

Bangladesh-Myanmar border trade resumes today

6-day stalemate ends

STAFF CORRESPONDENT, Ctg

Bangladesh-Myanmar border trade through Teknaf resumes today after six days as the deadlock ended yesterday following a fruitful negotiation between the parties concerned at a joint meeting at Cox's Bazar.

The border trade came to a halt on Monday when a joint body of importers, exporters, C&F agents and truck owners in Teknaf enforced the strike protesting 'extortion and harassment' by police and BDR.

They alleged the members of

BDR and police in the name of checking documents and contraband goods often harass them at border and on several points on the Teknaf-Cox's Bazar road while transporting goods.

After discussion, the joint meeting decided that the law enforcers or the customs officers would not stop the trucks carrying export-import goods to and from Teknaf at those points on Teknaf-Cox's Bazar road.

It was decided that all necessary checking will be done by the police-BDR joint forces at Teknaf and not

elsewhere, sources said.

The meeting attended by representatives from all trade bodies in Cox's Bazar and Teknaf, and the police, BDR and truck owners also agreed in principle to consider the 10-point demands of the traders, sources said.

Deputy Commissioner of Cox's Bazar, following a directive by the State Minister for Communications Salahuddin Ahmed, convened the meeting to end the deadlock that badly affected the border trade.

The government had been incur-

ring a revenue loss of Tk 15 to Tk 20 lakh daily following the suspension of border trade, sources said.

The Importers-Exporters, C&F Agents and Truck Owners Oikya Parishad alleged the BDR forces use to intercept trucks at Damdamia, Marichya, Leda, Hwaikong and Balukhali points on Teknaf-Cox's Bazar road and demand extortion.

Goods like food grain, shoe, sandal, onion, spices, umbrella and fish are imported everyday from Myanmar through Teknaf Border.

AIMS Mutual Fund declares 7pc dividend

AIMS First Guaranteed Mutual Fund has declared seven per cent dividend for the shareholders for the year ended on June 30, 2003.

MA Samad, chairman of Bangladesh General Insurance Co Ltd (BGIC), also trustee of AIMS First Guaranteed Mutual Fund, declared the dividend at a meeting of the trustee board held in Dhaka recently, says a press release.

BGIC Vice-chairman Kalim Sharafi, Principal Advisor of BGIC and Trustee Khorshed Alam, Financial Consultant of BGIC Anisuz Zaman Chowdhury, Assistant General Manager Md Mustafa and AIMS of Bangladesh Managing Director and Chief Executive Officer Yawer Sayeed were present at the meeting.

Repo auction

UNB, Dhaka

The reverse Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Four bids of two-day tenor amounting to Tk 400 crore were received and accepted.

The rates of interest against the accepted bids ranged between 3.25 per cent and 3.40 per cent per annum, a Bangladesh Bank press release said.

Call money rate steady

BSS, Dhaka

The call money rate was steady amid thin money demand yesterday as most commercial banks had surplus liquidity, fund managers of leading commercial banks said.

The call money rate ranged between 3.00 per cent and 7.00 per cent in line with its precious range on Monday, fund managers said.

Central bank officials said more than 15 commercial banks took part in the call money market today. Some of these banks faced cash short-fall at the end of the day after their payments and deposit withdrawals.

HSBC opens customer service centre at Dhanmondi

The Hongkong and Shanghai Banking Corporation (HSBC) Limited in Bangladesh has opened its second customer service centre at Dhanmondi in Dhaka.

Muhammad A Ali, deputy governor of Bangladesh Bank, inaugurated the centre on Tuesday, says a press release.

David J H Griffiths, chief executive officer, and other senior executives of the bank were also present at the ceremony.

The customer service centre is a completely new dimension of banking where customers can avail themselves of ATM, Easy Pay, Phonebanking and Website services.

HSBC has signed up with DESA, DESCO, GrameenPhone, AKTEL and ALICO to allow their customers to pay their bills and insurance premiums by cash or cheque through the bank's Easy Pay Machines.

EU ready to 'throw the book' at budget offenders

REUTERS, Brussels

The European Commission said Friday it was ready to fine Europe's biggest economies if they kept smashing the region's budget deficit limits, and took particular aim at France which is defiantly planning tax cuts.

Paris immediately hit back, with Prime Minister Jean-Pierre Raffarin telling one of the senior EU officials who issued the warning, European Trade Commissioner Pascal Lamy, to mind his own business.

Germany and France broke the European Union deficit cap of three per cent of gross domestic product last year, expect to do so again this year and under EU rules, should risk fines if they top that limit for a third year running in 2004.

Both countries face an uphill task to cut their deficits as sluggish economic activity, is depressing tax revenues, but the tax cuts planned by France's conservative government are adding to risks that Paris will breach EU rules for a third year.

BIMST-EC free trade Government drafts lists of goods, services

NAZMUL AHSAN

Bangladesh has determined its approach towards the extent of duty free access of goods and services under a proposed free trade agreement within BIMST-EC.

BIMST-EC is a trade bloc comprising Bangladesh, India, Myanmar, Sri Lanka and Thailand.

Official sources said Bangladesh wants to see free movement of goods more open than services in the region. Therefore, they said, Bangladesh will go for 'negative list approach' for goods and 'positive list approach' for service sector.

The negative list approach means allowing duty-free movement of all products within the region excepting the items included in the list while the positive list approach means the opposite -- recommending duty free movement of enlisted items only.

An inter-ministerial meeting last week decided the approach and it will be placed at the cabinet meeting for final approval, sources said.

Representatives from the Ministry of Foreign Affairs, Ministry of Industries, Board of Investment, Tariff Commission and the National Board of Revenue attended the meeting.

The meeting also decided to include special and differential clauses to be awarded to the least developed countries (LDCs) in the proposed FTA agreement. Bangladesh and Myanmar are two

LDCs among five members of the trade bloc.

Officials said the positive list approach has been adopted for the service sector considering the possible negative impact on economy.

"Once we opt for negative list approach for this sector, the FTA deal could adversely affect the growth of Bangladesh's service sector," a high official told The Daily Star yesterday, requesting anonymity.

To protect local investors, Bangladesh has long been arguing to the World Trade Organisation (WTO) for not opening service sector to foreign investment, he said.

Some of the sub-sectors under service sector are -- business, communication, construction and related engineering services, educational, environmental, financial, health and social services, tourism and travel services.

Earlier, a study group comprising representatives from government and private sector proposed some 2,100 items under 14 major sectors to be included in the negative list of goods for FTA within BIMST-EC.

The major sectors include textile and clothing, electrical and electronic goods, agriculture products, agro-based products, food, bread, confectionery, jam, jelly and others, soft drinks and beverage, television, refrigerator and air conditioner, cosmetics and toiletries, plastic

products, wooden furniture, cement, carpets and pharmaceutical products.

The Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Co-operation (BIMST-EC) was formed in 1997 to promote trade and investment in the region.

The foreign ministers of the five member countries at the BIMST-EC summit in Colombo last year decided to finalise the proposed FTA agreement by February 2004 when the next summit takes place at Phuket in Thailand.

Before the summit, the sixth meeting of the BIMST-EC Standing Committee will be held from September 17 to 19 next in Bangkok to finalise the summit agenda. Foreign secretaries of the member countries will attend the meeting, sources said.

A three-member Bangladesh delegation, led by Foreign Secretary Shamsur Mobin Chowdhury will attend the meeting. The other members are Fazlur Rahman, trade consultant of the Ministry of Commerce and Bangladesh ambassador in Thailand.

The meeting of the Standing Committee will review the progress in the proposed FTA and opinion of Bangladesh on it.

The Economic and Social Commission for Asia and the Pacific (ESCAP) is likely to reveal a report on FTA, particularly in the case of BIMST-EC by this month, sources said.

Exempt LDCs from WTO farm deal Discussion on Cancun meet suggests

STAR BUSINESS REPORT

As the 5th WTO ministerial meeting begins in Cancun on Wednesday, speakers at a discussion in Dhaka yesterday said the least developed countries (LDCs) should be exempted from the compliance of farm agreement in the world trade body.

The speakers also said labour issue of the LDCs should not be discussed in the WTO meeting, as ILO (International Labour Organisation) is enough to do the job.

They were speaking at the meeting on 'Cancun Ministerial Meeting of WTO and Bangladesh', jointly organised by the Media

Initiative for Fair Trade (MIFT) and INCIDIN Bangladesh at the National Press Club.

INCIDIN Bangladesh Executive Director Masud Ali said the LDCs should be kept out of the farm deal as the developed nations are not going to stop subsidies in their agriculture.

WTO is not an organisation to protect the interests of the LDCs, said Bangladesh Chamber of Industries President AK Azad.

"Through capacity building, bilateral deals and regional co-operations, the LDCs can protect their interest," he said.

He also urged the government to amend the Labour Act of 1959.

Bangladesh Garment

Manufacturers and Exporters Association (BGMEA) President Quazi Moniruzzaman said labour issue should not be discussed in the WTO meeting.

MIFT President Jamal Uddin chaired the meeting, which also attended by Farid Hasan Ahmed of Oxfam and Zillul Hai Razi of European Commission, Bangladesh.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Director Akhtaruzzaman Manju presented an advocacy paper prepared to submit to Commerce Minister Amir Khosru Mahmud Chowdhury who will lead a 17-member Bangladesh delegation to the Cancun meet and act as coordinator of 49 LDCs.

"If the LDCs do not have duty and quota free access simultaneously, the developed countries may still protect their markets from the LDCs exports," the papers said.

The LDCs should have rights to protect their markets from the anti-dumping and countervailing measures, it mentioned.

There should be abolition of agricultural subsidies of the developed countries that restrict the competitiveness of LDCs agro-products both nationally and internationally, said the paper, adding until the complete abolition, LDCs should receive compensation.



PHOTO: STAR

Zillul Hai Razi of European Commission (Bangladesh) speaks at a meeting on 'Cancun Ministerial Meeting of WTO and Bangladesh' jointly organised by Media Initiative for Fair Trade and INCIDIN Bangladesh at the National Press Club yesterday. Bangladesh Chamber of Industries President AK Azad, Bangladesh Garment Manufacturers and Exporters Association President Quazi Moniruzzaman and Federation of Bangladesh Chambers of Commerce and Industry Director Akhtaruzzaman Manju are also seen.

Wealthy Singapore struggles with 'new poor'

REUTERS, Singapore

Cynthia Goh doesn't fit the usual profile of being poor.

The 25-year-old lives in a clean, if cramped, two-bedroom apartment in Singapore, Southeast Asia's wealthiest nation. Her furniture is modern and she enjoys the luxury of cable TV.

But pregnant with a second child and jobless, the shy high-school dropout is part of a fast-growing underclass surviving just above the poverty line in a nation accustomed to one of Asia's highest standards of living.

The number of Singaporeans earning below \$400 (\$230) a month or \$13 (\$7) a day has jumped 40 per cent since a financial crisis rocked the region in 1997, swelling to 180,650 workers by 2002, or

around nine per cent of the workforce, government data show.

That is four times the growth in Singapore's labour market in the same period, according to the Ministry of Manpower data.

"You actually have quite a large number of people entering that income bracket," said Joseph Tan, an economist at British investment bank Standard Chartered.

Goh (not her real name) does slightly better than that surviving on her husband's \$51,100 monthly wage from fixing air conditioners, about a third of the average Singapore salary.

But her lack of education and marketable skills freeze her out of the worst job market in 17 years in a country with one of most educated workforces in Asia -- where taxi drivers are often sacked, middle-

aged plant managers.

"I wonder whether we'll be able to afford this new child," she says. "I never thought it would be this tough."

After three decades of prosperity, many of Singapore's four million residents have been sacked or demoted or are living in constant fear of losing their jobs.

Unemployment, at two per cent in the early 1990s, has more than doubled as the manufacturers and big multinationals at the heart of the economy shift jobs and production to China and other low-cost regions such as Malaysia and India.

Currently around 90,000 people are out of work.

Suicide prevention group, Samaritans of Singapore, well open a 24-hour phone line next week dedicated to the unemployed after a

deluge of calls by depressed people out of work.

Adrian Wang, psychiatrist at the Institute of Mental Health, says about half to three quarters of his patients complain of employment-related issues.

"Many patients that have seen us for depression, anxiety or stress-related problems in the past year or so are expressing concerns over retrenchment or unemployment issues," he said.

Managing growing public anxiety over wages and jobs is a major challenge for the long-ruling People's Action Party (PAP), whose power has been based on a social pact of delivering economic benefits in return for acceptance of its semi-authoritarian government.

Remittance, exports push forex reserves to \$2.52b

STAR BUSINESS REPORT

Higher remittance flow coupled with robust exports pushed the foreign exchange reserve to \$ 2.523 billion yesterday.

However, according to the Bangladesh Bank sources, the reserve would come down this week after paying \$210 million to Asian Clearing Union (ACU) by Tuesday.

"Foreign exchange reserve is on rise mainly due to higher remittance inflow and good export performance in the recent months," said an official of the central bank.

The reserve crossed the \$2 billion mark on June 18 last after

long six years. It stood at 2.367 billion on June 28, sources said.

Remittance hit a record three billion dollars in fiscal year 2003-04. Besides, exports fetched \$675 million in June 2003, up by \$100 million from June last year.

Meanwhile, dollar price continued to show an upward trend in the kerb market till yesterday, selling at over Tk 62.

"Demand for the greenback has gone up in the kerb market in recent days against steady supply which ultimately push the price up," said a trader at the Dilkusha kerb market.

Taka under pressure

BSS, Dhaka

The Bangladesh taka remained under pressure against the US dollar in thin inter-bank trade yesterday even though the US unit fell against majors due to disappointing US data, dealers said.

The dollar traded at 58.4200-58.4400 to the taka today in line with its previous closing at 58.4350-58.4500 on Thursday, foreign exchange dealers of leading commercial banks said.

Trading, however, was depressed due to holiday in most international markets, they said.

"Importers and traders could not deal with their foreign trade partners as most international foreign exchange markets remained closed today due to weekend holiday," dealers said.

Meanwhile, the dollar fell sharply against the euro Friday as disappointing US employment data raised questions about the

strength of the economic recovery, but the greenback posted slim gains on the yen, dealers on online trading said.

The dollar also fell against the other currencies after Friday's report from the US Department of Labor showed that US non-farm payrolls slipped 93,000 in August, well below the consensus estimate of 19,000 rise, dealers said.

The euro jumped to 1.1102 dollars, up from 1.0945 dollars in New York late Thursday, dealers said.

The dollar was trading at 116.84 yen, against 116.74 on Friday, amid market concerns that the Bank of Japan may be intervening to stem the rise of the Japanese currency, they added.

The dollar was being quoted in late trading at 1.3823 Swiss francs from 1.4049 Thursday and the pound sterling rose modestly to 1.5882 dollars from 1.5816, dealers said.

India, Thailand to sign FTA next month

AFP, Singapore

Thailand and India will sign a free trade agreement (FTA) next month during a visit by Prime Minister Atal Behari Vajpayee to Thailand, Prime Minister Thaksin Shinawatra said here Saturday.

"We expect to conclude and sign (the agreement) when Prime Minister Vajpayee visits Thailand on October 12," Thaksin said at a news conference after meeting with his

Singapore counterpart Goh Chok Tong.

Negotiators were expected to wrap up talks this month, he said.

Officials from both countries have said that an FTA will double bilateral trade to two billion dollars annually.

Once the FTA is signed, both sides will immediately reduce tariffs on more than 80 products with the objective of reducing the levies to zero by 2010, officials said.

New MD of SMC



Perveen Rasheed has been appointed managing director of Social Marketing Company (SMC) with effect from September 1, 2003.

The Board of Directors of the company has made the appointment.

Prior to her joining the new position, she was the director of corporate services and acting managing director of the company, says a press release.

Perveen has been associated with Social Marketing Company for the past 13 years.

Social Marketing Company is a non-profit-making private company and it contributes to the family planning and health programmes of the country.

TVS Scratch & Win Programme

Rian Motors Ltd, a sister concern of Rangs Group of Companies, has started a new sales campaign titled 'Scratch & Win' programme for its TVS brand motorcycle giving confirmed opportunity for the customers to win a gift for buying every TVS motorcycle during the campaign starting from September 6, 2003 to November 25, 2003.

Rian-TVS jointly arranged the programme to boost customers' spirit. The Chief Executive Officer of Rian Motors Ltd J Ekram Hussain, inaugurated the programme at the company's showroom in Dhaka on Friday, says a press release.

Chairman and the Managing Director of Rian Motors Ltd, TVS delegate from India Mukund and other high officials of the company were present.

During the campaign, every customer of TVS motorcycle will get a coupon. Showing up the coupon at any 'Sony Rangs' showroom country-wide the customer will get a Scratch Card, he will then scratch-off the gray area of the card to reveal the hidden gift printed there with brand and model.

There is a wide range of gifts worth millions taka including 29" Sony Color Television, 21" Rangs Color Television, Refrigerator, CD Cassette Player, CD Walkman, 14" Sony Color Television, VCD Player, Mobile Phone, Line Phone Set, Electric Iron and many more.