

3-hour clearance in port to take effect immediately

National Committee on Exports agrees

STAR BUSINESS REPORT

Decisions for clearing all export formalities in port within three hours instead of four to seven days, cutting red tape drastically, and reducing charges from 20 to 25 per cent will be effective immediately, the National Committee on Exports agreed yesterday.

It also decided to improve efficiency in public sector institutions including Chittagong port and Export Promotion Bureau in the face of tight competition in export markets.

The meeting decided that EPB will be reorganised, private sector will be allowed to set up an inland container depot (ICD) in Gazipur and a perma-

nent venue for international trade fair will be set up on a build-operate-transfer (BOT) basis, sources said.

Prime Minister Khaleda Zia chaired the tenth meeting of the National Committee on Exports at Prime Minister's Office in Dhaka.

A third party will check hygiene in the cultivation, transportation, storage and processing of shrimp to ensure that quality control systems are in place and food safety standards are being met, the meeting okayed.

The meeting also decided that a committee will be formed to submit reports on the possibility of a central bonded warehouse.

Bangladesh Textile Mills Association (BTMA) has been urging the govern-

ment for long to set up a central bonded warehouse instead of the existing separate bonded warehouse arrangement for each factory. But Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is opposing the proposal.

The meeting agreed that apparel board will not be formed right now as two ministries have opposite stands on this proposal.

Commerce Minister Amir Khosru Mahmud Chowdhury, Industries Minister MK Anwar, secretaries and presidents of different export sectors and the apex trade body, were present at the meeting.

Stressing the need for producing good quality products and reducing

cost, the prime minister told exporters that it is not possible for the government to increase cash subsidy and waive interests on bank loans, meeting sources said.

As finished leather goods exporters are entitled to get cash incentive, leather exporters earlier urged the prime minister to increase the subsidy for finished leather export but she turned down the plea.

Requests by jute exporters, the worst victims of Iraq war, to waive interest on bank loans were also rejected. The PM turned down another proposal from handicraft exporters for increasing subsidy on items beyond the two that are currently entitled.

Free trade deal with India to yield more gains than SAFTA

BIDS study observes

STAR BUSINESS REPORT

A bilateral free-trade agreement with India will produce higher trade gains for Bangladesh than that from the proposed South Asian Free Trade Area (SAFTA), a preliminary study of Bangladesh Institute of Development Studies (BIDS) said.

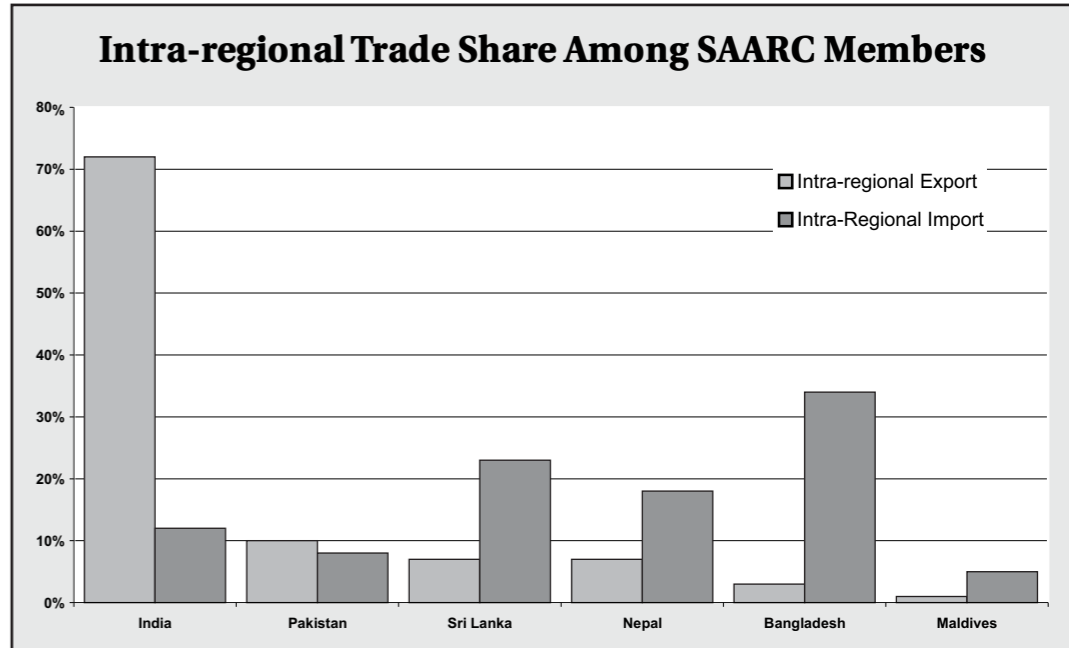
Under bilateral free-trade agreement, the gains come from higher commodity base and higher employment of unskilled labour, however losses occur in allocative efficiency, the study said.

M Asaduzzaman, research director of BIDS, presented the preliminary edition of the study entitled 'Regional versus Multilateral Trade' at a seminar on 'Who Needs SAFTA?' yesterday at the Institute in Dhaka.

The already existing free trade arrangement between India and Sri Lanka is causing welfare loss to Bangladesh. So, waiting to reach a consensus on the formation of SAFTA is harmful and Bangladesh should make an immediate policy choice, it suggested.

Revealing disproportionate figures, the study shows that of the total intra-regional export among the SAARC members in the year 2000, India leads with 72 per cent share with Bangladesh trailing at three per cent. However, in terms of intra-regional import, Bangladesh surprisingly leads with 34 per cent share with India at 12 per cent.

Regional giants are obviously more interested in exporting to rather than



importing from their next door neighbours.

Criticising India for its indifference in offering duty free access, speakers at the seminar said India props up non-tariff and para-tariff barriers to protect its products in local market.

Political tensions also worsen the situation.

Any Bangladeshi product entering Indian market through formal channels, they said, cannot make money

because of discriminatory tariff structure in Bangladesh.

They urged government to ease the tariff structure to help local products compete in overseas markets.

Speakers also observed that customs department officials at the border are unfriendly to exporters of Bangladesh and rampant informal trade across the border hinders bilateral trade. They said Bangladesh must diversify its export basket to survive in

the competitive world market.

Moderated by Quazi Shahabuddin, director general of BIDS, the seminar was attended by Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue.

M Asaduzzaman, research director, Sharif M Hossain, research officer, Bangladesh and the WTO Project of BIDS, Nazneen Ahmed and Subrata Sarkar, research associates, of BIDS prepared the study.

Reliance Ins declares 30pc cash dividend

Reliance Insurance Limited has declared a 30 per cent cash dividend for the shareholders for the year 2002.

The dividend was announced at a meeting of the Board of Directors of the company held in Dhaka on Saturday, says a press release.

The meeting adopted the annual accounts of the company for the year 2002.

All the Board of Directors were present in the meeting.



PHOTO: RELIANCE INS

A Rouf Chowdhury, chairman of Reliance Insurance Limited, M Shamsul Alam, managing director, and directors Anwarul Huq and Asadul Huq sign the accounts of the company for the year 2002 and balance sheet as on 31.12.2002 at its head office in Dhaka on Saturday.

Indian truckers end 10-day strike

AFP, New Delhi

Indian truckers Wednesday called off a nationwide strike that had threatened to bring the economy to a standstill, an official said.

The move, on the 10th day of the stoppage, followed negotiations between the government and The All India Motor Transport Congress (AIMTC), the main trucking union with 2.7 million members.

"It was decided that the strike be called off immediately after the meeting," a transport ministry official told AFP.

The government has agreed to nine of the 10 demands by the AIMTC, which include an end to frequent rises in diesel prices, the scrapping of a uniform sales tax, the cancellation of a ban on 15-year-old trucks, an end to toll taxes and permission to overload.

Lanka tea demand picks up, prices flat

REUTERS, Colombo

Sri Lanka tea prices were flat at the latest auction on Wednesday, with lower prices for quality teas but improved demand at the bottom end of the market -- a reversal of recent trends.

The anticipated gross sales average was 136 rupees (\$1.40) per kg, compared to 135.65 rupees per kg at the last auction two weeks ago. There was no sale last week because of the local New Year holidays.

Huge stocks of low-grown teas went unsold and prices declined during the war in Iraq because of fears of shipping through the Middle East, but brokers said it was the better-quality teas from high-grown regions that fell on Wednesday.

"You're going to see a fairly high volume of crop over the next few weeks, so naturally the quality is not as high. It's just a seasonal thing," said Gimantha Jayasinghe, a broker at Forbes and Walkers.

"But overall it was a much better sale, with much improved activity," he said.

Broken orange pekoes from the Western planting region fell eight to 12 rupees, while fannings lost 10 to 20 rupees.

Among low-grown teas, flowery broken orange pekoes gained five to six rupees, and others in the below best category appreciated up to 10 rupees.

"In the wake of an improved situation in the Middle East, overseas buyers from this region re-entered the Colombo auction very strongly... The absorption rate was the best since the last sale in January," John Keells commodity brokers said in a statement.

Electronic industry growth hinges on public-pvt efforts

Moyeen Khan inaugurates electronics, IT show

STAR BUSINESS REPORT

Public and private partnership is must for the development of electronic goods and information communication technology (ICT) in Bangladesh, said Minister for Science and Information and Communication Technology Abdul Moyeen Khan yesterday.

"Massive change in Bangladeshi economy is possible within 10 years through the development of ICT," the minister said at the inaugural session of the First National Electronics & IT Exhibition and Seminar at Bangladesh-China Friendship Centre.

"We have the merit and skill but we do not nurture it," said the minister referring to the potential of local scientists and IT professionals.

The theme of the conference is

'Electronics for Industrial Development' organised by Bangladesh Electronics Society in association with the Ministry of Science and Information and Communication Technology.

The minister said Bangladesh has to develop a knowledge-based economy to sustain the challenges of globalisation.

New technology has digitally divided the developed world from the developing," Khan said, adding that flourishing of ICT could bridge the gap between developed and developing countries.

The minister said locally produced electronics goods are popular in the country for their durability and low cost.

He urged local entrepreneurs to further develop the designs of locally-made electronics goods to create an export market.

AKM Fazlul Hoque, secretary gen-

eral of the Electronics Society, said electronics companies in the country have developed through individual initiatives in spite of different obstacles.

He said proper policy and infrastructure development can help export of these goods after meeting local demand.

"Government patronisation and increased bank loans will help boost the sector," he added.

Two technical sessions on electronics and IT education and telecommunication were held on the inaugural day.

A seminar titled 'Problem and Prospects of Electronics Industries of Bangladesh' will be held tomorrow.

A total of 70 organisations, of which six are from abroad, are taking part in the exhibition. The exhibition remains open to all from 10am to 8pm today and tomorrow.

CFTC urges govt to scrap flag protection ordinance

BSS, Chittagong

Chittagong Feeder Trade Committee (CFTC), a Singapore based shipping company has urged Bangladesh government to withdraw of flag protection ordinance (FPO) for the greater interest of Chittagong port users.

The FPO was imposed by the director general of shipping on April 5 last through a circular which ordered that the port authority would not issue waiver certificate for loading containers to the foreign vessels if the national flag vessel is awaiting in the port jetty.

The FPO mentioned that a total of 40 per cent containers would be loaded to the national flag carriers while the rest containers to the foreign vessels.

Leader of the visiting four-member CFTC delegation SC Lim, addressing a press conference at Silver Spoon hall here Wednesday said, "We are trying to bring out a positive solution through discussion between CFTC and the Shipping Authorities of Bangladesh, Port users and Port Authority."

Nelum Attanayake, owners representative of Orient Express Lines Pvt Ltd and Mickel Rodrix also addressed the press conference.

Earlier, the CFTC delegation and their local representatives discussed the FPO issue with the commerce minister, shipping officials, Chittagong port authorities and leaders of Chittagong Chamber of Commerce and Industry, BGMEA and

Port Users Forum.

A total of 33 feeder vessels carry containers from Chittagong port to various destinations. Of these, 13 vessels are national flag carriers which included two belonging to Bangladesh Shipping Corporation, the state owned organization, ten of HRC Shipping lines, a private shipping company and the rest one of another private company.

The 20 foreign flag carrier feeder vessels are operated by QC Shipping, Orient Express Line, Advance Container Line, American Presidential Line and Sea Consortium under the association of CFTC, Lim added.

Private port in Karnaphuli estuary to make Ctg seaport dysfunctional

Mayor Mohiuddin tells The Daily Star

RAFIQ HASAN, back from Ctg

Mayor of Chittagong City Corporation ABM Mohiuddin Chowdhury said he has no objection to a private port anywhere other than the estuary of the river Karnaphuli.

"We opposed the proposal of private company Stevedoring Services of America (SSA) because it tried to establish a huge container port and terminal at the very entrance of the river Karnaphuli," he said.

"We think such a port at the proposed site will make the existing Chittagong seaport completely dysfunctional," Mohiuddin told The Daily Star on Saturday.

The Karnaphuli channel is very narrow and ocean-going ships can enter

it only during high tide. "A private port at the estuary will create various obstructions blocking the 10 kilometer channel."

Such a port at the proposed area by a foreign company is also a threat to the nearby military base and may create disturbances for Shah Amanat International Airport, said the mayor.

The SSA proposal to set up a private port at Patenga sparked tremendous protest among the locals and political leaders. The mayor was one of the individuals vocal against the proposal.

The SSA proposal for establishing a container port and terminal on 212 acres of land got approval from the government in 1997 but activities stopped after a high court ruling.

The total cost of the proposed

container port was estimated to be Tk 2,500 crore.

According to the proposal, there will be another container port at Pangaon near Dhaka where 70 per cent of containers will be shipped by small barges and goods will be released after custom clearance.

According to city mayor, if the company has any good intention of helping Bangladesh it can set up the new port outside the channel or at outer anchorage.

The company can set up a modern seaport at any suitable place between Patenga and Shitakunda. There is a 25-kilometer long Sandwip channel where around 500 large ships can anchor at a time, the city mayor said.

The government can build necessary

infrastructure for connecting the new port with existing highways at nominal cost, he said.

Mohiuddin Chowdhury further said that if the potential of Chittagong port is fully explored, it can be the most modern port in the sub-continent.

He does not see any monetary problem impeding port development because funds can be mobilized from outside the country.

"We need policy guidelines and necessary support from the government,"

Mohiuddin Chowdhury alleged that the government is not giving proper attention for development of Chittagong City Corporation (CCC) as the commercial capital of the country.

StanChart begins neighbourhood campaign at Dhanmondi

Standard Chartered Bank recently launched a neighbourhood campaign at Dhanmondi in Dhaka as part of its 150th anniversary celebration, says a press release.

David Fletcher, chief executive officer, Bangladesh of Standard Chartered Bank, distributed plants to some of its customers in the area.

Former Ambassador Mohammad Zameer, noted social worker Munira Khan, Samina Haque, Farzana Shakil and Imtiazul Haque received the plants from David Fletcher at the bank's Dhanmondi branch.

Standard Chartered Bank, which started its business in 1853, is celebrating its 150th anniversary this year throughout the group.

Software exports from India's IT hub soar 25pc

AFP, Bangalore

Software exports from the southern Indian state of Karnataka jumped 25 per cent to 124 billion rupees (2.5 billion dollars) in the year to March despite a sluggish global economy, a government body said Wednesday.

The Software Technology Parks of India (STPI), a government organisation which facilitates software exports, said the growth was driven by an increase in the number of business outsourcing firms.



PHOTO: INTERSPEED

David Fletcher, chief executive officer for Bangladesh of Standard Chartered Bank, and customers of the bank's Dhanmondi branch pose for photograph during the launch of neighbourhood campaign of the bank recently.

Asian govts urged to give fund to SARS-hit airlines

AFP, Bangkok

Airline industry group IATA on Thursday called on Asian governments for emergency financial relief as the industry struggles to deal with its "biggest crisis ever" due to the SARS outbreak.

"This is the biggest crisis ever faced by the airline industry in Asia. SARS is a top priority for IATA (the International Air Transport Association) and airlines," said Kevin Dobby, IATA's corporate secretary and head of the association's SARS Task Force.

"In Hong Kong and Thailand, governments have acknowledged the problems for tourism but we are calling on them to extend support to the airline community," he told reporters at a press conference.

He said Taipei's government had decreased airport landing fees by 15 percent and Singapore had lowered its fees by 30 percent, said.

"We challenge Hong Kong to do what Singapore has done," he said.

A separate IATA statement said that "Seoul and Narita are also high on our list of airports that need to come to the

table with some measures to help airlines maintain service."

The IATA brings together 273 airlines, representing 98 percent of international air traffic.

Airlines met in Bangkok for talks Wednesday with the World Health Organisation (WHO) on how to battle the war on Severe Acute Respiratory Syndrome (SARS), which has killed more than 260 and infected more than 4,600, mostly in Asia.

The group also called for better cooperation among Asian governments on screening processes.