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### 'India is milking Bangladesh but giving nothing in return'

# Tofail casts doubts on SAFTA

Star Business Report

Commerce and Industries Minister Tofail Ahmed said yesterday India was milking full benefits out of the "drastic tariff reduction" in the early 1990s.

The minister said the previous government had carried out trade reforms much faster than needed, pointing out that "it was not a WTO obligation at that time".

He said Bangladesh's highest tariff rate was 350 per cent in 1990 which was slashed down to only 47.50 per cent in later years and that it now stood at 40 per cent.

The commerce minister was speaking at a seminar on *How to Promote Exports from Bangladesh to the Indian Market*, jointly organised by the Export Promotion Bureau and Indian Institute of Foreign Trade (IIFT) at Hotel Purbani in the city yesterday.

He criticised the require-

ment of 40 per cent value addition on exports from Bangladesh to get duty-free access to India, Pakistan and Sri Lanka.

"If this continues," said the minister, "we will get zero, we will get nothing."

He lamented that a SAARC committee of participants (COP) had failed to reach a consensus on the value addition issue. The COP was supposed to finalise the matter before the SAARC summit this week.

He held his predecessor responsible for not protesting the 40 per cent value addition condition.

Ahmed spoke critically of the proposed transformation of SAARC Preferential Trading Arrangements (SAFTA) into South Asia Free Trade Area (SAFTA).

"It is really impossible for us to form SAFTA if other SAARC

members do not remove tariff and non-tariff barriers," Tofail Ahmed said, referring bitterly to a recent ministerial meeting in Islamabad.

"How can we go for SAFTA when we are not fulfilling the obligations of SAFTA?"

He asked India to "look at your neighbours with a broad mind" to help them get SAFTA benefits.

"I do not have any hesitation to say that we will not be able to help each other unless India changes its present attitude, he observed.

The commerce minister, however, said trade gap between the two countries was narrowing. The gap was as high as US\$ 950 million in 1996-97 financial year that came down to about US\$ 600 million this fiscal, he said.

were only one per cent to the giant neighbour. "India's total annual imports stand at US\$ 40 to 50 billion. If we get 10 per cent of its market share, it will be a quite big amount for us."

The minister talked about the responsibilities of a government in an open economy and said that "economic diplomacy" had taken over the "political diplomacy" nowadays.

"When I sit in my office foreign ambassadors come to me to promote their business. We also need to follow that policy," he said.

Later talking to The Daily Star, MCCI president Laila Rahman Kabir said Bangladesh must have an equal access to the Indian market.

Bangladesh Frozen Foods Exporters Association (BFEEA) president Golam Mostafa said it was "really impossible for

Bangladesh to export anything unless Indian bureaucrats change their attitude."

"We have a lot of cosmetics, a lot many industrial products which are much better than Indian goods," he said.

DCCI president Rashed Maksud Khan said Bangladeshi products were not familiar in the Indian market.

"We have to identify first what kind of products we have for the Indian market. We do not know about their requirements. After sorting out their needs, we have to popularise our products there," he said.

Commerce secretary Syed Amalgam Farouk Chowdhury, EPB vice chairman Faisal Ahmed Chowdhury and IIFT Dean B Bhattacharya also spoke. Mujibur Rahman, MP, Akhter Hamid, MP, and Indian High Commissioner to Bangladesh Dev Mukherjee were also present.



Dan McDermott of Mobil and S S Giasuddin Ahmed of Jamuna Oil Company signed two joint venture contracts at Pan Pacific Sonargaon Hotel yesterday for setting up \$25 million LPG Import Terminal & Lubricant Oil Blending Plant in Bangladesh. — Mobil photo

### Shortage of container vessels at Mongla hits shrimp export

From Staff Correspondent  
KHULNA, July 26: Export of frozen shrimps through Mongla Port is being hampered due to shortage of container vessels.

According to some leading shrimp exporters, the port authority has not made any effort so far to solve this problem being faced by the exporters in loading the containers of frozen shrimps.

Meanwhile, LCs of some exporters have already been cancelled due to their failure to export as per schedule.

As a result, twenty containers of frozen shrimps, worth about Tk 20 crore, had to be taken back to factories from the port on July 15. There was only one container vessel at the port on that day.

Space shortage made the vessel OC 11 leave the port with only 30 out of 50 containers.

The exporters said that at least two vessels should be kept in the months to November to facilitate smooth loading of containers in the port.

Khulna contributes two-third of the country's frozen shrimps exports every year.

"So, it would be fatal for us if we fail to satisfy our buyers by exporting the frozen shrimps as per schedule," said the exporters.

The exporters also alleged that banks did not co-operating in with the traders when LCs were cancelled.

### Cylinder explosion Safiullah Ice Factory may face legal action

From Staff Correspondent

CHITTAGONG, July 26: Environment directorate here is poised to go for legal action against an ice factory operating in the residential area of Yakubnagar in the city in which an ammonia gas cylinder exploded last month that attacked over 100 sleeping residents including children, official sources said.

Environment directorate decided to take legal action after probing the incident of cylinder blast that took place on the night of June 12 forcing many residents around it to run for safety to distant and higher places while some others fell immediately sick.

These who fell sick with eyeshore and vomiting were admitted to private clinics and hospital, doctors said. Some of the victims suffered from infection in their respiratory system.

Local sources said those victims had now deserted that place after getting release from hospital and clinics, while other residents became panick-stricken.

Officials said that the Safiullah Ice Factory was set up at Yakubnagar residential area without taking any permission from Environment Directorate or Chittagong Development Authority.

However, local residents demanded shifting of the ice factory to other places, fearing further incidents of explosion.

### Training course on small business planning ends

A two-week training course on 'small business planning' organised by Micro Industries Development Assistance and Services (MIDAS) concluded on Thursday, says a press release.

The course was a part of the Promotion of Private Sector (PPS) Project under implementation by MIDAS and German Agency for Technical Cooperation (GTZ).

The course was designed to improve the planning skill of the participants for small business undertakings.

In the concluding session, Michael K Nathan, Project Coordinator and team leader of Promotion of Private Sector Project, was present as chief guest and distributed certificate among participants.

Abdul Karim, Managing Director of MIDAS and Bazlur Rahman Khan, Director Development MIDAS, were also present on the occasion.

### Bank of Georgia gets \$7b loan from EBRD

MOSCOW, July 26: The European Bank for Reconstruction and Development (EBRD) and the Bank of Georgia signed an agreement on a seven-million-dollar loan Saturday, Itar-Tass reported, says AFP.

Successful reforms in Georgia and a strong monetary policy have allowed the EBRD to begin active cooperation with the republic, said Roger Lebaron, the EBRD representative who signed the agreement granting the Georgian bank the five-year loan.

Lebaron said the EBRD has made considerable investments in the development of the private sector in the ex-Soviet republic.

### BIBM seminar on micro-finance July 30

Star Business Report

A day-long seminar titled 'Micro Finance Programme of Commercial Banks' organised by the Bangladesh Institute of Bank Management (BIBM) will be held on July 30 at the Institute's seminar hall.

Lutfar Rahman Sarkar, Governor of Bangladesh Bank will preside over the first session while Prof. M Yunus, Managing Director of Grameen Bank will chair the second session, said the BIBM in a press statement.

Papers on "Commercial Bank Involvement in Micro Finance in Bangladesh: Lessons from some Asian countries" and "Problems and Prospects of Re-orienting Commercial Banks to Micro Finance in Bangladesh" will be presented in the first session and the second session respectively.

Dr. Muinul Islam, Director General of BIBM will deliver the address of welcome, while Dr. Bandana Saha, Director (RD&C), will offer the vote of thanks.

Prof. Muzaffer Ahmed, Prof. Wahid Uddin Mahmud and Prof. Durgadas Bhattacharya of Dhaka University, Dr. Mohammad Sohrab Uddin, Deputy Governor of Bangladesh Bank, ABM Mahbulul Amin Khan, Deputy Governor (Retd.) of Bangladesh Bank, Shoeb Ahmad, Managing Director of Bangladesh Bank, SA Chowdhury, Managing Director of Investment Corporation of Bangladesh, M Taheruddin, Managing Director of the City Bank Ltd and AHM Nurul Islam Choudhury, Principal of United Commercial Bank Training Institute, will take part in the seminar as designated discussants.

### 3-day meet on CIRDAP study begins today

A three-day regional research meeting on 'Impact of increase in household income on status and activities of rural women within the household' will begin in Malaysia today, says UNB.

The meeting will be held to discuss the findings of the study conducted by the Centre on Integrated Rural Development for Asia and Pacific (CIRDAP) during 1995-98 in seven member countries.

The countries are Bangladesh, India, Indonesia, Myanmar, Sri Lanka, Thailand and Vietnam and researchers from these countries will present their findings at the meeting.

The remaining CIRDAP member countries Afghanistan, Lao PDR, Malaysia, Nepal, Pakistan and Philippines will also present country papers on the theme of the meeting.

A five-member delegation of CIRDAP and representatives from the Women Affairs Department and Universities will attend the meeting, says a press release.

### Foreign investment to rise in Egypt, expects IMF

CAIRO, July 26: The International Monetary Fund (IMF) expects foreign investment in Egypt to increase this fiscal year to reach 1.5 per cent of gross domestic product, a senior official said in an interview Saturday, reports AFP.

"Direct Foreign Investments in Egypt stood at 1.8 billion dollars, or less than one per cent of the GDP, in the 1997/1998 fiscal year," Howard Handy, who is in charge of Egypt at the IMF, told the government newspaper Al-Ahram.

"During the 1998/99 fiscal year (which ends in June) foreign investments are expected to represent 1.5 per cent of the GDP and be more diversified," he said.



Lutfar Rahman Sarkar, Governor of Bangladesh Bank, addressing a seminar on "Treasury Risk Management" jointly organised by Bangladesh Bank Training Academy and American Express Bank Ltd at a city hotel yesterday.

### BB governor says Banking sector more open to external world than ever

The banking and financial system in Bangladesh is now more exposed to the external world than ever before as a result of trade liberalisation and current account convertibility of taka, Bangladesh Bank Governor Lutfar Rahman Sarkar said in Dhaka yesterday, reports BSS.

He said the exposure to financial transactions will increase further in coming years as we seek to attract foreign investment to accelerate economic growth.

Sarkar said this while inaugurating a seminar on Treasury Risk Management, jointly organised by Bangladesh Bank Training Academy (BBTA) and American Express Bank (AMEX) at a city hotel to familiarise the local bank officials with some risk management tools and practices used in the developed foreign exchange markets.

Deputy Governors of Bangladesh Bank Dr. M Sohrabuddin and Ataul Haq, Senior Country Executive of AMEX John A Smetanka, BBTA Executive Director Didarul Islam also spoke on the occasion.

Exchange and interest rates in major currencies in the global financial markets are always subject to change, and are sometimes very volatile, the BB governor said, adding that this variability and volatility places great demand on knowledge, skills and ingenuity of the market participants in containing and efficiently managing the risks of losses to the future values of their asset portfolios.

"You had a humanitarian programme that had an Asian emphasis," Ruddock said.

"That's changed in recent years, with most of the humanitarian entrants accessing Australia from the former Yugoslavia and places like the Middle East."

According to Ruddock, the total number of people allowed into Australia as migrants had been reduced from 85,000 when the ruling coalition government was elected in 1996 to 74,000 in the year to June 30.

He said it would fall further to 68,000 people in the year to June 30, 1999.

Immigration has long been a politically volatile issue in Australia, which until the abo-

### Asian migration to Australia down

lition of the "White Australia" policy in the mid-1970s restricted immigration by non-whites.

The issue flared up again after One Nation's success in the Queensland state election last month. One of the far-right party's core policies is the reduction of immigration, particularly from Asian countries.

Ruddock said immigration was likely to be only a minor issue in the coming federal election.

"It's always difficult to judge these matters, but if you use some of the polling that looks at particular political issues it's still one of the bottom on the list," he said.

"But obviously amongst some people in the Australian community there is a concern

### Labour leaders divided on pvt container terminal issue

CHITTAGONG, July 26: Labour leaders in the Chittagong Port at a meeting yesterday appeared divided on the issue of establishing a private container terminal on the bank of the river Karnaphuly, reports UNB.

They exchanged their views with the port authority in presence of journalists at Chittagong Port Club.

The port CBA leaders seriously opposed the proposed private container terminal to be built by Stevedoring Services of America (SSA) while leaders of some other registered unions supported the project.

The labour unions which joined the meeting are affiliated with the labour wing of the ruling Awami League.

The leaders who supported the government move also claimed that the CBA is divided on the issue.

The CBA leaders opposed the private container port, saying that it would make the port workers jobless and also destroy the Chittagong Port.

CBA president Mahfuzur Rahman Khan, who is also a leader of the Jatiya Sramik League, said they oppose the private port because it would go against the interest of the country.

He said if the private container port is allowed, the Chittagong Port will become a dead port.

"We don't support it. The government should think of setting up a private port only after modernising the Chittagong Port."

### Pragati Ins declares 35 pc dividend

Star Business Report

Pragati Insurance Limited has declared a 35 per cent cash dividend for its shareholders for the year 1997.

The dividend was announced at the twelfth Annual General Meeting of the company held in the city on Wednesday with its chairman Abdul Monem presiding.

During the year the company earned a gross premium of Tk 25.52 crore, an increase of 12 per cent over the previous year and settled claims of Tk 10.54 crore. Its income from investment and financial services stood at Tk 5.75 crore. Net profit before tax was Tk 7.59 crore, said the company in a press statement.

The company's total assets and reserve as on 31st December 1997 stood at Tk 71.02 crore and 31.12 crore respectively.

The meeting elected 4 (four) directors from the Group-B shareholders of the company. They are: AJM Enamul Islam, Zakaria Taher, Syed Shamsul Alam and Md Ahamedul Hoque.

Some in the Asian community left the coalition-leading Liberal Party following the Queensland election for being too cozy with One Nation. The Liberals gave One Nation its secondary votes to avoid giving them to the opposition Labour Party.

Ruddock said the government hoped to regain the support of ethnic groups and immigration was not the only topic those groups cared about.

"I think that there are a variety of issues that impact upon ethnic communities, as you find with the Australian community as a whole," he said.

### Chittagong Stock Prices

Sunday's trading performance				
Company	Avg Rate	Prv Rate	Change	Shares Traded
National Bank	79.75	80.25	-0.50	40
UCBL	93.50	99.00	-5.50	200
IFIC Bank Ltd	105.20	105.44	-0.24	75
Aziz Pipe	589.43	584.80	+4.63	35
Quaseen Drycells	25.05	25.12	-0.07	24000
Anwar Galvanizing	171.50	171.00	+0.50	50
Aftab Auto	198.50	198.39	+0.11	20
Olympic Industries	235.72	235.30	+0.42	180
BD Zipper	59.67	61.00	-1.33	100
Wonderland Toys	59.67	61.00	-1.33	100
BD Luggage	74.75	75.00	-0.25	100
BD Lamps Ltd	1107.00	1094.60	+12.40	15
Eastern Cables Ltd	155.46	155.98	-0.47	230
Raspi Food	112.83	127.50	-14.67	150
Bengal Biscuit	78.50	78.60	-0.10	220
Beximco Fisheries	138.30	137.28	+1.02	100
AMCL (Pran)	431.63	434.45	-2.83	150
BATBC	112.25	112.30	-0.05	100
CTG Vegetable	104.17	103.98	+0.19	210
Tripti Industries	128.52	129.18	-0.67	2185
Meghna Shrimp	102.00	101.29	+0.71	100
Meghna Vegetable	140.00	138.50	+1.50	50
Rahima Food Corp. L	65.00	64.00	+1.00	50
Gulf Foods Limited	84.13	83.18	+0.95	600
Gahinata Aquacult	54.50	55.10	-0.60	100
Padma Oil	225.00	220.25	+4.75	100
BOC (BD) Ltd	111.50	112.00	-0.50	150
Prime Textile	95.00	95.00	0.00	250
Apex Weaving	61.18	60.09	+0.09	1000
Beximco Textile	143.50	145.00	-1.50	50
Beximco Synthetics	192.38	192.31	+0.07	160
Beximco Knitting	150.31	150.00	+0.31	160
Chic Tex Ltd	8.01	8.05	-0.04	85500
Monno Fabrics	98.75	99.00	-0.25	500
Eagle Star	8.11	8.10	+0.01	6150
Alltex Ind	62.50	62.80	-0.30	100
Dynamic Textile	23.92	23.95	-0.03	1080
Ashraf Tex	17.01	16.99	+0.02	10000
Mita Textiles	66.00	95.00	-27.00	100
Anlima Yarn	95.75	96.50	-0.75	200
Square Pharma	762.62	765.08	-2.46	220
ACI Lxco	160.00	160.50	-0.50	31260
Beximco Pharma	63.31	63.43	-0.12	48300
Imam Button	100.33	100.50	-0.17	150
BCIL Ltd	165.00	165.00	0.00	30
Shine Pukur	85.98	86.19	-0.21	13500
Eastern Housing	132.70	132.80	-0.10	1820
Samorita Hospital	104.50	103.00	+1.50	100
Confidence Cement	285.75	285.85	-0.10	200
CTG Cement	720.08	723.36	-3.28	865
Meghna Cement	222.29	222.44	-0.15	350
Niloy Cement Indus	166.10	166.00	+0.10	250
Apex Tannery	287.33	287.22	+0.11	720
Usmania Glass	425.00	425.33	-0.33	5
Aramit	48.40	48.31	+0.09	250
Beximco	70.68	70.50	+0.18	400
Monno Ceramic	623.70	623.42	+0.28	50
Bengal Fine Cera	160.00	160.50	-0.50	64
GQ Ball Pen	161.23	160.00	+1.23	150
RH Ball Pen Ltd	22.73	22.88	-0.15	55500
FU-Wang Ceramic Ind	122.75	122.80	+0.05	100
Rupali Insurance	255.00	255.00	+1.00	40
Central Insurance	228.00	219.00	+9.00	20
CGIC	330.00	335.00	-5.00	10

### CSE at a glance

CSE All Securities Price Index	275.67
Day's Change in Points	-0.44
Day's Change in Percent(%)	-0.1594
Turnover in Value(Taka)	10,809,377.50
Turnover in Volume	289,205
Total Issued Capital (Taka)	23,639,670,590.00
Total Market Capital (Taka)	48,114,908,778.90
Total Market Capital (US\$)	1,034,729,221.05
Total Number of Contracts	821
Total Issues Traded	64
Issues Gained	28
Issues Declined	34
Issues Unchanged	2
Total Listed Securities	144
Listed Companies	131
Listed Mutual Funds	9
Listed Debentures	4