

## Foreign trade instt comes into being this month

### Move to strengthen negotiation capacity

#### STAR BUSINESS REPORT

The Bangladesh Foreign Trade Institute (BFTI) comes into being this month with an aim to strengthen the country's international trade and investment negotiation capacity.

The institute will be an independent organisation run by a 14-member board of trustee. Commerce minister will be the chairperson of the board, commerce ministry sources said.

The BFTI's initial phase will run from May 2003 to December 2004 and the board will take decision about its future activities in the second phase.

BFTI will act as a think tank and do research works on different trade issues. The institute will provide intellectual support for the government and the private sector.

The National Committee on Exports at its ninth meeting in July last year decided that a foreign trade institute would be set up and the Ministry of Commerce later formed a committee to prepare a report for setting up the institute.

"The primary objective for establishing the BFTI is to strengthen Bangladesh's negotiation capacity in international trade and investment," said Mahbubur Rahman, president of International Chamber of

Commerce-Bangladesh and a member of the committee.

The Institute will be primarily involved in research works for bilateral and multilateral trade, he said. Besides, it will impart training to the government officials and also private sector people to make them efficient in dealing trade and investment, he added.

The BFTI will prepare position papers for Bangladesh on bilateral and multilateral trade negotiations particularly in the World Trade Organisation (WTO).

"There is no alternative but to increase exports for Bangladesh's economic development and poverty alleviation. Top government

officials and private sector people play very significant role in bilateral and multilateral trade negotiations but presently there is no specialised body that can help them in this regard. BFTI is going to address this issue," said a highly placed source with the commerce ministry.

According to sources, a group of experts including trade economists, researchers will join the BFTI shortly and start work to take preparation for the fifth WTO ministerial conference to be held at Cancun in Mexico in September this year.

The government will bear 60 per cent while private sector will contribute 40 per cent to the total expenditure. A floor having 5000 square feet space at the Trading Corporation of Bangladesh building will be allocated shortly for the institution.

Presidents or their nominees of Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), International Chamber of Commerce-Bangladesh (ICC-B), Metropolitan Chamber of Commerce & Industry (MCCI), Dhaka Chamber of Commerce and Industries (DCCI), Chittagong Chamber of Commerce & Industry (CCCI) and Bangladesh Garment Manufacturers & Exporters Association (BGMEA) may be included in the board.

## Dollar hits 16-month high against taka

#### BSS, Dhaka

US dollar hit a record high against Bangladesh taka in inter-bank market yesterday (Wednesday) on a surged demand for the greenback ahead of a longer weekend including public holiday on May 1, dealers said.

After opening at 58.82 taka in inter-bank trade, US dollar jumped to 59.06 taka, its highest level since the January 6, 2002 when the local currency was devalued to beef up falling export earnings, dealers in leading commercial banks said.

They said some banks rushed to the market to buy dollar as they were under pressure to pay import

accounts within May 30.

On the previous closing Tuesday, US dollar traded between 58.70 and 58.80 taka to dollar. This was higher than the central bank's selling rate of 58.40 taka, they said.

But in trading dollar against euro, the greenback witnessed its lowest in four years, dealers said noting that the US consumer confidence leapt to 81.0 point in April from a low of 61.4 point in March, a big jump since the conclusion of the 1991 Gulf War.

"In fact, we foreign exchange dealers will virtually go through a four-day closure in the global and

local context until Monday when the market will resume trading', dealers said.

It has put serious pressure on demand for dollar as most traders had to pay their bills yesterday. This pressure coupled with lower remittance and export receipts strengthened dollar, they said.

Dollar, however, was weak against taka in the kerb market as travellers and traders are showing more interest in euro rather than carrying volatile dollar, brokers said.

The dollar traded at 57.70-90 taka in the open market, currency traders at unofficial markets said.

## Agri, power sectors to get priority in next budget

### Saifur tells ERF members

#### STAR BUSINESS REPORT

Finance Minister M Saifur Rahman has said agriculture and power sectors will get top priority in the next budget.

"We want to give extensive support to the agriculture sector through various incentives, provide necessary ingredients at lower costs and ensure better prices of crops," he said Tuesday.

"We also need huge investment for uninterrupted power supply to the mills and factories," the minister said.

He said the gross domestic product (GDP) will grow by 5.3 per cent this year, instead of Asian Development Bank's prediction of 5.2 per cent.

The finance minister was exchanging views with the members of Economic Reporters Forum at the conference room of the ministry.

He indicated the allocation for the next annual development programme (ADP) might be around Tk 23,000 crore.

Emphasising the development of agriculture and agro-based industries, the finance minister told journalists that he will sit with the agriculture minister soon to

work out how the performance of the sector can be improved.

Rahman said the recommendations and suggestions made by three high-powered commissions on financial matters will be reflected in the next budget.

The Public Expenditure Review Commission, The Revenue Reforms Commission and the Committee on Loan Default recently submitted their recommendations to the government.

They have identified various weaknesses in the government's revenue expenditure and revenue collection systems and put forward suggestions, the minister observed.

More people will be brought under the income tax net and the area of Value Added Tax (VAT) will be expanded further on the basis of recommendations.

The finance minister criticised the poor performance of education and health sectors, saying that the benefits of government expenditure in those sectors are not satisfactory.

Citing examples, the minister said there are many schools and madrassahs with very poor academic records.

Responding to a query, he said

the share of foreign assistance in the ADP will not decline substantially as there is "significant commitment from the donors".

Rahman said financial assistance will come from the International Monetary Fund if we float the foreign currency exchange rate. But he also said it is not a problem in the present context, as adequate foreign currencies are available in the kerb market.

"No one faces any difficulties in exchanging foreign currencies here because the unofficial market is very large and sometimes the rate is lower in the kerb market than the official one".

The finance minister observed that the flow of remittance and the foreign exchange reserve position have not been affected much by the war in Iraq.

"Foreign currency reserve is now fluctuating between US\$ 1.7 and 1.9 billion, which is satisfactory," he said.

He ruled out an increase in the salary of government officials in the coming budget because of inflation, saying that it will put additional tax burden on people.

He, however, admitted that the salaries of the government officials are very low in the context of the overall economic situation.

## Union Capital okays 18pc cash dividend

### Rights share to be issued

The fifth annual general meeting of Union Capital Limited held in Dhaka yesterday approved an 18 per cent cash dividend for the year 2002, says a press release.

The company has also decided to issue rights share on a one-for-four basis.

Chairman of Union Capital Limited Nasir A Choudhury underlined the supports from shareholders and directors and appreciated the management for the performance.

Bazle Mawla, managing director of the company, informed the AGM that his thanks during 2002, the company's return on capital was 22 per cent, net asset size expanded by 43 per cent, operating revenues went up by 46 per cent and cashflow from operations



Nasir A Choudhury, chairman, and some other officials of Union Capital Limited, pose for a photograph at the company's fifth annual general meeting held in Dhaka yesterday.

## Rupali Bank sets up remittance monitoring cell

Rupali Bank Ltd has formed a foreign remittance monitoring cell with Md Selim Khan, general manager, as its head, says a press release.

The cell now is in operation at International Division of the bank's head office.

## Eastland Camellia approves 10pc dividend

Shareholders of Eastland Camellia Limited, the owning company of Chaklapunji Tea Estate, have approved a 10 per cent interim dividend as the final dividend, says a press release.

The approval was made at the 19th annual general meeting of the company held in Dhaka on Monday.

## New chairman, vice-chairman of Jamuna Bank



Md Atiqur Rahman and Md Irshad Karim have unanimously been elected Chairman and Vice-Chairman of Jamuna Bank Limited (JBL), says a press release.

The election was held at a meeting of the bank's board of directors in Dhaka on Sunday.

Atiqur is the Managing Director of The Civil Engineers Ltd, Chairman of Standard Group, Kazipur Fashions Ltd, Chanda Garments Ltd, Crazy Fashions Ltd, International Trading Services Ltd, Top Bottom Dresses Ltd, Barura Textile Products Ltd, Tulagan Fashions Ltd. and a sponsor director of Standard Insurance.

Karim is the Managing Director of Starport (BD) Pte Ltd and Starport Securities Ltd.

## New cargo scanner installed at ZIA

#### STAR BUSINESS REPORT

A modern device was installed yesterday at the Zia International Airport (ZIA) to scan export cargoes.

Installed at the Cargo Village of the airport, the scanner will screen the export cargoes before boarding so that all airlines can fly confidently from the airport, said State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin while formally inaugurating the device.

"We want to provide the best services to exporters in the region," he said. The scanner will also enhance aviation security and

safety, he added.

After the September 11 attack on the US, the Civil Aviation Authority of Bangladesh (CAAB) asked the Airline Operators' Committee (AOC) to install the security scanning. Finally the Aviation Management Services (AMS) installed the scanner.

The state minister instructed all cargo officials to remain alert for ensuring security at the ZIA and checking pilferage.

The Nasiruddin also hoped the initiatives will increase annual income of the Cargo Village to a great extent.

He further said within six

months another big scanning device will be installed to ensure quick disposal of the export items.

The newly installed device is capable to scan 200 tons of cargoes everyday. AMS has a group of trained operators to run the machine 24 hours.

Civil Aviation and Tourism Secretary M Shafiqul Islam, Member (Operation) of the CAAB Obaidur Rahman, Chairman of the AOC Morshed Ahmed, Managing Director of the Biman Bangladesh Airlines Lutfor Rahman and Managing Director of the AMS Mehedi Hasan were present at the function.

## Thailand plans economic quadrangle

Thailand's Prime Minister Thaksin Shinawatra announced Wednesday plans to create an economic quadrangle involving Cambodia, Laos and Myanmar, after holding talks with his Cambodian counterpart Hun Sen.

The Thai premier said he had proposed the idea to the other countries' leaders on the sidelines of Tuesday's emergency SARS summit attended by ASEAN countries and China.

"We agreed with Cambodia, Laos and Myanmar that we would create an economic strategy together to increase income," he told reporters.

## Doha round on track to conclude next year, WTO chief hopes

The head of the World Trade Organisation said on Tuesday that the Doha round of negotiations on a new international trade treaty were on course to conclude next year as planned, despite missed deadlines.

"I think we are still on track," WTO director general Supachai Panitchpakdi told reporters at a ministerial meeting of the Organisation for Economic Cooperation and Development.

"The fact that we have not yet finished on agriculture doesn't mean we will have to postpone the timetable."

Trade negotiators missed a deadline in March to strike a deal on agricultural trade, after failing to meet one in December on access to cheap drugs for poor countries.

This has raised doubts about the timing of an overall agreement, which is due by the end of 2004.

Supachai conceded that negotiators had "a lot of catching up" to do before the WTO's September ministerial meeting in Cancun, Mexico, but said it was too early to talk about postponing the deadline for agreement.



Syed Manzur Elahi, chairman of Mutual Trust Bank Limited, inaugurates the bank's new head office premises at Bhuiyan Centre, Dilkusha in Dhaka on Tuesday. Samson H Chowdhury, vice-chairman, Mosharrar Hossain, managing director, directors and senior executives of the bank, were present.

## Three scoop first ever farm plan awards

#### STAR BUSINESS REPORT

Three agriculture entrepreneurs were awarded prizes yesterday in the first ever agribusiness plan competition in Bangladesh.

The competition was aimed at developing and promoting agricultural entrepreneurship.

Agro-based Industries and Technology Development Project-II (ATDP-II) launched the competition in a bid to generate new business ideas and promote practice of doing analysis and planning prior to investing in farm business.

A total of 55 business plans were submitted from which three adjudged winners.

Jalil Sarkar of Dinajpur won the first prize for his integrated agribusiness plan to produce organic seeds and fertiliser.

Ashrafur Rahman of Dhaka bagged the second prize for his plan for producing baby corn and Shama-e-Zaheer of Dhaka secured third prize for his plan to process meat. The first, second and third prizes are worth Tk 2 lakh, Tk 1.5 lakh and Tk 1 lakh.

ATDP-II will help the winning agriculture entrepreneurs transform their ideas into reality by providing assistance in refining their business plans, finding capital and investors.

Agriculture Minister Matiur

Rahman Nizami, Commerce Minister Amir Khosru Mahmud Chowdhury and Agriculture Secretary Ayub Quadri distributed prizes among the winners. Gene George, mission director, USAID-Bangladesh, was also present at the award-giving ceremony held at Sonargaon Hotel.

Aftab Bahumukhi Farms Ltd, cahin superstore Agora, British American Tobacco Bangladesh, Industrial Promotion and Development Company Ltd, Kazi Farms Ltd, Lakhsma Sweaters and Quality Feeds Ltd were partners and judges for the competition.

## Pak central bank sees 4.5pc growth this fiscal

REUTERS, Karachi

Pakistan's central bank chief said on Tuesday he was optimistic economic growth would reach a target of 4.5 per cent in the 2002/03 fiscal year, adding that the Iraq war had scarcely affected the economy.

"We are quite optimistic," State Bank of Pakistan Governor Ishrat Husain told Reuters in an interview. "Our own independent assessment shows we will be able to reach 4.5 per cent."

Husain said good rains, ending a long drought, had boosted the important agricultural sector, with production likely to rise by four or five per cent.

Large-scale manufacturing could grow by as much as six per cent in the fiscal year ending June, thanks to low interest rates and a sharp expansion in bank lending to individuals, especially for purchase of cars.

## Tea up Tk16 a kg in Ctg

#### STAFF CORRESPONDENT, Ctg

Tea price increased by Tk 16 per kilogram in the weekly auction that opened on an upbeat mood here on Tuesday, brokers said.

In the auction, the first sale of the new season, overall average price of tea was recorded at Tk 68 per kg, up from Tk 52 per kg at the last auction of the previous season.

The new season is scheduled to cover 45 weekly auctions while the previous season had 46, brokers said.

In the first auction of the new season, foreign buyers from Pakistan and Afghanistan were very active, although domestic buyers were absent, said Rasul Nizam, managing director of leading broker house National

Brokers Ltd.

"Good quality tea was sold at Tk 75 per kg in the auction," Nizam added, saying, "Our starting was really good."

However, overall off-take in the auction was around 50 per cent of the 12,139 packages offered on sale, brokers said.

## Emirates Group posts 74pc rise in net profit

#### M SHAMSUR RAHMAN, from Dubai

Despite war on Iraq and global flu scare, which are threatening aviation industry worldwide, Dubai-based Emirates Group yesterday announced a 74 per cent rise in net profit for financial year 2002-2003, ending on March 31, 2003.

Presenting the annual accounts at a press conference in Dubai, Emirates Group Chairman Sheikh Ahmed bin Saeed Al-Maktoum described the past 12 months as "another challenging and most successful year."

The Emirates Group's 74 per cent increase in net profit to US\$285.7 million was achieved together with a 31 per cent increase in revenue from US\$2.1 billion to US\$2.8 billion.

Emirates Airline's operations alone achieved a 94 per cent increase in profits, rising from US\$ 127 million to US\$ 247 million. Its cargo division represented around 19.6 per cent of the airline's revenue.

The group comprises Emirates Airlines and Dnata, the largest travel management service company in the UAE and the sole ground handling agent at Dubai International Airport.

Group Managing Director Maurice Flanagan said since these routes are significant revenue contributors to the airline naturally it will feel the pinch of the SARS.

Despite the uncertainty that looms over the global travel industry now, the airline has no immediate plans to cut back its services to this particular part of the world.



Emirates Group Chairman Sheikh Ahmed bin Saeed Al-Maktoum speaks at a press conference yesterday in Dubai where he announced the company's annual accounts.

"This is just a temporary setback and we are confident things will eventually turn out well once the flu panic is over," he told reporters after announcement of financial results.

Group Chairman Sheikh Ahmed bin Saeed Al-Maktoum said the growth of Emirates goes hand-in-hand with the growth of Dubai, which received around 16 million visitors last year.

Aside from that, he also said increased flight services to profitable destinations namely London, Johannesburg and Tehran as well as the introduction of new routes to Casablanca, Khartoum, Mauritius, Perth, Osaka had contributed to the favourable financial result.

It currently contributes a total of US\$2.75 billion to Dubai's economy in the form of direct expenditure (US\$1.1 billion) and related expenditure by third parties (US\$1.65 billion).

The government-owned Emirates Group will be making a dividend payout of US\$65 million to its owner this year.

Emirates Airlines, which flies to 45 countries, has a total of 51 aircraft -- a mix of Airbus A330-200s, Boeing 777-300s, 777-200s and 747-200/400Fs.

It plans to increase its fleet size to 100 aircraft by 2010 and is currently looking at various options on how to best finance these purchases.