of the ceiling of turnover for assessing tax on SMEs. 'It had been a long-felt need of the small businesses... so they are happy,' said Razzak, who is a member to the board of the SME Foundation. Razzak however said that he was depressed as the proposed budget said nothing or little regarding protection of local market of SMEs by increasing duty on imported products which are manufactured by the local SMEs.

NBR sets income tax rates for small taxpayers

The National Board of Revenue has set income tax rate for small taxpayers under the proposed spot assessment, to be introduced in the next financial year, aimed at income tax base expansion, sources said.

The minimum amount of tax under the spot assessment will be Tk 2,000 for businessmen having an initial investment of Tk 8,00,000. The tax amount will double if the businessmen have investment of more than Tk 8,00,000 and less than Tk 10,00,000.

The finance minister, Abul Maal Abdul Muhith, in his budget proposal for the 2010–2011 financial year said the government was setting up one-stop service centres to introduce spot assessment system for new small taxpayers. The spot assessment, which will have two-page income tax returns, also stipulates income tax rates for professions such as physicians and lawyers.

The income tax rate will be Tk 2,000 for professionals running their business for less than five years. The amount will be double if the professionals have run their business for more than five years and less than 10 years. The revenue board has also made taxpayer's identification number mandatory for new gas and power connections in the capital and cities in 2010-11 in a bid to increase the number of taxpayers.

There are now 2.2 million taxpayer's identification numbers. But only a third of the TIN holders pay income taxes regularly. Bangladesh has the lowest tax-GDP ratio in South Asia.

The revenue board in keeping with the budgetary proposals will also ask the Bangladesh Road Transport Authority not to renew certificates of commercially run buses, trucks and other types of vehicles without TIN beginning the next financial year. Revenue board officials said that under the new measure, a large number of vehicles owners would come under the income tax net.

According to Bangladesh Road Transport Authority officials, a third out of about 1.3 million registered vehicles across the country ply the roads in the capital and owners of most of the vehicles on roads in the capital do not pay any income taxes.

The NBR officials hoped a spot assessment in addition to other measures would enable them to bring in about half a million new taxpayers under the income tax net. The government has given the revenue board a collection target of Tk 72,590 crore in the next financial year.

Businesses hope for energy crisis mitigation, duty cut

Different trade bodies and professional groups have put forwarded a number of recommendations and demand to the government ahead of the budget.

Most of the groups and bodies have made a common demand that the government addresses the crisis of energy, which is impeding the country's growth.

They demanded sufficient allocation for power and gas projects and withdrawal of duty on diesel and furnace-oil so that industries can use these oils for generation of electricity due to shortage of gas and electricity supplied by the authorities. The other demands of the groups are highlighted below:

FBCCI

The Federation of Bangladesh Chambers of Commerce and Industry has called for raising the ceiling of tax-free individual income to Tk 2,00,000 from Tk 1,65,000 and for women and disabled to Tk 2,50,000 and Tk 3,00,000 respectively.

It demanded lowering corporate tax for listed companies to 25 per cent, for non-listed companies to 30 per cent and for banks, insurance companies, financial institutions and mobile companies to 40 per cent.

For the local industries, the FBCCI suggested a four-tier import duty structure, one per cent duty on the import of capital machinery and basic raw-materials, three per cent on intermediate goods or ingredients, 12 per cent on locally produced intermediate goods and 25 per cent on finished and luxury imports.

MCCI

The Metropolitan Chamber of Commerce and Industry demanded corporate tax rate for non-listed companies to be reduced to 32.5 per cent from the existing 42.5 percent. The chamber suggested the government to continue tax holiday scheme for another five years. The

MCCI called for a provision for extra depreciation allowance for factories working double shifts and triple shifts.

The chamber suggested consolidated and simplified VAT laws to enable more efficient implementation of the laws that, it said, will result in less harassment of taxpayers, lower cost of compliance and more efficient revenue collection. The MCCI suggested withdrawal of the current 15 per cent VAT on commercial leases.

The chamber said the export-oriented industries, particularly readymade garments, are struggling with reduced price offers from buyers and facing higher expenditure for gas and power shortage, and urged the government to take steps.

DCCI

Dhaka Chamber of Commerce & Industry called for allocating Tk 10,000 crore, or at least 10 per cent of the total outlay, for solving energy shortage.

The chamber said maximum taxable income limit should be raised to Tk 2,00,000 from Tk 1,65,000, and highest tax slab should be reduced to 20 per cent from 25 per cent.

It demanded extension of tax holiday for the agro-based industries by five years, tax incentives to facilitate the growth of small and medium enterprises. The chamber suggested for doubling the allocation for public-private partnership projects to Tk 5,000 crore from Tk 2,500 crore. It suggested for the government to set up an 'ICT Commission' for the implementation of 'digital Bangladesh' plan.

BGMEA

The Bangladesh Garment Manufacturers and Exporters Association in a 22-point budget proposal requested the government to allow tax holiday for new factories outside the export processing zones, duty free import of diesel and furnace oil and lowering the lending rates by the banks.

It asked for a fund of more than Tk 5,000 crore for the development of skilled human resources, building workers' dormitories and setting up of central effluent treatment plants.

BGMEA wanted increase in allocations for social safety nets, education, infrastructure and protection, in the interests of the industrial sector. The government should bring down the bank interest rate to a single digit for exporters and keep the sector free from VAT, it demanded.

The exporters association also proposed that the government equalise facilities that the factories inside

the export processing zones (EPZs) are getting, with the factories outside.

It proposed duty-free import of diesel and furnace oil to run the generators in the factories and the formation of a fund to build dormitories to solve the crisis of shelter for the workers.

BKMEA

The Bangladesh Knitwear Manufacturers and Exporters Association urged the government for meaningful improvements in supplying of gas and power for the industrial sector.

It urged for more allocations to infrastructure projects. The government should allow the duty-free import of chemicals used in the effluent treatment plants (ETPs), to protect the environment from pollution, the association demanded. Its leaders expect handsome allocations in the budget to form a fund with a view to diversifying products and export markets.

BTMA

The Bangladesh Textile Mills Association proposed that the government withdraw the 22 per cent duty on the import of acrylic fibres, polyester chips/fibres and viscose staple fibres, which are used in making sweaters and shirts.

It asked the government to withdraw import duties on chemicals used in ETPs and spare parts used in the factories.

The association said the government should give incentives to the local weavers as the yarn prices shot up following the price hike of raw cotton in international markets.

CCCI

The Chittagong Chamber of Commerce and Industry demanded cut in the duty of raw-materials which are used for making dice and moulds by local manufacturers. It demanded increase in duty on imported mosquito preventing coils, steel bars and rods.

The chamber demanded flat duty on specific types of imported tyres, and reduction in duty on imported calcium carbonate as it reduces cost of production of PVC products.

CMCCI

The Chittagong Metropolitan Chamber demanded that export oriented units set up by local entrepreneurs at outside export processing zones should get similar facilities and intensive like that of those inside the zones

BWCCI

The Bangladesh Women Chamber of Commerce and Industry demanded Tk 100 crore budgetary funds for the development of women entrepreneurs and supporting rural women entrepreneurs through local governments.

Women entrepreneurs said female entrepreneurs like male entrepreneurs are also afraid of tax officials as they create harassments forcing entrepreneurs to pay bribes. The government should make the tax department business friendly, the association demanded.

BFFEA

The Bangladesh Frozen Foods Exporters Association demanded that the government stop circulating statutory regulatory orders (SRO) frequently for changing the budgetary measures. It demanded a research and development fund for the frozen food sector and measures to increase production in the sector.

It sought budgetary funds as the government could not reconstruct the cyclone Aila-hit embankments yet in the Southern districts of the country, where the main shrimp hatcheries are located.

DSE

The Dhaka Stock Exchange demanded that proposed mandatory TIN for operating BO accounts should be made optional. It suggested that CDBL could collect surcharge at a rate of Tk 100 per BO account in a year and the fund could be deposited to the government. On the capital gain tax on securities' trade, DSE proposed that no individual tax should be imposed while 3 per cent tax can be imposed for bank, insurance companies and non-banking financial institutions.

BARVIDA

Bangladesh Reconditioned Vehicles Importers Association demanded that import duty on up to 1500 cc car, a major import category, should be reduced to 30 per cent. It demanded reduction in duty on used micro-buses and buses with less than 15 seats.

Bangladesh Engineering Industries Owners' Association demanded increase in duty and taxes for import of LP gas cylinder, leaf spring used in motor car, automobile filter, steel slipper and carbon rod. The association demanded duty cut on the primary raw materials and chemicals used by the light engineering industries.

BPGMA

Bangladesh Plastic Goods Manufacturers Association demanded budget measure against dumping of hanger,

furniture and doors by Chinese and Indian exporters as local manufacturers produce international standard products.

The association demanded highest duty imposition on poultry trays, nursery and seed trays, plastic plate and kitchenware.

BCI

The Bangladesh Chamber of Industries demanded subsidy of Tk 20 for each litre of petrol and diesel and Tk 10 for each litre of furnace oil for all the industries.

The chamber said that the duty structure should minimise the difference between raw materials and finished goods. It called for protecting domestic industries from undue competition to encourage entrepreneurs to invest.

VAT commissioners likely to get special powers

The government is likely to empower the Value Added Tax (VAT) commissioners to file cases against suspected VAT evaders from the new fiscal year that starts on 1 July, 2010, said sources.

Giving the VAT commissioners such special powers which are absent in the present laws will be one of the main features of the new VAT law which will replace many rules of the old one enacted in 1991.

NBR chairman Nasir Uddin said that it was imperative to change, in phases, the existing VAT law which has become outdated.

If the new provision of the VAT commissioners' special powers comes into force, it will affect nearly 6,50,000 registered persons or firms in the country, of whom only one-third submit VAT tax returns annually, said sources.

The Dhaka Metropolis Shop Owners Association's president, Helal Uddin, observed that the VAT commissioners should not be given such special powers because it will give them scope to harass businessmen.

He hinted that they might launch a movement as a large number of shop-owners in the capital have paid fixed rate of VAT on their retail sales which might be disputed by the commissioners.

The successive governments have for long been trying to bring about changes in the concerned law to curb VAT evasion and increase collection. Though VAT accounts for one-third of the NBR's annual revenue, in Bangladesh income from VAT is the lowest in the South Asian region.

NBR member Mannan Patwari said they have placed many proposals for reforms in the VAT law, some of which are likely to come into force in the new fiscal year. Others will be applied in phases, he added.

The provisional collection of VAT already stands at Tk 18,941 crore in the first eleven months of FY 2009-10, recording a growth rate of 24 per cent over the collection in the same period of the last fiscal year.

The VAT department has been set a collection target of Tk 25,235 crore in the new fiscal year, he added. The NBR has also proposed reestablishment of the input credit mechanism through all points of sale to avert the 'cascading' (tax on tax) effect.

Besides it has proposed simplification of the negative list of goods and services and phasing out avoidable exemptions. The export-oriented sector and cottage industries with less than Tk 2 million annual turnovers are now enjoying exemption from VAT.

Govt approves guidelines for PPP projects

A weekly cabinet meeting has approved the draft policy and strategies of the much-talked-about public-private-partnership to beef up the implementation process of big infrastructure projects.

In the absence of guidelines, the government could not make any significant progress in implementing the PPP, introduced in July 2009 with an aim to attract private investments in large projects like power plants, roads, flyovers and ports.

Besides, the meeting formed an advisory council headed by Prime Minister Sheikh Hasina to monitor the projects under the PPP, press secretary to the Prime Minister, Abul Kalam Azad, told reporters at the PID conference room.

The committee would sit once a year, he said, adding that there would be separate but adjacent offices of the PPP and the Board of Investment under the jurisdiction of the Prime Minister's Office.

Location of the cell was a major hindrance in completing the guidelines during the last one year. Both the Bol and the finance ministry wanted that the office should be established in their premises.

As per draft, the PPP office chief would be a senior official equivalent to or above joint secretary level. The chief would be accountable to the PM, said the finance ministry sources.

Besides, the cell would be equipped with more than a dozen of officials from both the public and private

sectors to assist the chief in legal and financial matters, and in the process of selection of projects.

Some Tk 2,700 crore was allocated in the outgoing fiscal budget for the PPP. But the government was forced to divert Tk 1,600 of the allocation to a newly formed state-run company because of poor progress of PPP programme.

In the newly proposed budget, the finance ministry has projected allocation of Tk 3,000 crore for PPP in 2010-11 fiscal year.

PPP outline

Private investors and non-resident Bangladeshis (NRBs) will enjoy several fiscal and special benefits in the public-private partnership (PPP) projects.

Tax will be imposed at reduced rate on import of capital machinery for the PPP projects, according to the Policy and Strategy of PPP 2010 approved by the cabinet.

Such projects will enjoy a reduced tax on profit, and tax waiver for a certain period.

The policy also said special incentives will be given to PPP projects targeted for rural or underprivileged population. The NRBs will get special benefits for their investment in the projects. However, the policy did not specify what incentive would be given and the cabinet committee on economic affairs will determine it at the time of approving the projects.

Finance Minister AMA Muhith in his budget speech last year spoke of implementing different projects under PPP initiative and a budgetary allocation was made for the purpose, but no project was implemented due to a lack of guidelines.

The finance minister said implementing projects under the initiative would start in full swing from the next fiscal year as the guidelines have been approved. A high official of the finance ministry said a timeline has been set for awarding the projects.

There will be three types of projects under the PPP. A small project will be of Tk 50 crore, a medium project of Tk 50 crore to Tk 250 crore and a big project will be of Tk 250 crore and above.

The bidding process of the big projects should be complete in six months to one year, the medium projects from five months to 10 months and for the small ones the awarding process will take three months to six months.

The institutional framework of the PPP will be a 22-member public-private advisory council, cabinet committee on economic affairs, office of the PPP, line

ministry or executive agency, finance division and planning commission.

There will be a separate and autonomous office headed by a chief executive officer (CEO) for implementing the PPP projects. The chief executive will report directly to the prime minister. The office will consist of officials recruited from both public and private sectors, selected on a competitive basis, having relevant knowledge and experience.

The office will be the central point for promoting the PPP concept. It will support line ministries in identifying, formulating, selecting, contracting and monitoring the implementation of the PPP projects. The office will also coordinate various government and private agencies for fast tracking the PPP projects. It will also maintain a panel of experts for such projects.

The cabinet committee on economic affairs will approve the large projects, while the finance minister the medium ones and the respective minister of the line ministry will approve the small projects.

"For appraisal and approval of unsolicited proposals, competitive bidding such as 'Bonus System', 'Swiss Challenge System' or other appropriate methods will be followed where the options and competitiveness of the unsolicited proposals could be put to open test by inviting competitive proposals," said the policy.

The regulations, model documents, and short description and scope of negotiated PPP projects will be made public. Each private investor participating in a PPP project will be able to track the status of processing through the internet. The PPP will cover 18 sectors including energy, power, fertiliser, port economic zones, e-service delivery, and poverty alleviation projects.

Investment in energy, infrastructure challenge for economy: CPD

The twin challenge for the Bangladesh economy next fiscal year would be to make massive investments in energy and infrastructure building to boost investments in other sectors and increase overall public expenditures by generating huge domestic resources to attain development goals.

Analysing the state of the national economy, Centre for Policy Dialogue, the private think-tank, has suggested that the government should revive the development administration to improve economic governance and carry forward reform agendas to deliver electoral pledges.

'The budget of outgoing fiscal was meant for preparations and the coming one should be dedicated for delivery of promises,' the centre's executive director, Mustafizur Rahman, said at a briefing.

Energy shortfall and infrastructure deficiency have plagued the country's investment scenario, the research organisation observed and further referred to the stagnation in investment as the rate of gross domestic product stands at around 24 per cent for quite a number of years.

Also the target of GDP growth, which is the result of investments, has been revised downwardly for the fourth consecutive financial year this year, Mustafiz pointed out.

'There is no alternative to increasing investments which must be done by focusing on energy and infrastructure to attract investments in other areas. This must also be compatible with financial and fiscal policies,' he said in the CPD review of the national economy ahead of the next annual budget to be placed in parliament on June 10. The research organisation cautioned that the government must maintain a balance in the monetary policy to contain the rising inflation and also to encourage investments.

Dwelling on the failure to implement development programmes and generate revenue as per targets, Mustafiz insisted that the government must employ all its efforts to strengthen revenue collection and properly spend money to accelerate national developments.

However, the CPD opposed giving further scope to legalise undisclosed money as, he said, 'it is neither financially viable nor can it morally be supported'. The CPD also recommended continuation of stimulus package to protect external sectors alongside providing supports to domestic sectors and consolidating the agriculture which saw slower growth this year.

'We must take effective measures to increase productivity from investments and sectors such as small and medium enterprises should be promoted,' CPD senior research fellow Syed Moazzem said, emphasising the need for reducing interest rates as major concerns of entrepreneurs.

According to CPD analysis, the country's terms of trade with other countries are going against Bangladesh due to comparative price fall of exportable items such as garments in spite of rise in export volume.

Economic growth on patchy ride

The Bangladesh economy, which lost the momentum of growth even before the global financial crisis, has failed to rebound by capitalising on newer opportunities, largely because of policy discrepancies added to energy and infrastructure deficiencies that have stalled investment.

Available data suggests that the national economy, whose growth has been lower than the target for the fourth consecutive year, has lost almost \$2 billion or 2 per cent of the Gross Domestic Product during this period, due only to failure to attain the target.

Bangladesh's economic growth reached its peak at 6.7 per cent in the 2005-06 fiscal year, but it declined to 6.4 per cent in 2006-07, 6.2 per cent in 2007-08, 5.9 per cent in 2008-09 and 5.5 per cent [projected] in 2009-2010.

In 10 months till April this year, though the country's exports registered a nominal 1 per cent growth, the exports of the major item - readymade garments - recorded a negative growth of 1.7 per cent.

Net foreign direct investment in Bangladesh fell by 66 per cent to \$228 million in the first seven months of this fiscal year from \$662 million in the corresponding period of the previous year, according to the Bangladesh Bank.

Moreover, public investment as percentage of GDP has remained static at 24 per cent - a situation that finance minister AMA Muhith wanted to turn around by increasing the government's spending on development projects and increasing the tax-GDP ratio, which is now 8 per cent.

The government has reduced the development budget or the Annual Development Programme to Tk 28,500 crore from the original outlay of Tk 30,500 crore because of the failure to implement projects, a common phenomenon over the years.

Import of capital machineries, which is an indication of the rate of investment, recorded a 5.3 per cent growth - a performance which a business leader termed inadequate to meet the needs of investment in a least developed country like Bangladesh.

'We need 20-25 per cent growth in import of capital machineries and raw materials to sustain the industrial activities required for healthy economic growth. Apart from the energy crisis and infrastructure deficiencies, we have failed to take some steps that other countries have taken,' Anwar-ul-Alam Chowdhury Parvez, a former president of the Bangladesh Garment Manufacturers and Exporters Association, said.

He pointed out that Bangladesh's competitors in garment exports such as India, China, Vietnam and Cambodia, in order to tackle the impacts of recession, had cut down the per unit price by 5-13 per cent, but Bangladeshi exporters could not offer lower prices because of the absence of any special support from the government in this regard. The comparative per unit price now stands at \$2.36 for Bangladesh, \$2.45 for Cambodia, \$2.68 for China, \$3.07 for India and \$2.91 for Vietnam.

'We have lost our competitiveness by a significant extent. Our only advantage was cheap gas whose shortage has now become a big crisis for the industry,' added Parvez. As a result of lower or negative apparel export growth, Bangladesh is likely to lose \$2 billion in value and the opportunity of creating 3,00,000 jobs only in the apparel sector, he opined.

Private think-tank Centre for Policy Dialogue, in its latest analysis of the Bangladesh economy, explained that despite slight growth only as a result of higher volume, the country had lost its competitiveness in terms of trade as average price decreased by 1.5 per cent.

However, Nazneen Ahmed, a research fellow of Bangladesh Institute of Development Studies, felt that Bangladesh's economy performed 'reasonably well' in coping with the challenges of the global recession.

'What we could not do is give rise to some additional benefit such as expansion of the market, which we should have done. And that is because of the already existing infrastructure and energy crisis,' she said. She cautioned concerned quarters that Bangladesh should be careful about the future as there might be stringent competition from countries such as China in the export market once the remaining effects of the global recession are over.

The economist suggested that the government, to address the problems of energy and infrastructure, should make all-out efforts to make public investments and attract private investments, apart from continuing with the new initiative to implement the public-private partnership projects.

Finance Minister AMA Muhith, in the current budget, introduced the new budgetary window called Public-Private Partnership, allocating Tk 2,500 crore for equity participation of private entrepreneurs in commissioning major infrastructure projects.

Not a single taka of the public-private partnership fund has been spent so far as the PPP is yet to be given an institutional shape with the necessary legal and official

arrangements. Also, the World Bank in its recent economic update warned the government that energy constraints would continue to stifle Bangladesh's recovery from the fall-outs of the global recession.

Currently, the country's shortfall of electricity is around 2,000 megawatts, which is one-third of its estimated demand, and shortage of gas accounts for nearly half of the gap between supply and demand.

'When the supply of electricity is uncertain, the demand cannot be measured properly since many entrepreneurs drop their plans to launch electricity-run projects. We have to solve this problem to ensure investment for growth,' said the executive directive of CPD, Mustafizur Rahman.

Dwelling on the challenges of the external sector, he mentioned that countries such as China were retaining or shifting their focus to lower-end products in which Bangladesh earlier had comparative advantage.

When asked about supply side constraints, Parvez said that most of the factories in Bangladesh could not afford to operate generators as an alternative source of electricity during power outages. 'Such a situation has prompted many entrepreneurs to refrain from taking new initiatives, which is having a negative impact on investment,' he added.

According to official statistics, only agriculture has shown resilience over the years although its growth decelerated to 3.1 per cent this year from 4.1 per cent the year before.

Despite his announcement that more resources would be channelled to rural areas, the finance minister is yet to come up with instruments like 'District Budget' or to ensure adequate support for labour-intensive micro, small and medium enterprises to make the rural economy vibrant.

In its analysis, the CPD described the higher interest rates, especially the absence of an upper ceiling, and stringent banking requirements as the major factors that are hindering the growth of the SMEs in the country.

'The major problematic factors for business in 2009 were inadequate infrastructure, ineffective bureaucracy, corruption and policy instability,' said the research organization after its recent business perception survey.

Opposition leader and BNP chairperson, Khaleda Zia, expressed concern at the lower economic growth and declining local and foreign investments.

'More worrisome is the fact that for the first time in 15 years the growth of the GDP has fallen for four years in

a row,' she said, adding that the government should focus on widening the tax net to accumulate domestic resources for meeting the increasing need for development expenditures.

The impact of slower economic growth in recent times has been reflected in the slow pace of poverty reduction in the country. While the percentage of the population living below the poverty line has come down to below 40 per cent in 2005 from 58 per cent in 1991, the present level of poverty has remained the same, indicated a recent survey report of the Bangladesh Bureau of Statistics.

In such a context, the World Bank said that the country's future economic growth would hinge upon the growth of remittances, but overseas employment of Bangladeshi workers declined by 43.5 per cent this fiscal year (July-December period), and 72,000 migrant workers returned home in calendar year 2009.

'This means that the growth of remittances may start declining at some point, which clouds the likelihood of the growth of private consumption,' said Zahid Hussain, the WB's senior economist for Bangladesh. Furthermore, said the WB, the rising prices of food and non-food items could be a cause of serious concern. The average point-to-point inflation as of March 2010 stood at 8.8 per cent and food inflation at 10.8 per cent.

Law for mandatory use of jute on cards

The government is going to make a law for mandatory use of jute in different industrial units. A bill, Mandatory Use of Jute in Wrappers, was placed before the cabinet meeting for its perusal.

The bill proposed the use of jute as 75 percent of the component of wrappers of any unit with an aim to revive the lost glory of the sector. The industrial unit showing any lapse will face punitive action like a Tk 50,000 fine, or in default, three months in jail.

Officials said a committee is likely to be formed to monitor the use of jute as wrapping material. The jute minister, or the secretary will head the body. A list of the commodities will also be prepared where jute will be used as wrapping material.

According to the sources in the finance ministry, a fund of more than Tk 1,000 crore was earmarked in the 2009-10 budget for implementing different projects in the jute sector to reinvigorate it. The government has several other plans to raise the export of jute and widen its use in the country.

Bangladesh, India to set up 10 border markets

Bangladesh and India have decided to set up 10 border 'haats' (small markets) along its international border in the north-east to facilitate sales of locally produced items among people living in remote and inaccessible areas on both sides, officials said.

Eight haats will be set up in Tripura, while the other two in Meghalaya, said senior officials and business leaders at a stakeholders consultation on bilateral trade.

Tripura, Meghalaya, Mizoram and Assam share a 1,880km border with Bangladesh.

The first border haat is likely to kick off at Baliamari-Kalaichar off the Kurigram-West Garo Hills border, in Meghalaya, said Abdul Matlub Ahmad, president of India-Bangladesh Chamber of Commerce and Industry.

Spots for setting up haats in Tripura have already been selected, but dates for the inauguration are yet to be finalised, added the officials.

The haats will give locals a platform to sell locally produced items such as fruits, spices and minor forest produces.

However, timber, fresh or dry fish, dairy, poultry products, produces of cotton industries, wooden furniture, cane products, utensils and iron equipment, such as long knives, ploughs, axes, spades and chisels, are barred from trading in these spots.

Such haats prevailed in Meghalaya during the Mughal era, where historic trade links re found between the people of Sylhet of the then East Bengal and the Khasi people of Meghalaya.

Closed since the liberation war of Bangladesh in 1971, some haats were later revived but ceased soon because of smuggling.

"These are weekly bazaars where an individual would not be allowed to trade above Rs 2,500 and people from 5km areas of both sides of the border would be allowed for selling or marketing," said officials.

"Government officials and border guards of the two countries will manage the markets."

Trading at the border markets will not be taxed or levied and will not fall under any of the two nations foreign trade policies or laws, they added.

Indian growth higher than expected

India's economy grew 7.4 percent in the year ended March, official data showed, but analysts said an uncertain global outlook meant the government would be in no rush to raise interest rates.

The strong data also showing 8.6 percent year-on-year growth in the fourth quarter-was boosted by stellar performances in the industrial and service sectors and comes as inflation is running at almost 10 percent.

However, concern at the eurozone debt crisis and hopes for this year's monsoon are likely to dissuade the Reserve Bank of India (RBI) from hiking the cost of borrowing, experts said. "We expect no upward revision in rates at the next meeting," said Ritika Mankar, economist with financial services firm Executive Noble, after the central bank announced new measures to boost liquidity last week.

The data from the Central Statistical Organization (CSO) showed the manufacturing sector grew 10.8 percent in the year and the construction and utilities sectors by 6.5 percent each. The transport and communications sector saw 9.3 percent growth.

India has recorded seven straight months of double-digit expansion in industrial output. In the vital farm sector, the CSO said the ministry of agriculture had revised upwards its crop production estimates for key commodities such as rice, wheat, cotton and sugarcane.

The data showed agricultural growth at 0.2 percent for the financial year to March against official estimates of negative 0.2 percent. Agriculture accounts for 15 percent of India's gross domestic product and though its share is falling, the sector's health is vital to the economy as 60 percent of India's 1.1 billion people rely on it for a living. Another factor influencing the central bank will be the monsoon rains, which officially arrived in the southwestern state of Kerala yesterday and will sweep across the country over the next four months. If strong, they will bring down food prices.

Last year's monsoon, the weakest in nearly four decades, hit agricultural output, sent the cost of food soaring and caused widespread hardship.

"The Europe area crisis and lack of clarity on the monsoon could have an impact on growth and monetary policy," said Mridul Saggarr, chief economist at Mumbai-based Kotak Securities. "If Europe's problems

continue, it may cause a domino effect across the globe, weakening trade and consumer confidence again.

Reacting to data, Finance Minister Pranab Mukherjee told reporters: "I expect the current economic momentum to remain." He said he expected the economy to grow 8.5 percent in the fiscal year to March 2011. Prime Minister Manmohan Singh said last week that India's economy, which has opened up to global trade in the past 15 years, must record 10 percent growth every year if severe poverty problems are to be tackled effectively.

The central bank has kept its monetary policy stance "accommodative" in order to stimulate growth, while seeking to tame inflation. India's year-on-year inflation cooled slightly in April, which also eases pressure on the central bank to hike interest rates immediately. Wholesale price inflation, the country's main cost-of-living measure, slipped to 9.59 percent last month from 9.9 percent in March.

The RBI hiked its key interest rates by a combined 50 basis points in March and April, and has begun unwinding monetary stimulus used to shield the country from the global downturn.

Economists told AFP they expect a further 50-75 basis points rise in short-term rates before next March in order to manage non-food prices. But analysts said they were confident India could clock more than eight percent growth in the year to March 2011. Rupa Rege Nitsure, chief economist with state-run Bank of Baroda, said she expected the momentum to continue this year, with help from improved farm output led by a normal monsoon.

India to oppose carbon tax at WTO

India is gearing up to strongly oppose any move by developed countries to impose a carbon tax on developing economies in the next World Trade Organisation (WTO) meeting.

According to a senior government official, India is preparing to take on the West on this contentious issue, something that he says is bound to be raised by the US and EU in the WTO.

"There is no question of lying low and accepting demands by the West to impose a carbon tax. We are doing our due diligence on the matter to counter such demands...we will put forth our stand clearly in the next WTO round of meetings," a commerce ministry official said who did not wish to be named.

At the backdrop of the Copenhagen summit on environment, the developed countries led by US and EU have been demanding an imposition of carbon tax on emerging economies, such as India and China.

"Their argument is that just because companies in the West are taxed for environment it gives an unfair advantage to companies from the developing countries since there is no provision here of such a tax," the official added. He said that in per capita terms carbon emissions in the Western countries was far higher than in India.

Spices exports touch all-time high

Despite the slowdown in major consuming markets, export of spices and spice products from India recorded an all-time high both in volume and value in 2009-10 at 5,02,750 tonnes and Rs 5,560.50 crore (\$1173.75 million), respectively, even as pepper exports to US and EU dipped. Exports in 2008-09 stood at 4,70,520 tonnes worth Rs 5,300.25 crore (\$1168.4 million), the Spices Board Chairman, Mr V.J. Kurien, told reporters in New Delhi.

Compared to the previous year, spices exports have shown an increase of seven per cent in volume and five per cent in rupee value. In dollar terms, the increase is 0.5 per cent.

Mr Kurien said India was targeting an export of 5.25 lakh tonnes in 2010-11 valued at Rs 6,000 crore (\$1.3 billion). In April this year, the exports registered an increase of 40 per cent.

Exports during 2009-10 also exceeded the target both in terms of volume and value. Against the target of 4,35,000 tonnes valued at Rs 4,500 crore (\$1,000 million), the registered amount was 116 per cent in quantity, 124 per cent in value (in dollar terms, the achievement was 117 per cent), he said.

Following a fall in production and competition from Vietnam, pepper exports have registered a decline of 22 per cent in volume and 24 per cent in value, Mr Kurien said.

During 2009-10, India exported about 19,750 tonnes of pepper worth Rs 313.93 crore against 25,250 tonnes worth Rs 413.74 crore last year. Exports to major markets like the US and EU have declined. Major US companies are keeping low inventories which resulted in low volume of exports.

Asia's developing economies to grow 7 percent this year

The United Nations expects Asia's developing economies to grow about 7 percent this year but a double-dip recession in the developed world could cut that by up to 1 percentage point, an assistant secretary general said.

"If there is a double dip then one would have to re-think the growth rates to some extent," UN Assistant Secretary General Ajay Chhibber said. "I think the downside for growth would be small, I mean it would be at most a 1 percentage point reduction in the overall growth rate.

Worries about the impact of a potential double-dip recession as a result of problems in Greece, Spain and other economies are tempering some optimism over the global economy, fueled in part by weaker-than-expected May US nonfarm payrolls data. The UN forecast was slightly more modest than projections by the Asian Development Bank (ADB) in its April Outlook 2010 report for developing Asia, a diverse group of 45 economies including China, Azerbaijan, India, Singapore and Papua New Guinea.

The ADB expects developing Asia to grow 7.5 percent in 2010 and 7.3 percent in 2011, picking up from 5.2 percent in 2009. Asia's major developing countries, such as China, India and Indonesia, would fare better in a renewed recession than more export-sensitive economies such as Taiwan, Malaysia and Singapore, Chhibber said. "The risks are still out there, and the risks are coming not from the region but from outside the region," he said. "The issue on the euro is still a very big issue, and if there is a double-dip recession then several countries in the region will be affected.

Economists generally expect the world to avoid a relapse into recession, although the next six months may be anemic as fears of Europe's festering debt troubles refuse to subside, US jobs data disappoints and China's red-hot economy starts to cool. "If Europe goes into a recession it's not automatic that the United States will also go into a recession. So, we'll have to see how it goes and how strong the negative impacts are," Chhibber said.

Rise of yuan - where now for China's currency?

Coming back from a short business trip to Hong Kong, Clare Hu opened her purse and found that she had unintentionally spent half of her monthly salary while browsing through shops and department stores there.

"There are a variety of goods there, and they are much cheaper," says Hu, a media worker in Shanghai. Her colleagues bought even more. The buys ranged from 2,000-yuan cameras to a box of milk tea.

Mainland tourist shopping sprees in Hong Kong are becoming a tradition, but such behavior has become much more reckless as yuan has risen in value, increasing its purchase power.

China's currency, the Renminbi or yuan, has appreciated 20 percent against the U.S. dollar since it was unpegged from the dollar in 2005. The Hong Kong dollar, which is still pegged to the U.S. dollar, has weakened from 1.06 to 0.88 to the yuan. "With the rapid growth of the Chinese economy, the outbound travel market is expanding," says Grace Pan, head of travel and leisure research at Nielsen.

Chinese travelers spend on average 2,597 to 3,506 U.S. dollars on an overseas trip, with the amount varying by region, according to the Nielsen China Outbound Travel Monitor report.

Not only are mainland residents traveling abroad to take advantage of the rising yuan, they can sense the change in the domestic market. Prices of imported vehicles, which have been high for years, have been falling slowly for the first five months this year.

According to National Development and Reform Commission monitoring data on consumer product prices in 36 large and medium-sized cities nationwide, the prices of imported vehicles dropped 1.95 percent in May from the previous month,

China imported 171,000 automobiles in the first five months, up 59 percent compared with the same period last year. In 2007, the volume of automobile imports saw an annual rise of 37.9 percent. Part of the reason is that international automobile giants made stronger efforts in China this year to make up for reduced sales in the North American market. Chinese consumers, with a currency that is becoming stronger daily, are believed to be becoming more open to buying imported cars.

The market of imported snacks and other foods has been rising at an annual rate of 15 percent in the past five years, according to report on the industrial website sponsored by China National Food Industry Association (CNFIA). In contrast to consumers, exporters have been hurt by the appreciation, which has eroded their profits to crisis point.

"In only half a year, our export cost was pushed up by 10 percent and profit reduced by 40 percent," says Shen Yaoqing, vice president of Shangtex Holding Co., a major Shanghai-based textile manufacturer that exports about 2 billion U.S. dollars worth of products annually. "Our company is on the brink of failure."

The problem of Shangtex reflects the dire situation suffered by the export-oriented processing trade that employs up to 40 million people.

Exports have been hailed as one of the country's three economic growth engines, together with consumption and investment. But the engine is slowing with reduced overseas orders. China's monthly trade surplus dropped to 20.2 billion U.S. dollars in May, down 10 percent from the same month last year, according to the General Administration of Customs.

The reverberations of the rapid appreciation of the yuan are deep and complicated. The change was not as simple as a boost in buying power or a squeezed trade surplus. Behind it lies a shift in the country's overall economic strategy, driven by recognition that the current export structure won't support economic development the way it used to.

"China's currency had been kept in an undervalued state since the 1997 Asian Financial Crisis, and the government in effect used it to finance the imports and exports sector at the cost of its non-trading industries," says Professor Pan Yingli, of the Shanghai Jiao Tong University management school.



A large profit margin was then created between low production costs paid in undervalued yuan, and the high revenues reaped by selling these products to international clients.

This brought prosperity for the country, but took a heavy toll with high pollution and energy consumption. Too much labor-intensive industry with low-efficiency and little added value stretched supply by demanding evermore manufacturing materials, which pushed up upstream prices. The heavy reliance on overseas markets was detrimental to the establishment of an overall balanced industrial structure in China.

It also created a persistent gap between the well-developed coastal east, which thrived by trading with the outside, and the poor central and western regions in China.

"The structural conflict has accumulated to a stage that demands a solution," says Pan. "Strengthening the yuan is the rational choice as it helps stabilize inflation and

leads to the optimization of industrial structure."

Studies in east China's Jiangsu Province found the composition of exported products started to change with appreciation. High-tech goods, machinery and electronic products started to take a greater share at the expense of labor-intensive products, such as textiles, garments and toys.

In the Pearl River delta area, 2,331 shoe makers have gone out of business, and 2,428 remain. Shoe exports were down 15.5 percent to 1.35 billion pairs in the first five months compared with the same period last year, but the value gained 9.4 percent to 3.97 billion U.S. dollars.

This year, the appreciation has accelerated, breaking through the 7-yuan mark against the dollar in early April before it weakened slightly on a stronger dollar in May. However, it soon regained strength and broke through the 6.9-yuan mark to hit a record 6.8919 to the dollar on June 17. By then, it had appreciated almost 6 percent in 2008 alone.

As China's currency became increasingly stronger, Liu Yuhui, researcher with Chinese Academy of Social Sciences noticed a dangerous undercurrent of money flows. Observation of statistical data showed that "hot money," or international short-term speculative funds, is speeding up its flow into China in the first quarter, which was closely related in an anticipation of faster appreciation of the yuan.

No official figures were released concerning the "hot money", but analysts smelt a rat from the strange phenomenon that combines a ballooning forex reserves and declining current-account surplus and reduced expenditure of foreign investment in China.

During the first five months of 2008, forex reserves increased by 18.7 percent year-on-year, or 268.7 billion U.S. dollars, SAFE figures showed. Jiang Zheng, a macro-economist at a Beijing-based securities firm, has discovered that there was an unexplained 147.9 billion U.S. dollars in the forex reserve increase figure after deducting the trade surplus and the FDI from it.

The concentration of international speculative fund in China's domestic market would pose major threats to a stable exchange rate of yuan, and also rob a country of effective control of its macroeconomy, says Liu.

Given the complexity of the situation, opinion is divided over whether the appreciation will continue, or whether there will be a one-off appreciation to end the uncertainty. Guesses are made at the so-called ceiling of the yuan.

Gulf lenders face tough times till 2012: Moody's

Corporate issuers in the Gulf Arab region will continue to face tough credit conditions until 2012, particularly lenders with large debt maturities that year, ratings agency Moody's said in a report.

Moody's, which described the year as a "wall of maturity", estimated the amount of debt due in 2012 at \$28 billion, around one fifth of about \$145 billion of total outstanding debt.

The bulk of this debt is held by Dubai and Abu Dhabi-based entities, particularly investment holding firms and property developers and related companies, it said.

"Moody's notes the apparent lack of a catalyst that could stabilize the credit environment in the region," said Martin Kohlhase, assistant VP analyst at Moody's Middle East, Dubai. Stabilization would require "soft and hard factors" to materialize, the agency said.

These include restoring confidence and improving transparency, as well as developing the regulatory framework, macroeconomic stabilization, wider capital market access and restarting bank lending, the agency said. Dubai Holding, a large Dubai firm owned by its ruler, said in June it may resort to asset sales to deal with its debt after posting a \$6.2 billion loss for 2009.

Companies exposed to Dubai's property sector took a big hit after the emirate's real estate market crashed, on the back of the global financial crisis. Moody's said Gulf Arab issuers' prospects in 2012 will depend on their ability to roll over short-term maturities, address upcoming repayments, and stabilize their operating performance.

This applies to lenders not benefitting from government support, and government-related issuers (GRIs) with low support assumptions, it said, ruling out GRIs that have concrete business plans and can execute them to stabilize or improve their operations. Kohlhase said he saw property developers such as Aldar, DAAR and Emaar, and issuers with high exposure to the real estate market, including Dubai Holding's commercial unit DHCOG, as "vulnerable due to overcapacities that are likely to persist for the foreseeable future".

In a separate report, Moody's said it maintained a stable outlook on most banking systems in the Arab world, but continued to have a negative outlook on Gulf Arab countries Bahrain, Kuwait and the United Arab Emirates. "These three banking systems have been the most affected by the liquidity drought, the sharp fall in

asset prices... and the dramatic negative impact suffered by specialized institutions... as a result of a concentrated, wholesale funding strategy and massive asset impairments," it said.

Abu Dhabi's investment fund looks to go private

A fast-growing Abu Dhabi investment fund that is the top shareholder in Mercedes-Benz maker Daimler signaled it may take itself private, potentially shielding it from transparency requirements.

Aabar Investments announced it is considering the move in a brief regulatory filing on Abu Dhabi Securities Exchange. The firm is unusual among the Gulf's often secretive investment funds in that it sells some shares to the public. The stock listing means it has to disclose far more financial information than other government funds in the region.

Chief Executive Mohamed Badawy Al-Husseiny said Aabar's board would meet to discuss converting the fund into a "private joint stock company" and cancel its stock listing. Company officials were not available for further comment. Some other state investment vehicles, including the Abu Dhabi Investment Authority, the world's biggest sovereign wealth fund, have begun to provide details about their holdings to varying degrees.

Still, going private would allow Aabar to disclose less of its financial information than it does now, said Deepak Tolani, an analyst at Dubai-based investment firm Al Mal Capital. "It gives them more ability to maneuver ... and make decisions that are more strategic and long term in nature," he said.

Aabar is majority owned by the oil-rich government of Abu Dhabi through another of its sovereign wealth funds, the International Petroleum Investment Co. It owns more than 70 percent of Aabar outright, and holds convertible bonds that give it additional influence.

They're driving a substantial part of the company," Tolani said. Abu Dhabi is the capital and largest of seven sheikdoms that make up the United Arab Emirates, and controls nearly all the OPEC member's oil reserves. Aabar has quickly become one of the more prominent funds Abu Dhabi uses to manage its oil wealth. It paid nearly 2 billion euros -- then worth about \$2.72 billion -- for a 9.1 percent stake in Daimler last year, making it the Stuttgart-based automaker's biggest shareholder.

Aabar also controls nearly a third of Richard Branson's commercial space travel startup Virgin Galactic, and an

equally large stake in Formula 1 team Brawn GP. It owns roughly 4 percent of San Carlos, California-based electric car producer Tesla Motors. In its most recent financial report last month, Aabar reported a first-quarter profit of \$430 million.

Abu Dhabi to build 'world's largest' solar plant

French oil firm Total and Spain's Abengoa Solar will partner with Abu Dhabi's alternative energy company Masdar to build "the world's largest" concentrated solar power plant, Masdar announced.



The state-owned firm said it has selected a "consortium of Total and Abengoa Solar as a partner to own, build and operate Shams 1, the world's largest concentrated solar power plant and the first of its kind in the Middle East.

"We are moving on the right path to make Abu Dhabi the main source and the international capital of renewable energy and sustainable development," Masdar CEO Sultan Al-Jaber told a news conference in the oil-rich emirate. The plant "will offset 170 thousand tons of carbon dioxide annually." Construction of the plant, which will cover an area of 2.5 square kilometers and have a 100 megawatt capacity, will begin in the third quarter of 2010 and be completed in approximately two years, Masdar said.

Standard and Poor's sees stable outlook for Kuwait

Standard and Poor's ratings services affirmed Kuwait's "AA-/A-1+" sovereign credit ratings, saying the OPEC member has a stable outlook and strong fiscal position.

"The ratings on Kuwait are supported by the sovereign's rich resource endowment, which, combined with prudent policies, has enabled the state to build very strong external and fiscal balance sheet positions," it said. "In our view, these strengths comfortably balance our view of the state's increased contingent liabilities, high institutional risks and the slow progress thus far on structural reform," the ratings agency added.

The stable outlook on Kuwait balances the government's strong financial position against elevated regional geopolitical risks, increased contingent liabilities, and potential impediments to growth, it said. The agency also said that a stable relationship between the government and parliament would help remove obstacles to growth. Understanding between government and parliament helped to pass a number of key economic legislation, mainly a privatization law after a delay of about 18 years.

Kuwait, OPEC's fifth largest producer, has posted close to 140 billion dollars in budget surplus in the past 11 fiscal years due to high oil prices. Its sovereign wealth fund is estimated to hold more than 230 billion dollars. But the Gulf emirate was impacted by the global economic downturn, which severely hit its financial sector and particularly investment companies. It also hit its foreign investments.

Iran to raise oil output over next five years

Oil producer Iran aims to increase energy output to keep up with rising demand over the next five years, a deputy oil minister was quoted as saying by official news agency IRNA.

"During the next five years, the world's need for energy will increase and we will also increase our output to meet this demand, to have an effective presence on the world scene," Hossein Noghrekar-Shirazi, deputy oil minister in charge of international affairs, told IRNA.

Speaking after European Union agreed to impose tougher sanctions on Iran over its uranium enrichment program and as Washington moves to do the same, Noghrekar-Shirazi warned countries against seeking to isolate Iran.

"Those who provide the (energy) demand in the world should not (just) see the current situation of Iran and should be concerned about the future because there will be a day when all the oil resources of the world will be finished," he said.

Then it will be Iran and Saudi Arabia which still have oil for the next 50 years. And for the time when no one has gas, it is Iran and Russia who can provide the world's gas for more than the next 100 years." The UN Security Council passed a fourth round of sanctions on June 10, swiftly followed by tougher measures by the European Union and the United States. Iran has called the move "illegal and invalid." The sanctions are aimed at curbing Iran's nuclear enrichment which the West fears could lead it to make nuclear arms. The world's fifth-largest oil producer says its nuclear program is a peaceful bid to produce electricity.

US urges Europe to focus on growth at G8 meet

The United States urged Europe to reform its economies to raise growth as world leaders gathered for a summit, amid tension over US warnings about the global recovery.

The United States has expressed concern about the speed at which European nations, particularly Germany, are withdrawing state spending put in place after global financial crisis and economic downturn.

US treasury secretary Tim Geithner said: 'Our job is to make sure we're all sitting there together to focus on this challenge of growth and confidence because growth and confidence are paramount.' Geithner played down America's differences with Europe telling the BBC the two sides 'have much more in common than we have differences.'

He said the summit offered US leaders 'the chance to sit together and look at whether we've got a broad strategy across the country that's going to strengthen this recovery.'

Europe 'can make a choice to put in place the reforms and policies that will provide the possibility of stronger growth rates in the future,' he said, as thousands of officials, journalists and activists descended on an eastern Ontario province.

US president Barack Obama flew from Washington to take part in a working lunch with other leaders of the Group of Eight leading economic powers, as they hammer out talks on the best way to coax global economic recovery.

Budget cuts have become a pressing issue in Europe since the Greek debt crisis, and because of risks that similar problems could arise in other eurozone countries.

But US officials have argued that unduly rapid and deep budget cuts could endanger global economic recovery and even provoke a so-called double-dip recession.

German chancellor Angela Merkel has argued however that the German model of deficit cutting and disciplined public finances, and a focus on economic efficiency, is the one to be followed. 'I think that there will be very fruitful, but also very contentious, debates on this issue,' Merkel acknowledged.

French prime minister Francois Fillon said in Paris that if France did not show determination in fighting overspending, businesses and consumers would fear uncertainty and tax rises. They would then defer spending, and this was the real danger for growth.

EU fixes ways to tighten spending oversight

The European Union thrashed out ways to toughen oversight of how governments run their economies in a bid to regain credibility with markets and prevent a repeat of the debt crisis afflicting the region.

EU Economy Commissioner Olli Rehn said he expects finance ministers from the 27-nation block would move 'fast forward on reinforcing economical governance' at a meeting in Luxembourg, a day after most agreed on more sanctions for countries with risky finances.

The euro has been roiled by the fallout from a debt crisis that started in Greece, one of the 16-nation currency's smallest economies, after it revealed that it had been lying over the state of its public finances.

The crisis has exposed weaknesses in the monetary union and led to massive market pressure on governments to show they can reduce spending, even as the economic recovery remains fragile. The austerity measures are provoking unrest and labour protests across the continent, with Spanish civil servants striking over wage cuts. The common currency has lost about 20 per cent of its value against the dollar in the last six months.

Yet even as the EU agreed the details of a massive euro750 billion (\$897b) financial rescue package to stave off bankruptcies, a new potential euro member stepped forward.

Luxembourg Prime Minister Jean-Claude Juncker, who chairs eurozone finance minister meetings, said late Monday that Estonia is set to become the currency union's 17th member in 2011. Estonia will get the final word when EU finance ministers meet again on July 13.

'Estonia fulfilled all conditions' and 'is in many areas better than EU countries,' said Austrian finance minister Joseph Proll as he arrived for the meeting. On the broader topic of increased budget oversight, EU leaders will make final decisions at a meeting in Brussels on June 17.

EU president Herman Van Rompuy said most countries agreed on more sanctions at talks on Monday, though the details still need to be ironed out.

'What's interesting is to have the capacity to sanction quite early, in a preventative manner,' said Belgian finance minister Didier Reynders as he arrived for the meeting. 'It has to happen sufficiently early so that the country gets on the right budgetary path. If you do it late, it just makes the crisis worse.'

Finance Minister Elena Salgado said that sanctions are not 'something that can solve any crisis in the euro

area. We are talking about more cooperation, more preventive measures to have the stability and growth pact really working.'

The EU's stability and growth pact was designed to prevent government's running up debt and deficit levels and endangering the stability of the common currency. But the rules - which restrict deficits to 3 per cent of gross domestic product - were soon broken.

EU, Germany deny Spanish bailout bid

The EU's executive and the German government denied on Monday German press reports that Spain was preparing to request European bailout funds, as G7 finance ministers prepared for talks.

'There is no plan under discussion to provide assistance to any member state,' said a spokesman for the European Union commissioner for economic affairs. 'I don't know where the stories come from,' he added.

'There is nothing being prepared, there is no plan (to request aid),' added a spokeswoman for European Commission chief Jose Manuel Barroso, when pressed, insisting that views attributed to her boss were 'pure speculation.'

EU finance ministers last week finalised an emergency fund running to 500 billion euros of loans and guarantees against borrowings in a move designed to calm markets who had switched attention to Spain and others after a Greek bailout was separately agreed.

Since Friday, a string of German reports have said that Madrid was ready to apply for help, with Frankfurter Allgemeine Zeitung daily writing on Monday that Barroso and European Central Bank chief Jean-Claude Trichet were worried about Spanish bank positions and wanted euro partners to intervene.

US debt tops \$13 trillion for first time

US debt has reached \$13 trillion for the first time in history, the treasury department has said, stoking a political furore over government spending.

Amid vast government outlays designed to end the economic crisis, the debt reached a record \$13,050,826,460,886.97 on June 1, according to official figures.

The debt has more than doubled in the last 10 years and now stands at just under 90 per cent of annual gross domestic product.

Against this backdrop, steaming the flow of red ink has become a contentious political issue in Washington, with Democrats and Republicans trading barbs about who is

to blame. Earlier president Obama assailed Republicans for leaving him with the type of spiralling short-term deficits that fuel longer-term debt. The US government suffered its 19th consecutive month of budget deficit in April.

'By the time I took office, we had a one-year deficit of over one trillion dollars and projected deficits of eight trillion dollars over the next decade. Most of this was the result of not paying for two major tax cuts skewed to the wealthy, and a worthy but expensive prescription drug program that wasn't paid for,' Obama told an audience in Pittsburgh, Pennsylvania.

'I always find it interesting that the same people who participated in these decisions are the ones who now charge our administration with fiscal irresponsibility.'

'Despite all their current moralising about the need to curb spending, this is the same crowd who took the record \$237 billion surplus that president Clinton left them and turned it into a record \$1.3 trillion deficit.'

But Republicans have lambasted Obama for expanding government spending since he came to office through a massive reform of healthcare.

The debt has risen by around \$2.4 trillion since Obama took office in January 2009 and rose \$4.9 trillion in the eight years George W Bush spent in office.

'Thirteen is certainly an unlucky number, especially for our children and grandchildren who will be left to dig out of trillions of dollars worth of debt,' said Republican senator Judd Gregg, a frequent critic of Obama's budget policies.

'This dangerous and unsustainable level of debt cannot continue without bankrupting our country, and I urge the majority to slow its explosion of spending and borrowing before it is too late.' But economists are sharply divided over how quickly the US should move to rein in spending.

Some believe that a rapid tightening of government expenditure or an increase in taxes could remove the one support that is keeping the United States from falling deeper into recession. But as debt-contagion fears grip Europe others have warned that the United States has limited time to forge a credible plan to end its own fiscal woes.

Even the normally cautious federal reserve chairman Ben Bernanke has warned that politically painful tax hikes or spending cuts could be needed to balance the budget.

Obama has launched a bipartisan debt commission to investigate ways of tackling the problem. It is expected to produce its findings by the end of the year.

বাজেট পাস

জাতীয় সংসদে ২০১০-১১ অর্থবছরের বাজেট পাস হয়েছে। বিরোধী দলের অনুপস্থিতিতে কঠিনভাবে এ বাজেট পাস হয়। এর আগে বাজেট আলোচনা শেষে অর্থবিল ২০১০ পাস করা হয়। অর্থমন্ত্রী আবুল মাল আবদুল মুহিত সরকারের আর্থিক প্রস্তাবাবলি কার্যকর এবং কতিপয় সংশোধনী এনে এ বিলটি উত্থাপন করেন। ফলে ১ জুলাই ২০১০ তারিখ থেকে নতুন অর্থবছরের বাজেট বাস্তবায়ন শুরু হয়। বাজেট পাসের আগে অর্থমন্ত্রী সংসদে নির্দিষ্টকরণ বিল ২০০৯ উত্থাপন করেন এবং তা গৃহীত হয়। স্পিকার অ্যাডভোকেট আবুল হামিদ অধিবেশনে সভাপতিত্ব করেন। গত ১০ জুন অর্থমন্ত্রী জাতীয় সংসদে ১ লাখ ৩২ হাজার ১৭০ কোটি টাকার জাতীয় বাজেট উত্থাপন করেন। এর মধ্যে বার্ষিক উন্নয়ন কর্মসূচি (এডিপি) ৩৮ হাজার ৫০০ কোটি টাকা। বাজেট সামগ্রিকভাবে ঘাটতি ধরা হয়েছে ৩৯ হাজার ৩২৩ কোটি টাকা, যা মোট দেশজ উৎপাদন বা জিডিপির পাঁচ শতাংশ।

সংসদে বাজেট আলোচনা শুরু হয় ১৩ জুন। ২০১০-১১ অর্থবছরের বাজেটের ওপর ৩৮ ঘণ্টা ৪৪ মিনিট আলোচনা হয়। ২০৪ জন সাংসদ আলোচনায় অংশ নেন। আলোচনার শেষ বক্তা ছিলেন প্রাধানমন্ত্রী শেখ হাসিনা। অধিবেশনের প্রথম দিনের পর আর সংসদে না ফেরায় বাজেট আলোচনায় প্রধান বিরোধী দলের অংশগ্রহণ ছিল না। তারা সংসদে যোগ না দিলেও বিএনপির ১১ সাংসদ অর্থবিল ২০১০-এর ওপর জনমত যাচাইয়ের প্রস্তাব করেন। অধিবেশনে যোগদান না করায় তাদের এসব প্রস্তাব সংসদে উত্থাপিত হয়নি। সরকারি দল ছাড়া স্বতন্ত্র সাংসদ মোহাম্মদ ফজলুল আজিম, এলডিপির চেয়ারম্যান বাজেট আলোচনায় অংশ নিয়েছেন। সাংসদ ফজলুল আজিম ১৮টি সংশোধনী প্রস্তাব দিলেও তা কঠিনভাবে নাকচ হয়ে যায়। জাতীয় বাজেট পাস করতে গিয়ে মন্ত্রণালয় ও বিভাগ খাতে ৫৩টি অর্থ মঞ্জুরি দাবি উত্থাপিত হয়। সেগুলো সংসদ অনুমোদন করে।

অধিবেশনের শুরুতে সংসদে বাজেটের ব্যয় সম্পর্কিত মঞ্জুরি দাবি ও ছাঁটাই প্রস্তাবগুলো নিয়ে আলোচনা শুরু হয়। পরে অর্থমন্ত্রী চলতি অর্থবছরের বাজেট ব্যয়ের বাইরে সরকারের বিভিন্ন ধরনের ব্যয় মিলিয়ে ১ লাখ ৯৯ হাজার ৮৩৭ কোটি ৬৫ লাখ ৩৮ হাজার টাকা নির্দিষ্টকরণ বিল ২০০৯ উত্থাপন করলে তা গৃহীত হয়। এর মধ্যে ২০১০-১১ অর্থবছরের জন্য সংবলিত ১ লাখ ৩২ হাজার ১৭০ কোটি টাকাও রয়েছে। বাজেট পাসের জন্য জাতীয় সংসদের স্পিকার অ্যাডভোকেট আবদুল হামিদ সব সংসদ সদস্যকে ধন্যবাদ জ্ঞাপন করেন। নতুন অর্থবছরের বাজেট পুরোপুরি বাস্তবায়ন হবে বলে আশা প্রকাশ করেন তিনি।

পিপিপি বরাদ্দ তিন হাজার কোটি টাকা

আগামী অর্থবছরের (২০১০-১১) বাজেটে সরকারি-বেসরকারি অংশীদারিত্বের (পিপিপি) আওতায় বিনিয়োগের জন্য ৩ হাজার কোটি টাকা বরাদ্দ রাখা হয়েছে। এছাড়া একটি পিপিপি দফতর প্রতিষ্ঠারও উদ্যোগ নেওয়া হয়েছে। এই দফতর পরিচালনায় প্রতিযোগিতামূলক বাজার থেকে দক্ষ জনবল নিয়োগ করা হবে। শিগগিরই সরকারের এই উদ্যোগ মন্ত্রিসভায় উঠবে। প্রসঙ্গত চলতি অর্থবছরে পিপিপি আড়াই হাজার কোটি টাকা বরাদ্দ রাখা হয়েছিল। কিন্তু পিপিপি সংক্রান্ত একটি সমন্বিত নীতিমালা প্রণীত না হওয়ায় কোনো বিনিয়োগ হয়নি।

ইতিমধ্যে পিপিপির বিদ্যমান নির্দেশনা পরিবর্তন করে একটি নতুন নীতি ও কৌশল এবং প্রকল্প বাছাই ও অনুমোদন প্রক্রিয়াকরণ সংক্রান্ত নীতিমালা প্রণীত হয়েছে। এছাড়া একটি পিপিপি দফতর প্রতিষ্ঠার ব্যবস্থা নেওয়া হয়েছে। এদিকে পিপিপি কার্যক্রমকে শক্তিশালীকরণ এবং বিনিয়োগকারীদের উৎসাহিত করতে বাংলাদেশ অবকাঠামো অর্থায়ন তহবিল (বিআইএফএফ) গঠন করা হয়েছে।

অর্থমন্ত্রী তাঁর বাজেট বক্তব্যে বলেছেন, পিপিপির নতুন কৌশল ও নীতির আলোকে আগামী অর্থবছর থেকে দেশে পিপিপি উদ্যোগে বেসরকারি খাতের ব্যাপক অংশগ্রহণ ও বাস্তবায়ন অনুকূল গতি পাবে। বিদ্যুৎ খাতকে পিপিপির গুরুত্বপূর্ণ খাত হিসেবে বিবেচনায় এনে অর্থমন্ত্রী জানান, ইতিমধ্যে বিদ্যুৎ খাতে ভাড়াভিত্তিক ৩০০ মেগাওয়াট ক্ষমতাসম্পন্ন ৪টি বিদ্যুৎকেন্দ্র এবং দ্রুত ভাড়াভিত্তিক ২০০ মেগাওয়াট ক্ষমতাসম্পন্ন আরও দুটি বিদ্যুৎকেন্দ্র পিপিপির আওতায় বাস্তবায়নের জন্য চুক্তি স্বাক্ষরিত হয়েছে। এছাড়া মংলা ও চট্টগ্রাম বন্দরে নিউমুরিং কনটেইনার টার্মিনাল ব্যবস্থাপনা সরকারি-বেসরকারি যৌথ অংশীদারিত্বে সম্পন্ন করার উদ্যোগ নেওয়া হয়েছে। এছাড়া ঢাকা এলিভেটেড এক্সপ্রেসওয়ের প্রাক যাচাই সম্পন্ন হয়েছে।

মূল্য যাচাই ছাড়া আমদানির ছাড়পত্র দেওয়া যাবে না

পণ্য আমদানির নামে মুদ্রা পাচার করে চলেছে বিভিন্ন আমদানিকারক প্রতিষ্ঠান। মূলধনী যন্ত্রপাতি ও নিত্যপ্রয়োজনীয় পণ্য আমদানির ক্ষেত্রে আমদানিকারকরা স্থানীয় দামের চেয়ে বেশি দাম (ওভার ইনভয়েস) দেখিয়ে আমদানি করেছেন। এর মাধ্যমে কিছু আমদানিকারক মুদ্রা পাচার করেছেন। আর কোনো ধরনের যাচাই-বাহাই ছাড়াই ব্যাংকগুলো আমদানি করা বৈদেশিক মুদ্রা ছাড় করে দিচ্ছে।

এ পরিস্থিতিতে আমদানির ক্ষেত্রে কড়াকড়ি আরোপ করেছে কেন্দ্রীয় ব্যাংক। এখন থেকে কোনো শিল্প প্রতিষ্ঠানের মূলধনী যন্ত্রপাতি এবং নিত্যপ্রয়োজনীয় পণ্যসহ সব পণ্য আমদানির ক্ষেত্রে মূল্য যাচাই ছাড়া কোনো ছাড়পত্র (প্রত্যয়ন) দেওয়া যাবে না। মূল্য যাচাইয়ে অনুমোদিত ডিলার ব্যাংকগুলোকে প্রয়োজনে কাগজপত্র যাচাই ও সংশ্লিষ্ট রফতানিকারক দেশে বাংলাদেশ দূতাবাসের সহযোগিতা নেওয়ার নির্দেশ দেওয়া হয়েছে। মুদ্রা পাচার রোধ ও পণ্যমূল্য স্থিতিশীল রাখার জন্য এ পদক্ষেপ নিয়েছে কেন্দ্রীয় ব্যাংক। কেন্দ্রীয় ব্যাংকের একটি সূত্র জানায়, অভ্যন্তরীণ বাজারে বেশি মূল্যে পণ্য বিক্রি করার লক্ষ্যে এবং অনেকে বিদেশে নিরাপদ পথে টাকা পাচারের লক্ষ্যে শিল্প প্রতিষ্ঠানের মূলধনী যন্ত্রপাতি ও নিত্যপ্রয়োজনীয় পণ্য আমদানির ক্ষেত্রে আমদানিকারকরা স্থানীয় মূল্যের চেয়ে অনেক বেশি মূল্য দেখিয়ে (ওভার ইনভয়েস) পণ্য আমদানি করে আসছেন। এর মাধ্যমে অনেক আমদানিকারকই অভ্যন্তরীণ বাজারে পণ্যের দাম বেশি রেখে অস্থিতিশীল করে তুলছেন। আবার কিছু আমদানিকারক এর মাধ্যমে মুদ্রা পাচার করে আসছেন। যার মাধ্যমে দেশ থেকে একদিকে বৈদেশিক মুদ্রা পাচার হচ্ছে, অন্যদিকে সাধারণ ক্রেতাদের বেশি দামে পণ্য কিনতে হচ্ছে।

সম্প্রতি কেন্দ্রীয় ব্যাংক এক সার্কুলারে আমদানির ক্ষেত্রে কড়াকড়ি আরোপ করেছে। ব্যাংকগুলোতে পাঠানো কেন্দ্রীয় ব্যাংকের সার্কুলারে বলা হয়েছে, আমদানি তালিকায় (ফরম) আমদানিকারককে ঘোষণা করতে হয়, আমদানি তালিকায় চলতি বাজারদর প্রদর্শিত হয়েছে এবং এ ব্যাপারে দালিলিক প্রমাণ দেখে, তা সত্য বলে অনুমোদিত ডিলারকে প্রত্যয়ন করতে হয়। কিন্তু লক্ষ্য করা যাচ্ছে, কিছু কিছু ক্ষেত্রে আমদানি তালিকায় প্রকৃত মূল্য অপেক্ষা বেশি মূল্য দেওয়া হচ্ছে, যা অনুমোদিত ডিলার ব্যাংকগুলো সঠিক বলে প্রত্যয়ন করছে। কিন্তু আমদানি তালিকার ঘোষণা যথাযথ প্রতিফলন না হওয়া যেমন বৈদেশিক মুদ্রা নিয়ন্ত্রণ বিধির প্রত্যয়, তেমনি মুদ্রা পাচার আইনেও অপরাধ।

অনুমোদিত ডিলার ব্যাংকগুলোকে আমদানি পণ্যের সঠিক মূল্য নিশ্চিত হওয়ার জন্য প্রয়োজনীয় দলিল যাচাই এবং প্রয়োজনে বাংলাদেশ দূতাবাসের সহযোগিতা নেওয়ার পরামর্শ দেওয়া হয়েছে সার্কুলারে। কেন্দ্রীয় ব্যাংকের সংশ্লিষ্ট বিভাগের কর্মকর্তারা জানান, এ সার্কুলারের ফলে মূলধনী যন্ত্রপাতি ও নিত্যপ্রয়োজনীয় পণ্য, আমদানির ক্ষেত্রে আমদানিকারকরা স্থানীয় মূল্যের

চেয়ে অনেক বেশি মূল্য দেখিয়ে (ওভার ইনভেস) পণ্য আমদানি করে থাকে, তা এখন বন্ধ হবে। ওভার ইনভেসিয়েন্টের মাধ্যমে যে টাকা পাচার হতো এখন তা বন্ধ হয়ে যাবে, যদি ব্যাংকগুলো সঠিকভাবে দায়িত্ব পালন করে। এছাড়া কম দামে পণ্য আমদানি করে বেশি দাম দেখিয়ে অভ্যন্তরীণ বাজারকে যেভাবে অস্থিতিশীল করা হতো এখন তাও বন্ধ হয়ে যাবে। সবাই জানতে পারবে কোন পণ্য কত টাকা দিয়ে আমদানি করা হচ্ছে। চাইলেই ব্যবসায়ীরা আমদানি পণ্যের বেশি দাম রাখতে পারবেন না।

সরকার ও দাতাদের মধ্যে যৌথ সহযোগিতা কৌশল অনুমোদন

বৈদেশিক সহায়তার কার্যকারিতা বাড়াতে সরকার উন্নয়ন সহযোগীদের সঙ্গে যৌথ সহযোগিতা কৌশল (জেসিএস) সই করেছে। এই চুক্তি সইয়ের ফলে এখন থেকে বৈদেশিক সহায়তা প্রদানের ক্ষেত্রে দাতাদেশ, সংস্থা এবং সহায়তা ব্যবহারের ক্ষেত্রে বাংলাদেশ সরকার জবাবদিহি করবে। বৈদেশিক সহায়তার কার্যকর ব্যবহার নিশ্চিত করতে ২০০৫ সালে প্যারিস ঘোষণার আলোকে এই চুক্তি হলো।

অর্থমন্ত্রী আবুল মাল আবদুল মুহিত ও পরিকল্পনা মন্ত্রী এয়ার ভাইস মার্শাল (অব.) একে খন্দকারের উপস্থিতিতে সরকারের পক্ষে অর্থনৈতিক সম্পর্ক বিভাগের (ইআরডি) সচিব মোশাররাফ হোসেন ভূঁইয়া এবং বাংলাদেশে কর্মরত ১৮টি দাতা সংস্থা ও দাতা দেশের প্রতিনিধি চুক্তিতে সই করেন। পরে চুক্তিপত্র বিনিময় করেন ইআরডি সচিব এবং বাংলাদেশে কর্মরত দাতাদের সংগঠন লোকাল কনসালটেন্ট গ্রুপের (এলসিজি) কো-চেয়ার ক্রিস অস্টিন। এই চুক্তির মেয়াদ ২০১০ থেকে ২০১৫ সাল। তবে চুক্তিটির আইনগত বাধ্যবাধকতা নেই। উভয়পক্ষ পারস্পরিক বোঝাপড়ার ভিত্তিতে চুক্তি বাস্তবায়ন করবে।

অনুষ্ঠান শেষে অর্থমন্ত্রী আবুল মাল আবদুল মুহিত সাংবাদিকদের বলেন, চুক্তির ফলে দাতাদের দায়বদ্ধতা ও স্বচ্ছতার ক্ষেত্র তৈরি হলো। এছাড়া সহায়তা দেওয়ার ক্ষেত্রে উন্নয়ন সহযোগীদের একে একে জনের একে একে ধরনের নীতিমালা রয়েছে। ৬/৭টি বড় উন্নয়ন সহযোগী একটি সমন্বিত নীতিমালা তৈরি করতে রাজি হয়েছে। বিদ্যুৎ, যোগাযোগ ও জলবায়ু পরিবর্তনের মতো বড় বিনিয়োগের জায়গাগুলোতে উন্নয়ন সহযোগীরা বিনিয়োগ বাড়াবে।

অনুষ্ঠানে ইআরডি সচিব মোশাররাফ হোসেন ভূঁইয়া বলেন, দীর্ঘ পাঁচ বছর আলোচনার পর অবশেষে আমরা যৌথ সহযোগিতা কৌশলপত্র প্রণয়ন করতে সক্ষম হয়েছি। এর ফলে উন্নয়ন সহযোগীদের সঙ্গে সরকারের নীতি-কৌশলগুলো সমন্বয় করা, বৈদেশিক সহায়তাপুষ্ট প্রকল্পের ক্ষেত্রে বাংলাদেশ সরকারের মালিকরা প্রতিষ্ঠিত হবে। ক্রিস অস্টিন বলেন, পারস্পরিক বোঝাপড়ার ভিত্তিতে উভয়পক্ষ এই চুক্তি বাস্তবায়ন করবে। বৈদেশিক সহায়তা ব্যবহারের ক্ষেত্রে উভয়পক্ষ দায়বদ্ধ থাকবে। দায়বদ্ধতা নিশ্চিত করতে সরকারের রাজনৈতিক সদিচ্ছা বেশি গুরুত্বপূর্ণ বলে তিনি উল্লেখ করেন।

বৈদেশিক সহায়তার কার্যকর ব্যবহার নিশ্চিত করতে বাংলাদেশসহ ১২৪টি দেশ ও দাতা সংস্থা ২০০৫ সালে প্যারিস ঘোষণায় স্বাক্ষর করে। এর ধারাবাহিকতায় ২০০৮ সালের আগস্টে বাংলাদেশ সরকার ও ১৫টি উন্নয়ন সহযোগী দেশ এবং সংস্থার মধ্যে একটি অস্তিত্রায়পত্র স্বাক্ষরিত হয়। এরপর গত ফেব্রুয়ারি মাসে ঢাকায় অনুষ্ঠিত বাংলাদেশ ডেভেলপমেন্ট ফোরামের (বিডিএফ) সভায় বৈদেশিক সহায়তার কার্যকারিতা বৃদ্ধি করতে একটি যৌথ সহযোগিতা কৌশলপত্র (জেসিএস) প্রণয়ন এবং তা বাস্তবায়ন করতে সরকার

এবং দাতা দেশ ও সংস্থাগুলো একমত হয়।

জয়েন্ট কো-অপারেশন স্ট্র্যাটেজির বাংলাদেশের মূল উদ্দেশ্য হলো উন্নয়ন চাহিদা অনুযায়ী দাতা বৃদ্ধি, দারিদ্র্য বিমোচনে অভ্যন্তরীণ ও বৈদেশিক বিনিয়োগ বাড়ানো, প্যারিস ঘোষণা অনুযায়ী দাতাদের সহায়তা প্রাপ্তি নিশ্চিত করা। দাতারা বিভিন্ন সময়ে প্রতিশ্রুতি দিয়েও তা রাখে না। এমনকি নিজেরা প্রতিশ্রুতি না রাখলেও দুর্নীতির অভিযোগে বাংলাদেশের বিভিন্ন প্রকল্প থেকে অর্থ প্রত্যাহার করে নিয়েছে দাতারা। অর্থনৈতিক সম্পর্ক বিভাগ (ইআরডি) সূত্রে জানা গেছে, গত অর্থবছর পর্যন্ত দাতাদের প্রতিশ্রুতির প্রায় সাড়ে ৯ হাজার কোটি ডলার পাওয়া যায়নি। কিন্তু জয়েন্ট কো-অপারেশন স্ট্র্যাটেজি বাস্তবায়ন হলে দাতাদের যেমন প্রতিশ্রুতি অর্থ প্রদানের তাগিদ থাকবে তেমনি বাংলাদেশকেও বিদেশি সহায়তার সর্বোত্তম ব্যবহার নিশ্চিত করতে হবে।

বিদেশি বিনিয়োগ বাড়াতে ভাবমূর্তি উজ্জ্বল করতে হবে

বহির্বিশ্বে নেতিবাচক ভাবমূর্তি কাটাতে গত দুই দশকে বাংলাদেশের অর্জিত ইতিবাচক কার্যক্রম তুলে ধরার পরামর্শ দিয়েছেন মার্কিন রাষ্ট্রদূত জেমস এফ মরিয়্যাটি। তিনি 'ব্র্যান্ডিং বাংলাদেশ' শীর্ষক এক সেমিনারে একথা বলেন। রাজধানীর একটি হোটেল আমেরিকান চেম্বার অব কমার্স (অ্যামচ্যাম) এবং ইস্টার্ন ব্যাংক লিমিটেড (ইবিএল) যৌথভাবে এ সেমিনারের আয়োজন করে।

সেমিনারে মার্কিন রাষ্ট্রদূত আরও বলেন, বাংলাদেশের অনেক ইতিবাচক দিক রয়েছে, যা প্রচারের মাধ্যমে আন্তর্জাতিক অঙ্গনে নিজস্ব ব্র্যান্ড তৈরির সুযোগ রয়েছে। বিদেশি বিনিয়োগ বৃদ্ধি, বিদেশে বাজার তৈরি এবং প্রবৃদ্ধি বাড়াতে নিজের দেশের উজ্জ্বল ভাবমূর্তি তুলে ধরতে ব্যবসায়ীদের গুরুত্বপূর্ণ ভূমিকা পালনের তাগিদ দেন তিনি।

তিনি বলেন, বাংলাদেশ শিক্ষা, কৃষি, স্বাস্থ্য এবং দারিদ্র্য বিমোচনে উল্লেখ করার মতো সফলতা অর্জন করেছে। এর বাইরেও এদেশের তৈরি পোশাক শিল্প বিশ্ববাজারে গুরুত্বপূর্ণ ভূমিকা পালন করে। এরপরও বিদেশিদের কাছে দারিদ্র্যপীড়িত ও প্রাকৃতিক দুর্যোগের দেশ হিসেবে এদেশ অধিক পরিচিত। এ ধারণা পাল্টাতে সরকারসহ সবার যৌথ উদ্যোগ নেওয়া প্রয়োজন। মার্কিন যুক্তরাষ্ট্রে অবস্থানরত বাংলাদেশি এবং ব্যবসায়ী সম্প্রদায় বিদেশে বাংলাদেশের ব্র্যান্ড প্রতিষ্ঠা ও বৃদ্ধিতে বড় ধরনের ভূমিকা রাখতে পারে জানিয়ে মরিয়্যাটি বলেন, ইমেজ বৃদ্ধির জন্য ব্যক্তি পর্যায়ে যোগাযোগ বাড়ানো এবং স্থানীয় গণমাধ্যমের সহায়তা নেওয়া প্রয়োজন। অ্যামচেম সভাপতি আফতাব উল ইসলামের সভাপতিত্বে সেমিনারে এশিয়াটিক মার্কেটিং কমিউনিকেশনের ব্যবস্থাপনা পরিচালক আলী যাকের, বাংলাদেশ ব্র্যান্ড ফোরামের প্রধান উপদেষ্টা অধ্যাপক ফারহাত আনোয়ার এবং অ্যামচেম ভাইস প্রেসিডেন্ট খালিদ হাসান দেশের ভাবমূর্তির বিকাশে তিনটি বিষয়ভিত্তিক উপস্থাপনা তুলে ধরেন।

এসব উপস্থাপনায় ব্র্যান্ডিং বৃদ্ধিতে তারা দেশের সামাজিক ও সাংস্কৃতিক খাতের ভূমিকা, পদ্ধতি ও কৌশল নির্ধারণ এবং গণমাধ্যমের ভূমিকা নিয়ে তথ্য-উপাত্ত তুলে ধরেন। সেমিনারে আলোচনাকালে বাজারা বলেন, বর্তমান বিশ্বে একটি জাতির জন্য নিজস্ব ইমেজ ও ব্র্যান্ড তৈরি খুবই গুরুত্বপূর্ণ। জাতি হিসেবে নিজস্ব পরিচিতি তুলে ধরা এবং নেতিবাচক ধারণা পাল্টানোর ওপর এখন অনেক কিছু নির্ভর করে। অ্যামচেম সভাপতি দেশের ইমেজ বৃদ্ধিতে সরকারকে দাতার সঙ্গে কাজ করার আহ্বান জানান। সেমিনারে ইবিএল চেয়ারম্যান নূর আলী এবং অ্যামচেম নির্বাহী পরিচালক এ গফুরও বক্তব্য রাখেন।

অগ্রাধিকার ভিত্তিতে পরিবেশবান্ধব শিল্পায়নের পরামর্শ

বিশ্বব্যাপী গ্রিনহাউস গ্যাস নির্গমনের হার বেড়ে যাওয়ার ফলে বাংলাদেশসহ স্বল্পোন্নত দেশগুলোর শিল্পায়ন বড় ধরনের হুমকির মুখে পড়বে। এ কারণে প্রতিযোগিতায় টিকে থাকার জন্য সস্তা শ্রম যথেষ্ট নয়। উন্নয়ন ও বিনিয়োগ পরিবেশ নিশ্চিত করার জন্য জ্বালানি সংকট মোকাবেলায় দ্রুত কার্যকর উদ্যোগ নিতে হবে। একই সঙ্গে জ্বালানি ব্যবস্থাপনার উন্নয়নের মাধ্যমে জ্বালানি দতা অর্জন করা জরুরি।

রাজধানীর হোটেল শেরাটনে শিল্প মন্ত্রণালয়ের ক্ষুদ্র ও মাঝারি শিল্প উন্নয়ন কর্মসূচি প্রকল্পের (এসএমইএসডিপি) আওতায় আয়োজিত ‘বাংলাদেশে টেকসই শিল্পায়নের জন্য ক্ষুদ্র ও মাঝারি শিল্পখাতে গ্রিন টেকনোলজির প্রয়োগ’ শীর্ষক দিনব্যাপী সেমিনারের উদ্বোধনী অনুষ্ঠানে বক্তারা এসব কথা বলেন। শিল্প সচিব দেওয়ান জাকির হোসাইনের সভাপতিত্বে সেমিনারে প্রধান অতিথি ছিলেন শিল্পমন্ত্রী দিলীপ বড়ুয়া। বিশেষ অতিথির বক্তব্য দেন জাতিসংঘের শিল্প উন্নয়ন বিষয়ক সংস্থার (ইউনিডো) মহাপরিচালক ড. কানদে কে. ইয়ামকেলা। স্বাগত বক্তব্য রাখেন শিল্প মন্ত্রণালয়ের অতিরিক্ত সচিব এ বি এম খোরশেদ আলম।

পরে কর্ম অধিবেশনে শেয়ারিং দ্য গ্লোবাল সাকসেস স্টোরিজ অন গ্রিন টেকনোলজিস শীর্ষক আলোচনায় সভাপতিত্ব করেন এসএমই ফাউন্ডেশনের চেয়ারম্যান আফতাব উল ইসলাম। সেমিনারে পৃথকভাবে মূল প্রবন্ধ উপস্থাপন করেন ইউনিডোর পরিবেশ ব্যবস্থাপনা বিভাগের পরিচালক হ্যান্জ লুয়েনবার্জার এবং আমেরিকার জেনারেলিয়া আইএনসির প্রধান নির্বাহী কর্মকর্তা ড. সাবির মজুমদার। এ সময় বক্তব্য রাখেন এসএমইএসডিপি প্রকল্পের পরিচালক আলতাফ হোসেন, ড. ইজাজ হোসেন ও ড. নাইম চৌধুরী। উপস্থিত ছিলেন এসএমই ফাউন্ডেশনের ব্যবস্থাপনা পরিচালক রেজওয়ানুল কবির।

প্রধান অতিথির বক্তব্যে শিল্পমন্ত্রী বলেন, কাজিত অর্থনৈতিক প্রবৃদ্ধির জন্য পরিবেশগতভাবে টেকসই শিল্পায়ন প্রয়োজন। এ মুহূর্তে বাংলাদেশ জলবায়ুর পরিবর্তন এবং বৈশ্বিক উষ্ণায়নের সবচেয়ে বেশি শিকার। এর ফলে দেশের জ্বালানি, অবকাঠামো, পানি সম্পদ এবং যোগাযোগ ব্যবস্থার ওপর তিকর প্রভাব পড়ছে। তিনি পরিবেশ সংকট মোকাবেলায় দেশীয় শিল্প উদ্যোক্তাদের জলবায়ু সহায়ক প্রযুক্তির ব্যবহারের পাশাপাশি জ্বালানি দতা অর্জন এবং নবায়নযোগ্য শক্তির ব্যবহারে এগিয়ে আসার আহ্বান জানান। দেশে পরিবেশবান্ধব শিল্পায়নের জন্য ইউনিডো বাংলাদেশে বিশ্বমানের একটি গ্রিন টেকনোলজি ইনস্টিটিউট স্থাপন করতে পারে।

উন্নয়নের পথে পাল্লা দিয়ে দৌড়াতে পারছে না বাংলাদেশ

মন্দার অভিঘাত থেকে নিজেদের রা করে দ্রুত উচ্চ প্রবৃদ্ধির দিকে এগিয়ে যাচ্ছে এশিয়ার উন্নত দেশগুলো। এক্ষেত্রে নেতৃত্ব দিচ্ছে চীন ও ভারত। তবে এসব দেশের সঙ্গে পাল্লা দিয়ে দৌড়াতে পারছে না বাংলাদেশ। অবকাঠামোগত দুর্বলতা ও গ্যাস-বিদ্যুতের অভাব না থাকলে বাংলাদেশের পক্ষে ৮ শতাংশ হারে প্রবৃদ্ধি অর্জন সম্ভব বলে মনে করছে আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ)। আইএমএফের ‘এশিয়া : রিজিওনাল ইকোনমিক আউটলুক’-এ একথা বলা হয়েছে। এপ্রিলের শেষ দিকে এটি প্রকাশ করে আইএমএফ।

এক সংবাদ সম্মেলনে আইএমএফের আবাসিক প্রতিনিধি ইতেরি কিনত্রাজে বাংলাদেশে গুই আউটলুক প্রকাশ করেন। তিনি বলেন, বিশ্ব অর্থনৈতিক মন্দার প্রভাবে ইউরোপ এবং আমেরিকা বেশি ক্ষতিগ্রস্ত হয়েছে। গুই অঞ্চলের অনেক দেশে নেতিবাচক প্রবৃদ্ধি হবে। ২০১০ সালে বিশ্ব যেখানে ৪ শতাংশ হারে প্রবৃদ্ধি অর্জন করতে সম হবে, সেখানে এশিয়ার দেশগুলো গড়ে ৭ শতাংশ হারে প্রবৃদ্ধি অর্জন করবে। চীনের প্রবৃদ্ধি হবে ১০ শতাংশ হারে এবং ভারতের ৮ দশমিক ৮ শতাংশ হারে। এ দুটি দেশই এশিয়ার প্রবৃদ্ধিকে আরও বেশি গতিশীল করবে। সামনের দিনগুলোতেও এশিয়ার প্রবৃদ্ধির ধারা অব্যাহত থাকবে। এশিয়ার স্বল্প আয়ের দেশগুলো (এলআইসি) গড়ে ৬ শতাংশ হারে প্রবৃদ্ধি অর্জন করতে সম হবে। বাংলাদেশের ক্ষেত্রেও একই হারে প্রবৃদ্ধি অর্জন হবে। তবে বাংলাদেশের পক্ষে ৮ শতাংশ হারে প্রবৃদ্ধি অর্জন অসম্ভব নয়।

অবকাঠামোগত উন্নয়ন, বিদ্যুৎ-গ্যাসসহ জ্বালানি খাতের উন্নয়ন হলে ৮ শতাংশ হারে প্রবৃদ্ধি অর্জন সম্ভব। ইতেরি কিনত্রাজে বলেন, বাংলাদেশ সরকার ২০১০-১১ অর্থবছরের জন্য বাজেট ঘোষণা করতে যাচ্ছে। আসন্ন বাজেটে অবকাঠামোগত উন্নয়ন, বিদ্যুৎ ও গ্যাস খাতকে অগ্রাধিকার দেওয়া দরকার। পাশাপাশি রাজস্ব আদায়, এ সংক্রান্ত আইন সংস্কার, কর প্রশাসনের দতা বাড়ানো, সরকারের ব্যয় কমানো, উন্নয়ন কর্মকান্ড বাস্তবায়ন ও বেগবান করা, পিছিয়ে পড়া জনগোষ্ঠীর উন্নয়ন ইত্যাদি বিষয়কে গুরুত্ব দিতে হবে। তিনি বলেন, বিশ্বে বিনিয়োগের জন্য এখন আকর্ষণীয় অঞ্চল হচ্ছে এশিয়া। এত্রে বাংলাদেশেরও একটি বড় সুযোগ রয়েছে। কম শ্রমমূল্যের কারণে এখানে বিনিয়োগের একটি বড় সম্ভাবনা রয়েছে। তিনি বলেন, মূল্যায়ন ক্ষমতার হার ২০১১ অর্থবছরে সহনীয় পর্যায়ে থাকবে বলে মনে করছে আইএমএফ। আন্তর্জাতিক বাজারে পণ্যমূল্য ও স্থিতিশীল থাকবে এবং দেশের সামষ্টিক অর্থনীতি স্থিতিশীল থাকলে মূল্যায়ন ক্ষমতার চাপ তেমন একটা থাকবে না।

জাতিসংঘ স্বীকৃত ক্রেতা/ভোক্তাদের অধিকার ও দায়িত্বসমূহ (Consumer Rights & Responsibilities):

৮টি অধিকারঃ

- অন্ন, বস্ত্র, শিক্ষা, চিকিৎসা ও বাসস্থানের মৌলিক চাহিদা পূরণের অধিকার;
- নিরাপদ পণ্য ও সেবা পাওয়ার অধিকার;
- পণ্যের উপাদান, ব্যবহারবিধি, পার্শ্ব-প্রতিক্রিয়া ইত্যাদি তথ্য জানার অধিকার;
- যাচাই বাছাই করে ন্যায্য মূল্যে সঠিক পণ্য ও সেবা পাওয়ার অধিকার;
- অভিযোগ করার ও প্রতিনিধিত্বের অধিকার;
- কোন পণ্য বা সেবা ব্যবহারে ক্ষতিগ্রস্ত হলে ক্ষতিপূরণ পাওয়ার অধিকার;

- ক্রেতা ভোক্তা হিসেবে অধিকার ও দায়িত্ব সম্পর্কে শিক্ষালাভের অধিকার;
- স্বাস্থ্যকর পরিবেশে কাজ ও বসবাস করার অধিকার।

৫টি দায়িত্বঃ

- পণ্য বা সেবার মান ও গুণাগুণ সম্পর্কে সচেতন ও জিজ্ঞাসু হোন;
- দরদাম করে সঠিক পণ্য বাছাই করণ;
- আপনার আচরণে অন্য ক্রেতা বাতে ক্ষতিগ্রস্ত না হন সে ব্যাপারে সচেতন থাকুন;
- পরিবেশের ভারসাম্য রক্ষায় সচেতন ও সক্রিয় হোন;
- ক্রেতা/ভোক্তা হিসেবে অধিকার সংরক্ষণে সোচ্চার ও সংগঠিত হোন।

Share Market Intelligence (as on 30 June 2010)

Top 10 Turnover Leaders

Dhaka Stock Exchange			Chittagong Stock Exchange		
Company	Volume (Shares)	Turnover ('000 Tk.)	Company	Volume (Shares)	Turnover ('000 Tk.)
Titas Gas Trans	1,046,250	1,028,777.63	Bex Tex	1,954,730	124,946.34
Lankabangla Finance	1,888,758	859,252.68	BEXIMCO Ltd.	282,910	85,800.95
BEXIMCO Ltd.	2,354,034	714,449.32	UCBL	27,844	79,226.76
People's Leasing	546,039	665,654.30	BSRM Steel Ltd.	21,922	46,241.39
AB Bank Ltd.	465,766	634,843.72	Premier Bank	639,210	35,674.31
Premier Bank	10,737,220	600,640.09	Social Islami Bank	856,807	35,291.88
Shahjalal Islami Bank	1,028,130	529,908.48	AB Bank Ltd.	25,428	34,562.25
One Bank Ltd.	665,947	478,809.23	One Bank Ltd.	46,420	33,396.41
UCBL	158,415	447,009.11	National Bank	43,842	32,938.50
Islami Bank Ltd.	676,809	440,095.05	N.C.C Bank	69,074	32,253.41

Top 10 Market Capitals

Dhaka Stock Exchange			Chittagong Stock Exchange		
Company	Mkt. Cap (M. Tk.)	% of Total (Mkt. Cap.)	Company	Mkt. Cap (M. Tk.)	% of Total (Mkt. Cap.)
Grameen Phone	333,308	15.42	Grameen Phone	332,849	15.93
ICB	100,572	4.65	ICB	100,400	4.81
Titas Gas Trans.	84,217	3.90	Titas Gas Trans.	84,270	4.03
BEXIMCO Ltd.	48,550	2.25	BEXIMCO Ltd.	48,515	2.32
Islami Bank Ltd.	48,204	2.23	Islami Bank Ltd.	48,203	2.31
Square Pharma	48,044	2.22	Square Pharma	48,134	2.30
RAK Ceramics	39,690	1.84	RAK Ceramics	39,598	1.90
Pubali Bank Ltd.	39,049	1.81	Pubali Bank Ltd.	39,009	1.87
Power Grid Co.	36,381	1.68	Power Grid Co.	36,475	1.75
DESCO	35,353	1.64	DESCO	35,324	1.69

Exchange Rates (as on 30 June 2010)

Selling BC selling	Currency	Buying TT buying
69.73	USD	68.73
87.08	EUR	82.94
106.67	POU	102.35
61.89	AUD	58.21
0.81	JPY	0.76
65.33	SWF	62.43
9.22	SEK	8.65
68.53	CAD	65.52
8.98	HKD	8.81
51.42	SGD	49.29
19.09	UAD	18.61
18.69	SAR	18.23
11.78	DAK	11.01
236.11	KUD	233.19

EXCHANGE RATES OF SOME ASIAN CURRENCIES AGAINST US DOLLAR

Indian Rupee	Pak Rupee	Lankan Rupee	Thai Baht	Malaysian Ringit
46.44	85.45	113.55	32.39	3.23

Sources : The Independent and The Daily Star

TRADE INFORMATION

Prepared by DCCI Research Cell

No. 06

June – 2010

The following Trade Inquiries have been received in the Chamber from different sources abroad. Interested member-firms may like to contact them directly without any obligation on the part of DCCI.

FOREIGN IMPORTERS

PENINSULA ENTERPRISES LTD..

No. # 3-00 Taw Wyn Plaza, Corner of Mill Road and Bo Min Yaung Road, Mingalar Taung Nyunt Township, Yangon, Myanmar.

Tel: (0095-1) 202801, 296884, 201164, 202523

Mobile : (0095-09) 555-9-786, 54-66-777

Dir No. : (0095-1) 201296

Fax : 0095-1-201327

G-mail: yahyacitizen@.gmail.com

E-mail: yahya@peninsula.com.mm

Items: Import : Import of Construction Materials, Cement from Bangladesh and offers for joint venture projects , Investment, barter trade and procurement of technology etc. : Cement, G. I. Pipes, G. I. Coils, Deformed Bars, Angle Bars, Hot / cold rolled sheets, Hollow pipes, HDGI (Hot dipped galvanized iron) and Nail etc.

Export : Rice by chartered ship, Beans & Pulses, Turmeric finger/powder, Tamarind with seeds and without seeds, spices and sea-food.

HANAN IMPEX

Railway Road, Sialkot
Pakistan.

E-mail: hanan1@skt-com.net

Attn: Mr. Hanan Geoffrey, Manager

Items: Bamboo Root Wood Dry.

In size of 5" x 5" x 12".

MAYORAL MODA INFANTIL S.A.U.

Southern Spain.

E-mail: rtobar@mayoral.es

Attn: Mr. Rocio Tobar

Items: Fashioned Children Garments.

CROSSVILLE INC. (TN)

346 Sweeney Dr. Crossville, TN 38555-5459, U.S.A.

Tel: 931-484-2110, Fax : 931-484-8418

Website :www.crossvilleathome.com

Items: Glazed Ceramic flags and paving hearth and wall tiles.

EAST COAST TILE IMPORTS INC. (MA)

8 Stony Brook St, Ste 1, Ludlow, MA 01056-1239, U.S.A.

Tel: 431-583-4246, Fax : 431-583-5218

Items: Glazed Ceramic flags and paving hearth and wall tiles.

EGL INC. (TN)

805, Airport Commerce Dr. Nashville,
TN 37217-5715 U.S.A..

Tel: 615-232-3500

Items: Glazed Ceramic flags and paving hearth and wall tiles.

The demand of frozen fish in Chinese market has increased rapidly. To meet the rising demand, Chinese Government and business organizations are searching desperately the sources of frozen food around the neighboring countries and

other parts of the world to import frozen food. To avail of this opportunity, the concerned exporters may explore the Chinese market to export frozen food, shrimp, crabs and eel fish etc. to Chinese market.

Interested members of DCCI may contact with the following Chinese organizations and agencies to further enhance cooperation in frozen food sectors between Bangladesh and China.

1. Mr. Jin Kang, General Manager, South China International Aquatic Trade Center
Minkang Road, Chikan District, Zhanjiang,
Guangdong Province, China.
Tel: 0086-0759-8216998
Fax : 0759-8216999
Website : zgnfsc.com
2. Mr. Huang Zhimin, Vice General Manager, Zhanjiang Guolian Aquatic Products Co. Ltd.
China.
Tel: 0086-0759-3153928, Fax : 759-3153933
Mobile : 0086-138 282 88128
E-mail: huangzhimin@21cn.com, Web: www.fish.com
3. Mr. Chris Koa, General Manager, Ocean King Trading Ltd.
China.
Tel: 00852-3101 2498
Fax : 00852-3101 2497
E-mail: ckoa2008@126.com
4. Mr. Han Chen, Vice President
Zhanjiag South Aquatic Trade Center Co. Ltd.
China.
Tel: 0086-0759-8216998, Fax : 8216999
Website : www.zgnfsc.com
5. Mr. Yin Zhong, Permanent Honorary President
Chamber of Commerce China Federation of Fisheries
China.
Tel: 0086-10-63304006
Fax : 10-63304228
Mobile : 0086-13801231568,
E-mail: sxshh888@sina.com
6. Mr. Gu Peng, General Manager
Chia Tai Aquaculture (Zhuhai) Co. Ltd.
China.
Tel: 0086-0756-8521900
E-mail: gup@cpgroup.cn
7. Mr. Chien Chen, President
China Aqua Business Planning Center
China. Tel: 0756-8521867
Fax : 8521898

FOREIGN EXPORTERS

ELECTRO EXIM SRL
Romania.
Tel: +40 21 2231347, +40 21 560 1080
Mobile Phone : +40761504211, Fax : +40 21 2231201
E-mail: mihaela@electroexim.com
Attn: Mihaela Stancu, Export Area Manager
Items: Electric Motor.

MAHINDRA TWO WHEELER LIMITED
D1 Block, Plot No. 18/2 MIDC Chinchwad
Pune 411 019, India.
Tel: (Direct) +91-020-27602270, Mobile: +91 9890742827
Fax : +91-020-27602028
E-mail: moghe.gayatri@mahindra2wheelers.com
Website : www.mahindra2wheelers.com
Items : Two Wheeler from 50cc Mopeds to 135cc scooters.

NATUR SVIT
Ukraine..
Tel: +38 (095) 5319225, +38 ((093) 5659304
Tel. & Fax : +38 (0542) 659 047
E-mail: mnba1919@hotmail.com
Attn: Nadia Mykhaylichenko
Items: Coriander, yellow pea and mustards seeds.

TANIS MILL MACH AND TRADE CO.
1 Organize Sanayi Bolgesi, 1 Cad. No. 27
27120 Baspinar / Gaziantep / Turkey.
Tel: +90 342 337 22 22, Mobile : +90506 445 88 27
Fax : +90 342 337 14 82
E-mail: gaziantep@tanis.com.tr
Attn: Erhan INCIOGLU
Items: Special Designed Plants about "Lentil Cleaning, De-husking, Splitting, Polishing and Packing Lines.

SURYA ALLOY INDUSTRIES LTD.
1/1, Camac Street, 3rd Floor, Kolkata -700 016, India.

&
BHASKAR SHRACHI ALLOYS LIMITED
8/1, middleton Row, Kolkata -700 071, India.
Tel: 2229-0114, 2229-7190, 2229-8877
Fax : 91-33-2229-7223, Attn: Mr. Ashish Rungta
Items : Billets (Prime quality non alloy steel billets).

CHERKANI TRADING CO. LLC
CHERKANI SECURITY COMPANY
CHERKANI & NEW RAMIZ SADIKU CONSTRUCTION CO.
Dardania H7 Nr121, Prishtina 10000, Kosovo.
Tel: +37744506538, Fax : +38138540592
E-mail: latif.latifi@gmail.com
Attn: Mr. Latif Latifi
Items: Tobacco (Brand name : Royal and Blue Light Cigarette), Cement, Wheat and Rice.

SENVEC LANKA (PTE) LTD.
28, Ramkrishna Road, Colombo 6, Sri Lanka.
Tel: (94) 11 4515660 (Hunting Line)
2362628, 2360722, Mob: (94) 722 250900
Fax : (94) 11 2363136, E-mail: senvec@sit.lk
Attn: Upali Abeywickrema, Managing Director
Items: "Senvec" Colour Sorting Machines.
(They are looking an Agent In Bangladesh to market .)
"Senvec" Colour Sorting Machine. This company is "Regional Agent" covering all Aslan Countries for M/s. Hatton Selsakusho Co. Ltd. of Japan who are the Manufacturers of "Senvec" Colour Sorting Machine).

FAIRS & EXHIBITIONS

The 4TH CHINA INTERNATIONAL AUTO PARTS EXPO (CIAPE) 2010
Date : 25-27 September, 2010
Venue : China International Exhibition Center
Beijing, China

Contact Person :
Ms. Zhang Yazhu (Lydia)
Vice Chairman
Organising Committee of China International Auto Parts Expo
Add: 12F., West Wing of Sichuan mansion
1, Fuwaidajie St., Beijing, China 100032.
Tel: +86-10-68991436, Mobile : +86-13911599334
Fax : +86-10-68991422
E-mail: info@iapechina.com
zhangyazhu@exh.genertec.com.cn
Website : www.iapechina.com

THE 9TH CHINA INTERNATIONAL MOTORCYCLE TRADE EXHIBITION (CIMAMOTOR 2010)
Date : 21st -24th October, 2010
Venue : Chongqing, R. P. China
Contact Person :

Colin Liu
UNIDO SPX CU
Add. No. 269 Keyuansi Road
High Tech Development Zone, Chongqing 400041
Tel: +86 (23) 6869 3707, Mobile: +86 (0) 158 2316 9928

P. R. China.
Fax : +86 (23) 6863 3784
E-mail: colin@unido-spx.org, Web: www.unido-spx.org
For more information, please visit the website :
<http://www.cimamotor.com>

7TH CHINA INTERNATIONAL SMALL AND MEDIUM-SIZED ENTERPRISES FAIR (CISMEF) AND CHINA AUSTRALIA SMEF FAIR 2010
Date : 15-18 September, 2010
Venue : China Guangzhou International Conference and Exhibition Center, Pazhou Exhibition Center, Xingang East Road, Guangzhou, China
Jointly hosted by : China Central Government and People's Government of Guangdong Province and Australian Trade Commission

Contact Person :
Mr. Jiang Hao
Chairman
China-Islam Nation INTL Economy Trade & Travel Promotion
Room No. 12A05, Building A, City One
No. 48 of Wangjing West Road
Chaoyang District, Beijing-100102, China.
Tel: 0086-10-64787085, Fax : 0086-10-64787067
E-mail: yisilanjl@163.com , Web: <http://www.chinaysljl.com>

Further details in this regard may be collected from DCCI Research Cell.

DCCI President Abul Kasem Khan (right) seen along with DCCI Past Presidents Mahbubur Rahman (second from right) and R. Maksud Khan (left) at the International Chamber of Commerce World Business Summit 2010 on June 30 at Hong Kong.



Abul Kasem Khan (second from right) , President, DCCI receiving the 4th Confederation of Asia-Pacific Chambers of Commerce & Industry (CACCI) Certificate of Award in Big Chamber Category on July 06, 2010 at Cinnamon Grand Hotel, Colombo, Sri Lanka.

The DCCI President (fourth from right) seen at the 24th Confederation of Asia-Pacific Chambers of Commerce & Industry Conference and Sri Lanka Economic Summit 2010 held on 5-7 July, 2010 at Colombo, Sri Lanka. President of SAARC Chamber of Commerce & Industry Annisul Huq (third from right) is also seen in the picture.





DCCI Senior Vice President M. Shahjahan Khan (fifth from left) seen along with the members of the DCCI delegation before departure for the 18th Import & Export Commodities Fair, Kunming, China on June 4.

Abul Kasem Khan, President, DCCI (right) receiving the Golden Award from DCCI Senior Vice President M Shahjahan Khan (centre) at DCCI on June 19. The Golden Award was given to DCCI for participation in the 3rd South Asian Countries Trade Fair, 2010, Kunming, China on June 10. Additional Secretary Syed Delwar Hossain (left) is also seen in the picture.



DCCI Senior Vice President M. Shahjahan Khan (sixth from right) seen along with the other members of DCCI delegation at the DCCI stall at 18th Import & Export Commodities Fair, Kunming, China held on June 6-10.

DCCI Additional Secretary (Admin) Syed Delwar Hossain (left) receiving the Golden Award from Fair Coordinator and Senior Officer of Ministry of Commerce, Beijing, China Sai Tong (right) on June 10.



DCCI President Abul Kasem Khan (second from left) presenting DCCI publication set to Dr. Muriel Dunbar of DFID at DCCI on June 14. DCCI Vice President Md. Sirajuddin Malik (left), Directors M S Shekl Chowdhury (right) and M Bashir Ullah Bhuiyan (third from left) are also seen in the picture.

DCCI Acting President M Shahjahan Khan (centre) addressing a meeting organized by National Association of Sports for the Persons with Disability (NASPD), Dhaka Chamber of Commerce & Industry and actionaid Bangladesh (AAB) at DCCI on June 30. DCCI Vice President Md. Sirajuddin Malik (second from right) and Secretary General of NASPD M A Baten (left) are also seen in the picture.





DCCI President Abul Kasem Khan (left) presenting publication set to Member of the Scientific Council for Government Policy, The WRR, The Netherlands Prof. Dr. P. A. H. van Lieshout (right) at DCCI on June 12.

DCCI President Abul Kasem Khan (sixth from right) seen along with the 5 member delegation of DCCI which went to Germany to attend a training course on 'Cleaner Leather Production Technology' under Switch Asia Re-Tie Bangladesh project on June 5. Former President of DCCI Aftab-ul Islam (sixth from left), Secretary AHM Nurul Islam (left) and Additional Secretary (R&P) Ferdous Ara Begum (right) are also seen in the picture.



Director of Small and Medium Sized Enterprises Division of WIPO, Geneva Gurtqbal Singh Jalya and Additional Secretary of DCCI Ferdous Ara Begum are seen along with the participants of a 5 day workshop on Intellectual Property and Business Development organized by DCCI and World Intellectual Property Organization at Hotel Sheraton, Dhaka on June 13.



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