

MCCI seeks special market access to India

Confederation of Indian Industry team meets MCCI

STAR BUSINESS REPORT

Metropolitan Chamber of Commerce and Industry (MCCI), the country's leading chamber, yesterday urged the Indian government to give Bangladeshi products special access to India on a preferential basis.

MCCI President Latifur Rahman made the appeal as he was speaking to the small and medium enterprise business delegation of the Confederation of Indian Industry (CII) in Dhaka.

An 11-member Indian business delegation is now visiting Bangladesh to examine investment opportunities and enhance trade and commerce between the two countries.

Exports from India to Bangladesh amounted to US\$1946.33 million in 2004-05 fiscal year while the total export from Bangladesh to India reached only \$144.19 million in the same period, Rahman said calling for more exports to India from Bangladesh.

He also observed exports to India from Bangladesh should have reached \$500 million to \$600 million considering the amount of import from India to Bangladesh.

Rahman said business circles including the MCCI feel that Bangladesh's efforts to enter Indian market have been thwarted by various non-tariff and para-tariff barriers.

He underscored the need for removal of all non-tariff barriers for fruitful operation of the South Asian Free Trade Area (Safta).

Quoting the 15th survey of Comparative Investment-related



Metropolitan Chamber of Commerce and Industry (MCCI) President Latifur Rahman addresses a business delegation of the Confederation of Indian Industry (CII) in Dhaka yesterday. CII delegation leader Ravi Todi is also seen.

Costs in 21 countries in Asia, Rahman said Bangladesh is showing declining cost of production.

According to the survey the infrastructure charges, office rent and the costs of utility and fuel are cheaper and taking into account the overall investment cost, Bangladesh fares well, he said.

The MCCI president also urged the Indian businessmen to invest in Bangladesh's SME sector, saying

the government gives special policy support to investments in the sector.

The Indian delegation expressed interest to invest in agro-processing, pharmaceutical, ceramic and packaging industries.

The team underscored the need for making the investment process in Bangladesh easy and transparent.

The Indians also called for Bangladesh-India bilateral free trade agreement as they consider the FTA an important tool for enhancing trade and investment between the two countries.

Indian delegation leader Ravi Todi, MCCI's Vice President AKM Rafiqul Islam, SME Committee members M Shamsul Alam, A Matin Chowdhury and Rokeya Quader also spoke.

India ratifies deal to fight piracy at sea in Asia

OUR CORRESPONDENT, New Delhi

India on Friday gave its nod for ratification of the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia.

The agreement, first of its kind to fight piracy and armed robbery at sea in Asia, has already been signed by 16 countries including Bangladesh, China, Japan, Thailand, Singapore, Sri Lanka and Malaysia. Of these, Japan, Laos and Singapore have ratified the accord.

The signatories to the agreement would extend mutual legal assistance and extradition in respect of the offences covered under it. Defence Minister Pranab Mukherjee said.

"It will help in making the sea lanes in the region secure by strengthening cooperation among the countries in prevention and suppression of armed robbery, identification and prosecution of the persons involved in such acts," he said.

Under the agreement, an information-sharing centre would be set up in Singapore concerning piracy and armed robbery.

India's approval for ratification of the agreement came at a meeting of the cabinet presided over by Prime Minister Manmohan Singh.

Wal-Mart keeps January sales forecast

REUTERS, Chicago

Wal-Mart Stores Inc on Saturday maintained the January sales forecast it gave just two days earlier, and said demand for groceries outstripped general merchandise sales.

On a recorded phone message detailing sales through Friday, which marked the first week of the January sales period, Wal-Mart said it still expects 3 percent to 5 percent monthly sales growth at its U.S. stores open at least a year.

DITF 2005

Sales pick up as Eid nears

STAR BUSINESS REPORT

Sales at the Dhaka International Trade Fair (DITF) have picked up as Eid-ul-Azha is knocking at the door.

Scheduled to end tomorrow, the month-long fair has been drawing a huge number of visitors for the last few days.

Sale of refrigerators has gone up ahead of Eid, said M Rafuqul Azad, an executive of Walton stall.

Visitors are mainly showing

interest in household products such as microwave oven, blender and cooking utensils. They are also flocking to stalls selling spices and garments.

"I have come to the fair to do my Eid shopping," said Saleha Begum from Mohammadpur.

The participants also expressed satisfaction over sales. "Although people were visiting the fair from the day one, sales were not noticeable," said a salesperson of Johny Textile. "Now visitors are not only

showing interest but also buying goods," he added.

Shopkeepers said people who will leave the capital to celebrate Eid at their home districts will complete their shopping today.

However, the participants are not happy with the overall sales at the fair.

"We spent more than Tk 20 lakh on a stall at the fair, but our profit is not satisfactory," an official of Walton said.

Bush urges Congress to okay tax cuts

AP, Washington

Boasting that the economy is strong and growing, President George W Bush urged Congress on Saturday to save tax cuts from expiring and adopt the first spending restraints in nearly a decade on such benefit programs as Medicaid, Medicare and student loans.

In his weekly radio address, Bush said the federal budget faces the challenge of long-term deficits driven by mandatory spending on those entitlement programs.

"We do not need to cut entitlements, but we do need to slow their growth," he said.

Before leaving for the holidays, the Republican-controlled Senate passed legislation to cut federal deficits by \$39.7 billion (euro32.83 billion). The measure passed by the narrowest of margins, 51-50, with Vice President Dick Cheney casting the deciding vote.

The legislation, the product of a year's labors by the White House and congressional Republicans, imposes the first restraints in nearly a decade in benefit programs.

"Congress needs to finish its work on this important bill," Bush said. "By passing the first reduction in the growth of entitlement spending in nearly a decade, Congress will send a clear signal that the people's representatives can be good stewards of the people's money."

The bill would take on, for the first time since 1997, the spiraling growth of federal benefit programs such as Medicaid health spending on the poor, Medicare for the elderly and student loan subsidies.

It is part of a campaign by Republican leaders to burnish their party's budget-cutting credentials as they try to reduce a deficit swelled by spending on the Iraq war and Hurricane Katrina.

Google to launch online video store

REUTERS, Las Vegas

Google Inc said on Friday the company is expanding into two new fields with an online video store and a computer maintenance service, moves that mark stepped-up challenges to its biggest computer and media rivals, including Apple, Microsoft and Yahoo.

Google Co-founder and President Larry Page said the video marketplace would offer free programming, low-cost rentals and outright purchases of premium entertainment and sports shows ranging from episodes of Star Trek to every National Basketball Association league game online, for the first time ever.

Page also introduced at the Consumer Electronics Show in Las Vegas a plan to offer any user of Microsoft Corp's Windows XP-powered PCs basic software, security and Web features on both new and existing machines.

Indian cabinet okays oil reserve strategy

PALLAB BHATTACHARYA, New Delhi

As part of its drive for energy security, the Indian cabinet on Friday approved the setting up of a strategic five million ton crude oil reserve at a cost of Rs 11,267 crore to insulate the fast-growing economy from oil shocks.

"The project will enhance energy security of the country, particularly during short term oil disruptions," Defence Minister Pranab Mukherjee told reporters after the meeting.

The strategic reserve would be set up over nine years and the cost would be funded by the Oil Industry Development Board. The operating cost of the reserve would be about Rs 90 crore a year.

The idea of strategic crude oil reserve has been under consideration of the government for quite some time in view of the sharp rise in crude oil prices in international

markets.

One main reason behind the concept has been the possibility of disruption in oil supply due to war or natural disaster.

Besides, India's dependence on imported crude has gone up substantially over the years. The country now imports 73 percent of its crude oil requirement and oil imports alone are estimated to have cost about Rs 83,000 crore in 2004-05. The dependence is expected to rise to 85 percent in the next two decades.

Many countries, including the United States, have such strategic reserves and release oil from there occasionally to counter rising international oil prices. The US maintains reserves for six months.

To start with, India wants the reserve to meet the demand for 15 days in the event of any contingency. Later, the reserve capacity would be hiked to last for 45 days.

Focus on macroeconomic issues at WTO meetings

Speakers urge govt

STAR BUSINESS REPORT

Speakers at a training programme urged the government to focus on macroeconomic issues instead of microeconomic ones to reap maximum benefits from the upcoming WTO (World Trade Organisation) talks, scheduled for next April in Geneva.

They said some issues like special and differential treatment, agriculture, non-agricultural market access (NAMA), duty-free market access, and aid for trade and service should be addressed by Bangladesh at the next WTO meeting.

The negotiators' failures to focus on core issues at the recently-held WTO ministerial meeting in Hong Kong are the main reasons behind the country's poor gains from the meet, they observed.

They said as Bangladesh has failed to raise its demands properly at the WTO meeting, now it has to face carefully any discrimination shown by other nations.

The speakers were addressing a training programme titled "Appreciation Course for Journalists on Bangladesh Issues in WTO" in Dhaka on Wednesday. Unnayan Onneshan, an NGO, organised the programme where former commerce secretary Alamgir Faruk Chowdhury presented a brief outline on WTO. A total of 20 journalists participated in the training course.

The speakers also stressed the need for coherence between WTO regulations and donor agencies' conditions to get benefits from the global market.

As per the outcomes of the last WTO ministerial meet, least developed countries (LDCs) will get 97 percent duty-free access of their products to the developed nations.

Rashed Al Mahmud Titumir, trustee of Unnayan Onneshan, urged the government to appoint a spokesperson to coordinate with the journalists and civil society so as to make available the WTO-related information.

Malaysia's Tenaga to sell power to Indonesia

AFP, Kuala Lumpur

Malaysia's state-owned energy provider Tenaga Nasional will start laying submarine cables under the busy Malacca Strait before the end of the year to export power to Indonesia by 2008, a report said Saturday.

The New Straits Times newspaper, citing industry experts, said the project would cost about one billion ringgit (265 million dollars).

Tenaga chief executive Che Khalib Mohamad Noh said a feasibility study had been completed.



An official of Bank Alfalah Ltd presents a customer with a bouquet to mark the inauguration of the bank's Agrabad branch in Chittagong recently. Bank Alfalah also opened a branch at Gulshan in Dhaka recently.