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Missions default on export promotion reports

Some 'fictitious' statements filed

STAR BUSINESS REPORT

Most commercial counsellors in Bangladesh missions abroad have been found reluctant to send monthly and quarterly reports on their export promotion activities while some sent 'fictitious' reports.

According to a performance review of the commerce ministry, six out of 16 commercial counsellors did not send report of the first quarter of current fiscal year. The missions are Geneva, Madrid, Paris, Tokyo, Moscow and Canberra.

Moreover, quarterly reports received from five missions -- Washington, London, Beijing, Ottawa and Dubai -- were found concocted, commerce ministry sources said.

According to the review, 11 foreign missions failed to meet their export targets set for July-October period of this fiscal. These are Washington, London, Paris, Brussels, Rome, Tokyo, New Delhi, Tehran, Moscow, Canberra and Kuala Lumpur.

The missions which failed to achieve export targets and those who filed false reports were cautioned by the government, sources said. The commerce minister has already said the unsuccessful mission officials might be recalled.

Export target for this fiscal year has been set at $7,439 million. The target for July-September period was fixed at $1,937 million and the earning was $1,899 million, 1.97 per cent behind the target.

The commercial counsellors appointed for promoting export in respective countries are supposed to file monthly report on their activities by 10th of the following month while quarterly report by 20th of the fourth month.

Commerce Minister recently said the government was not happy with the performances of most counsellors posted in different missions.

"We will review their performances in next four months. If they fail to achieve the targets, it will be difficult for them to continue in the service abroad," he told the last review meeting of the ministry.

Outsourcing firms of India on high growth path

AFP, *Bangalore, India*

With more than 50 major international companies relocating their call centres to India, Arleen Tony now makes a better living out of talking than she ever did from making music.

A year ago Tony, 24, joined India's fast-growing business process outsourcing industry where global corporations forced to cut costs are shifting jobs to India where labout is cheaper.

The curly-haired psychology graduate, whose parents say she talked too much as a child, underwent an "accent neutralisation" course and now attends phone calls from foreign customers with credit and computer software problems.

Tony left her previous jobs as a music teacher and personal assistant to join a call centre of ICICI Onesource Ltd in India's technology hub of Bangalore, doubling her monthly salary to 8,000 rupees (173 dollars).

A year later, she is earning 17,000 rupees and is on an upward trajectory in the firm, which has 20 global clients.

Tony shrugs off a backlash in the US and Europe such job relocations.

"I thought of it. Why here? I think firstly it is because of our efficiency and secondly we are serious about our jobs. It is not a touch-and-go kind of thing," she said.

Bangladesh crawls in the ICT race

Sixth in Digital Access Index in South Asia

ABU SAEED KHAN

Bangladesh struggles with sixth position among the seven Saarc countries in the first global Digital Access Index (DAI), according to a report published by the International Telecommunication Union (ITU) in Geneva on last Wednesday.

Maldives outranks its South Asian neighbours with a score of 0.43 followed by Sri Lanka (0.38), India (0.32), Pakistan (0.24), Nepal (0.19), Bangladesh (0.18) and Bhutan (0.13). The index, rated as first truly global ICT ranking, covered the world's 178 countries. Bangladesh ranked 136th in the global DAI.

The DAI distinguishes itself from other indices by including a number of new variables like education and affordability. It measures the overall ability of individuals in a country to use and have access to information and communication technology (ICT).

"Until now, limited infrastructure has often been regarded as the main barrier to bridging the Digital Divide," said Michael Minges of the ITU. "Our research, however, suggests affordability and education are equally important factors."

To measure the overall ability of individuals to use and have access to ICTs, the ITU study has gone beyond the organisation's traditional focus on telecommunication infrastructure, such as mobile phones and fixed telephone lines.

The DAI combines eight variables, covering five areas, to provide an overall country score. The areas are availability of infrastructure, affordability of access, educational level, quality of ICT services and internet use.

The four Asian Tigers, South Korea, Taiwan, Singapore and Hong Kong, have made the greatest progress in ICTs over the last four years.

The ITU has classified the countries into four digital access categories: high, upper, medium and low. Those in the upper category include mainly nations from Central and Eastern Europe, the Caribbean, Gulf States and emerging Latin American nations.

ITU's Digital Access Index is expected to be a useful tool for tracking the future advancement of emerging economies as many of them used ICT as a development enabler and government policies have helped them reach an impressive level.

The ITU's efforts to identify indicators for measuring ICT access reflects a growing trend by the international community towards the use of transparent and concrete measurements for monitoring country performances.

The DAI forms part of the ITU's upcoming 2003 edition of the World Telecommunication Development Report (WTDR). It will be published coinciding with the very high profile World Summit on the Information Society (WSIS) to be held in Geneva during December 10-12.

The United Nations has adopted a set of development targets, the Millennium Development Goals (MDG) and associated indicators to monitor progress towards the reduction of poverty, hunger and other areas.

Access to ICT is included in the MDGs and laid out in Target 18 as, "In co-operation with the private sector make available the benefits of new technologies, specifically information and communication." The DAI provides a concrete tool to help measure this key target.

Russian govt claws back control of vital oil sector

AFP, *Moscow*

A month since the arrest of Russia's richest man, oil tycoon Mikhail Khodorkovsky, the government is slowly reasserting control over the strategic energy sector, although stopping short of renationalisation.

Khodorkovsky, who has been behind bars since October 25 on charges of massive fraud, tax evasion and embezzlement, transformed his Yukos oil giant into the darling of foreign investors by introducing Western management and paying out huge dividends.

But quite apart from infuriating President Vladimir Putin with his political ambitions, the billionaire magnate made enemies in the government by aggressively minimising taxes and maximising short-term profits through exploiting only known oilfields.

"It's clear from the past several days that we are heading toward tighter government control and higher taxation of the oil sector," said Steven Dashevsky of the Aton Capital brokerage after a flurry of activity by Russian officials last week.

The first warning shot came as Defence Minister Sergei Ivanov, a close ally of president Putin who also belongs to the hawkish "siloviki" faction from the ranks of the secret service, called for greater state control over oil resources.

In a newspaper interview last Monday, he accused the country's oil majors of failing to invest sufficiently in exploring for new reserves, arguing that "the level of production and exploration operations" should be controlled by the state.

"All the oil currently being produced is the result of work carried out during the Soviet era," Ivanov noted.

A day later, media reported that the government had asked the parliament to revoke regional tax exemptions used by Yukos and Sibneft -- with whom it is merging to create the world's fourth-biggest oil and gas firm.

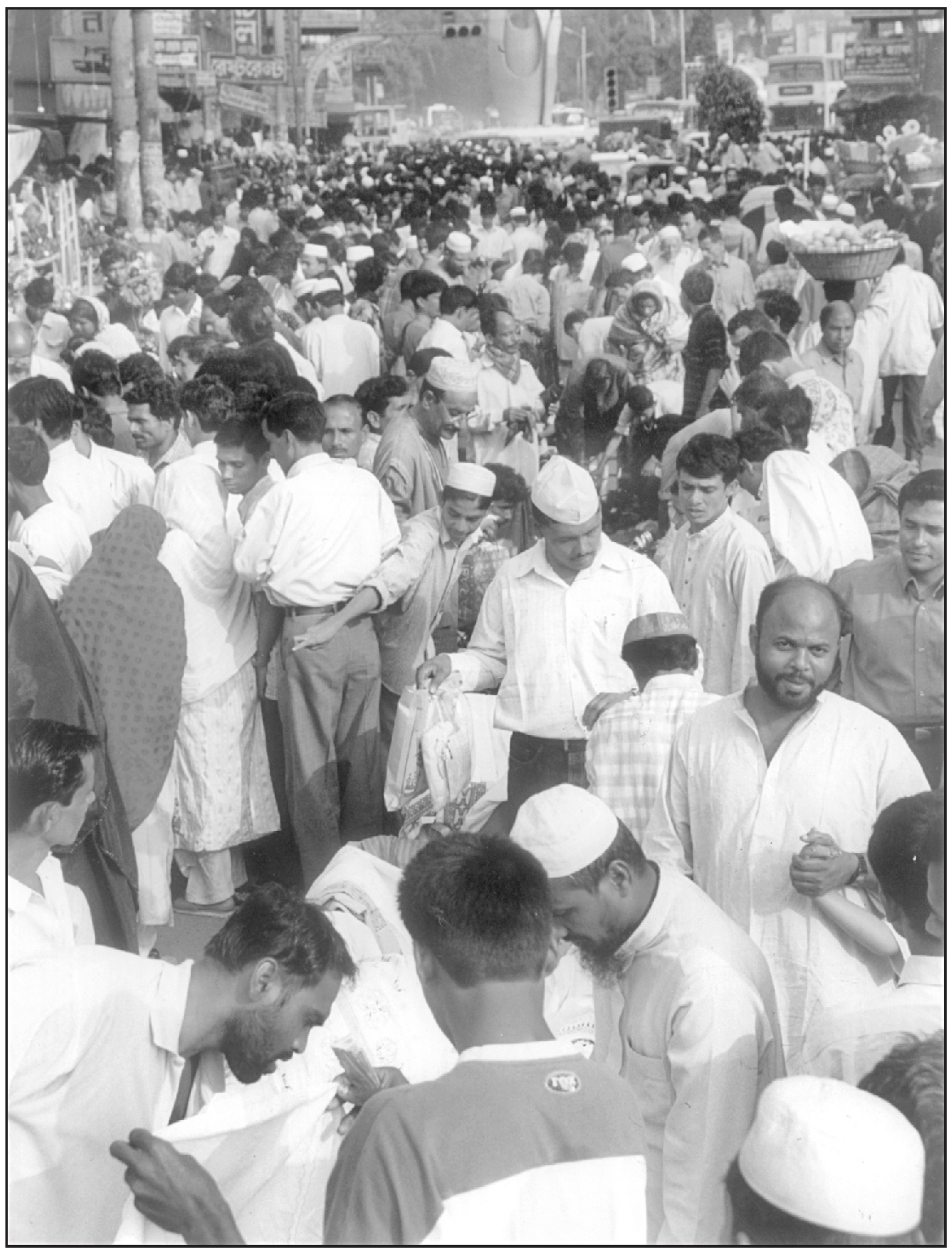

PHOTO: STAR

Hawkers occupy a stretch of road from Golap Shah Mazar to Outer Stadium in Dhaka. Street vendors are doing brisk business ahead of Eid as limited income people tend to buy products from roadside shops.

Shopping spree grips Pakistan ahead of Eid

AFP, *Islamabad*

Women throng bangle stalls and children crowd shoe stores as Pakistanis prepare for the biggest Muslim festival Eid al- Fitr this week, marking the end of the fasting month of Ramadan.

Major shopping centres in every city and town are festooned with bunting and banners announcing special Eid discounts while most outlets illuminated with colourful lights, remain open past midnight to facilitate the consumers.

Shops selling ready-to-wear clothes are attracting big crowds as traditionally people like to wear new outfits on the Eid day, expected to be celebrated on Wednesday depending on the sighting of the new moon.

Heavy traffic has already started choking roads as preparations for the festival began at the start of the last week of Ramadan.

Almost all government and private organizations have paid salaries to their staff a week ahead of schedule to help them with their shopping.

In Islamabad, the capital of the world's second largest Islamic state, makeshift stalls have sprouted at big shopping complexes selling toys, colourful bangles and matching jewellery.

BIMST-EC free trade pact likely in 2006

Myanmar PM's advisor says

AFP, *Yangon*

A free-trade agreement involving the five BIMST-EC member nations -- Bangladesh, India, Myanmar, Sri Lanka and Thailand -- is expected to be launched in 2006, the Myanmar Times said in a report.

The semi-official weekly cited Khin Ohn Thant, an advisor to Prime Minister General Khin Nyunt's office, as saying that a draft framework for the deal was nearly completed.

His comments came after economists from the five countries met in Yangon last week for their third meeting to discuss the agreement which is expected to be finalised at talks in New Delhi on December 15 to 17.

"Khin Ohn Thant said the draft will be tabled for approval at a BIMST-EC summit due to be held on the Thai resort island of Phuket next February," the report said.

"She said approval for the draft would be followed by negotiations for implementing the scheme, which were expected to take up to 18 months."

The negotiations will focus on tariffs, which are required under the FTA proposal to initially be lowered to between zero and five percent, Khin Ohn Thant told the newspaper.

"Myanmar, Bangladesh and Sri Lanka will be given preferential treatment by the grouping's more developed members, India and Thailand," she said.

The three countries will have 15 years from the implementation of the FTA to reduce tariffs to zero percent while India and Thailand will have 10 years to cut tariffs to zero percent.

Sri Lanka proposed the free trade pact between the five nations a year ago at the group's first ministerial meeting in Colombo.

BIMST-EC (Bangladesh, India, Myanmar, Sri Lanka and Thailand -- Economic Cooperation) was initiated five years ago by Thailand as part of its "look West" policy to have closer economic cooperation with South Asian nations.

Its member countries have a total population of more than one billion.

US-China textile row

Other American sectors may seek restrictions

AFP, *Washington*

The US decision to snag China with textile import quotas could ignite a brushfire of similar claims from other sectors of American industry and temper the new warmth in Sino-US relations, experts warn.

The move, announced last week, came with the Bush administration under severe pressure in key electoral states, and as US critics claim China is artificially manipulating its currency to make its exports more tempting.

Washington filed petitions under a provision of China's accession agreement to the World Trade Organization that allows the United States and other WTO members to impose temporary quotas on textile imports from China if they are found to cause market disruption.

US officials say they will enter a dialogue with China to cap imports of Chinese dressing gowns, knit fabrics and bras. Beijing has already warned the decision will harm Sino-US trade ties.

For US ambassador to Beijing Clark Randt, it was a case of dressing downs over dressing gowns, as he was called in for two reprimands last week by the Chinese government in as many days.

In an unlikely alliance, free trade advocates in Washington seemed as dismayed as the communist leaders in Beijing.

Even notoriously taciturn Federal Reserve Chairman Alan Greenspan delivered a veiled warning over the evils of "creeping protectionism."

While the proposed quotas would impact a comparatively small sector of the market, free traders warn that other US industries which see China as a "bogeyman" may be lining up new complaints.

"This is only the beginning," warned Cass Johnson, interim president of the American Textile Manufacturers Institute.

The threat of textile quotas sent "a strong signal to Chinese officials that they should take immediate steps to cease their attempts to dominate international trade in textiles and apparel, including an immediate end to China's blatant manipulation of its currency," he said.

But other Washington observers are worried the textiles spat could get out of control.

"The great concern is that a torrent of similar complaints will rain down on US government agencies from a wide range of American business sectors," said Robert Kapp, president of the US-China Business Council.

"If that deluge of complains were to become a deluge of trade restricting measures by the US government, there is no question that the implications for US-China trade overall and even for US-China relations overall, could be very serious."

The irony is that when President George W. Bush came to office, US-China trade relations were progressing smoothly, propelled by a strong bi-partisan consensus on Beijing's admission into the World Trade Organisation erected during the Clinton era.

But political and security ties between Washington and Beijing were seriously frayed, as a spyplane crisis in early 2001 showed all too well.

Now, the situation is reversed, Washington and Beijing are closer geopolitically, by Secretary of State Colin Powell's own admission, than at any time in three decades.

Beijing's support in the US anti-terror war and the North Korea nuclear crisis have won high marks here.

But the previously positive trade relationship appears headed for sticky times.

Some of the Bush administration's critics see a troubling trend in the latest move against China.

Harsh limelight shines on EU's stability pact

AFP, *Brussels*

EU finance ministers will convene this week for another bout of monthly drama with Germany joining France centre-stage for flouting the euro zone's budget rules.

In one of the longest-running shows in Brussels, France has been playing the bad guy by continually ignoring calls to get its public deficit below 3.0 percent of gross domestic product (GDP).

Now Germany, which ironically wrote the script when it drafted the European Union's Stability and Growth Pact in 1997, is also accused of fluffing its lines.

Both France and Germany are on course to breach the stability pact's 3.0 percent rule for three years running next year.

The finance ministers will on Monday and Tuesday debate recommendations by the European Commission -- the EU's executive arm -- for the heavyweight pair to redress their deficits or face big fines.

But German Finance Minister Hans Eichel, echoing many in the EU, has said forcing the 12-nation euro zone's biggest economy to tighten its belt will bring nothing but harm.