Trade barriers, bureaucracy harm export to India

MCCI team in New Delhi to talk trade issues

STAR BUSINESS REPORT

A string of state-mandated and bureaucratic non-tariff barriers are causing serious problems to Bangladesh exports to India, observes the Metropolitan Chamber of Commerce and Industry (MCCI).

A delegation of the MCCI is now in New Delhi to seek an end to the barriers while meeting with AP Singh, chairman of the Central Board of Excise and Customs, India.

The chamber thinks exporters are facing non-tariff barriers like bureaucratic barassment at entry points, inadequate physical facilities at land customs posts and quantitative restrictions such as quotas and import

Besides, imposition of ad hoc import surcharges, fees as well as price-based tax measures and dispute over classification of goods for customs purposes are also harming Bangladesh exporters.

The MCCI said the Indian authorities ask for chemical tests of various export items which take a long time. As a result, the goods remain stranded for indefinite period at the

"The MCCI has identified these non-tariff barriers after having discussions with the Indian trade bodies," a member of the MCCI delegation told The Daily Star before leaving Dhaka on Sunday.

He said the state-mandated impositions of

trade. MCCI thinks any such impositions make especially the land-routed cargo vulnerable, he added.

The leading chamber of Bangladesh expects that the administrative discretionary requirements would be streamlined taking into consideration the efforts being put to enhance

During the discussion with the Indian officials, the MCCI would cite the example of barrier to the import of automotive batteries from Bangladesh that continues to harass the

The Indian customs authorities still insist for duty bond for each consignment ignoring a decision of the Kolkata High Court to allow import without anti-dumping duty, MCCI

A Bangladeshi exporter, Quasem Drycells, had tried to export its products to India but the company encountered different non-tariff

About inadequate physical facilities at land customs, the MCCI points out that the customs facility and warehousing are absent at

"The local customs authority is not authorised to assess imported goods and authorised officials, who are posted elsewhere, have to be informed to come over and complete the customs formalities. As the process goes on, truckloads of consignment are required to wait for days under open sky,"

Philips Lighting awards 77 retailers of Ctg STAFF CORRESPONDENT, Ctg

As part of quarterly incentive scheme, Philips Lighting, a concern of Transcom Electronics Limited, awarded some 77 retail traders of Chittagong region on Sunday.

The prize giving ceremony was held at a local hotel in Chittagong. Over one hundred retailers and dealers of Chittagong region attended the function.

Judging their performance for the quarter from April to June this year, 77 retailers were awarded prizes to bolster its market strength across

National Sales Manager A Kader Khan distributed prizes among the retailers as chief quest Chittagong Area Manager Ziaul Hag, dealer Saidul Hag, Nasiruddin and retailer Joynal Abedin and Abdul Jalil addressed the cere-

New MD of **Fareast Finance**



Alauddin A Majid has joined the Fareast Finance and Investment Limited as its managing director, says a press release.

He was earlier managing director of BASIC Bank Limited.

He did his BS and MS degrees at the American University of Beirut and Masters of Agricultural Economics at the University of Sydney, Australia.

Three Apex showrooms open in Ctg

Three new Gallerie Apex showrooms were recently opened in Chittagong New Market, Jalsa Shopping Complex and GEC Circle.

Syed Monzur Elahi, chairman of Apex Tannery Group, inaugurated the showrooms, says a press

The Apex Tannery Group has been a forerunner in the footwear industry in the country. Its products are widely exported to various countries of the world.

Repo auction

UNB, Dhaka

The reverse Repo auction of Bangladesh Bank for commercial banks and financial institutions was

held here vesterday. One bid of 1-day tenor amounting to Tk 10 crore and three bids of 7-day tenor amounting to Tk 570 crore were received, of which two bids of 7-day tenor amounting to Tk

530 crore were accepted. The rate of interest against the accepted bids was 2.50 per cent per annum, said a press release of Bangladesh Bank

\$2.5 lakh ADB aid for SASEC transport study

STAR BUSINESS REPORT

Asian Development Bank (ADB) has granted US\$ 2.5 lakh to study ways of modernising transit and transport systems of SASEC coun-

The study is expected to start next month and will be completed in April next year, the ADB said in a statement issued yesterday. The South Asia Subregional Economic Cooperation (SASEC) comprises Bangladesh, Bhutan, India, and

The aid will review trade logistic systems and identify ways of boosting the efficiency of individual subregional corridors, with particular emphasis on choke points at key land-based and sea-based gateways, and removal of institutional and operational impediments. It will also develop project concepts suitable for financing by aid agen-

cies.
The performance of existing

corridors could be improved by the introduction of international best practices such as the transport international routier carnet system, which would enable trucks of various nationalities to move across several countries, the ADB said.

Standardisation of documentation requirements, the modernisation of inland container transport systems, and the introduction of information technology such as electronic data interchanges would also help the flow of goods and One salient feature of the region

is the existence of two landlocked countries - Bhutan and Nepal. Both need access to seaports via India or via India and Bangladesh combined, according to the statement.

India is important not only as a transit country, but also a major trading partner for these landlocked countries. About 50 per cent of Nepalese trade and 90 per cent of Bhutanese trade is to and from

The assistance will examine the trade needs of the landlocked SASEC countries to third countries, as well as all trade routes within SASEC and to other countries, said

Transport plays a critical role in subregional economic cooperation by providing not only physical but also commercial links between countries. SASEC countries would be connected with each other through improved corridors. Many of them are road-based, but some are rail-based or inland water based, the statement added.

According to the statement, at present, their overall performance is not particularly impressive, as the time and cost required for moving cargo along these corridors are much higher than those of rival

EC-Bangladesh Joint Commission to meet in November

STAR BUSINESS REPORT

The EC-Bangladesh Joint Commission is going to meet at the end of November this year in

Trade promotion measures, human rights, corruption and the status of Chittagong Hill Tracts peace agreement are likely to figure out prominently at the talks, according to preliminary agenda of the discussion.

The agenda and the date will be final soon for the second European Commission (EC)-Bangladesh Joint Commission meet. The first meeting was held on November 20, 2001 in Dhaka.

The European Commission (EC), a trade forum comprising 15

export destination of Bangladesh with about 45 per cent of its annual export going to the region. The joint commission was

formed on May 22, 2000 between European Community and Bangladesh on partnership and development.

Sources said Dhaka is set to place four separate reports on social development, economic development, trade development and on good governance and human rights at the meeting as agreed in the first meeting of the commission. Different government agencies are now busy preparing

The first meeting of the commission formed separate specialised sub-groups on the four critical issues comprising representatives from different ministries. Commerce Secretary Suhel Ahmed is the cochairperson of the talks.

Other multilateral and bilateral matters, which are likely to be tabled at the discussion, include support for post multi-fibre arrangement (MFA) challenge, market access for Bangladeshi products, capacity building measures for proposed free trade area, proposed import, export and industrial policies of Bangladesh, matter relating to Rohingva refugees, status of establishing an independent anticorruption commission, human rights commission and appointment of an ombudsman.

The poor need savings-based services from MFIs

Workshop on micro-finance told

STAR BUSINESS REPORT

The poor require a wider range of financial services to manage risks and improve their welfare, a microfinance expert said.

Graham AN Wright, programme director of 'MicroSave-Africa', came here to present his savings-oriented concept in Bangladesh.

"Savings services have garnered much interest in Uganda. Kenva, Tanzania and South Africa. he told a workshop in Dhaka yester-

day citing his African experiences. Wright was presenting keynote paper at the workshop on 'Marketled Micro-finance: Is there a Role for the MicroSave Approach in Bangladesh' held in BRAC Centre

Credit and Development Forum

(CDF), a forum for Micro-finance Institutions (MFIs) in Bangladesh, and MicroSave-Africa, a joint initiative of Austria, CGAP, DFID and UNDP, organised the programme.

The MFIs should introduce savings programmes for microcredit recipients in order to provide them with more benefits, Qauzi Shahabuddin, director general of Bangladesh Institute of Development Studies, told the workshop.

Terming micro-credit a costeffective tool for poverty alleviation Shahabuddin said, "MFIs should carry out extensive research works to find new areas besides providing working capitals to the poor."

The MicroSave Africa expert also emphasised research works to find new products like savings services

for better micro-credit programme. Dwelling on micro-credit issue, he said weekly repayment of loan is a major problem for the borrowers in the present micro-credit

CDF Chairperson Yasmin Ahmed, Executive Director Abdul Mannan and USAID representative Dewan Alamgir also spoke at the workshop participated by representatives from different MFIs across the country.

Yasmin Ahmed said 629 MFIs in Bangladesh have disbursed more than Tk 16,426 crore loans till December 2001 since their inception nearly two decades ago.

Kodak launches award programme

Kodak has launched an award programme titled "Kodak Gold

With every purchase of a Kodak Gold 200 film there is an opportunity to win prizes.

The prizes include gold jewelry, air ticket to Bangkok, camera, colour TV, mobile phone with connection, sewing machine and 5 per cent discount on develop and print

Bankers Club holds workshop on interest rate structure

Bankers Club Limited organised a discussion meeting on Thursday in Dhaka on "Interest Rate Structure in Bangladesh". The meeting was presided over

by M Taheruddin, chairman of the club, says a press release. Managing directors of different banks and members of the club

attended the meeting. Toufic Ahmad Choudhury, director of Bangladesh Institute of Bank Management (BIBM) presented the

The managing directors present, agreed to restructure the interest rate with the approval of their respective board of directors keeping in conformity with the policy and

guideline of Bangladesh Bank. Abu Hanif Khan, secretary of the club, was present.

Taiwan chipmaker to invest \$222m in Shanghai plant

AFP, Beijing

Taiwan's TSMC, the world's largest contract chipmaker, will invest an extra 222 million dollars in its Shanghai plant and increase the plant's capacity by up to fivefold, the

Shanghai Daily reported Monday. Taiwan Semiconductor Manufacturing Company Ltd. (TSMC) plans to increase its investment in its eight-inch silicon wafer plant in Shanghai's Songjiang Science and Technology Park from 898 million dollars to 1.12 billion dollars, the newspaper quoted Sheldon Wu, head of TSMC's

Shanghai office, as saying. "We will process about 35,000 silicon wafers each month," Wu

Hong Kong air passenger traffic marks recovery

AFP, Hong Kong

Passenger traffic at the Hong Kong International Airport continued to improve in August, reaching more than 90 per cent of the level before the outbreak of SARS, the Airport Authority of Hong Kong said

The authority said in a statement sector liberalisation, focusing on the that traffic had been boosted by more developed countries in the Hong Kong residents, who travelled Maybank now operates in seven on summer holidays, including countries of the 10-member Association of Southeast Asian those who took advantage of special promotion packages offered by Nations (ASEAN) and ranks among the airlines. the top five banks in the region, said

It said visitors from most of Hono president and chief executive Kong's main markets have returned to the levels of before the outbreak of Severe Acute Respiratory number three or number four," he told reporters at a meeting of the Syndrome (SARS).



Prospective buyers browse through books at a roadside stall in Dhaka. The makeshift stalls pull good number of book lovers, as the price of a second hand book is as low as Tk 10

DSE listing regulations to IFIC Bank undergo major changes

STAR BUSINESS REPORT

yesterday.

The Dhaka Stock Exchange (DSE) is going to make some major changes in its listing regulation shortly, the newly appointed Chief Executive Officer (CEO) of DSE Salahuddin Ahmed Khan said

"We are going to make such changes with a view to increase market depth and restore investors' confidence." he told a group of reporters at his office. DSE chairman Ahmed Igbal Hasan was present at the courtesy meeting

Khan, a former teacher of Finance and Banking department of Dhaka University, said DSE would

propose to restrict companies from

Bangladesh Bank Governor Dr

Fakhruddin Ahmed left for Brunei to

attend the three-day

Commonwealth Finance Ministers

Conference that begins in Bandar

He will represent Finance

Minister M Saifur Rahman in the

conference as the minister is sched-

uled to visit Dubai later this week to

Fakhruddin will be leading three-

member Bangladesh delegation

which includes Secretary of the

Economic Relations Division Mirza

Tassaduq Hossain Beg and

Bangladesh High Commissioner to

Malaysia's largest bank Malayan Banking (Maybank) said Monday it

aims to expand its business in

Southeast Asia ahead of financial

"In ASEAN, we are probably

ASEAN nations

attend a World Bank meeting there.

Seri Begawan from today.

meet today in Brunei

BB governor to represent Saifur

Malaysia bank seeks

expansion in developed

using funds raised from initial public offering (IPO) before getting listed in

DSE may place another proposal before the Securities and Exchange Commission (SEC) that all the listed companies must have three years operational experience before entering the capital market, he said.

The proposals will be sent to the SEC soon, he added. DSE would send a proposal to

the ministries of law and finance that any legal action against brokerage houses or listed companies be taken filing petition directly to the High Court, the DSE Chairman told the reporters.

Speaking to reporters prior to his

departure at the Zia International

Airport, Dr Fakhruddin Ahmed said

the Bangladesh team will take up for

discussion reform issues of the

World Bank and the International

They will also bring up for discus-

sion issues that relate to relaxing

conditions under which the World

Bank and the IMF advance loans to

Other issues that will come up

prominently in the discussion will

include infrastructure development

in the public and private sectors,

health and nutrition and education,

Asian Pacific Bankers Club group-

in ASEAN and we will continue to

focus our attention and business in

Thailand, Laos and Myanmar. We

always look at opportunities but we

are more interested in looking at the

more highly developed ASEAN

Analysts said Maybank's pres-

ence in the region is still small and it

must seek mergers or alliances to

stay competitive when the

Malaysian financial market liberal-

countries.

ises fully in 2007.

"We are in almost every location

"At the moment, we're not in

ing 46 banks from 13 countries.

Monetary Fund

Bangladesh.

Proposal and Monitoring of Sanctioned Loans and Advances' from Saturday. The workshop is scheduled to end today, says a press release.

IFIC Bank Ltd organised a three-day

workshop on 'Processing of Credit

holds 3-day

workshop

IFIC Bank Managing Director Ataul Hag inaugurated the work

shop the bank's chamber building in Dhaka The main objectives of the work-

shop are to deliberate on the current procedures in processing of loan proposal, discuss and set-up uniform guidelines, develop skills in post-sanction documentation formalities, follow-up and monitoring of sanctioned loans.

C'wealth finance ministers Taiwan's China Airlines sees profit

AFP, Taipei

Taiwan's leading air carrier, China Airlines (CAL) said Monday it expects to post a net profit in the third quarter with sales to breach 80 billion dollars (2.35 billion US) in 2004

CAL said it also expects to register a net profit for the January-September period this year, company president Philip Wei told

"We managed net break-even in the January-August period," Wei said.

Pretax profit for August came in at 667 million dollars, the company

US current account deficit eases

AFP, Washington

The United States barely shaved its current account deficit in the second quarter of 2003, reporting a nearrecord gap of 138.67 billion dollars.

The current account deficit -tracking foreign trade, income and one-way transfers such as foreign aid -- was hardly changed from the unprecedented shortfall of 138.71 billion dollars in the first quarter.

A breakdown showed:

-- In trade of goods and services the deficit in the second quarter widened to 123.4 billion dollars from 121.6 billion dollars in the first quarter.