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## SAARC states need to opt for bilateral trade deals

Jalil says at CPD dialogue in city  
Star Business Report

Commerce Minister Md Abdul Jalil has emphasised the need for bilateral agreements among the SAARC countries with a view to increasing trade in the region as the South Asian Free Trade Area (SAFTA) has become uncertain.

"India and Sri Lanka have signed a bilateral trade deal and such trade agreements are tenable within the SAARC framework," the minister said.

"For our economic benefit, we can also go for bilateral agreements of the sort," Jalil said, while speaking as the chief guest at a dialogue on

"Small and Big Players in Trading Blocs: Canada's Experience with NAFTA" organised by the Centre for Policy Dialogue (CPD) at a local hotel yesterday.

Dennis Browne, Director of the Centre for Trade Policy and Law, Ottawa, was the keynote speaker at the dialogue chaired by Professor Rehman Sobhan.

Citing the example of North American Free Trade Agreement (NAFTA), Jalil said: "If we take NAFTA as an example, we can derive many benefits from it. It will be helpful for Bangladesh if it goes for copying NAFTA."

Prof. Rehman Sobhan said if Bangladesh opts for bilateral free trade agreements with the North American countries, the country's export would increase by US\$ 2 to \$10 billion within the next five years.

Earlier, in his keynote speech Dennis Browne said that NAFTA as a free trade agreement was very much successful and was the most sophisticated one in the world. "It is an agreement which has proved good for all the three parties."

"Canada sought a free trade deal with US because we became increasingly worried about the

threats to securing access for the Canadian producers and exporters to the US market," he said.

"A special problem was that our access to the US market was increasingly being disrupted by US application of safeguards, anti-dumping and countervailing duties against alleged subsidies," Browne told the dialogue.

He said that the prime reason for negotiating a bilateral deal with the United States was to improve the investment climate in Canada.

"Canada is a small market of barely 30 million people and the US market is ten times the size. We recognised that Canada could only attract investment in large-scale production facilities if the investors were assured of the facility to sell a good part of their production to the US."

## FBCCI, Nepal chamber to look for business promotion

KATHMANDU, April 5: The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Nepalese Chamber of Commerce and Industry (FNCCI) have signed an agreement to form a joint task force (JTF) for promoting business and removing bottlenecks in trade and investment between Bangladesh and Nepal, reports BSS.

The task force will explore possibilities of increased exports, study the tariff structure and its effects on export of the two countries, and also recommend removal of any other barriers.

The task force will also look at possibilities of technology transfer and joint ventures in Nepal based on natural resources and other strengths in the country and the demand pattern and possibility of exports to third countries.

Nepal were between less than one million and US \$18 million. Export from Bangladesh is characterised by ups and downs and does not yet show any rising trend but import of Bangladesh shows a rising trend and there was a balance of US \$16.91 in 1998-99 in favour of Nepal, he added.

The FBCCI President Abdul Awal Mintoo and FNCCI President Pradeep K Shrestha signed the agreement at Hotel Radisson here on Tuesday to form the FBCCI-FNCCI joint task force comprising seven representatives from each side.

The JTF will submit its findings and recommendations to the respective governments by December this year.

The FBCCI-FNCCI joint task force will determine specific requirements for transit and transport facilities and requirements for the use of ports in Bangladesh and examine the banking system between the

two countries.

The task force will examine deterrents, if any, for investment in Nepal by Bangladesh investors and examine possibilities of cooperation in the areas of quality, environment, human resource development, energy, water resources, tourism and agro industries.

Speaking at the function, the FBCCI president said Bangladesh exports to Nepal fluctuated over the last eight years in the range of US \$2 to 13 million, while imports from

Mintoo mentioned potential areas of investment and collaboration like tourism, jute, leather, paper, textile and garment, minerals, cement, horticulture and various consumer durable and non-durable. Both the countries need to work together for development of water resources, generation of power, infrastructure development and smooth operation of transit trade facilities for gaining prosperity, he observed.

A 31-member FBCCI delegation at the invitation of FNCCI is visiting Nepal to promote trade and explore new business opportunities.



Dennis Browne, Director of Centre for Trade Policy and Law (CTPL) of Carlton University, Ottawa, Canada called on M A Mumin, Acting President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), at the Federation office on Tuesday. FBCCI Director Dewan Sultan Ahmed is also seen. — FBCCI photo

## Delhi-Kathmandu flight cut frustrates Nepal's tourism

KATHMANDU, Apr 5: The failure of negotiations to re-establish air links between India and Nepal, cut since the December 1999 hijacking crisis, has dismayed tourism operators in land-locked Nepal, reports AFP.

"In many countries, including India and Pakistan, even when they were at war they did not suspend the respective national airlines' regular services."

"But without any such serious problem in Nepal-India relations IA has suspended its services which have adversely affected the whole tourism sector," he said.

India's insistence on installing security personnel surprised many who were reassured by officials including Indian Ambassador KV Rajan and Nepalese Foreign Minister Chakra Prasad Banstola that there was no such proposal.

The demand, aimed at preventing further hijackings, is also thought to be motivated by New Delhi's suspicions that Pakistani secret agents run anti-Indian operations out of Nepal.

Hotellers, travel agents and tour operators in the mountainous Kingdom complain that the suspension was costly and unnecessary and should end as soon as possible.

Indian Airlines (IA) cancelled its Nepal service on December 25, a day after its flight 814 with 170 passengers aboard was hijacked by Pakistani Islamic militants.

Indian authorities blamed the six-day hostage drama, which ended with the loss of one life, on security lapses at Kathmandu's Tribhuvan International Airport (TIA).

Hopes that flights could be resumed soon were dashed Saturday when talks between civil aviation officials of the two sides collapsed over an Indian demand that IA security staff be posted at TIA.

"By suspending Indian Airlines' services to Nepal, India has done a great injustice to land-locked Nepal in the name of security lapses at TIA," said the Hotel Association of Nepal president Narendra Bajracharya.

Tourism employs a million Nepalese, accounts for a quarter of Nepal's foreign exchange earnings and contributes three per cent of its gross domestic product, Bajracharya said.

In the absence of good overland transport service facilities to and from Indian states bordering Nepal's lowland tropical region, air services are critical.

Groups including the Nepal Tourism Board and the Nepal Association of Travel Agents have petitioned the government to work harder to secure the resumption of the flights from New Delhi, Calcutta and Varanasi.

In the first nine weeks of the ban, Nepal had lost 28,400 potential visitors from India and elsewhere during the peak tourists season, they said.

Before the hijacking, Indian Airlines flew an average 1,000 to 1,200 people daily between the two countries.

The suspension has caused a shortfall of 10.4 million dol-

lars to Nepal in the last three months while IA has lost more than 20 million dollars.

India's border security posts at Nepal's extreme northwest tip.

The security arrangements at TIA are as good as in other international airports, but IA is trying to impose some kind of pressure on Nepal by making different excuses," said Yadav Khanal, General Manager of the Sita Travel and Tours agency.

## Grameen launches 1st Bangladeshi computer edn programme

Grameen Software Ltd (GSL), one of the Bangladesh's leading software infrastructures with principal office at Grameen Bank Complex, launched Bangladesh's first Computer Education Franchise Programme yesterday, says a press release.

The outcome will be noticeable by September 2000 along with 20 Grameen Star Education Centres (GSEC) nationwide, it said.

On the occasion, a general discussion and advisory meeting was held at Grameen Bank Complex. Professor Dr Jamilur Reza Chowdhury of BUET, Khalid Shams, Deputy Managing Director of Grameen Bank, Sohel Sharif, Managing Director of Grameen Software Ltd and GSEC Dhaka franchisees were present.

## Emirates slashes inflight telecom charges

Emirates passengers are enjoying the cheapest air-ground telecommunications charges for phone calls and fax transmissions from April 1, as the airline slashed per minute rates to just US\$5, says a press release.

This is a 25 per cent reduction from the former and already unbeatable rate of US\$6.50.

Don Foster, Emirates' Director Service Delivery, said: "From the start, when we introduced inflight phones and fax machines, we made the decision that pricing must be attractive to encourage higher usage. That has been a decision we have exercised over and over to ensure our passengers enjoy the best services at the greatest value."

Emirates now averages 3,000 inflight phone calls per month. This is the highest rate of calls recorded by any airline in the world, according to SITA, the leading provider of integrated telecommunications and information solutions for the air transport industry.

Emirates inflight phones and fax machines can be operated with major credit cards or prepaid EMTEL phone cards for outgoing calls and fax transmissions only.

As early as 1993, Emirates became the first airline in the world to equip its entire fleet with inflight phones and fax machines. Today, 20 of Emirates' newer aircraft — the Boeing 777s and Airbus A330-200s — have phone sets in every seat. The other 12 Airbus A300-600Rs and A310-300s — have two wall-mounted phone sets per cabin. Each aircraft has a fax machine as well.

## Prime Bank to launch online service to mark its fifth year celebration

Bank Managing Director tells The Daily Star

By M Shamsur Rahman

To mark its fifth year in business in the country, Prime Bank Limited is going to introduce "Prime Line", the on-line banking system through wide area network (WAN), this month.

The new system will connect all the branches of the bank with the Head Office to help its clients carry out their transactions from any of the bank's branches, says Kazi Abdul Mazid, Managing Director of Prime Bank, in an exclusive interview with The Daily Star Tuesday.

The bank is set adopt the WAN system when it formally launches it on Saturday.

"With the introduction of the new facility, a customer of Mofjheel will be able to draw money from a Sylhet branch of the bank and deposit the same without taking to telegraphic transfers (TTs)," Mazid said.

He said Prime Line is a gift for the Prime Bank clients on the occasion of the fifth year celebration of its operation, which will be offered through leased and fibre optic lines at certain charges.

He said that the bank, which started its operations this month in 1995, has made remarkable progress over the years and it is pretty evidenced by last year's 30 per cent dividend offered to its shareholders.

Mazid said the profit of the bank increased by 84 per cent, deposit by 38 per cent and advance by 63 per cent as on March 31, 2000, against last year's corresponding period.

Prime Bank's capital adequacy, he said, is perhaps the strongest in Bangladesh. It stood at 15.14 per cent last year against the eight per cent requirement for banks set by the Bangladesh Bank.

The bank's classified loan situation also stands at a positive 1.63 per cent against 1.77 per cent last year, which is the lowest in the country. The bank has also kept full provision

against its classified loans, he said.

In 1999, the bank's foreign exchange transactions also soared by 67 per cent over the previous year.

The MD said that there were a number of factors contributing to the bank's success. "We have a set of 463 hardworking and committed employees with a dynamic policymaking board. The board members do not borrow from the bank, leaving little chance of insider lending."

One of the other factors, he said, is the confidence of the clientele in the bank, which,



Kazi Abdul Mazid

unlike other banks in the country, follows the International Accounting Standard (IAS-30) in assessing the value of its investments in shares at the year-end.

Prime Bank is one of the first private banks in Bangladesh to integrate treasury dealings of the local money and foreign currency markets under one umbrella, he said.

"We have an independent treasury operation where local and foreign currency trading and interbank operations take place. The bank's dealing room is connected to the automated Reuters Terminal, enabling it to provide forward/future facilities to its corporate clients at a very competitive rate," Mazid said.

He said Prime Bank is also one of the first few local banks to become a member of the Society for Worldwide Interbank Financial Telecommunication (SWIFT).

SWIFT provides a fast and accurate communications network for financial transactions like letter of credit (LC) and funds transfer, he said.

The SWIFT membership also opened up scopes for uninterrupted connectivity with over 5,700 user institutions in 150 countries of the world, the MD said.

The bank has also launched its credit card as the principle member of Master Card International. "We issue both local and international credit cards having unique features like photos of the card-owner, which reduces risks of forgery."

He said that the bank is also running branches both in line with conventional and Islamic Shariah-based banking systems.

Currently, the bank is doing its business with 20 branches all over the country and has recently received licenses to open five more.

## Exports increasing since '96

Commerce minister tells Parliament

Commerce Minister M A Jalil told Parliament yesterday that since the present government came to power, Bangladesh has been able to narrow its trade deficit with the increase of import by different countries, reports UNB.

Replying to a supplementary question from Panchanan Biswas (Awami League-Khulna), he said quoting statistics that Bangladesh's exports were US \$3,852 million in fiscal 1995-96 against an import of \$6,827 million, showing a trade deficit of \$2,945 million.

In fiscal 1996-97, exports totalled \$4,418.28 million while imports were \$7,850, a trade deficit of \$2,732 million.

In 1997-98, exports were \$5,168 million and imports \$7,545 million, showing a trade deficit of \$2,477 million.

In 1998-99, exports stood at \$5,315 million against the import of \$8,006 million. Trade deficit for the fiscal was \$2,693 million.

Export earnings rose by 36.84 per cent (in terms of US dollar) in fiscal 1998-99 compared to 1995-96, the Commerce Minister said, replying to a question from Abdul Latif Mirza (AL-Sirajganj).

He said 20 major importers of Bangladesh products are USA, Germany, UK, France, Italy, Netherlands, Belgium, Canada, Japan, Hong Kong, Spain, Sweden, India, Denmark, Thailand, Pakistan, Iran, Australia, Turkey and Switzerland.

In 1998-99, the country has earned US \$4,906.42 million from exports to those countries, which was 92.35 per cent of total export earnings for the fiscal.

Bangladeshi exports included woven and knit wears, frozen shrimps, leather, jute products, footwear, towel, specialise textiles, tea, raw jute, chemical, fertiliser, tents, golf shafts, fishing reel, textile lab-

rics, handicrafts, leather products, ceramic goods, frozen fish, bicycle and camera parts.

Replying to M Wazi Uddin Khan (AL-Pabna), the minister admitted a rise in trade deficit in fiscal 1998-99 and said severe flood in 1998-99 increased import of foodgrains which in turn increased the trade deficit.

The trade deficit in 1998-99 rose by US \$309 million, which was 12.96 per cent more than that of fiscal 1997-98, he said.

In reply to Kazi Sirajul Islam (AL-Faridpur), Jalil said Bangladesh imported ready-made garments and clothes worth Tk 469.1 crore in fiscal 1998-99 from Thailand, India, Taiwan, Pakistan, Hong Kong, Indonesia, South Korea and some other countries.

Responding to a supplementary question, he said that in the first eight months of the current fiscal year (July-February), Bangladesh exported goods worth Tk 18,329.46 crore.

## UN confce on jute begins in city today

The International Jute Organisation (IJO) is expected to consider and adopt a successor instrument to the existing International Agreement on jute and jute products during a meeting to be held in the city next week following an international conference on jute, reports BSS.

The present agreement expires on April 11.

The two-day second session of the United Nations conference on Jute and Jute products begins today. If needed it would be extended for another day up to April 8, a press release said.

The conference will precede the 28th session of the International Jute Council on April 9 and 10 which will consider and adopt a successor instrument to the existing International Agreement on Jute and Jute products. IJC is the highest policy making body of IJO.

Both UN conference and IJC meeting will be held at the International Conference Centre (ICC) in the city.

The second session of the conference will be chaired by its President Li Enheng from China. It will be attended by the representatives of IJO members as well as observers, the press release added.

## Central Insurance holds managers' conference

A two-day conference of the branch managers of Central Insurance Company Ltd was held at its head office in the city recently, says a press release.

The conference discussed the activities of the company with a focus on the future business policies and growth.

MR Ali, Chairman of the company, inaugurated the conference. He praised the branch managers and development personnel for boosting business despite unfavourable market situation.

Director Showkat Alam called upon the managers to provide the clients with highest standard of services.

Managing Director of the company Md Ezhar Hossain gave a vivid account of the performance of the company in different areas, namely collection of premium, business development, introduction of new insurance products and investment policy.

The conference was attended by all managers and development officers of 31 branches and executives of the head office of the company.

The successful branches and development personnel were awarded for their business performances and the concluding session of the conference was followed by a dinner at the Dhaka Club Ltd.

## IMF adopts tougher auditing standards for loans

Response to calls for reform

WASHINGTON, Apr 5: The International Monetary Fund, seeking to respond to growing calls for reform, adopted tougher auditing standards for countries seeking to borrow money, reports AP.

The agency's 24-member executive board approved a requirement Tuesday that countries seeking loans will have to agree to publish annual financial statements of their central banks that have been reviewed by outside auditors using internationally accepted auditing standards.

The requirement, to take effect in July, was a response to allegations that the central banks of both Russia and the Ukraine lied to the IMF about the status of their financial reserves during recent fiscal crises.

That the IMF did not immediately uncover the true state of finances in Russia and the Ukraine has triggered renewed criticism of the lending agency on the part of many in Congress.

US Treasury Secretary Lawrence Summers, testifying last month to a congressional committee examining IMF operations, said the Clinton administration also was deeply bothered by the incidents. Also

worrisome, Summers said, was that IMF staff members did not disclose the Ukraine situation to its executive board until this year even though the staff knew about the developments in 1999.

Acting IMF Managing Director Stanley Fischer told reporters the new auditing requirements were intended to make sure that IMF loans in the future are used properly.

When the IMF extends a loan to a country in financial distress, the money usually is placed in that nation's central bank.

The IMF has never before required all countries to agree to independent audits of its central bank as a condition for getting loans, although it has required occasional spot audits in cases where improper use of the funds was alleged, as in the case of Russia and the Ukraine.

In a wide-ranging news conference late Tuesday, Fischer told reporters that the IMF has a full agenda of reform proposals to address at its annual spring meetings with the World Bank on April 16-17.

Many of the groups that disrupted the meetings of the World Trade Organisation in Seattle in December are making plans to have thousands of demonstrators on the streets of Washington to vent unhappiness with the IMF and World Bank, two organisations they have accused of being more responsive to multinational corporations than the needs of poor people.

Second birthday of GMG today

GMG Airlines celebrates its second birthday as a leading private airline of the country today, says a press release.

Since the first flight took off on April 6, 1998, GMG Airlines has carried a total of 334,000 passengers and achieved a 35 per cent market-share.

All the passengers, who fly with GMG Airlines to Dhaka, Chittagong, Sylhet, Rajshahi, Jessore or Barisal between April 6 and May 6, 2000, will receive a raffle draw coupon with every ticket they buy.

The first prize is a five-star honeymoon package to Kathmandu for two. There are many other fabulous prizes offered by GMG's well-wishers and inter-line partners. Fifty lucky winners will be invited to the GMG gala dinner.