

## Pak SEC okays electronic bourse

REUTERS, Islamabad

Pakistan's Securities and Exchange Commission said Friday it had given permission to a company to set up the country's first electronic stock exchange in a move that could increase trading by foreign investors.

Commission Chairman Khalid Mirza told reporters the electronic stock exchange would provide healthy competition to the three existing exchanges in the country.

"Alternative trading systems, known as Electronic.

## India, Thailand to speed up free trade talks

AFP, New Delhi

The foreign ministers of Thailand and India Friday decided to speed up a Free Trade Agreement (FTA) to help boost bilateral trade, a spokesman said.

Thai Foreign Minister Surakiat Sathirathai held talks with his Indian counterpart Yashwant Sinha. Their meeting was followed by the fourth meeting of the India-Thailand joint commission, external affairs ministry spokesman Navtej Sarna told reporters.

After the joint commission meeting, which was held after a gap of seven years, the two sides signed a document "setting out a roadmap for bilateral relations in all areas", Sarna said.

Trade was top on the agenda of talks and it was decided that the draft FTA agreement should be ready by July so it can be signed by the end of the year.

Bilateral trade between the two countries stands at about one million dollars and it was decided to increase it to two million dollars, Sarna said.

The Indian Space Research Organisation (ISRO) has also made a proposal for developing, designing and launching a remote-sensing satellite for Thailand and the offer is being considered, the spokesman said.

Civil aviation and tourism also figured prominently in the talks and it was agreed the frequency of flights between the two countries needed to be increased.

Indian Deputy Prime Minister Lal Krishna Advani visited Bangkok last month and Prime Minister Atal Behari Vajpayee also made a brief stopover in November last year on his way back from a meeting of the Association of Southeast Asian Nations (ASEAN) in Phnom Penh.

## FATF suggests sanctions on Philippines

AFP, Paris

The Financial Action Task Force, a global body aimed at fighting money laundering, said Friday that it was withdrawing sanctions against Ukraine but recommended them for the Philippines beginning mid-March.

The task force also said it was removing Grenada from its list of non-cooperative countries and territories because the British West Indies island had implemented significant reforms to its anti-money laundering system.

In mid-December, the FATF had labeled Kiev as uncooperative in the fight against money laundering, and several FATF members including the United States, Canada and Britain announced countermeasures against Ukrainian banks and financial institutions.

But in a statement Friday, the FATF said its members had decided to withdraw the application of additional counter-measures against Ukraine because the government had recently enacted "comprehensive anti-money laundering legislation that addresses the main deficiencies" first identified by the task force in 2001.

However, Ukraine will remain on its non-cooperative list "until it has implemented effectively its new anti-money laundering legislation," the Paris-based task force said.

President Jochen Sanio hailed the development as "a significant success for the FATF and Ukraine in the fight against money laundering."

The Philippines, by contrast, had failed to meet an FATF deadline on Thursday to approve adequate legislation to counter money laundering.

"The FATF has taken the serious step of recommending that its members impose additional counter-measures against Philippines due to the failure of the Philippines to enact legislation to address previously identified deficiencies in their anti-money laundering regime," the task force said.

# Export items losing competitiveness

## Cost of business exacts high prices

STAR BUSINESS REPORT

Bangladeshi products are losing competitiveness in the global market due to growing cost of business.

The cost of business is increasing due to port problems, bureaucratic tangles in customs department and an increase in lead-time.

While Bangladeshi products are losing competitiveness, there is an increase in the number of countries offering low cost products.

Competing countries like Vietnam, Cambodia, China, Thailand are entering the global market with products that Bangladesh is exporting, intensifying competition and dipping prices, an Export Promotion Bureau (EPB) analysis on export trend observed.

"The exporters are basically dependent on middlemen and very few of them have access to buyers in the international market. The

exporters are not aware of the present market trend and it is working as a barrier to market development and expansion," the analysis said.

Besides, Bangladesh could not reap benefit under the preferential market access provided by Canada, Thailand, New Zealand, Pakistan, Japan, and India because of its narrow export basket and low quality products.

Demand for Bangladeshi products is on the rise in the global market but due to supply constraint the exporters are failing to increase export volume.

Agro-based industries and leather sectors are facing supply crisis. Besides, the number of quality products for export is very few and low quality packaging is another problem.

Prolonged global recession,

terrorist attack in the US, subsequent Afghan war, and possible war in Iraq are some of the reasons for which the country's export earning could not reach a satisfactory level during July-November period of the current financial year.

Export volume of some major items reached five-year high although unit prices dipped five-year low.

According to EPB, export fetched US\$2627.15 million during the July-November period of the current financial year, which is 6.59 per cent or \$185.35 million less than the target but up by 6.8 per cent or \$167.29 million from the corresponding period of last fiscal's earnings.

The price index in the first five months of FY03 dipped by 9.63 per cent although total export volume went up by 16.43 per cent.

# Bangladesh for greater private sector business with India

BSS, New Delhi

Foreign Minister M Morshed Khan Friday said that promotion of investment and trade by the private sectors in both Bangladesh and India in each other's country could lay "a solid foundation of ties" that could work as "a conduit of continuity".

Speaking as chief guest at a luncheon hosted by the Confederation of Indian Industries (CII) here, he called for promotion of trade and investment and narrowing of trade gap instead of allowing irritants to become stumbling blocks in the way of cooperation.

He listed the opportunities for investment Bangladesh offered to expatriates like hundred per cent ownership, no requirement of permission but registration, easy remittance of profit, among many others. Bangladesh opened its market much before, he added.

He said that bilateral trade balance favoured India officially by over a billion dollars while unofficially it could be plus minus three

billion.

He said that Bangladesh took a stand on principle to combat terrorism wherever it could raise its ugly head.

The genesis of Bangladesh, which emerged opposing fundamentalism, did not and would never allow it to be fundamentalist, Morshed Khan said.

He called upon the media to be restraint not to foment negative depiction of Bangladesh or fan irritants that could harm bilateral ties between Bangladesh and India, as millions of poverty-ridden people in both the countries could benefit only from cooperation and a better tomorrow.

Bangladesh, he said, was in the midst of the second phase of its economic reforms to create legal framework with an eye to tune it to benefit the common people.

With a good number of educated Indians working with the Bangladesh private sector, he said it (Bangladesh) already became a destination for many educated

young Indians seeking jobs.

The foreign minister said that India should also allow Bangladeshi young professionals to have similar opportunities.

Bangladesh and India being members of the SAARC family and sharing a common heritage, culture and even language ought to work together for a better tomorrow for the common people in the 21st century.

He said irritants should not be allowed to be stumbling blocks in improving the two economies to benefit the common man.

But at times, he said, Bangladesh implements agreements and decisions quickly as it did with the land boundary agreement of 1974 ratifying it in no time while India left it unratified for very long.

The result being, Morshed Khan said, small patches of the common boundary still remain undemarcated.

It is not unusual, he said, for two neighbouring countries sharing such a long boundary to have irri-

itants.

CII past President Shekhar Datta read the welcome of address, while CII Director General Tarun Das made the concluding remarks before a packed audience of entrepreneurs and investors.

Belying negative depiction of Bangladesh, Morshed Khan said the country is working hard to achieve hundred per cent literacy by 2008, the girl students' education has been made free by the government up to class twelve, and its food for education encourages parents to send children to schools instead of to work.

Bangladesh's microcredit programme pioneered by the Grameen Bank and also promoted by a number of other institutions, he said, is being replicated not only by developing nations but also by many in the developed West.

Bangladesh's innovation of oral rehydration saline (ORS) is saving millions of lives across the world on almost no expenses, the foreign minister said.



PHOTO: CCCI

Amir Humayun Mahmud Chowdhury, president of Chittagong Chamber of Commerce and Industry, and Dr Wali Tasar Uddin, director general of British-Bangladesh Chamber of Commerce, sign an agreement in Dhaka recently to set up a catering institute in Chittagong under a joint initiative of the two organisations. Speaker Barrister Jamir Uddin Sircar, FBCCI President Yussuf Abdullah Harun, CCCI Director Mahub Ali and former vice-president MA Latif were present at the signing ceremony.

## South Korea, Chile sign free trade deal

REUTERS, Seoul

South Korea said yesterday it has signed a free-trade agreement (FTA) with Chile, the first for the Asian nation, the culmination of trade talks that started in 1999.

The two countries had reached agreement in October, but the deal was signed on Saturday in Seoul, South Korea's presidential office said in a statement.

Details of the pact released previously show 66 per cent of South Korean exports, including passenger cars, computers and mobile telephone, would be exempt from Chilean import tariffs.

Other South Korean export would become exempt over the next 10 years under a deal that can take effect in the first half of this year once parliaments in both countries approve it.

Chilean agricultural exports, including peaches and grapes, pork, chocolate and fruit juice would be exempt from South Korean tariffs with immediate effect.

But Chilean rice, apples and pears would still be taxed.

Chile's exports to South Korea were \$715 million in 2002, more than 40 per cent of which was copper.

South Korea's exports to Chile -- worth \$409 million last year -- include mostly vehicles and domestic appliances like washing machines and refrigerators.

South Korea and Chile are members of the Asia Pacific Economic Cooperation group.

## OPEC output up 2pc: MEES

AFP, Nicosia

OPEC oil production rose 2.2 per cent to 25.663 million barrels per day (bpd) in January from December despite the turmoil in Venezuela, the Middle East Economic Survey (MEES) reports.

Output from the cartel's 10 members without Iraq increased 1.2 per cent or 263,000 bpd to 23.11 million bpd from 22.85 million bpd in December.

Baghdad accounted for just over half of OPEC's overall increase in January, the industry newsletter says in its Monday edition.

Gulf states Kuwait, Saudi Arabia and the United Arab Emirates together lifted production by 580,000 bpd while Iraq pumped 2.55 million bpd, a level not seen since the first quarter of 2002, MEES notes.

"High Iraqi production is only being achieved at the price of damage to reservoirs -- particularly in the north," MEES says.

Iranian production fell slightly on lower exports at 2.263 million bpd as domestic consumption remained steady on 1.45 million bpd.

MEES says the general strike in Venezuela saw average production drop to 620,000 bpd in January from one million bpd in December and three million bpd before the strike began at the end of 2002.

World oil prices climbed to their highest level in more than two years Friday as traders bet on a war in Iraq despite diplomatic efforts at the United Nations.

New York's reference light sweet crude contract for March delivery rose 44 cents to 36.80 dollars a barrel, the highest level since September 2000.

# Micro-credit success limited to micro level

BSS, Dhaka

Despite its high potential for women empowerment, micro credit programmes are yet to create women's access to more remunerative employment and mobility into the greater public sphere, an independent study released here recently said.

Success of the micro-credit programme in empowering women has so far been constricted to creating self-employment and lower mobility, said the study on "Actually how empowering is Micro-credit," which was conducted by the state-run Palli Karma Sahayak Foundation (PKSF).

The study report, however, said the micro-credit programme could widen the women's access to income-generating opportunities

like self-employment and mobility to certain public spaces including NGO offices and health centres.

"But its positive effect on women's initial choice-set was limited since their access to more remunerative employment and mobility to the male dominated public spheres has not expanded," it said.

According to the study, improving the condition for empowerment may be less urgent than increasing women's ability to exercise their authorities in the male dominated society.

Justifying the observation, the report said expansion of women's access to the male dominated areas "does not appear to have immediate benefits in terms of outcomes that the programmes wish to produce."

Even, it's likely to generate social

costs associated with the erosion of male dominance of long-standing social and economic institutions, it said. For the sake of social acceptance and sustainability micro-credit and other development programmes may very well be averse to imposing such costs on the population they expect to serve, it added.

The study in this respect suggested evolving a long-term and sustainable programme strategy to promote the expansion of women's access to household resources, particularly income being generated from the loan investment.

This is possible by providing micro-credit services that equip women to be active in decisions about loan use and in the control over incomes from loan investment, the report observed.

# World divided over WTO farm reform proposals

AFP, Tokyo

The World Trade Organisation (WTO) will draw up another proposal to reform agricultural trade after an initial draft sparked three hours of animated debate in Tokyo on Saturday, officials said.

Trade and agriculture ministers from 22 WTO countries and regions at a three-day "mini-ministerial" meeting remained divided over the controversial text that calls for lowering import tariffs and eliminating export subsidies.

"There were a lot of upsets in there," a WTO official said, speaking on condition of anonymity.

Chairman of the global trade body's agriculture negotiations, Stuart Harbinson, who wrote the draft "has been hammered," the official said.

The Harbinson text calls on all 145 WTO members to cut import tariffs on farm products by at least 25 per cent and eliminate export subsidies within nine years.

But Japan has rejected the suggested tariff cuts which threaten its uncompetitive rice farmers as biased in favour of exporting countries, while the US described the plan for developed countries to slash export subsidies as "problematic".

"The opinions about the proposal are divided into two. Some argued the proposal should be used as a base for further negotiations but some voiced opposition," said a Japanese foreign ministry official.

Discontent was heard on the streets of the capital as well, where thousands of demonstrators staged a peaceful rally to protest the proposed cuts in import duties.

"Let's face it there is a very difficult path between the countries who are saying the proposal is way too ambitious and the ones that are saying it is certainly not ambitious enough," said WTO spokesman Keith Rockwell.

"Every single country represented has serious concerns about the content, some more serious than others," he told AFP.

"The developing countries showed a greater degree of warmth

for the project than the developed countries," Rockwell said.

Harbinson had been forced to offer extra support to less developed nations, in line with a mandate drawn up at the last WTO meeting in the Qatari capital of Doha, said the spokesman.

"Special and differential (SD) treatment is taken up in a significant degree throughout the document,"

Despite their disagreements, the

22 countries and regions remain committed to a deadline to hammer out new rules on farm trade, acceptable by all, by the end of next month. This would enable productive talks to continue at the next major WTO meeting in the Mexican resort of Cancun this September.

"At least another draft will come between now and March 31," said Rockwell.

## CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank

Selling		Currency		Buying	
TT/OD	BC	USD	TT Clean	FD Sight Doc	FD Transfer
59.0000	59.0500	USD	58.0200	57.8496	57.7803
64.6581	64.7129	EUR	61.7275	61.5462	61.4725
96.0461	96.1275	GBP	92.9422	92.6692	92.5583
35.7540	35.7843	AUD	33.6516	33.5528	33.5126
0.4937	0.4941	JPY	0.4783	0.4769	0.4763
43.6391	43.6760	CHF	42.2271	42.1030	42.0526
7.0547	7.0607	SEK	6.8073	6.7873	6.7792
38.9310	38.9640	CAD	37.8844	37.7732	37.7279
7.5721	7.5785	HKD	7.4315	7.4097	7.4008
33.7316	33.7602	SGD	32.9079	32.8113	32.7720
16.1950	16.2087	AED	15.6696	15.6236	15.6049
15.8589	15.8724	SAR	15.3496	15.3045	15.2862

Exchange rates of some currencies against US dollar

Indian Rupee	Pak rupee	Lankan rupee	Thai Baht	Nonferrous Krower	NZ dollar	Malaysian Ringgit
47.84	57.8	96.845	43.100	6.9706	0.5524	3.80

Local Interbank FX Trading:

The local interbank foreign exchange market was subdued on Friday. US dollar remained the same against the taka.

Local Money Market:

Demand for call money remained high on Saturday, the first working day after the Holy Eid-ul Azha. Call money rate continued to remain high because of tight liquidity position in the market due to high withdrawal before the Eid. At the close call money rate ranged at the same level of 25-20 per cent.

International Market:

International market was closed on Saturday. The dollar rose on Friday against European currencies but fell versus the yen after the United Nation's chief weapons inspector gave a report on Iraq that left the Security Council still divided over the necessity of war. The euro had previously benefited from investor's concerns about holding

dollars, although analysts said that Friday's report from chief UN arms inspector Hans Blix removed some of the war premium built up against the greenback. Blix said there was no evidence that Iraq had weapons of mass destruction, and he noted that Baghdad had taken some steps to cooperate with his team. Diplomats from France, Russia and China, which have opposed using force to assure Iraqi compliance, said that the inspections were producing results and called again for more time for inspectors to do their job. But the key US ally Britain said that Iraq had shown again that it was not cooperating fully. The yen drew some bids after Japan data showed that Japan's GDP for three months till Dec 31, 2002 grew 0.5 per cent from the previous quarter, while the expectation was 0.3 per cent.

At the closing of New York on Friday, euro was at 1.0789/92, GBP at

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