

Set common standards for goods to retain EU, US markets

Workshop urges Saarc nations

STAR BUSINESS REPORT

In the face of strict standard regulations set by developed nations, Saarc countries should adopt common standards for products to retain markets in EU and US, speakers at the closing of a regional workshop in Dhaka said yesterday.

Though least developed countries (LDCs) enjoy duty and quota free access to most rich countries, they cannot tap the facility fully due to some technical trade barriers such as conformity assessment, HACCP (Hazard Analysis Critical Control Point) and ISO certifications, they said.

If South Asian Association for Regional Cooperation (Saarc) nations develop common standards

in line with international guidelines, rich countries may accept those, they said as they wrapped up a two-day workshop on "The Agreement on Technical Barriers to Trade for Saarc LDCs".

Addressing the workshop, Deputy Minister for Industries Abdus Salam Pintoo said Saarc countries specially four LDCs in the region - Bangladesh, Nepal, Maldives and Maldives - can adopt common standards by setting up standard institutions to cope with EU, US standards.

He said LDCs need assistance and time to implement international standards urging donors and rich countries to help poor countries by launching capacity building programmes.

"The government is empowering the BSTI (Bangladesh Standard and Testing Institution) to earn its acceptability to developed nations," he said.

Industries Secretary Dr Shoib Ahmed said LDCs are lagging behind in terms of standard of their export products. "So they should cooperate each other to improve their standard system," he said.

Saarc Chamber representative Nehal Abeysekera said LDCs of the region can form a common testing centre to share their expertise and get better result.

Sita Ram Joshi, deputy director general of Nepal Standard and Testing Meteorology, said rich nations should give time to LDCs to comply with ISO9000, ISO14000,

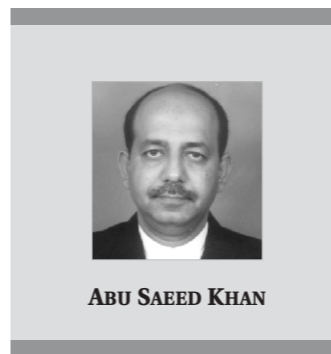
HACCP and others.

WTO representative Stefania Bernabe said the organisation remains committed to helping poor nations for solving technical trade barriers.

United Nations Industrial Development Organisation (UNIDO) representative Lalith Goonatilake said rich nations should extend helping hands to improve testing standard of poor nations.

Representative from Nepal, the Maldives, Bhutan and host Bangladesh participated in the workshop organised by industries ministry, BSTI, WTO and UNIDO. Md Nurul Amin, additional secretary of industries ministry, and Ahmed Mahmudur Reza Chowdhury, director general of BSTI, also spoke.

VoIP: The good, the bad and the ugly



ABU SAEED KHAN

Last Monday, our cabinet made history with a sadly not so clearly understood phrase "legalising VoIP" or voice over Internet protocol technology. What it means is that the private sector will be allowed to offer international telephony services by applying this technology.

What is to be noted here is that the government has not legalised the VoIP technology. It has rather conditionally consented to the cross-border telephonic applications of VoIP by the private sector. Critical components of such approval have been deliberately kept blurred. The government's desire to control a specific transmission technology like VoIP is impractical.

Logically the license to operate an international gateway to handle voice traffic should be awarded in a transparent manner among unlimited competitors. The operator decides what technology it deploys for transporting the voice traffic to and from its business location.

Sri Lanka opened up its international gateway early this year and so far it has issued more than 50 international gateway operating licenses! Too many players in a too little market? What happens when most of them collapse?

"Neither the government nor the regulator qualifies to specify the numbers of players", said Rohan Samarajiva, who directly reports to the prime minister on Sri Lanka's economic reforms issues. He continued,

"The market decides who survives and there is no condolence for the dead." Rohan said that governments should not insulate the telecom operators from competition, as that equally benefits the industry and the consumers.

Our government has planned exactly the other way around. Our telecom regulator has been boastful, our media has been rhetorical and a

ing the mobile operators' access to its fixed network since 1997. Such sectoral sabotage has forced the mobile operators coming up with the alternative mobile-to-mobile packages. More than 80 per cent of the mobile users cannot call any fixed telephone as a result, a unique disorder in the entire world.

The VoIP enthusiasts must not forget that unlike the mobile opera-

cabinet's decision friendly enough to the sectoral competition? The answer is a big NO! Because the cabinet has already directed the telecom regulator to jack up the license fees well beyond four million taka in order to "discourage shady firms".

The government has clearly violated subsection 2 under section 31 of the telecom law by dictating the regulator to revise the license fee. Said provision of the law has unequivocally and exclusively empowered the telecom regulator to specify the license fee of any telecom service.

That would, however, not affect the World Bank equally dishing out ten million dollars to the telecom ministry and to the telecom regulator. After all the toothless telecom regulator keeps silent despite such external interference to its independence.

Moreover the exorbitant license fee never ensures the efficient and economic international telecom service. High cost of this license will restrict the technically competent firms' endeavour to the telecom industry.

The cabinet's directive of inflating the license fee is feared to favour those who have already accumulated phenomenal wealth through informally terminating overseas calls using VoIP technology. Of course they have been unable to make formal remittance of that wealth to the country. Now they will setup offshore companies and acquire the so called VoIP licenses in Bangladesh.

The Board of Investment will worship these "foreign investors" who will be busy with whitening their money with our policy detergent. They will never complain about interconnection or other gruelling sectoral impediments being created by BTB. It will also remain business as usual with their existing informal VoIP business. Soon we will redefine VoIP as "Very obscure Investment Plan". Catchier than the magnetic train, indeed!

The writer is a telecom analyst.

PASSWORD

The government has clearly violated subsection 2 under section 31 of the telecom law by dictating the regulator to revise the license fee. Said provision of the law has unequivocally and exclusively empowered the telecom regulator to specify the license fee of any telecom service.

section of our industry has been pumping the hype of earning billion dollars from such inconsistent, unrealistic and largely deceptive move of the government. Let us take a closer look.

It is notable that unlike Sri Lanka or India, the private sector of Bangladesh will not be allowed to set up own international gateways to process the overseas voice traffic. The government has rather mandated to use the international trunk exchange (ITX) of the state-owned BTB instead. It is like licensing private airlines and mandating them using the national flag carrier's fleet.

The BTB's ITX has been overloaded and there is no sign of its immediate improvement. It is needless to reiterate the ethical standards of BTB's workforce. Long live BTB's institutional inefficiencies, including corruption! The state-run telecom monopoly will, inevitably, refuse to connect the new entrants in its ITX in order to dwarf the competition.

BTB has been consistently block-

tors, the prospective international providers will not have direct access to the mass market. They have to get connected with BTB's ITX followed by terminating or originating the calls to and from the private mobile and rural telephone operators.

Therefore, interconnection remains the major stumbling block in the highly publicised cabinet decision of VoIP's so called legalisation. Neither the government nor the regulator has ever taken any move to enforce the legal provisions to establish an effective and interconnection regime.

Moreover, the cost of using BTB's satellite earth station, its ITX, associated transmission resources, physical infrastructure, main and backup power systems etc. are also to be determined. BTB's international establishments are categorised as key point installation (KPI). Therefore, accessibility of the private operators to such facilities is also a critical issue.

Hypothetically, let us consider that all these issues are resolved. Is the

FBCCI for Dhaka-Hanoi account trade

UNB, Hanoi

With the Vietnamese president expected to visit Bangladesh early next year, Bangladeshi business community has called for account trade between Dhaka and Hanoi for economic benefit of the two countries.

FBCCI President Abdul Awal Minto, who is leading a business delegation here at the invitation of the Vietnamese foreign minister, made the call in a series of meetings with the ministers of the Southeast Asian country here yesterday.

He referred to the benefits both Bangladesh and Thailand were enjoying following the account trade

arrangement between Dhaka and Bangkok, and hoped that such an agreement would also bring profit for both Bangladesh and Vietnam.

The FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) president hoped that things would take place in due course of time keeping the interests of both countries, as the governments of Bangladesh and Vietnam were working on removing double taxation in trade between the two countries as well as on foreign investment protection regulations.

The FBCCI delegation had separate meetings with Vietnamese Foreign Minister Nguyen Duy Nien and Vice

Minister for Trade Mai Van Dau apart from bilateral talks with Vietnam Chamber of Commerce and Industry (VCCI).

The Vietnamese foreign minister told the business leaders that the economic relations between the two countries, with excellent political ties, would get a strong foundation following the visit of President Tran Duc Luong to Bangladesh, expected to take place in March or April next year.

"We have very good political relations, but what is missing is a strong economic tie-up and trade between the two countries," he said, adding that both Bangladesh and Vietnam, having many similarities, should come for-

ward to help each other for mutual economic benefit.

Vice Minister for Trade Mai Van Dau said it's a matter up to the two countries for betterment of economic ties. "Both the countries have many products to offer each other. It should be encouraged by both sides," he said.

In a bid to find market for products in the markets of each other, the FBCCI delegation also held extensive talks with key the leaders of VCCI. The VCCI Chairman Dr Vu Thien Loc gave an elaborate idea as to the sectors Bangladesh could exploit to market its products.