

Red tape, corruption keep countries poor: WB

AFP, Washington

Cumbersome regulations for business make it harder for countries to lift themselves out of poverty, while increasing the potential for corruption, according to a World Bank report released Tuesday.

"Poor countries regulate business the most," the report said.

"Regulation in poor countries is more cumbersome for all aspects of business activity. A group of poor countries -- Bolivia, Burkina Faso, Chad, Costa Rica, Guatemala, Mali, Mozambique, Paraguay, the Philippines, and Venezuela -- regulate the most heavily."

"A much wealthier group -- Australia, Canada, Denmark, Hong Kong, Jamaica, the Netherlands, New Zealand, Singapore, Sweden, and the United Kingdom -- regulate the least."

The study of 130 countries, compiled by the bank with academic and management experts, was aimed at spurring greater reforms in

the poorest countries that rely heavily on international assistance.

"A vibrant private sector -- with firms making investments, creating jobs, and improving productivity -- promotes growth and expands opportunities for poor people," the report said.

"Heavier regulation is generally associated with greater inefficiency in public institutions -- longer delays and higher cost -- and results in higher unemployment, increased corruption, less productivity and investment, but not better quality of private or public goods."

"The countries that regulate the most -- poor countries -- have the least enforcement capacity and the fewest checks and balances in government to ensure that regulatory discretion is not used to abuse businesses and exact bribes."

The report noted that in Australia, a business can be registered in two days, but in Haiti it takes 203 days; in Denmark, it costs nothing to start a business, while in Cambodia the

costs is five times the nation's per capita income.

The Bank said that contrary to popular belief, "many times what works in developed countries works well in developing countries too" on business regulations.

Streamlined regulations and use of new technology "have produced excellent results in wealthy countries such as Canada and Singapore, in middle-income countries including Latvia and Mexico, and in poor countries including Honduras, Moldova, Pakistan, and Vietnam," the report said.

The report said governments should focus efforts on protection of property rights and less red tape.

"Productive businesses thrive where government focuses on the definition and protection of property rights," it said. "But where the government regulates every aspect of business activity heavily, businesses operate in the informal economy."

Excessive regulation, the report

"has a perverse effect on the very people it is meant to protect. The rich and connected may be able to avoid cumbersome rules, or even be protected by them."

For example, rigid employment laws are associated with fewer job opportunities for women. Heavy regulation also encourages businesses to operate in the informal economy.

"In Bolivia, one of the most heavily regulated economies in the world, an estimated 82 per cent of business activity takes place in the informal sector," the report said.

"There, workers enjoy no social benefits and cannot use pension plans and school funds for their children. Businesses do not pay taxes, reducing the resources for the delivery of basic infrastructure. There is no quality control for products. And entrepreneurs, fearful of inspectors and the police, keep operations below efficient production size."



PHOTO: BASIC BANK

Basic Bank Managing Director Md Salehuddin Quasem and Fareast Finance Managing Director Alauddin A Majid exchange documents after a deal was signed between the two companies at the bank's head office in Dhaka on Monday. Santanu Saha, executive vice-president of Fareast Finance, and Mobarak Hossain Chowdhury, deputy general manager of Basic Bank, are also seen in the picture.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank

Sell	Buy				
	BC	Currency	TT Clean	OD Sight Doc	OD Transfer
TT/OD	58.7800	USD	57.8500	57.6801	57.6110
58.7300	58.7800	EUR	67.4531	67.2850	67.1745
69.9122	69.9717	GBP	96.6203	96.3994	96.2263
98.5313	98.6152	AUD	39.1587	39.0436	38.9969
44.1932	44.2283	JPY	0.5237	0.5222	0.5216
0.5426	0.5431	CHF	43.6967	43.5683	43.5162
45.0142	45.0525	SEK	7.1837	7.1826	7.1540
7.7144	7.7210	CAD	43.1781	43.0513	42.9997
44.4655	44.5033	HKD	7.4921	7.4704	7.4611
7.6208	7.6273	SGD	33.4645	33.3662	33.3262
34.2709	34.3001	AED	15.6242	15.5783	15.5595
16.1213	16.1351	SAR	15.3042	15.2933	15.2410
15.7859	15.7994	DKK	8.8253	8.7994	8.7889
9.6973	9.7056				

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	Malaysian ringgit
45.3	57.6	94.54	39.180	6.9901	0.5983	3.80

Local Interbank FX Trading

Interbank was active on Wednesday. US dollar remained steady against the Bangladeshi taka as higher supply of greenback through remittances offset the increased demand for import.

Local Money Market

Money market was active. Call money rate eased slightly and ranged between 5.50 and 6.00 per cent compared with 6.00-7.00 per cent previously.

International Market

The dollar fell within a cent of all-time lows against the euro on the growing belief that it will have to weaken to narrow the US current account deficit and that a fall has official sanction. Comments from European Central Bank President Wim Duisenberg this week, that a dollar fell was "unavoidable," have encouraged the view that US and euro zone policy makers will take a hands-off approach

to an orderly decline in the dollar. The dollar hit its lowest levels since mid-June against the Swiss franc, while the greenback also teetered at three-year lows against the yen for the second day in a row. It was also at its lowest for around six years against the Australian dollar and seven years versus the Canadian dollar. Against a basket of currencies, it was at its weakest since January 1997. Traders were also nervously awaiting US Treasury Secretary John Snow's appearance at a Senate hearing on foreign exchange policies next week, and a summit meeting of Asia-Pacific Economic Cooperation Bangkok later this month. Snow also speaks in Washington at 1400 GMT on Wednesday.

At 1800 hours on Wednesday, euro was at 1.1775/77, GBP at 1.6607/11 and yen at 109.76/81 against dollar.

New Malaysian duties to penalise carmakers: Japan

AFP, Nusa Dua, Indonesia

Japan is worried Malaysia's plan to impose excise duties on imported cars despite a regional free trade pact will penalise its carmakers, a top official said Wednesday.

Malaysia has not unveiled details of the new tax structure but there are fears it will discriminate between national and non-national cars, said Sadahiro Sugita, Japan's trade policy director for the Asia-Pacific.

"We are worried about plans to introduce excise duties for imported cars. If it is implemented unfairly between national and non-national cars, it will be penalising and discriminatory to Japanese carmakers," he told AFP on the sidelines of the Association of Southeast Asian Nations (Asean) summit here.



PHOTO: ISLAMI BANK

Participants are seen at the inaugural ceremony of 132nd branch of Islami Bank Bangladesh Limited at Purano Bazar in Barguna on Monday.

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 8/10/2003.

Berth No.	Name of Vessels	Cargo	L Port Call	Local Agent	Date of Arrival	Leaving	Import Disch.
J/1	Myiek	GI	Yang	Total	22/9	12/10	1094
J/2	Ja Gang	Rice (P)	Chen	JNSL	15/9	11/10	992
J/3	Bumi Jaya	Sugar (P)	Visal	SSSLL	06/10	16/10	--
J/4	Guo Shun	Fert (Bag)	Sing	Unique	13/9	11/10	2975
J/5	Safinaz	Fert (Bag)	Sing	PML	19/9	10/10	407
J/6	Banglar Doot	Wheat (G)	K. Dia	Lams	R/A	10/10	2300
J/8	Hpaan	GI/Timber	Yang	MTA	06/10	09/10	611
J/10	Tong Shang Hai	Canola/Wheat/G/P	Vanv	MTCL	20/9	09/10	1467
J/13	Banga Barta	Cont	Baha	Bdship	4/10	10/10	272
CCT/1	Jaami	Cont	Haidia	Everbest	5/10	8/10	--
CCT/2	Banglar Shikha	Cont	Ptp	BSC	6/10	10/10	469
CCT/3	Qc Teal	Cont	Mong	QCSL	6/10	8/10	26
RM/15	Eagle Strength (Attach: 25/09)	Idle	Sing	Nol	21/09	30/10	--
GSJ	Ocean Pride	Wheat (G)	--	Lams	29/09	8/10	--
TSP	Athina (Ebb)	R. Phos	Hamr	BMA	8/09	11/10	--
RM/3	Bonvoy-VII	CPO	Mala	USL	7/10	9/10	--

Vessels due at outer anchorage

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Chios Sky	8/10	Qing	Bsl	Wheat (p)	--
Navigator	8/10	Khor	Jf	Scraping	--
Gerani	8/10	Sing	Ahz	Scraping	--
Noble Empress	9/10	Krabi	Bsl	Stone	Gypsum
Orient Freedom	8/10	P. Kel	Pssl	Cont	Sing
Bosowa Delapan	9/10	Vizag	Able	Sugar (p)	--
Asimont	9/10	P. Kel	Sea Borne	Cont	Sing
Banglar Mamata	9/10	Mumb	SSTL	Sugar (P)	--
Banga Bijoy	10/10	Chenn	Baridhi	Cont	Col
Ks Glory	10/10	Naga	ANCL	Clink	Cermex
ID Crusader (Liner)	10/10	Sing	Everett	GI	St & Coal
Budi Teguh	10/10	Sin	Pli (Bd)	Cont	Sing
Banga Borti	10/10	P. Kel	Bdship	Cont	Sing
Mardios	11/10	Kelan	RSL	Cont	Sing
Ta Mak Gal	11/10	--	Unique	Tsp (P)	M. Jetty
Eastern Star	11/10	Magd	PML	GI	--

Tanker Due

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Scotch Wizard	9/10	Sing	MSTPL	HSD/MSB	--
Performance-9	9/10	Bela	MTCL	CPO (RM/8/3)	--
Southern Xiphias	10/10	Aner	GPSSL	LBO/C Sod (RM/4/DOJ)	--

Vessels at Kutubdia

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Performance-9	9/10	Bela	MTCL	CPO (RM/8/3)	--
Southern Xiphias	10/10	Aner	GPSSL	LBO/C Sod (RM/4/DOJ)	--

Vessels at Outer Anchorage

Name of Vessels	Date of Arrival	L Port Call	Local Agent	Cargo	Loading Port
Xpress Manaslu	Cont	P. Kel	RSL	7/10	--
Xuan Cheng (Liner)	GI	Inch	Bdship	7/10	--
George	Clink	Indo	BSL	6/10	--
Kota Cahaya	Cont	Sing	Pli (Bd)	8/10	--
Qc Lark	Cont	P. Kel	QCSL	8/10	--
Orient Grace	Cont	P. Kel	PSSL	8/10	--

Movement of Vessels for 9/10/2003

Outgoing	Incoming	Shifting
J/8 Happan	J/8 B. Mamata	J/10 Tong Shang Hai
RM/3 Bonvoy-vii	J/10 B. Delapan	
DOJ High Tide	RM/8 Performance	
	RM/5 R. Park	
	DOJ Wizard	

The above is yesterday's shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by ITC Family, Dhaka.

STOCK