

EPB inks deal with GTZ to up capacity of Trade Information Centre

BDNEWS, Dhaka

The Export Promotion Bureau (EPB) Sunday signed an agreement with German GTZ for building capacity of its Trade Information Centre.

EPB Vice-Chairman Mir Shahabuddin Mohammad and Jutta Link of GTZ Progress signed the agreement on behalf of their respective organisations.

Under the agreement, the centre will be modernised and its manpower will be trained.

"Once the centre is modernised, EPB will be able to provide information on updated trade issues and markets to its subscribers," an EPB press release said.

GTZ Progress, a state-run organisation of Germany, will assist EPB to modernise the centre under its "Enterprise Information Service" project that supports development of the private sector.

GTZ has been helping Bangladesh to develop its small and medium scale industries.

The EPB in another press release said six information technology companies of Bangladesh bagged US\$ 3.0 million worth of orders from the recently concluded international software trade fair in Hanover in Germany.

Bangladeshi IT companies got these orders from companies in Hong Kong, South Africa and Slovakia.

China to cut energy consumption by 4pc in 2006

CEIS, Beijing

China will strive to chop down its energy consumption rate by 4 percent this year, a key index to guide economic and social development, Premier Wen Jiabao announced.

It is the first time that China combines energy-efficiency with the indexes of economic growth, price, employment and balance of payments for macro-control of its economy.

"Energy-efficiency is indeed a key economic index, but few governments have made it a national policy," Jiang Xinmin, an expert with the Energy Institute under the State Development and Reform Commission.

China is determined to reduce energy consumption per unit of gross domestic product (GDP) by 20 percent in the coming five years, a new round of economic and social development beginning this year, Wen said.

Necessitated by the country's current conditions and long-term interests, these targets are designed to tackle the mounting pressure on resources and environment and provide a clear guide for policy making, he said.

"Though achieving them will be quite difficult, we have the confidence and determination to succeed," Wen said, showing that China is resolved to build a resources-saving and environment-friendly society.

China must reduce energy consumption per unit of GDP by an annual rate of at least 4.4% in a bid to fulfill the five-year target, experts said.

Official statistics show that the total volume of energy consumption in China last year was equal to 2.22 billion tons of standard coal, up 9.5% over that in 2004 and lower than the 9.9 percent economic growth rate. Energy consumption per 10,000 yuan (1,250 US dollars) of GDP was equivalent to 1.43 tons of standard coal, roughly the same level as that in 2004.

China saw its economic volume quadrupled in the last two decades of the 20th century largely due to huge investment and doubled energy consumption. However, the obvious conflict between environment protection and booming economic growth challenged China's future development.

PM's VISIT TO INDIA

Dhaka, Delhi to sign 3 deals to boost trade

OUR CORRESPONDENT, New Delhi

Economic ties between India and Bangladesh are expected to receive a boost when the two countries sign three separate accords on bilateral investment protection, avoidance of double taxation and trade during Prime Minister Khaleda Zia's state visit here next week.

The investment protection treaty assumes significance as some Indian investors are said to be keen on textile, steel and hydrocarbon sectors of Bangladesh. In fact, they have been favouring for such an

agreement, sources here said. Given the advantage Bangladesh enjoys with special quota in textile and garment exports to the US and European Union, some Indian investors are looking forward to enter into joint ventures with Bangladeshi entrepreneurs to benefit from that, they said.

The avoidance of double taxation agreement is also seen as aimed at addressing a long-standing concern of the business communities of the two countries in enhancing trade relations.

The two countries are also likely to ink the bilateral trade accord first

signed in 1980 and then renewed from time to time.

The signing of the three agreements is going to be the most substantive part of Khaleda's visit to India.

Officials and business circles in India are hoping that her visit would mark a turnaround in Indo-Bangla relations, given the fact that this is going to be the first top-level political contact between the two countries in a long time.

Khaleda arrives here on March 20 and holds talks with Indian Prime Minister Manmohan Singh the next day.



A Thai sales girl arranges flowers at a stall at the three-day 'Thailand Exhibition 2006' that began at Muradpur in Chittagong yesterday.

Ctg airport should go under private management

Foreign minister tells inauguration of Thai show in port city

OUR CORRESPONDENT, Ctg

Foreign Minister M Morshed Khan yesterday said Chittagong airport should go under private management to accelerate the overall economic growth of the country.

But, he said some politicians oppose privatisation of such establishment including New Mooring Container Terminal.

The foreign minister was addressing the inaugural ceremony of the three-day 'Thailand Exhibition 2006' that began here at a city community centre -- Woodland Park -- at Muradpur.

He also thanked Thai Airlines for signing agreement for the ground handling work of Chittagong airport.

Department of Export Promotion (DEP) of Ministry of Commerce, Royal Thai Government and Thai Trade Promotion organised the exhibition where twenty-seven Thai firms are putting their products on display at 36 stalls.

Inaugurating the show, the foreign minister said the exhibition might help local business community learn about how the agro-based economy of Thailand is gradually being transformed into an industry- and service sector-based one.

Chittagong Chamber President Saifuzzaman Chowdhury also echoed the foreign minister, saying there is no alternative to privatisation for the growth and development of a country like

Bangladesh in the tough open market economic scenario.

Thai Ambassador in Dhaka Suphat Chittrankroh, Minister Counsellor of Thai Embassy Kanyarat Vongskul and Trade Adviser to the Ministry of Commerce Jashim U Ahmed were also present at the inauguration.

Electrical equipment, construction materials, hardware, machinery, hand-made items, foods, drinks, fashion jewellery and decorating items are put on display at the show, which is open from 11am to 8pm everyday.

INCREASED TRADE WITHIN SAARC REGION

Call for trade facilitation measures

OUR CORRESPONDENT, New Delhi

South Asian leaders yesterday said there is need to improve regional infrastructure, remove non-tariff barriers and evolve a compensation mechanism for small countries to increase trade among the Saarc nations.

"There are many obstacles to increase intra-regional trade... There are asymmetries between the countries and this requires a compensation mechanism to ensure that everyone benefits from trade," Minister of State for Commerce Jairam Ramesh said at

a FICCI seminar on South Asian Free Trade Area (Safta).

He said India was committed to Safta, which came into force from January one, 2006, and would work with other countries for effective implementation of the agreement.

There were asymmetries within India as well, he said, adding while some sectors were benefiting from free trade, other sectors were facing difficulties. This required an appropriate compensation mechanism, he said.

Pakistan High Commissioner to India Aziz Ahmed Khan said his country

was committed to the South Asian Association for Regional Cooperation (Saarc) but implementation of the Safta agreement should be in a manner that benefits all countries.

Representatives from other member countries - Bangladesh, Bhutan, Nepal, the Maldives and Sri Lanka - also underlined the need for improving infrastructure, reducing transportation costs, and undertaking trade facilitation measures.



Top StanChart executive in Dhaka

Jan Verplancke, chief information officer, group head of Technology & Operations of Standard Chartered Bank, arrived in Dhaka yesterday.

He is expected to meet high government officials and executives of Standard Chartered Bank Bangladesh, says a press release.

Verplancke, who joined Standard Chartered in March 2004, is responsible for all systems development, technology support and banking operations.

Malaysia to raise airport tax

XINHUA, Kuala Lumpur

Malaysia will raise airport tax for both international and domestic flights soon, local media reported on Monday.

The Malaysian government is expected to give the go-ahead to airport operator Malaysia Airports Holdings Berhad (MAHB) to raise the tax as early as Wednesday, said the New Straits Times (NST) quoted an unnamed source as saying.

For international flights, a traveller is expected to pay between 60 ringgit (15.95 US dollars) and 65 ringgit (17.28 US dollars), while on domestic flights, the tax will be between 10 ringgit (2.66 US dollars) and 12 ringgit (3.19 US dollars), said the report. The present rate is 45 ringgit (11.96 US dollars) for international flights and 6 ringgit (1.59 US dollars) for domestic departures.

The source added many other airports in neighbouring countries have been raising their tax rates since 2001 but Malaysia has maintained the rate despite rising costs up to now.

Oil prices retreat in Asian trading

AFP, Singapore

Oil prices continued to ease in Asian trade Monday, hovering below the key 60 dollar mark as the market on strong US inventories instead of global supply concerns in Nigeria and Iran, dealers said.

At 11:01 am (0301 GMT), New York's main contract, light sweet crude for delivery in April, was down eight cents to 59.88 dollars a barrel from its close of 59.96 dollars in the United States on Friday.

"It's breaking it again," Tony Nunan, an energy risk manager for Mitsubishi Corp, said of the 60-dollar support point. "It is a pretty bearish (negative) market with the huge builds in crude in the US."

Crude prices fell last week after the US Department of Energy (DoE) said in its weekly inventories report that US reserves were about 10 percent higher than at the same stage a year ago.

Julian Lee, analyst at the Centre for Global Energy Studies, said oil market fundamentals -- specifically rising stocks and slowing seasonal demand -- pointed to "a gentle easing" of prices below 60 dollars.

A decision by the Organization of Petroleum Exporting Countries (OPEC) to keep pumping oil at a near 25-year high further depressed prices on Wednesday after the cartel decided to keep output at 28 million barrels per day (bpd).

EXPORT POLICY FOR 2006-09

RMG makers seek central waste management plant

MD. HASAN

The country's apparel exporters yesterday urged the government to set up a central waste management plant to help them address compliance issues in production.

They said at present compliance is a vital issue for the apparel sector. So, it is very important to set up a central waste management plant, they added.

The exporters said it is not possible to set up a modern waste management plant in every factory because of its high costs.

The country's leading exporters yesterday placed the recommendation before Export Promotion Bureau (EPB) at a meeting, which was organised as a part of exchange of views ahead of fresh

export policy for 2006-09. EPB Vice-Chairman Mir Shahabuddin Mohammad presided over the meeting. A total of 52 organisations placed their 357 recommendations for the export policy.

The existing export policy for 2003-06 will expire in June this year. With the new policy taking effect in July 2006, the government is collecting recommendations from stakeholders.

Representatives from garments sector, chambers, National Board of Revenue, banks, Bangladesh Export Processing Zones Authority, commerce ministry, and port authority were present at the meeting.

"If the government centrally establishes a waste management plant, all apparel factories will be benefited," a leading apparel

exporter said.

Besides, the meeting also called for quick customs procedure, development of port facilities, and more cargo space in Biman Bangladesh Airlines flights.

Bangladesh Garments Manufacturers and Exporters Association (BGMEA) sought tax holiday for the garment industry. They also urged the government to withdraw all types of VAT (value added tax) applicable for the industry.

"As garment is the major export item of the country, the government should provide the sector with tax holiday facility," said Anwar-Ul-Alam Chowdhury Parvez, director of BGMEA.

EC-Bangla Joint Commission meet begins today

STAR BUSINESS REPORT

The third meeting of the EC-Bangladesh Joint Commission begins in Dhaka today with the focus on trade and good governance issues.

Herve Jouanjean, deputy director general for Asia and Latin America, DG External Relations of the European Commission, is leading a high-level delegation to Bangladesh from the EC headquarters in Brussels.

Jouanjean and Ismail Zabihullah, secretary of the Economic Relations Division of the Ministry of Finance, will co-chair the two-day joint commission meeting.

The agenda of the joint commission meeting includes multilateral, regional and bilateral trade issues, good governance, review of ongoing EC-Bangladesh trade-related technical assistance and trade capacity development, human rights, ongoing project review, and future strategy for implementation of PRSP.

The EC delegation met Finance

and Planning Minister M Saifur Rahman at his office yesterday.

European Commission is now preparing the country strategy paper (CSP) for the 2007-2013 term. Assistance by each EC country and other trade issues for Bangladesh will be covered in the CSP.

The joint commission was formed in 2000 and its first meeting was held in 2001.

Around 53 percent of Bangladesh's total export goes to the European Union countries alone and countries within EU extend assistance ranging between 75 million to 100 million euros on an average.

Philippe Meyer, head of Unit for the Mediterranean, South-East Asia and South Asia in DG Trade, Helen Campbell, head of Unit for Bangladesh, Pakistan, Afghanistan, Sri Lanka and the Maldives, Beatriz Martins, desk officer for Bangladesh in DG External Relations, and Samuel Cantell, desk officer for Bangladesh in Europe AID, will accompany Jouanjean.

WB executive director meets Saifur

Meanwhile, visiting World Bank Executive Director Dhanendra Kumar expects possible political wrangling before the next general elections will not affect the ongoing economic activities and development process of Bangladesh.

"These should be continued irrespective of political problems," he told reporters following a meeting with Finance and Planning Minister M Saifur Rahman at his office yesterday.

"I'm extremely impressed by the strides Bangladesh has made in terms of human development and macroeconomic stability," said the World Bank executive following his spot evaluation.

He added increase in life-expectancy rate, primary school enrollment, safe drinking water coverage as well as a decline in the dropout rate from school were extremely encouraging by any standard.