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Iran urges India, Pakistan to go for gas pipeline

REUTERS, *Islamabad*

A top Iranian oil official on Friday urged Pakistan and India to press ahead with a $7 billion gas pipeline project or face the prospect of buying one million barrels a day of imported oil.

Going by current crude prices of just under $71 a barrel, the two neighbours would have to fork out an extra $25.5 billion a year on oil imports, though the United States is hurriedly promoting other alternatives for energy-deficient South Asia.

"We think that is a very important project and if India and Pakistan don't implement this project, they will need to buy an extra one million barrels of crude oil daily," Deputy Oil Minister Mohammad Hadi Nejad-Hosseinian told reporters on his arrival in Islamabad for talks with Pakistan.

"This is a lot of crude oil especially (at) this time. Prices of crude oil (are) so high and, in future, nobody can stop rising prices."

The United States is trying to discourage both Pakistan and India from doing business with Iran while it remains under suspicion of trying to develop nuclear weapons.

Instead, Washington wants them to put faith in another proposed gas pipeline, running from Turkmenistan, through Afghanistan.

US Assistant Secretary of State Richard Boucher has also presented an ambitious plan to Congress for a power grid that will link energy-rich countries in Central Asia with India and Pakistan.

The United States, to Pakistan's chagrin, has also offered to provide technical know-how for India's civil nuclear programme as part of a strategy to forge strong linkages with the fast-rising Indian economy.

India, which like Pakistan has had a history of friendly relations with Iran, is clearly keeping its options open on the pipeline issue.

TAX EXEMPTIONS

Govt loses Tk 700cr revenue a year

IMF starts reviewing PRGF conditions today

REJAUL KARIM BYRON

The government incurs a revenue loss of around Tk 700 crore annually in the form of tax exemptions.

The information was revealed at a government-prepared report that was conditioned by the International Monetary Fund (IMF) for releasing its Poverty Reduction Growth Facility (PRGF) loan's sixth installment.

Meanwhile, a seven-member IMF team led by Thomas R Rumbaugh, adviser to the Asia and Pacific department of the IMF, is scheduled to start from today separate meetings with National Board of Revenue (NBR), Bangladesh Bank (BB) and finance ministry. The meetings, which will discuss the PRGF conditions, the country's macroeconomic situation and others, will run until May 10.

Sources said the government report pointed out that it loses about Tk 200 crore for giving tax holiday, while other exemptions cost revenue to the tune of Tk 500 crore.

The IMF has been putting pressure on the government to discontinue such facilities and that's why it demanded a comprehensive report by the government on tax exemptions and incentives.

However, the NBR said although the government loses in terms of revenue due to tax exemptions, the country's agriculture and export sectors are being greatly benefitted by these tax holidays. So the NBR favours continuing such incentives.

The other NBR-related conditions set by the IMF for releasing its PRGF loan have not been fulfilled yet, sources said. For instance, the NBR was supposed to collect Tk 24,400 crore in revenue during July-March period in the current fiscal year as an IMF condition, but the NBR could collect Tk 23,047 crore.

Another condition for the NBR was to introduce uniform tax identification number for Large Taxpayer Unit by April 30, which the NBR could not meet and sources in the NBR fear that it might not happen in the current fiscal year.

Dearth of investment scope discouraging remittance

Observes confce on Bangladesh in Hague

ANSAR AHMED ULLAH, *London*

Bangladeshi expatriates in Europe have said high cost of sending money and dearth of investment opportunities at home are discouraging them to remit more.

They also said as remittance contributes greatly to the socio-economic development of the country, the expatriates should be encouraged to send money to Bangladesh.

They were speaking at a conference titled 'Remittances and Expatriates: Development of Bangladesh' in The Hague, Netherlands recently. The Netherlands-based migrants' organisation BASUG (Bangladesh Support Group) organised the conference.

The aim of the conference was to make Bangladeshis living in Europe to be aware of the better and effective investment of their hard earned money in Bangladesh and to draw attention of Bangladeshi authorities to attract European Bangladeshi investment in their country of origin.

Ambassador of Bangladesh to the Netherlands Ismat Jahan, who inaugurated the conference, said Bangladesh has taken a number of steps, including setting up of a separate ministry, to encourage remittance through proper channels.

Representatives of donor agencies in the Netherlands, professionals, and academics also attended the conference supported by Oxfam-Novib, ICCO and Seva Network Foundation.

Radj Bhondoe, director of Seva Network Foundation, Leila Rispens-Noel, programme officer of Oxfam-Novib, Ahmed Ziauddin, convener of Asian Network for International Criminal Court and Bikash Chowdhury Barua, BASUG president, also spoke.

Remittances are now being considered as one of the key contributors to poverty reduction in developing countries like Bangladesh.

The conference also discussed topics and issues of remittances, means of transfer, utilisation of remitted amount in investment, economic activities, migration policy, rights of the migrants and the UN convention on the protection of rights of all migrant workers and members of their families.

New head of Corporate Communications of Siemens

Salahuddin Taimur has taken over as the head of Corporate Communications & Marketing of Siemens Bangladesh Ltd, says a press release.

Taimur joined Siemens Bangladesh in 2003 as product manager and took over as marketing manager before he was assigned to this new position.

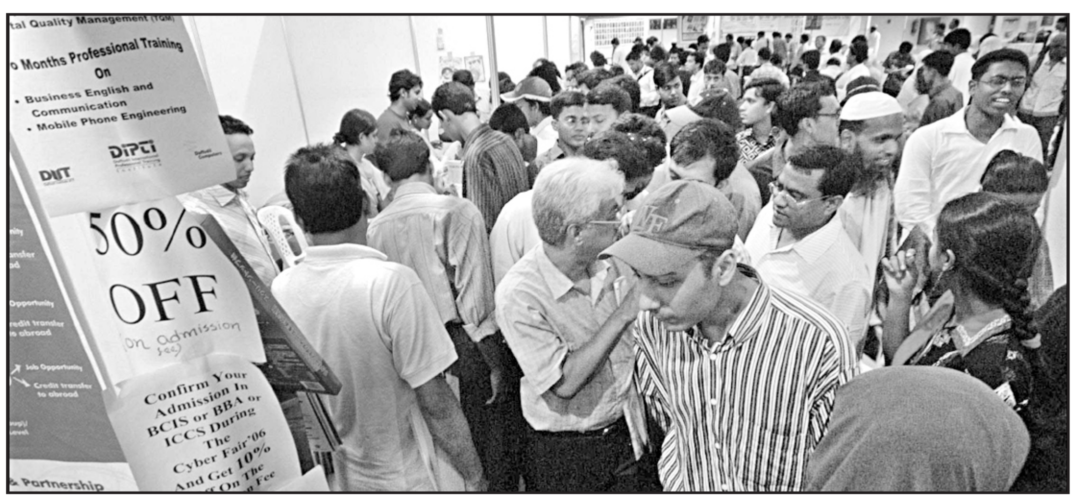

PHOTO: STAR

Visitors flock to the venue of 'Cyber Fair 06' at Bhasani Novo Theatre in Dhaka yesterday. The show comes to a close today.

China, Russia top blacklist in annual US trade review

AFP, *Washington*

The US government Friday turned up the heat on China for industrial-scale piracy of American goods in an annual trade review that also lambasted rampant counterfeiting in Russia.

The "Special 301" report released by US Trade Representative (USTR) Rob Portman said that in total, 13 countries feature on the list of those most guilty of ripping off US intellectual property rights (IPR).

In addition to China and Russia, the 11 other countries on this year's list are Argentina, Belize, Brazil, Egypt, India, Indonesia, Israel, Lebanon, Turkey, Ukraine and Venezuela.

"This report acknowledges the positive steps that several of our trading partners have taken to strengthen IPR protection over the past year," Portman said.

"However, more needs to be done. Our review reveals a continuing need for improvements, particularly with the implementation of effective protection and enforcement against piracy and counterfeiting," he said.

Not for the first time, the USTR report placed a special emphasis on copyright thefts taking place in China.

It said the United States recognized efforts by Beijing to curb the problem but said IPR enforcement in China continues to lag "far behind" promises made by the communist government.

Chevron's Q1 profit up 49pc

AFP, *New York*

Chevron said Friday its first-quarter profit surged 49 percent from a year ago to four billion dollars, the latest of the big oil companies to show strong gains from surging energy prices.

The number-two US oil firm said the profit amounted to 1.80 dollars a share, beating the Wall Street estimate of 1.78 dollars.

Revenues leapt 32 percent from a year ago to 54.6 billion dollars, the company said, "mainly as a result of higher prices for crude oil, natural gas and refined products and the inclusion of revenues related to the former Unocal operations acquired in August 2005."

This week the top-three US oil producers, ExxonMobil, Chevron and ConocoPhillips, reported more than 15 billion dollars of profit in the first quarter of 2006, adding fuel to a debate over skyrocketing energy costs.

Some lawmakers have been pushing for a windfall profits tax, and on Thursday a group of Democratic senators urged an end to certain tax breaks for oil companies estimated at 5.4 billion dollars over 10 years.

Bangladesh, Switzerland eye deal on avoidance of double taxation

DIPLOMATIC CORRESPONDENT

Bangladesh and Switzerland say they intend to sign a bilateral agreement on avoidance of double taxation, according to an announcement came after a high-level meeting in Bern on Friday.

Bangladesh Foreign Minister M Morshed Khan and Swiss Vice President and Foreign Minister Micheline Calmy-Rey led their sides in the talk, the first of its kind in six years.

Official sources said both the countries also agreed to further strengthen bilateral relations through cooperation in trade and investment, water and disaster management and environment protection in particular.

Morshed Khan, who paid a 3-day official visit to Switzerland that ended yesterday, also had talks with high Swiss officials followed by a call on Swiss President Moritz Leuenberger on Friday, according to a message received here yesterday.

A Swiss government statement said the meeting was a sign of "expanding relations" between the two countries.

Swiss exports to Bangladesh were up to SFr92 million ($74 million) last year and goods going in the other directions were worth SFr82 million. Direct Swiss investment amounts to SFr160 million.

Growing trade has made the issue of double taxation more urgent. Calmy-Rey and Morshed Khan agreed during their working lunch to "work rapidly towards concluding a bilateral agreement on double taxation".

At the multilateral level, the Swiss agency said the two ministers discussed United Nations reforms and the creation of the new Human Rights Council, which will be based in Geneva. They shared a common view that the world needs a strong and effective UN to face today's security and development challenges.

2006 marks the 30th anniversary of Swiss government support for development aid projects.

"Switzerland considers Bangladesh as a priority country," Calmy-Rey said, according to a foreign ministry press release quoting Swiss foreign minister. She agreed with the Bangladesh minister that the country no longer needed economic aid but increased flow of investment and more trade.

PHOTO: STAR

Hua Du, country director of Asian Development Bank (ADB), speaks at a roundtable styled 'Power Sector Reforms: Power Sector of the Future' in Dhaka yesterday as Mir Nasir Hossain, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), looks on.

Dhaka Motor Show ends on high note

STAR BUSINESS REPORT

The three-day 'Dhaka Motor Show' in Dhaka ended yesterday amid huge response from visitors.

Participants and visitors expressed satisfaction about the fair. "So far I have received bookings for 19 cars and sold eight units," an official of Proton stall said.

Visitors said they got the chance to have a glimpse of all renowned brands at a single place.

"Three-day duration is a short time to decide to spend a huge amount of money on an expensive item like car," said Obaidul Karim, a businessman, at the fair. "However, the show is a good opportunity for buyers," he added.

Besides vehicle dealers, CNG conversion centres as well as banks offered special packages.

Standard Chartered Bank halved its processing fee for car loans and offered 15 percent interest rate on car loan of up to Tk 20 lakh.

Rahimafrooz CNG Limited gave 7 percent discount on CNG (compressed natural gas) spare parts while Navana CNG Limited offered 15 percent discount for CNG conversion at its Uttara workshop.

The fair at Bangladesh-China Friendship Conference Centre was attended by a total of 60 organisations including leading vehicle distributors and dealers along with banks, automotive component manufacturers and importers from home and abroad at about 250 stalls.

Renowned brand car, bus, truck, motorcycle, auto parts, garage equipment, CNG (compressed natural gas) conversation tools, and lubricants were also on display at the show.

Among others, local distributors of Mercedes-Benz, BMW, Mitsubishi, Nissan, and Subaru cars showcased their latest cars at the fair.

Conference and Exhibition Management Services Ltd (CEMS), a local event management company, organised the fair. Standard Chartered Bank was the partner of the show while Lucas, Castrol and Dunlop were the co-sponsors.

Gulf Air, Bangladesh Motor Sports, F1 Management, SouthAsia Enterprise Development Facility (SEDF) were the associate partners while Banglalink was the telecoms partner. The Daily Star and Ntv were the media partners.