

## WTO used for serving developed nations

### Nobel laureate economist Joseph Stiglitz tells businessmen

#### STAR BUSINESS REPORT

The World Trade Organisation (WTO) is increasingly being used as a means to exert pressure on the poor countries to serve the interests of rich nations, observed visiting Nobel laureate economist Joseph E Stiglitz.

He said the least developed countries (LDCs) must unite and take common stance in the WTO negotiations. "Without this, the least developed countries will not be able to succeed in realising their demands," Stiglitz said.

Criticising the developed nations for maintaining double standard to have their interest served, the renowned economist said the LDCs should be aware of the common tactics of the rich nations of creating division among the LDCs.

The developed countries are providing huge subsidies to their agriculture sector though they have been advocating for open market, Stiglitz said citing example of the US, whose subsidy amount to the cotton growers is equal to the production value.

"The agri-subsidy would be doubled in the next 10 years," the

economist said observing that developing countries should protest such acts by rich nations whose farmers are well off unlike those in the third world countries.

Stiglitz, former chief economist and senior vice-president of the World Bank, was delivering a speech on 'Market Access, particularly for the LDCs' at the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka on Wednesday evening.

Commerce Minister Amir Khosru Mahmud Chowdhury attended the function which was chaired by MCCI President Tapan Chowdhury. Leading businessmen and economists also attended the function.

"The rich countries tailor their trade laws that suit their own interest," Stiglitz said citing example of the US anti-dumping law.

He said the US uses anti-dumping laws against foreign companies but its domestic firms do not face problem in dumping products to other countries as they are getting protection under another law.

Developing countries should reshape their industrial policies to exploit the market access given by

rich countries and the governments should formulate policies in a way that can facilitate domestic industry, the economist suggested.

Responding to a question, Joseph Stiglitz said: "Distortion of market access by the US is a concern of many of us."

In his speech, MCCI President Tapan Chowdhury said the WTO was formed with the expectation that integrated international trade regime would generate additional dynamic gains for the poorer countries but it did not take place.

"World exports of goods and services more than tripled between 1970s and 1999 in real terms but the poor countries got a little share of it," he said.

Chowdhury said the top five rich countries enjoy 82 per cent of the export trade and 68 per cent of foreign direct investment while the bottom five have barely one per cent.

International trade regime, as practised now, is thus dividing the developed and poorer countries. Elimination of barriers to the markets of industrial countries can benefit the poorer nations and help them reform their trade regimes, he

said.

Referring to the high tariff regime and non-tariff and para-tariff barriers in India, he said the neighbouring country has created serious trade imbalance with Bangladesh and become an irritant to development of regional economic cooperation on wider issues.

"The geographical proximity, common physical infrastructures and common language provide advantages of reduced transaction costs, for which India has been able to secure market in Bangladesh following trade liberalisation process," the MCCI president said.

He said at the same time, Bangladesh and other poorer countries must realise that market access must be a part of a broader strategy to promote a vigorous supply response.

"Inefficiencies in key infrastructures like financial services, transport and telecommunications, which often add more to export costs than foreign trade barriers hamper the requisite supply response," the MCCI president observed.



Nobel laureate economist Joseph E Stiglitz delivers a speech at the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka on Wednesday. Commerce Minister Amir Khosru Mahmud Chowdhury, MCCI President Tapan Chowdhury and ICC-B President Mahbubur Rahman were also present.

## GP hopes high in coming years

#### STAR BUSINESS REPORT

After reaching one million subscribers' mark, GrameenPhone is hoping to net another million within a couple of years.

"We have our one millionth subscriber registered today (Thursday)," GrameenPhone (GP) Managing Director Ola Ree told reporters at a briefing yesterday.

He said it took only six years for the company to reach such a height while the state-owned Bangladesh Telegraph and Telephone Board could rope in 600,000 subscribers in almost 30 years.

"It is quite an achievement, even in global context, we are proud of it," commented Ola Ree, a Norwegian citizen who works in GrameenPhone, South Asia's largest cellular phone company.

He attributed wide area coverage under GP network and attractive products at affordable prices to the success. "Our subscribers' efforts to publicise the service to

their friends and family also tremendously help us to grow."

GP had 500,000 subscribers last year. "We were able to double the number in a year and we hope to rope in another one million subscribers by next couple of year," he said.

Referring to a study, Ola Ree said if the present situation persists with no major changes in policy, Bangladesh should see 13 million cell phone subscribers by the year 2006.

He said GP hopes to invest \$60 million in network expansion next year. The average annual investment of the company was around \$50 million.

Ola Ree said the total investment of the company presently stands at \$260 million, placing it at the top of foreign joint venture companies' list in Bangladesh.

GP has so far deposited Tk 1,360 crore to the national exchequer in direct and indirect taxes, he said adding that the company was the second biggest corporate

taxpayer of the country in the fiscal year 2002-03.

Regarding the growth, GP Director (sales and marketing) Mehboob Chowdhury said the company tried to focus on service quality giving good value for customers' money.

The GP network presently covers some 52 districts around the country including all six divisional headquarters, with 582 base stations in operation. It has a plan to bring the entire country under its network by next year, Mehboob said.

He said GP will come up with more attractive packages for its subscribers but he declined to give any specific schedule for tariff reduction for pre-paid users who constitute about 80 per cent of the total. GP last month slashed call tariff for its post-paid subscribers.

Mehboob Chowdhury said the company has introduced data fax system through which a subscriber can send and receive fax or connect internet even at a remote

village out of the reach of fixed line telephone.

"We have brought down the mobile phone subscription price to as low as Tk 6,000. We'll reduce tariff for pre-paid subscribers on competition of our upgradation project," he said.

In reply to a query about the allegation of call jamming of other operators, Mehboob said "It is a blatant lie as GP is allowing other operators to share infrastructure to carry calls."

He categorically said GP does not have any network congestion as its current switching capacity can have 1.25 million subscribers. "There may be fault at their end (other operators) and they need to improve their networks."

Syed Yamin Bakht, General Manager Public Relations, and Intekhab Mahmud, Additional General Manager, Marketing, among others, attended the press conference.

### FBCCI election Mintoo led panel announced

#### STAR BUSINESS REPORT

Abdul Awal Mintoo, one of the presidential candidates in the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) election, announced his panel yesterday.

The "Shilpa-Baboshayee Parishad", led by Mintoo, comprises 24 candidates, 12 each from chamber and association group, for the August 25 election of the apex trade body.

Mintoo, chairman of Multimode Group, served as president of FBCCI during 1998-2000. As he has come to the race as a selected director from Bangladesh Association of Banks, he will not have to contest in the first phase of election for directorship.

Announcing the panel at a press conference in Dhaka, Mintoo said he will apply his past experience as president if he is elected again. He targets capacity building of the federation attaching highest priority to facilitating trade and investment.

Mintoo said he will also make efforts to turn FBCCI into a vibrant and dynamic institution keeping it away from politics.

The candidates of the panel contesting from association group are Abu Alam Chowdhury of Advertising Agencies Association of Bangladesh, Md Giasuddin Chowdhury Khokan of Bangladesh Agricultural Machinery Merchants' Association, Obaidur Rahman of Bangladesh Aluminium Manufacturers' Association, Syed Ahsanul Haque (Shameem) of Bangladesh Bailing Board Manufacturing Association, Gazi Belayet Hossain of Bangladesh Cargo Vessel Owners' Association, Mohd Mozammel Hoque of Bangladesh Cellophane Merchants' Association, KMR Manzoor of Bangladesh Chalachitra Projajak Paribeshak Samity, Md Sabur Khan of Bangladesh Computer Samity, Md Farukul Islam Shova of Bangladesh Dress Makers' Association, Shahedul Islam (Helal) of Bangladesh Jute Goods Association, Abul Quasem Haider of Bangladesh Sewing Thread Manufacturers' and Exporters' Association and Naaz Farhana Ahmed of Women Entrepreneurs' Association of Bangladesh.

The candidates of the panel contesting from chamber group are Md Rajjab Sharif of Bangladesh Chamber of Industries, Afzal Khan of Comilla Chamber, Md Shamsul Alam of Jessore Chamber, Ragib Ali of Moulvibazar Chamber, Md Bazlur Rahman of Narayanganj Chamber, Md Abdul Wahed of Chapainawabganj Chamber, Abul Kashem Ahmed of Tangail Chamber, Kamaluddin Ahmed of Cox's Bazar Chamber, Dewan Sultan Ahmed of Laxmipur Chamber, Mir Nasir Hossain of Faridpur Chamber, Amjad Hossain Tajma of Bogra Chamber and Golam Murtaza Chowdhury (Ratan) of Dinajpur Chamber.

## Leasing firms seek access to BB fund

#### STAR BUSINESS REPORT

Bangladesh Leasing and Finance Companies Association (BLFCA) yesterday requested the central bank to open the comprehensive fund package to the financial institutions ensuring their access to the fund.

"Both the banks and financial institutions will be able to play their role together in the process of further augmenting industrialisation," A Quadir Chowdhury, acting chairman of BLFCA said.

He was speaking at the closing ceremony of a two-day workshop titled "Artha Rin Adalat Ain, 2003 (Money Loan Court Act, 2003)" in Dhaka organised by the association.

Chowdhury said the comprehensive package fund is still captive to the commercial banks who can not make its proper utilisation. As a result, a large chunk of the fund has

remained unutilised, he added.

Addressing the function Bangladesh Bank Governor Dr Fakhruddin Ahmed asked the leasing and finance companies to bring down their non-performing loans by utilising the provisions in the money loan court act.

"The leasing and finance companies should ensure that their resource flow goes to the appropriate sectors," he added.

Vanik Bangladesh Managing Director Sayeed Husain Jamal also spoke at the function.

The acting chairman of BLFCA said the leasing and finance companies are keen to bring down their non-performing loans to 3 per cent from existing 5 per cent.

In 2002, leasing and finance institutions disbursed about Tk 1,000 crore mostly to small and medium enterprises which do not have easy access to banks, he said.

### Green Delta Ins holds half-yearly conference

The Half-yearly Conference-2003 of Green Delta Insurance Company Limited was held in Dhaka on Sunday.

Branch managers, regional and zonal chiefs from all over the country as well as senior executives of the company's head office participated at the conference.

AQM Nurul Absar, chairman of the company, inaugurated the conference, while Nasir A Choudhury, managing director and chief executive, presided over, says a press release.

The meeting reviewed the company's performance for the first half of the current year, which was found to be satisfactory, despite stiff competition prevailing in the insurance market.

Both the chairman and the managing director advised all concerned to achieve the business target in 2003.

## Tea market slides

#### STAFF CORRESPONDENT, Ctg

After four consecutive weeks of upbeat trend, the international tea auction on Tuesday witnessed an unpredicted slump due to sluggish participation and selected buying by two major foreign buyers, Pakistan and Afghanistan.

Prices declined as the major buyers were selective in the sale, but auction sources said the overall market would not be affected by it.

"Our tea market is still very much bubbly, in terms of tea prices, comparing to all other international auction centres in India, Kenya, China and Vietnam," said an executive of a leading broker's firm.

"It is very pleasing to note that good quality tea here are being sold at a price of Tk 70-plus, which is distinctly dearer than Kenyan, Indian and other foreign markets," he said.

Sources said the tea market here declined this week mainly due to

unexpected 'below par limits' participation from one of the leading buyers Pakistan -- coupled with choosy purchasing by the Afghans.

About 40 to 50 per cent tea on offer remained unsold as both Pakistani and Afghan buyers were not forceful like the previous weeks. The CIS (Confederation of Independent States) countries were fairly active but not very aggressive.

Major internal buyers and the packeteers also follow the path of foreign buyers, resulting in huge volume of withdrawal, sources said.

Both the demand and prices of tea of all categories eased this week. Prices for all types of tea fell down by Tk 3 to Tk 4.

The offering in Tuesday's auction was 31,200 sacks of leaf tea and 3,400 sacks of dust. The figure is expected to be 29,000 and 2,700 sacks in the next sale (auction no.17) on August 19, sources said.

### Taka remains stronger against dollar

#### BSS, Dhaka

The Bangladesh taka remained stronger against the US dollar yesterday despite the expectation that the US interest rates are likely to stay low, dealers said.

The dollar drifted higher against the yen but gains were limited ahead of key US data, dealers said noting that figures such as jobless claims, June international trade and the consumer price index for July are due out in the United States later in the day and on Friday.

The dollar traded at 58.4000-58.4100 taka to the dollar today in line with its previous closing on Wednesday, foreign exchange dealers of leading commercial banks said.

Sentiment on taka remained bearish as the money market players observed huge surplus liquidity in the banking system while the demand for the US dollar was low from importers, they said.

Dealers were very cautious about dollar buying today ahead of key US data to be published on Friday when the local market will remain close due to weekend holiday.

"We can not take any risk now as the dollar may have weakened amid concerns higher US interest rates would put renewed pressure on the overall economy," dealers of some leading commercial banks said.

The US dollar was traded at 119.26-29 yen today, against 119.13 yen in New York late Wednesday while the euro bought 1.1323 dollars, compared with 1.1322 dollars, dealers said.

The Japanese yen changed hands at 135.02 to the euro today, against 134.85-95 in New York late Wednesday, they added.

Concerns over market intervention by Japan, however, would prevent a substantial slump in the unit, dealers said.

### Reverse repo rate steady

#### BSS, Dhaka

The rates of 2-day tenor Reverse Repo remained steady and ranged between 3.90 per cent and 3.94 per cent, a statement issued by the Bangladesh Bank said.

The central bank yesterday conducted the reverse repo auction for commercial banks and financial institutions where 3 bids of 2-day tenor amounting to Tk 230.00 crore were accepted, the central bank statement said.

### Pak date fair fetches Tk 7cr spot order

The recently concluded Pakistan date exhibition has fetched a spot order of 660 tonnes of date worth Tk 7.12 crore.

More order is in pipeline to be finalised soon, says a press release.

The 2-day Pakistani date exhibition which concluded on Tuesday aimed at popularising Pakistani dates in Bangladesh market.

Seven leading Pakistani date growers and exporters participated in the show by displaying varieties of fresh and dried dates, date jam, date pickles and syrup.

Bangladesh imports more than 40 per cent of its total market demand of dates from Pakistan. In the year 2001-2002, Bangladesh imported 693,000 KG fresh and dried date from Pakistan worth Tk 1.39 crore.

In the previous year, the quantity of date imported from Pakistan was 599,000 KG, worth Tk 1.20 crore. A 15.83 per cent growth in date imports from Pakistan was registered during a year.

In the current year, the imports will be increased manifold.

## Transcom Electronics posts 50pc growth in 8 months

### Light dealers' conference told

#### STAR BUSINESS REPORT

Transcom Electronics Limited, manufacturer of Philips bulb in Bangladesh, has posted a remarkable 50 per cent growth in sales in less than eight months of this year, compared to the total sale in 2002.

"We have achieved the growth till date, with still four months to go," said Obaidur Rahman Khan, executive director of the company, at the Transcom Light Dealers' Conference yesterday.

The two-day conference began at Brac Centre for Development Management at Rajendrapur in Gazipur. Around one hundred distributors from eight zones are taking part in the annual event.

Transcom Electronics Marketing Manager Arshad Huq and National

Sales Manager A Kader Khan addressed the opening ceremony of the conference. Company Director Atiqur Rahman was also present.

Transcom Electronics Limited, an enterprise of Transcom Group, is the biggest electric bulb manufacturers in Bangladesh having 85 per cent market share.

The annual sale of lights in the domestic market is around Tk eight crore, Transcom Electronics Marketing Officer (Light) Rawnok Ferdous Khan told The Daily Star.

According to Transcom Electronics officials, apart from bulbs and tube lights they have also marketed energy saving lamps and battery items, available at about 65,000 retail outlets across the country.

Transcom Group this year intro-

duced Chang Hong brand colour television, the largest selling TV in China, along with Transec PowerX dry cell battery and Transec tube light in the market, group officials said.

At the conference, 81 bulb dealers and 20 tube light dealers of the company were awarded on the basis of their sales. Executive Director Obaidur Rahman Khan distributed prizes among the winners.

Among them, nine dealers got Dhaka-Bangkok-Dhaka air ticket with three day-four night stay in Bangkok for one person and 12 dealers bagged Dhaka-Katmandu-Dhaka air ticket with three day-four night stay.



Transcom Electronics Limited Executive Director Obaidur Rahman Khan, Director Atiqur Rahman, National Sales Manager A Kader Khan and Marketing Manager Arshad Huq pose for a photograph with air ticket winning dealers at a two-day dealers' conference at Brac Centre for Development Management at Rajendrapur in Gazipur yesterday.