

## Allow infrastructure firms to ease phone interconnection woes

Expert says

MUSTAK HOSSAIN

The government should allow infrastructure network service providing companies before inviting private operators in fixed-line telephony and more cell phone operators to address the nagging interconnection problem, said an expert.

"The infrastructure network service companies will work as facilitators by providing interconnections to local telecom service providers," Dr M Abdul Awal, former research team member of the US-based Lucent Technologies, told The Daily Star.

This infrastructure networking

companies will only provide service to operators, not to end users, he said.

At present, about 90 per cent of the country's 1.50 million cellular phone users do not have connectivity with the mainstream fixed-line telephone network, which has about 700,000 subscribers.

Telecom experts have unanimously suggested allowing infrastructure networking companies to provide interconnections to fixed and cell phone operators.

Awal, who also served as a researcher at US-based Bell Laboratories, said if allowed such infrastructure firms will also provide

international gateway facility for carrying voice and data to overseas carriers.

"It's not a new concept, there are telecom infrastructure networking companies in developed countries," he added.

"I firmly believe the decision to allow infrastructure companies will attract substantial foreign investment in Bangladesh," Awal said.

It will also create opportunity for local companies to form joint ventures with foreign companies, added Awal, who is also a faculty member of Computer Science and Engineering Department of North

South University and advisor to IT Institute of Dhaka University.

Meanwhile, the Bangladesh Telecommunications Regulatory Commission (BTRC) is in the process to finalise modus-operandi to allow private operators for public switched telephone network (PSTN), commonly known as fixed phone. The BTRC has also plan to give licences to at least two more cell phone operators.

The state-owned Bangladesh Telegraph and Telephone Board (BTTB) does not have adequate facilities to provide interconnections to mobile phone users.

Considering the financial constraint and future prospect, four private cell phone operators have invested US\$2.69 million for expansion of the BTTB's interconnection capacity.

The interconnection exchange is likely to start operation by late this month providing BTTB connectivity to about 350,000 mobile phone subscribers. The capacity could be increased in phases.

## Mercantile Ins chairman re-elected



Abdul Haque has been re-elected chairman of Mercantile Insurance Company Limited at the annual general meeting of the company held in Dhaka recently.

Haque, a sponsor director of the company, has been elected chairman for the third time, says a press release.

He is also the senior vice-chairman of the Dhaka Stock Exchange.

## Frenchman to be new World Bank chief economist

The World Bank's new chief economist will be the Frenchman Francois Bourguignon, who replaces his British colleague Nicholas Stern, a senior World Bank official told AFP on Friday on the sidelines of its annual meeting here.

Bourguignon, 58, is currently research director at the development bank and his official appointment should be made next week, the official added, speaking on condition of anonymity.

Stern is leaving the World Bank to take up a post within the British Treasury, where he will become second permanent secretary.

Stern joined the World Bank in July 2000 to replace his flamboyant and controversial predecessor as chief economist, the Nobel prize winner Joseph Stiglitz.

## China may use HK to handle more forex trades

AFP, Hong Kong

China is looking into the possibility of using Hong Kong to handle more foreign exchange trade so as to help maintain the stability of both of their currencies, China central bank governor Zhou Xiaochuan said Friday.

Zhou, head of the People's Bank of China (PBOC), told a gathering that the PBOC "will borrow from Hong Kong's experience to develop a yuan payments system and a settlement system for yuan-denominated debt."

He said that with the strengthening of China's foreign exchange market, the central bank will use Hong Kong's highly efficient system to carry out foreign exchange trades.

Zhou disclosed that a settlement system has been set up in neighbouring Guangdong province in order to manage the flow of funds between the two areas.

"The PBOC is working closely with the HKMA (Hong Kong Monetary Authority) to counter fake currency and money laundering in view of the increasing circulation of yuan in Hong Kong," he said.

## Brunei Airlines resumes Bangladesh operation

STAR BUSINESS REPORT

Royal Brunei Airlines, national flag carrier of Brunei Darussalam, resumed its operation in Bangladesh on Thursday after a six-year recess.

Passengers now can fly to 23 European, Australian and Asian destinations from Dhaka with Royal Brunei, said Monir Ahmed, chairman of Travel Market Limited, new general sales agent (GSA) of the airline in Bangladesh.

In 1997, Royal Brunei started its first operation in Bangladesh by appointing a local travel company as its GSA. But the carrier later discontinued its service due to a

discord with the GSA.

Earlier, State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin inaugurated the local office of Royal Brunei Airlines at Pan Pacific Sonargaon Hotel in Dhaka.

Talking to The Daily Star, an official of Travel Market Limited said Brunei Airlines is planning direct connection between Dhaka and Bandar Seri Begawan, capital of Brunei by March next year.

He said the number of destinations will go up to 27 within three months as Auckland, a commercial hub of New Zealand, along with three other cities will join the list.

Speaking at the function, Civil Aviation and Tourism Secretary Mohammad Shafiqul Islam said the launching of Royal Brunei service will help enhance economic ties between Bangladesh and Brunei.

Brunei High Commissioner in Dhaka Dato Haji Abdul Mohit Haji Mohd Daud said currently around 12,000 Bangladeshis stay in Brunei.

Biman Bangladesh Airlines Managing Director Air Commodore (Retd) Lutful Rahman, Royal Brunei Airlines Director of Corporate and Strategy Hanafiah Jikeria and Travel Market Managing Director M Zaman also spoke at the function.



PHOTO: ROYAL BRUNEI

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin and Brunei High Commissioner in Dhaka Dato Haji Abdul Mohit Haji Mohd Daud cut ribbon to inaugurate local office of Royal Brunei Airlines at Pan Pacific Sonargaon Hotel in Dhaka on Thursday. Royal Brunei Airlines Director of Corporate and Strategy Hanafiah Jikeria is also seen in the picture.

## US trade deals no cakewalk after Cancun debacle

REUTERS, Washington

After the failure of global trade talks in Cancun, Mexico, America this week put the world on notice that it would accelerate efforts for bilateral and regional deals to foster trade, a plan that experts say is fraught with its own difficulties.

Smaller-scale free-trade negotiations may involve fewer egos and fewer special interests than in the 146-nation World Trade Organization talks, but special interests, especially in agriculture, will still be in the game.

Nowhere is that more apparent than in the US Australia free-trade negotiations the Bush administration wants to finish by the end of this year.

Allen Johnson, agriculture negotiator for the US Trade Representative, said he could not guarantee the deadline would be met. "There's a serious engagement on both sides. But I'm not sure how quickly this is all going to come together," Johnson said.

"It's certainly not going to be an easy one," he said of the bargaining with Australia.

Australians are eager for a bilateral pact that they believe would add \$4 billion to their economy annually.

Most of American agriculture is less enthusiastic. US farmers argue

that Australia, a major exporter of beef, livestock and dairy, would flood the US market while providing few reciprocal benefits.

US agriculture's reticence also may be explained by the fact that the United States presents Australia with an export market of 281 million consumers, compared to only 19 million Down Under for American industry.

Given the lopsided figures, it's an open secret that the White House took on a US-Australia pact as payoff for Canberra's support in the war against Iraq, according to trade analysts.

Jaime Castaneda, a vice-president of the Washington-based National Milk Producers Federation, which opposes a free-trade deal with Australia, said the collapse of WTO talks in Cancun makes matters more problematic.

"What do we get out of an Australia agreement? Nothing. Zero," Castaneda said in an interview with Reuters.

If the WTO had been able to craft a blueprint in Cancun for improved global trade, the milk group could tell its farmers "with new markets, we're going to try to offset the imports from Australia," he said. "But now, we don't even have that."

The \$24.5 billion US dairy industry says removing import tariffs and Australian milk, butter and cheese would bring nearly 7 billion pounds (3 billion kg) of extra shipments from Australia over the first four years of the deal. That, it says would cost US farmers \$2.2 billion annually in lost revenues.

Jeffrey Schott, a trade expert at the Institute for International Economics in Washington, played down the impact the Cancun failure would have on more limited negotiations, saying few ever believed the WTO talks would have met a January 2005 deadline for completion.

Schott predicted that stalled WTO diplomacy "certainly will focus much more attention" on regional and bilateral deals, such as a Central American pact that Washington is negotiating with Guatemala, Honduras, El Salvador, Nicaragua and Costa Rica.

"That's good news and bad news," he said, noting that the Central American talks will now be under greater scrutiny, especially from US lawmakers, who already have expressed concerns about the impact on American farmers and ranchers.

## National Bank okays 20pc cash dividend

National Bank Limited has approved a 20 per cent cash dividend for its shareholders.

The approval came at the 20th annual general meeting of the bank held on Thursday in Dhaka, says a press release.

Zainul Haque Sikder, chairman of the Board of Directors of the bank, presided over the meeting.

Parveen Haque Sikder, Md Mahbubur Rahman Khan, Md Khalilur Rahman (Majnu), Naheed Parvin, Zakaria Taher, Shahadat Hossain, MG Murtuza, Ataul Haque, AM Nurul Islam, Rahman Selim, SM Shamim Iqbal were elected directors from "A" group and Mahub Ahmed and Abu Sayeed Monir elected directors from "B" group.

Parveen Haque Sikder was elected unanimously chairman of the bank by the newly elected directors. Managing Director MA Mazid Khan was present.

## Islami Bank declares 25pc cash dividend

Islami Bank Bangladesh Limited has declared 25 per cent cash dividend for the shareholders for the year 2002, says a press release.

This was approved in the 20th annual general meeting of the bank held yesterday in Dhaka.

Shah Abdul Hannan, chairman of the bank, presided over the meeting.

The bank earned net profit of Tk 99.41 crore in 2002 as against Tk 57.61 crore in the preceding year, registering a growth rate of 73 per cent. The deposit of the bank increased to Tk 5,546.16 crore as on 31.12.2002 from Tk 4,154.73 crore as on 31.12.2001 showing a growth rate of 33 per cent.

Investment of the bank stood at Tk 4,918.59 crore as on 31.12.2002 as against Tk 3,764.88 crore as on 31.12.2001 showing a growth rate of 31 per cent.

The bank handled foreign exchange business to the tune of Tk 6,513.10 crore in 2002 as against Tk 5,186.80 crore in the preceding year.

## Putin defends four-nation economic pact

AFP, Yalta

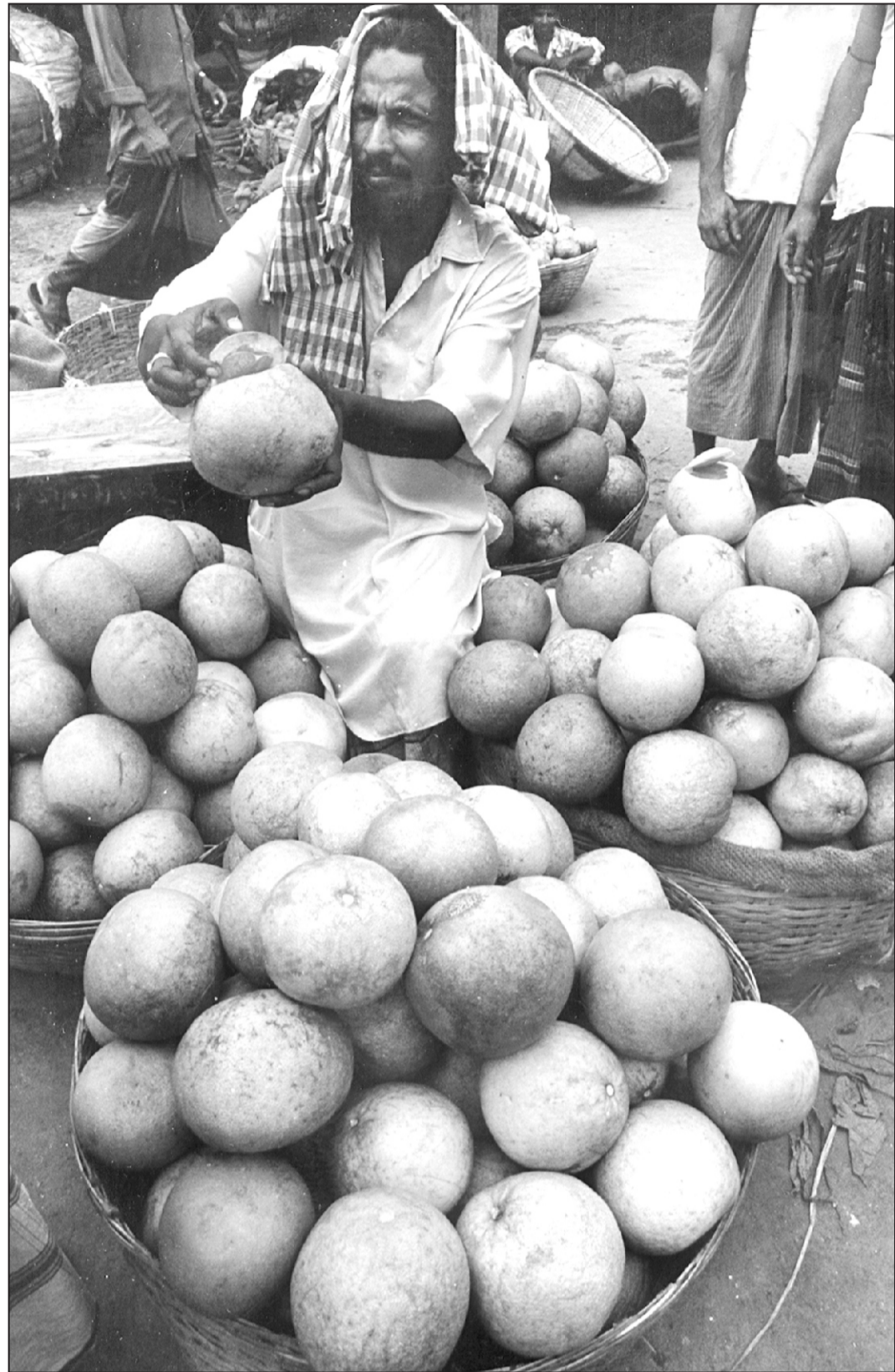
Russian President Vladimir Putin Thursday defended a pact by four former Soviet republics to create a single economic zone as being "in the national interests" of all the countries concerned.

Russian officials, speaking on the first day of a two-day summit of former Soviet republics, said earlier that Belarus, Kazakhstan, Russia and Ukraine would Friday sign the accord that has come under fire from international and domestic critics.

Meeting the presidents of the three republics with whom he is to sign the pact, Putin stressed that the accord had been "the result of a compromise."

The accord "meets the interests of each of our countries down to the last details," he said.

The four leaders are in the Crimean resort of Yalta to attend a summit of the Commonwealth of Independent States (CIS), a loose grouping of former Soviet republics that is expected to sign up to a free-trade zone agreed in principle at an informal meeting in Saint Petersburg last May.



A vendor displays a shaddock at Karwan Bazar kitchen market in Dhaka. The popular summer fruit sells between Tk 3 and Tk 5 a piece in wholesale market.

PHOTO: STAR

## Malaysia liberalises listing policies to woo investors

AFP, Kuala Lumpur

Malaysia's securities watchdog Friday relaxed listing policies to allow foreign firms operating here and local companies with businesses abroad to float in a bid to woo investors.

The Securities Commission said the move was a "major liberalisation" as it opened doors for foreign-incorporated firms controlled by foreigners but operating locally to list on the Kuala Lumpur Stock Exchange (KLSE).

The revised policy also allows Malaysian companies that are successful overseas to further expand their operations by accessing capital back home, said chairman Ali Abdul Kadir.

Foreign-incorporated firms owned by Malaysians with substantial operations either locally or

abroad are also eligible for listing. "This is in recognition for Malaysians who have made good overseas ... regardless of whether they have been incorporated locally or abroad," Ali said in a statement.

"We should be proud of their success and the Malaysian capital market should be open to them to make them grow stronger."

Ali said the liberalisation was in line with proposals under a capital market blueprint to increase the breadth of listings on the KLSE.

"We want KLSE to retain its standing as a premium market," he said.

"The listing of these new types of companies will increase the diversity and quality of companies listed on the KLSE and also expand the range of investment opportunities for investors."

Foreign corporations can only list on the KLSE main board and they

must be incorporated in jurisdictions with comparable corporate laws and enforcement to ensure integrity and a level playing field, he said.

"Foreign companies applying for listing on the KLSE must demonstrate that their listing will benefit Malaysia," Ali said.

"In a situation where such benefit may not be so tangible, the company should then provide a steady income stream for its Malaysian shareholders through dividends."

The companies must also seek approval from the central bank where applicable for the use of proceeds from the share issue.

Prior to this, only Malaysian-incorporated firms either controlled by locals or foreigners but with the bulk of their operations in the country were allowed to seek a listing.

## Lawmakers urge Bush to keep steel tariffs in place

REUTERS, Washington

President George W Bush faced pressure on Thursday to maintain hefty tariffs on imported steel for the three years he originally planned, rather than end them this fall after 18 months.

A bipartisan group of 98 members of Congress from 31 states made the appeal in a letter to Bush one day before the US International Trade Commission was scheduled to release its midterm assessment of the steel tariff programme.

"Now is not the time to turn your back on those that have sacrificed and suffered to pull our domestic industry out of crisis," the lawmakers said.

Bush imposed the tariffs in March 2002 to give the domestic steel industry time to restructure

and become more competitive after more than 30 bankruptcies since 1997.

The plan also included a midterm review to give Bush the chance to end the tariff programme early if steel companies did not use the import protection to consolidate operations.

US steel companies say they have invested more than \$3.6 billion in restructuring since March 2002 and progress over the last 18 months could be lost if the tariffs end early.

However, steel-consuming companies have pressed hard for the tariffs to be removed.

They won a victory earlier this year when they persuaded House Ways and Means Committee Chairman Bill Thomas, a California Republican, to request the ITC to prepare a second mid-term report

examining the effects of the steel tariffs on manufacturers and other steel-consuming companies.

The ITC is scheduled to deliver both reports to Bush on Friday, but they could be delayed until Monday because of Hurricane Isabel.

There is no firm deadline for Bush to decide whether to continue or end the tariffs.

Bush faces possible European Union trade retaliation on up to \$2.2 billion of US exports if the tariffs remain in place and the United States loses an appeal on the issue this fall at the World Trade Organization.

The tariffs originally ranged up to 30 per cent. The top rate declined to 24 per cent in the second year and fell to 18 per cent in the third.