

Bhutan pushes free trade

Tariff concessions agreed; revised 5-year trade deal signed

UNB, Dhaka

Bangladesh and Bhutan here yesterday signed a revised five-year agreement on trade with both agreeing upon tariff concessions to exploit each other's market potential.

The fresh accord will replace the one signed in 1980, which expired in September 2000. The countries, however, continued bilateral trade under the agreement even after its expiry.

Bangladesh Commerce Minister Amir Khosru Mahmud Chowdhury and his Bhutanese counterpart Lyonpo Khandu Wangchuk signed the agreement, which became effective yesterday.

The signing came following extensive trade talks where both sides agreed on promotion and expansion of two-way trade with diversified products, meeting

sources said.

In line with the commerce secretary level talks in Thimpu in November 2002, Bhutan yesterday proposed for a free trade arrangement. Bangladesh assured Bhutan of examining the proposal.

Bhutan, on the other hand, okayed a Bangladesh proposal for setting up a bank in Thimpu to facilitate trade transactions.

Bhutanese side requested Bangladesh to withdraw supplementary duty on import of apples and oranges. Bangladesh side pointed out that Bhutan has already been granted 50 per cent concession on basic customs duty on fresh fruits.

Bhutan also requested easing of restrictions imposed by Bangladesh on imports through land routes to check smuggling of certain items.

Bangladesh side pointed to the problems faced by Bangladeshi businesspeople in procuring pass to visit Thimpu and proposed that travel should be allowed on production of passport or a certificate issued by a recognised trade body of Bangladesh.

Both sides agreed on development of road and land port infrastructure at Burimari and Banglabandh points.

Although the two-way trade volume is quite insignificant, the tiny land-locked Himalayan kingdom enjoys an impressive trade surplus with Bangladesh, with her annual exports averaging US\$ 5 million against imports at less than \$1 million over the last 10 years.

In fiscal 2001-02, Bangladesh's exports to Bhutan stood at US\$ 1.67 million while her imports amounted to \$3.90 million.

Records show that imports from

Bhutan were even higher in previous years, with highest US\$ 8.16 million in 1993-94 and \$5.76 million in 2000-01 against scanty amount of exports from Bangladesh.

Bangladesh's major items of export to Bhutan are RMG, knitwear, melamine products and dry food. But there is no single Bangladeshi item that has a stable market in Bhutan.

Bhutan's export basket mainly comprises fresh fruits and fruit products. Bhutanese Trade and Industry Minister Khandu Wangchuk, who led an 8-member delegation at the talks, said Bhutan has already made imports from Bangladesh duty-free.

He hoped Bangladesh would relax supplementary duty on fresh fruit import from Bhutan to facilitate bilateral trade with the land-locked country.



Commerce Minister Amir Khosru Mahmud Chowdhury and his Bhutanese counterpart Lyonpo Khandu Wangchuk sign a revised five-year bilateral trade agreement in Dhaka yesterday.

National Housing okays 12.5pc dividend

The Board of Directors of National Housing Finance and Investments Limited has approved a 12.5 per cent dividend for the shareholders for the year 2002.

The dividend was okayed at the 45th meeting of the Board of Directors of the company held in Dhaka on Sunday, says a press release.

M Matiul Islam, chairman of the company, presided over the meeting.

The meeting was attended by the representatives of the corporate bodies as well as individuals including Vice Chairman, C M Alam.

The company's paid up capital is Tk. 400 million with shareholding of 18 corporate entities and 24 overseas non-resident Bangladeshis.

The Board decided to hold the annual general meeting of the company on June 12, 2003.

IDLC arranges Tk 100m loan for Oxford Info Systems

Industrial Development Leasing Company of Bangladesh Limited (IDLC), a leading financial institution, has arranged a syndicated term loan of Tk 100 million for Oxford Information Systems Limited (OISL), the owning company of Oxford International School, says a press release.

The fund will be used in constructing a building of the school at Dhanmondi in Dhaka.

Apart from IDLC, other financiers of the project are Uttara Finance and Investment Limited, Southeast Bank Limited and Jamuna Bank Limited.

An agreement to this effect was signed at a local hotel on Sunday between OISL and the participating financial institutions.

The facility agreement was initiated by Shakawat Hossain, managing director of Oxford Information Systems Limited, SM Shamsul Arefin, managing director (CC) of Uttara Finance and Investment Limited, Khondker Fazle Rashid, SEVP of Southeast Bank Limited, K Shamshi Tabrez, SEVP of Jamuna Bank Limited, and M Minhaz Zia, general manager and head of Corporate Division of IDLC of Bangladesh Limited.

Repo auction

UNB, Dhaka

The repurchase agreement (Repo) auction of Bangladesh Bank for commercial banks and financial institutions held here yesterday.

Twenty-three bids of 1-day tenor amounting to total Tk 721.63 crores were received, of which 16 bids of total Tk 407.00 crores were accepted.

The rates of interest against the accepted bids ranged from 14.00 to 12.23 per cent per annum, a Bangladesh Bank press release said.

Emirates wins three major cargo awards

Emirates has won three major awards, says a press release.

The awards are: best airline to the Far East (1st time), best airline to the Indian sub-continent (for 5th consecutive year), and best airline to the Middle East (for 15th consecutive year).

Emirates SkyCargo, the freight operation of the Dubai-based international airline, received confirmation recently that its cargo customers appreciate the high service standards that the airline sets for itself.

Oriental Bank workshop held

A workshop on classification, re-scheduling, write-off, large investments and Artha Rin Adalat Ain-2003 was organised by The Oriental Bank Ltd. at the bank's head office in Dhaka recently.

Md. Yasin Ali, general manager of Bangladesh Bank, inaugurated the workshop, says a press release.

In his speech Ali explained the importance of Artha Rin Adalat Ain-2003 to bring discipline in the financial sector of Bangladesh.

Md. Imamul Hoque, deputy managing director and Md. Shafiquddin, deputy managing director of the bank, also spoke.

Executives of the bank attended the workshop.

ILO spotlights new forms of discrimination in workplace

AFP, Geneva

Discrimination in the workplace is still a common worldwide problem but it is becoming more insidious and taking on new forms such as bias based on HIV/AIDS or religion, the ILO warned Monday.

"While some of the more blatant forms of discrimination may have faded, many remain, and others have taken on new or less visible forms," the International Labour Organisation (ILO) said in a new report.

The 'Time for Equality at Work' study, the agency's most comprehensive so far on discrimination, also warns that failing to tackle the problem could have disastrous

social, political and economic effects.

"This may be the most challenging task of contemporary society, and it is essential for social peace and democracy," it said.

Although some progress has been made in fighting discrimination, with formal condemnation practically universal today, it has been uneven, the report said.

"The report gives a mixed picture of concern and hope at the same time," ILO expert Manuela Tomei told reporters.

"The most striking finding is that discrimination at work is universal, is stubborn and is changing faces," she added.

Women are by far the largest group facing discrimination at work.

As well as the so-called glass ceiling which keeps women out of many top jobs, they face the problem of a "pay gap" with their male colleagues, which, according to the ILO, is "still significant" in most countries.

"Since the 1970s, the wage gap has been closing in OECD (Organisation for Economic Cooperation and Development) countries, although at a slow pace," the report noted.

Over the last 15 years, the difference between men's and women's pay has fallen the most in the United States and in France.

Indian industrial growth

doubles to 5.8pc

AFP, New Delhi

India's industrial growth more than doubled in the year to March to 5.8 per cent on the back of a resurgent manufacturing sector, according to government data released Monday.

The global economic slowdown had pulled the previous year's industrial growth down to 2.7 per cent.

The manufacturing sector led the recovery in the most recent year, recording growth of six per cent from 2.9 per cent last year.

Other sectors such as mining helped the overall growth, showing a more than three-fold rise, the estimates of the Index of Industrial Production said.

Higher growth was visible all across the industry with basic, intermediate and capital goods all showing positive growth.

Despite the strong performance by the industry the economic growth was estimated to have grown about 4.4 per cent during the year due to a severe drought which cut the agricultural production.

Agriculture is still one of the most important contributors to the Indian economy although industry has grown rapidly since the opening up of the economy in the early 1990s.

Seventeen of India's 29 states experienced a drought last June and July, including the country's breadbasket northern states.

Industry experts have forecast that the economy is likely to grow at between 5.5 to 6.0 per cent in the 2003-2004 fiscal because they expect more normal monsoon rains coupled with sustained industrial growth.

UK business leaders urge Blair to join euro zone

AFP, London

Leaders of 25 top companies with a total of 100,000 employees in Britain have sent a joint letter to Prime Minister Tony Blair warning him of "serious consequences" for the country's economy if it remains outside the euro zone, a daily newspaper reported Monday.

Among those signing the letter are British Airways chairman Colin Marshall, Chris Gent, the head of Vodafone, and executives of Ford, Philips, BAE Systems, British American Tobacco, Unilever, WPP and Siemens, the Daily Mirror said.

"We hope that the government will have the courage of its convictions and recognise that membership of the euro is in our long-term national interest," the letter said.

"To do otherwise would have serious consequences for future prosperity."

It called on the prime minister to announce a referendum on the issue before the next general elections, due in 2006, the Mirror said.

Chancellor of the Exchequer Gordon Brown is due to announce before June 7 a decision on whether the government's five self-imposed economic tests for joining the euro have been met.

A positive verdict on the tests would pave the way for a public referendum on adopting the currency, but the decision is widely expected to be that Britain is not ready to join.

Brown, has made no secret of his desire to lead Britain into the euro zone.

Another Cabinet member, leader of the House of Commons John Reid, a Blair ally, said Sunday the question was "not whether we will join the euro but it is when we will join the euro."

Brown, who is reputedly less keen on Britain joining the European single currency, on Sunday moved to reassure Britain's pro-euro lobby.

"I have always been pro-Europe. And by history, by geography, by economics we are very much part of Europe," Brown said in an interview with Good Morning Television.

Janata Bank launches export financing scheme

UNB, Dhaka

Janata Bank has launched an export financing scheme offering working capital and term loans for procurement of raw materials, capital machinery, generators and spare parts for export sectors.

Under the new scheme, exporters will get instant working capital, repayable in six months, for purchasing packaging accessories and processing raw materials.

The state-owned bank will disburse short-term and medium-term loans for importing generators and capital machinery, and for local procurement of spare parts.

Managing Director of the bank Murshid Kuli Khan, while launching the four new banking products under the scheme yesterday, said the bank's initiative would eliminate many constraints in the export business.

The exporters, he hoped, would sincerely utilise the bank money to add further value to their products.

Trust Bank gives Int'l Leasing Tk 50m loan

The Trust Bank Limited has extended a credit facility of Tk 50 million to International Leasing and Financial Services Limited, says a press release.

The loan would be utilised for procurement of capital machinery, which will be leased to productive enterprises.

In this regard, an agreement was signed in Dhaka on Sunday. Zahid Hossain Chowdhury, managing director of the bank, and Mafizuddin Sarker, managing director of International Leasing, signed the agreement.

Shah Jalal Uddin Khan, senior vice-president Md. Masoom, vice president, AFM Asaduzzaman, company secretary, Gautam Prasad Das, assistant vice-president, Kamal Hossain Sarker, senior principal officer, ABM Moinul Hasib, public relations officer of The Trust Bank, and Nehal Ahmed, vice-president and company secretary, Shrabani Bhattacharjee, manager (treasury) of International Leasing, and other senior executives were also present at the signing ceremony.

UPS gets American business award

United Parcel Service (UPS) has received American Award for "Most Innovative Company" for the technological advancement of its Worldport global air hub in Louisville, KY, says a press release.

UPS was selected from 18 finalists for its outstanding leadership, innovation, perseverance, creativity, teamwork and integrity.

UPS is the world's largest transportation company and a global leader in supply chain services, offering an extensive range of synchronizing the movement of goods, information and funds.

CPD plans LDC civil society conference May 29-30

Bid to influence Dhaka LDC meet declaration

STAR BUSINESS REPORT

The Centre for Policy Dialogue (CPD), an independent think tank, will hold a two-day conference of civil societies from the least developed countries (LDCs) beginning May 29 in Dhaka ahead of the three-day ministerial meeting of the LDCs, which starts May 31.

The conference titled 'An International Civil Society Forum: Advancing LDC Interests in the Fifth WTO Ministerial' is expected to come up with a 'Dhaka Civil Society Declaration'.

The civil society declaration will be made at the forum which will try to influence the Dhaka Commerce Ministerial Declaration, said Dr Debapriya Bhattacharya, executive

director of the CPD, at a press conference in Dhaka yesterday.

"We will try to give the declaration officially to the ministerial meet," Debapriya said.

The objective of the forum, convened on the eve of the Dhaka Ministerial on WTO, is to create an opportunity for the stakeholders' group to review the official work plan for the Cancun Ministerial and to express their views on some of the most important issues concerning the collective interests of the LDCs, he added.

"We are expecting 15 to 20 civil societies representing Africa and other Asian LDCs," Debapriya said.

On the first day of the two-day event, discussions will include

implementing issues, special and differential treatments, policy coherence and market access of non-agricultural products, he said.

"On second day, the forum will discuss agreement on agriculture, (TRIPS) trade-related aspects of intellectual property rights, trade and environment, GATS, and other issues," he said.

The CPD will organise the forum in association with a number of international partner organisations. A national steering committee has also been formed for the event. Dr Zafrullah Chowdhury, Professor Amirul Islam, Shirin Akhtar, national steering committee members, were present at the briefing.



Zahid Hossain Chowdhury, managing director of The Trust Bank Limited, and Mafizuddin Sarker, managing director of International Leasing and Financial Services Limited, sign a loan agreement in Dhaka on Sunday.

Iraqi oil export likely to resume next month

AFP, Baghdad

As Washington and London lobby the United Nations to allow Iraq to resume oil exports, a top official said here Sunday that the battered oil sector could produce enough for the external market by next month.

The acting head of the oil ministry, Thamer Ghadhbhan, told reporters that Iraq's production was expected to reach one million barrels per day (bpd), in June, of which nearly half could be exported if UN sanctions are lifted.

"We hope that during June refining capacity in Iraq will exceed half a million bpd. So concurrent with that, oil production in Iraq will exceed a million bpd," Ghadhbhan said.

"There will be excess in crude oil on top of the refining requirement. Then this might open a door for exports or injecting the excess crude oil in the (oil) reservoirs," he said.

The United States has given the UN Security Council a draft proposal to end the sanctions, geographically, by economics we are very much part of Europe," Brown said in an interview with Good Morning Television.

US Secretary of State Colin Powell, on a Middle East tour, said in Israel on Saturday that Iraq's oil storage facilities could soon reach full capacity unless sales resume.

"We are running into a time crunch," he said. "Production is reaching a point where before the end of the month ... all of the storage capacity will be filled."

Ghadhbhan said current production was running at about 200,000 bpd and added: "I am confident that we will be reaching the pre-war level before the end of the year."

"There has been severe damage, no doubt about that. There has been damage to the industrial water installations especially in the (southern) Basra area, but these problems can be handled," he said.

He put pre-war output at around three million bpd. Other experts say it was closer to 2.5 million, with around 580,000 barrels for domestic consumption and the rest for export.

He also said the output of refined products is currently 180,000 bpd and that Baghdad is only receiving 40 per cent of its electricity needs because of oil shortages.

Ghadhbhan also confirmed that Iraq, which sits on the second-largest proven reserves of oil in the world after Saudi Arabia, was

importing gasoline and liquefied natural gas from neighbouring countries to end the local shortage.

The US advisor of the ministry, Gary Vogler, said current imports stand at around 100 trucks of gasoline from Kuwait, Turkey and Jordan.

"We hope to ramp that up to 200 trucks a day," he said, adding that a few trucks of LPG, propane gas used mainly for cooking, were to enter from Kuwait on Sunday.

"Because of the difficulties in bringing back all the refineries to their previous level, we took the decision to import LPG and gasoline," said Ghadhbhan.

"We hope by the end of this week, and definitely during the next week, there will be a clear improvement in the supply," he said.

The gasoline shortage has meant enormous delays for people wanting to fill their tanks. At least seven people who had been queuing for many hours burned to death in a gas station blaze in Baghdad on May 1.

Vogler mentioned two possibilities for paying for the imports. Iraq could "barter" excess fuel oil produced in Iraqi refineries for gasoline and LPG, or it could get donations from the US-led coalition and elsewhere.