

Bimstec ministerial in Delhi from Aug 8 to review FTA progress

UNB, Dhaka

Foreign Minister M Morshed Khan leaves for India tomorrow to attend a 2-day Bimstec ministerial in New Delhi on August 8-9 to review the progress of the proposed seven-nation FTA.

Khan, who is the current chair of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (Bimstec), will lead Bangladesh in the 9th ministerial meeting. He will also hand over the chair to India at the meeting.

The economic bloc comprising seven South and Southeast Asian countries -- Bangladesh, India, Myanmar, Sri Lanka, Thailand, Bhutan and Nepal - will focus on some outstanding issues at the meeting of the foreign ministers.

The Trade Negotiations Committee (TNC) of senior officials

and experts met in Colombo during July 25-29 to review the progress and observed that there were still many issues to resolve before implementing the FTA.

"There's still a long way to go," a senior official told the news agency yesterday.

He said the TNC negotiations on the proposed free trade accord on trade in goods began afresh in July after a long stalemate since the first TNC meeting in February this year.

The next meeting of the TNC is scheduled to be held in September, but it is unlikely to set a fresh deadline to implement the FTA as huge tasks still remained unresolved, he said.

"The political situation in Thailand (the main mover of the bloc) is a major factor... the fate of the economic cooperation would largely depend on the political

stability in Thailand," said another official.

He said the member states have once exchanged their respective sensitive lists of products to keep them out of the tariff liberalisation programme (TLP). The member countries are likely to review the lists and again exchange them after further review before the next TNC meeting.

TNC experts at their meeting last month also discussed key trading arrangements such as rules of origin and lists of items to be opened under the fast track of trade liberalisation programme.

Technical experts had discussions on a separate framework of dispute-settlement mechanism.

As for the FTA on trade in goods, the negotiators had agreed to open trade under 'fast track' and 'normal track' of trade liberalisation.

Under the fast track, the members have agreed to bring down tariffs ranging from zero to 5 percent by June 2009 for developing countries and by June 2011 for least developed countries.

Under the normal track, however, they will follow a gradual tariff liberalisation programme. The developing countries will have to reduce tariff for each other by June 2010 and with least developed members by 2012.

While the compliance deadline for developing countries is June 30, 2015, for LDC members it is July 2017.

Besides FTA on trade in goods, Bimstec members had agreed to kick-start free trade area for service trade and investment from July 2007.

Centre for skills development opens in Ctg

OUR CORRESPONDENT, Ctg

A training centre styled as Chittagong Skills Development Centre (CSDC) was opened at the Peninsula Chittagong hotel yesterday.

Energy Adviser and Executive Chairman of Board of Investment (BoI) Mahmudur Rahman inaugurated the training centre.

Qaiser M Khan, lead human development specialist of World Bank (South Asia region), and Dato Boonler Somchit, chief executive officer (CEO) of Penang Skill Development Centre (PSDC) of Malaysia, were present at the function as special guests.

President of Chittagong Chamber of Commerce and Industry (CCCI) Saifuddin Chowdhury Javed, President of Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI) Abdul Matlub Ahmed and Chairman of AKtel Salahuddin Kashem Khan, also the CSDC chairman, addressed the launching ceremony, among others.

Mahmudur Rahman said manufacturing has become the single largest sector in Bangladesh contributing 17.1 per cent to the GDP while agriculture sector contributed 16.9 in FY 2005-06.

"Our manufacturing growth for the first time exceeded double digit (10.5 per cent) last year and it is because of the investment boom we have experienced in recent time", he said.

The BoI has been taking a proactive role for the last five years in encouraging and facilitating the private sector investment in Bangladesh, both foreign and domestic, he added.

The energy adviser hoped that CSDC would be a great initiative to train up the unskilled manpower.

World Bank representative Qaiser M Khan said if Bangladesh could sustain such high manufacturing growth for ten more years it would be able to be an economically solvent country.

Slahuddin Kashem Khan said CSDC is offering technical training and business management education through its strategic partnership with PSDC of Malaysia and its internal members.

The founding members of CSDC are AK Khan and Company, AKtel, Alcatel, Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI), Chittagong Chamber of Commerce and Industry, Ericsson, Huawel, Pedrollo, UCEP and ZTE.



PHOTO: STAR
Mahmudur Rahman, adviser to energy ministry and executive chairman of Board of Investment, speaks at the inaugural ceremony of Chittagong Skills Development Centre (CSDC) in the port city yesterday.

FBCCI, Ukraine chamber to set up business council

UNB, Dhaka

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Ukrainian Chamber of Commerce and Industry (UCCI) yesterday signed an agreement to establish a joint business council aiming to promote trade and economic cooperation between the two countries.

FBCCI President Mir Nasir Hossain inked the agreement signed by UCCI President Serhiy Skrypchenko earlier for their respective sides. Association of Humanitarian, Cultural and Economic Relations of Ukraine's Bangladesh President V Shevelev was present on behalf of the UCCI president.

The agreement will remain in effect for two years and be extended for another two-year period unless either party notified the other of its intention to terminate the deal.

Under the agreement, the two countries will exchange information regarding trade, economic cooperation and services.

Appropriate materials necessary for securing the objectives of the Joint Business Council will also be exchanged.

They will submit recommendations necessary for promoting economic relations between the two countries to the respective governments if considered desirable by other chapter in that country.

Arranging business missions to the other party and receiving businessmen when considered appropriate is also stipulated in the umbrella accord.

During discussion at the meeting, the FBCCI president invited Ukrainian investors to invest in Bangladesh.

"Currently, Bangladesh-Ukraine economic cooperation falls far below its potential. During 2004-05, our bilateral trade registered US\$ 42.85 million only," he said.

Bangladesh exports dry foods, jute yarn and twine, and tea in bulk while imports vehicles, vessels, live animals, machinery and mechanical appliances.

"There are several opportunities for Ukrainian companies in our market, especially in the sector of machine-building, iron and steel. Exchange of scientific expertise and technology, packaging finished products are potential fields for cooperation," the FBCCI president mentioned.

Nasir also emphasized the kickoff of Bangla-Ukrainian cooperation in pharmaceutical sector and direct flight between the two countries to boost economic activities.

The Association of Humanitarian, Cultural, Economic Relations Ukraine and Bangladesh President, V Shevelev, expressed his interest in investing in the energy sector.

Battle for India's beer market hotting up

PALLAB BHATTACHARYA, New Delhi

The battle for India's Rs 3,000-crore beer market seems set to hot up.

South African breweries major SABMiller, the world's largest brewer by volume, has acquired 100 per cent stake in the India operations of Australia's most famous beer brand Foster's for \$120 million.

The acquisition by the \$15.3 billion SABMiller Plc, formed by the merger of South African Breweries and Miller Brewing in 2002, is expected to set the stage for an interesting competition with United Breweries, India's largest breweries promoted by flamboyant Vijay Malaya.

Foster's India, with a market share of six percent, has so far struggled to find its footprint outside the western state of Maharashtra largely due to high price and distribution problem, industry watchers said.

Currently, SABMiller, which manufactures whisky brands like Royal Challenge and Haywards, has an estimated market share of around 35 per cent in India every year while the highly popular Kingfisher brand of beer of United Breweries (UB) has a 46 per cent share.

"We are going to roll out Foster's from all our breweries in a short time. The brand has a popular appeal across India", said SABMiller official Nigel Harwood.

DEVELOPING INDUSTRIAL ZONE

Myanmar to lease out land to foreigners

XINHUA, Yangon

Myanmar is deliberating to lease land to foreigners for the development of three proposed industrial zones to be jointly implemented by Myanmar and Thailand to mainly attract foreign investment into the projects, the local Khit Myanmar reported Saturday.

The three proposed industrial zones, located in Myawaddy and

Hpa-an in southeastern Kayin state and Mawlamyine in southern Mon state, constitute parts of an economic cooperation strategy (ECS) programme agreed upon at a summit of Cambodia, Laos, Myanmar and Thailand held in Myanmar in Nov. 2003.

The period of the land lease is designated as being a minimum of 75 years, the release said, adding

that levying of profit tax will be relaxed for re-investment with the profit earned annually.

The three industrial zone projects will start in 2007, the release disclosed.

The Myawaddy zone covers an area of 173 hectares, while the Mawlamyine zone 124 hectares and Pha-an zone 178 hectares, according to the release.

The feasibility study by Thailand on the establishment of the three industrial zones has reportedly been finalized and the finding on the feasibility has been presented to the Myanmar side for deliberation.

Under the Myanmar-Thai cooperation, Thai factories are planned to move to the zones and both countries are expected to benefit from the establishment economically and socially.

The ECS provides for cooperation in five strategic areas covering agriculture, industry, trade and investment, transport, tourist and human resources development.



New chairman of Phoenix Ins

Mohammad Shoeb has been elected chairman of Phoenix Insurance Company Ltd, says a press release.

The Board of Directors of the company at a meeting on Wednesday made him chairman.