

## ADB drawing up action plan to counter corruption

PTI, Hyderabad

The ADB is formulating an action plan to prevent corruption and enhance its effectiveness in the Asia-Pacific region, its president Haruhiko Kuroda said.

"We are working closely with the other multilateral development banks to develop a common framework on anti-corruption," Kuroda told reporters after the 39th annual general meeting of the ADB came to a close in this southern Indian city on Saturday.

Pledging the bank's commitment to scale up leading in the coming years with a particular focus on infrastructure, transport and energy sectors, he said its Medium Term Strategy would lay special emphasis on improving governance and preventing corruption in the region.

"We have already made a substantial review on this crucial issue and the results have been among the stakeholders. We are currently in the process of developing an action plan," he said, adding that constant monitoring of the implementation of the ADB-assisted projects would be done.

"We have noticed that our resources and attention have been thinly spread and so the end-result have not been successful always. We have to focus much more," Kuroda said.

Noting that the four-day meeting saw the Bank's Board of Governors extending full support to the efforts in regional cooperation and integration, he said, "We will further strengthen our support in this area, recognising the different needs of the countries and the sub-regions."

## Pfizer broke law with 1996 Nigeria drug test: Report

REUTERS, Washington

Nigerian medical experts concluded Pfizer Inc violated international law during a 1996 epidemic by testing an unapproved drug on children with brain infections, the Washington Post reported in Sunday editions, citing a copy of the panel's confidential report.

The report, completed five years ago but never released, found that Pfizer was never authorized by the Nigerian government to give the unproven drug Trovan to nearly 100 children and infants at a field hospital in Kano, where they were being treated for an often deadly strain of meningitis.

Pfizer's experiment was "an illegal trial of an unregistered drug," and violated Nigerian law, the international Declaration of Helsinki that governs ethical medical research and the U.N. Convention on the Rights of the Child, the panel concluded, according to the Post.

## Asia Energy briefs DSE, CSE about its projects

Asia Energy Corporation (Bangladesh) Pty Ltd, a subsidiary of London-based Asia Energy PLC, on Wednesday briefed senior officials of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) about its plans for \$3 billion development of a coal mine and power plant at Phulbari in Dinajpur, says a press release.

Asia Energy's Chief Executive Officer Bangladesh Gary Lye made a formal presentation held at a hotel in Dhaka.

The meeting was organised by Asia Energy in association with local merchant bank Equity Partners Limited, whom it has appointed to prepare for a share issue in Bangladesh.

Asia Energy signed a Letter of Intent (LoI) with Equity Partners Limited in March for an initial public offering (IPO) later this year.

President of DSE Abdullah Bokhari, President of CSE MKM Mohiuddin, and CEO of DSE Mr Salahuddin Ahmed Khan, among others, were present.

The stock exchange leaders assured Asia Energy of their full support and cooperation in the local listing of the mining company.

# Exports grow 19pc in nine months

JASIM UDDIN KHAN

The country's overall exports grew by US\$ 1199.12 million or 18.98 percent in the first nine months of the current financial year, riding on continuous good performance by knitwear products.

During the July-March period of 2005-06 fiscal year, exports fetched \$ 7517.40 million, which was \$ 6318.28 million during the corresponding period of last fiscal, according to Export Promotion Bureau (EPB) statistics.

Knitwear products continued to maintain robust growth, posting a 30.80 percent rise. Knitwear items during the period earned \$ 2683.03 million against \$ 2051 million during the same period of the last financial year.

Export of woven garments had also been able to maintain a moderate growth during July-March period of FY06, fetching \$ 2965.04

million, up by 10.77 percent over the corresponding period of last fiscal.

According to Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), knitwear exports saw a regular rise in some major markets after quota phase-out from January last year.

Exporters hoped the trend will continue in the coming months. Besides, the BKMEA has embarked on an aggressive campaign in some major markets including the US to increase income from this sector.

Knitwear apart, export earnings from leather, raw jute, frozen food, petroleum by-products, textile fabrics, bicycle and computer services recorded growth during July-March period of the current fiscal year.

Export of jute goods, footwear, electronics, chemical products, ceramic tableware and leather bags and purses was more than that of last fiscal, but failed to achieve the target.

Earnings from agro-processing food, vegetables and melamine tableware recorded negative growth during the July-March period while earnings from home textile, tea and handicrafts declined during the same period.

Frozen food exports amounted to \$ 328.07 million during July-March period of FY06, up by 0.25 percent over the same period of FY05.

Jute goods fetched \$ 268.95 million during the same period of current fiscal, recording a 19.12 percent growth.

Earning from leather products was \$ 181.88 million during the nine-month period, marking a 14.50 percent growth over the same period of last fiscal.

Chemical products worth \$ 137.0 million were exported during this period of current fiscal year, marking a 13.20 percent rise.

## Remittance to reach \$4.5b this year

Says state minister

STAR BUSINESS REPORT

Remittances sent by Bangladeshi expatriates will reach \$4.5 billion to \$4.7 billion this year, State Minister for Expatriates' Welfare and Overseas Employment Qamrul Islam said yesterday.

The annual remittance, which was only \$2.2 billion in 2001, has gradually increased, thanks to a number of measures to develop banking system for sending money through official channels and growth in migration of skilled manpower, the state minister pointed out. The country received nearly \$4 billion in remittances last year.

He was speaking at a consultation titled 'Policy for ensuring labour migration within and beyond South Asia' jointly organised by Safe Migration Action Forum and International Organisation for Migration (IOM) in Dhaka.

The regional forum, comprised of representatives from Bangladesh, India, Nepal, Pakistan and Afghanistan, is facilitated by South Asian Regional Initiative/Gender Equality (SARI/Equality).

Tasneem Siddiqui, chair of Refugee and Migratory Movement and Research Unity (RMMRU) of Dhaka University, said foreign remittances sent by the Bangladeshis are increasing.

Delhi-based SARI/Equality's Chief of Party Helga Klein said once formulated, South Asian regional migration policy can be a strong voice in the international level that will enable the region to gain in the migration-related negotiations.

## Citigroup to buy Standard Life's 9.3pc stake in India's HDFC

Citigroup Friday confirmed it had signed a definitive agreement to purchase Standard Life (Mauritius Holdings) Ltd's 9.3 percent equity stake in HDFC Ltd, India's second largest mortgage lender.

The purchase will raise Citigroup equity interest in HDFC to 12.3 percent. In addition, HDFC has announced that Citigroup will nominate one candidate to its 13-person board, says a press release.

Sanjay Nayar, Citigroup country officer, India, said: "We are pleased to have the opportunity to make this investment in a leader in Indian financial services and build a long-term relationship with the management team that has established HDFC's record of success."

## Bush says job market best in years

REUTERS, Oklahoma

President George W. Bush on Saturday said the U.S. job market was the best in years, as he pushed an election-year effort to convince skeptical Americans that the economy is thriving.

Bush told new graduates at Oklahoma State University that the economy was "strong and growing" and added, "You will have more jobs to choose from than previous classes and your starting salaries will be higher."

The commencement speech came a day after the Labor Department reported that employers added 138,000 new jobs in April -- a number that disappointed economists who expected a gain of 200,000. Yet there were some signs of strength as wages jumped and the unemployment rate held steady at 4.7 percent.

With Bush's approval ratings slumping to the low 30 percent range, the White House has been frustrated that its efforts to trumpet what it sees as strong economic data have been largely ignored.

A Gallup poll taken April 28-30 showed that 34 percent of Americans approved of Bush's handling of the economy, while 64 percent disapproved -- roughly similar to the president's overall popularity.

Bush has speculated that the Iraq war was one factor affecting the country's mood on the economy.

"The problem is that, you know, we're in war, and sometimes it's hard for people to get a positive message about the economy when they're troubled by, you know, scenes of violence on the TV screens," Bush told CNBC commentator Larry Kudlow in an interview on Friday.

# Remittance posts 22pc rise in 10 months

STAR BUSINESS REPORT

Remittance inflow maintained its strong trend growing by around 22 percent during July-April period of the 2005-06 financial year.

Non-resident Bangladeshis (NRBs) sent US\$3,891 million in the first 10 months of the current financial year while the amount was \$3,190.71 million during the same period of last fiscal year, according to Bangladesh Bank (BB) statistics.

Remittance inflow has been showing an upward trend since December, which was on an average around \$426 million a month. Inflow amounted to \$414.1 million in April and had been the record highest in December, February and March.

"Recent devaluation of taka against US dollar has encouraged the Bangladeshi wage earners abroad to send more money home," explained a central bank official hoping that the trend would continue in the coming months.

Increased remittance inflow helped the country's foreign exchange reserve cross the three billion dollar mark -- \$3,159 million -- as of yesterday. The reserve remained below three billion dollar last month.

The BB eyes a record remittance inflow to go beyond \$4.5 billion at the end of this fiscal, which was \$3,848.29 million in the last financial year.

The central bank also continues its efforts to encourage NRBs to send their money through official channels. And remittance has become a good source of income for some of the banks having strong network abroad.

BB Governor Salehuddin Ahmed recently said lack of easy access to banks and unfavourable investment atmosphere in the country for the expatriates are some of the bottlenecks in higher inflow of remittance.

Imposition of flat rate for remitting any amount of money by banks and exchange houses is another hurdle for lower wage earners, the

governor mentioned. "It is difficult to pay £25 for sending £250."

The governor emphasised the need for improving services of the banks and exchange houses and creating an investment-friendly environment to encourage the NRBs to remit more.

Bangladeshi wage earners send over US\$ seven billion annually and a substantial portion of the total amount still comes through hundi, an illegal way of transferring money, according to bankers.

The bankers hope there is still a good chance to see further rise in remittance inflow through official channels.

The private commercial banks have become more aggressive in remittance business by providing quick and reliable services and encouraging the Bangladeshi wage earners to send money home through banking channel.

# 7 firms short-listed as potential buyers of Rupali Bank

UNB, Dhaka

Seven companies from home and abroad have been short-listed as potential buyers of the state-run Rupali Bank.

Privatisation Commission in a meeting yesterday approved the Expressions of Interest (EoIs) submitted by the seven companies for taking over Rupali Bank, meeting sources said.

The companies are Domestic Investors Consortium, Summit Industrial & Mercantile Corporation (Pvt) Limited Bangladesh, National Housing Finance and Investment Ltd and FMO Netherlands Development Finance Company, State Bank of India, Sabrie Capital Worldwide Ltd of Oman, Bank

Muscat of Oman, Prince Bandar Bin Mohammad Abdur Rahman Al Saud of Saudi Arabia, Maa International Investment Ltd of Malaysia, and JJ Finance Ltd of UK.

Chaired by Privatisation Commission Chairman Enam Ahmed Chowdhury, the meeting was attended by the board members.

Officials said the Commission has already received clearance from the Bangladesh Bank that it will have no objection if the Rupali Bank is handed over to the highest bidder from among these seven companies.

"We've advised the seven companies to submit their bids when we'll float tender within a month... the bid will be chosen through internationally recognized criteria

such as efficiency, management expertise and financial viability," an official of the Commission said.

The board meeting also decided to hand over state-owned Particle Board and Vineyard Plant in Chittagong to Mohammad Ali, managing director of the Chittagong Properties, for Tk 16.01 crore subject to approval by the Cabinet Committee on Economic Affairs.

The Commission Sunday received a formal request from the Industries Ministry to privatise Rangpur Sugar Mills at Mahimaganj in Gaibandha.

The board meeting decided to float a tender within a month in this regard.



PHOTO: GRAMEENPHONE

Jon Fredrik Baksaas, GrameenPhone's 62 percent Norwegian owner Telenor's president and CEO, along with Erik Aas, CEO of GrameenPhone Ltd, cuts a cake to inaugurate a GrameenPhone centre in Uttara, Dhaka yesterday.

## REMOVING NON-TARIFF BARRIERS

# Safta expert body meets May 16 in Kathmandu

BSS, Dhaka

Safta committee of experts (SCoE) will meet on May 16 and 17 in Kathmandu to take initiative to remove non-tariff barriers (NTBs) with a view to facilitating unhindered implementation of the free trade regime in the South Asian countries.

Official sources here Sunday said the SCoE is going to meet in line with the decisions of the Safta ministerial council meeting held in Dhaka on April 20.

The council has also formed a sub-group of the committee of experts to take up technical exercises relating to identifying the NTBs and para-tariff barriers (PTBs) for the committee of experts.

The SCoE's Kathmandu meeting will adopt the terms of reference of the work of the sub-group. The respective country chapter of the

sub-group will then prepare the list of barriers and problems and sit again to recommend measures to the committee of experts.

This SCoE is scheduled to meet again in October this year in Dhaka to take up the recommendation of the sub-group and start working on how to remove these problems. The sources said the Safta ministerial council has given the committee the responsibility to work in removing the BTBs and PTBs.

It has been asked to work in haste so that quick and effective implementation of the free trade regime in South Asia does not suffer delay. As per the roadmap Saarc non-LDCs will achieve tariff cuts from zero to five percent in three years while its LDCs will take 10 years to attain it.

The roadmap agreed in the ministerial council meeting says all

member states will lower their tariff by 10 percent on July 1, this year. In the next phase, all non-LDCs, such as India, Pakistan, Sri Lanka and the Maldives will bring a further cut of 30 percent in their tariff in December this year.

However, Sri Lanka and Maldives will enjoy some relaxation as tsunami affected countries.

They will also cut tariff by another 30 percent in December 2007 and yet another 25 to 30 percent in December 2008. The three Saarc poorer nations such as Bangladesh, Nepal and Bhutan will lower tariff by 10 percent every year over the next 10 years.

Since Dhaka is reducing it on July 1, it will carry out 10 percent cut in July every year, said the sources.

# Oil markets at risk from terror hit: Experts

AFP Paris

With oil prices already stretched to record highs, a terrorist attack targeting vital oil installations would have immediate global consequences, experts say.

Wells, pipelines, refineries and tankers have all been targeted in recent years by Al-Qaeda-linked groups, or by local armed militants such as in the Niger Delta -- and many remain poorly protected against potential attacks.

On February 24, Saudi security

forces foiled an attack on oil installations in Abqaiq, which account for 70 percent of the country's output, and 10 percent of the world's, sending jitters through the oil sector.

According to Gal Luft, head of the US-based Institute for the Analysis of Global Security (IAGS), the attack -- had it succeeded -- would have cut four to six million barrels per day out of an already tight oil market.

"It would have exceeded all of the oil taken off the market by the

OPEC (Organisation of Petroleum Exporting Countries) during the 1973 Arab oil embargo," he said.

For Michael Klare, head of the Peace and World Security programme at the University of Massachusetts, author of the study "Resource Wars", oil markets are vulnerable because of a serious lack of spare capacity.

"Without Iraq, there is very little spare oil in the world: every bit of oil is in use," Klare said. "Even a small interruption in the supply of oil would push prices up."