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Trade, aid getting more condition-bound

Concern raised at CPD dialogue on EC-Bangladesh agreement

Star Business Report

Political leaders and policy-makers yesterday univocally raised their concern over the increasing trend of attaching strings with trade and aid by the developed countries and dictating globalisation at their own terms.

Both State Minister for Foreign Affairs Abul Hasan Cowdhury and former finance minister and BNP lawmaker Saifur Rahman said the developed countries look at globalisation only from their national interests and the perspective of globalisation vary from country to country.

They also said that while the developed countries express their concern over the human rights situation, democracy and trade liberalisation of the least developed countries (LDCs), they would not allow free movement of labour.

They were speaking at a dialogue on "EU-Bangladesh Partnership: Challenges in the Context of Globalisation" organised by the Centre for Policy Dialogue (CPD) with its Chairman Prof Rehman Sobhan in the chair.

Held at Sheraton Hotel, the dialogue was addressed, among others, by BNP leaders M Morshed Khan, M Shamsul Islam, Ambassador Antonio de Souza Menezes, Head of Delegation of the European Commission in Bangladesh, German Ambassador Uwe Schramm, Danish Envoy Finn Thilsted and Executive Director of CPD Dr Debebapriya Bhattacharya. Political leaders, ambassadors of the EU countries, former and present ambassadors of Bangladesh and academics also spoke on the occasion.

The dialogue was organised just a day before a new cooperation agreement is to be signed today between Bangladesh and the European Community (EC) in Brussels.

According to the new cooperation agreement, the future EU cooperation and assistance will critically hinge on Bangladesh's compliance with key commitments articulated in the agreement related to good governance, labour rights, human rights etc.

When the participants expressed their concern over the conditionalities in the new agreement, State Minister Abul Hasan Chowdhury said that the government expressed its own views on those issues to the donors. "We are certainly not to be dictated," he stated.

But he said that any suggestion on development issues from the development partners would be encouraged. He however asked the EU not to make 'unrealistic' demands which are difficult for Bangladesh to meet.

Saifur Rahman termed the donors' increasing interference in the country's politics and other issues as 'over extended wisdom' of the development partners.

He also questioned whether the globalisation process pushed by the developed countries from their own perspective should be at all called 'globalisation' in real terms.

The new agreement considerably enhances the scope and the intensity of relations between EU and Bangladesh, going beyond the limited objectives of the 1976 predominantly commercial co-operation agreement, said Ambassador Antonio de Souza Menezes, Head of Delegation of the European Commission in Bangladesh.

The EC ambassador will have continuous contact with the government to identify priorities under the new agreement. The respective proposals will be submitted to the EC-Bangladesh Joint Commission meeting, which is to take place in Brussels this year.

"This consolidation of the relationship between the EU and Bangladesh coincides with the decision on a new European Community Development Policy, which undoubtedly will have positive effects on the EC-Bangladesh development co-operation," Menezes said.

He said the new EU Development Policy radically refocuses on the overarching objective of poverty eradication.

CPD Chairman Prof Rehman Sobhan said the country's development partners have to understand that Bangladesh has transformed its image from an aid-depended country to a trade-depended one and they should refocus their policy towards Bangladesh.

Prof Sobhan also urged the politicians to act together to address the emerging challenges arising out of globalisation.

Emirates guest chefs Stephan Schupbach (right) and Lew Kathreptis pose with one of their creations for all Emirates classes — spiced prawn with red pepper coulis on tabbouleh couscous — in the comfort of an Emirates First Class cabin. —Emirates photo

Common SAARC stand to face WTO challenges urged

Seminar for more thrust on economic issues

Speakers at a seminar in the city yesterday urged the SAARC nations to forge a common stand to face the upcoming World Trade Organisation (WTO) challenges, reports BSS.

The business leaders at the seminar on "WTO and South Asia" asked the political leaderships to give more importance to the economic issues for the progress of the millions of people in the region.

It is important for the regional nations to take a unified and bold stand to win their due share within the framework of the global trade body, they said.

Jointly organised by the SAARC Chamber of Commerce and Industry (SCCI) and Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the seminar was held at Hotel Purbani in the city with Industries Minister Tofail Ahmed attending the inaugural session as the chief guest.

SCCI President Qasim Ibrahim, FBCCI President Abdul Awal Mintoo, Commerce Secretary Golam Rahman and FBCCI Vice President Abdul Momin also spoke. Business leaders and diplomats of the SAARC countries were present.

Executive Director of the Centre for Policy Dialogue (CPD) Dr Debapriya Bhattacharya, Economic Consultant of SAARC Secretariat Dr Upali Wickremasinghe, a WTO expert from Pakistan M A Bajwa, Research Director of the Rajib Gandhi Institute for Contemporary Studies Prof Bibek Debroy and representatives of the Maldives, Bhutan and Nepal chambers took part in discussions on different topics in three working sessions.

Tofail Ahmed said despite strong moves taken by Bangladesh recently as the spokesman for the LDCs, the developed countries are yet to give preferential treatment in trade to the poor nations.

He said even Bangladesh, Nepal, Bhutan and the Maldives — the four least-developed countries within the SAARC — are yet to get market access to three other countries of the forum.

India should implement its commitment to give free access of 25 Bangladesh items to its market without delay, he said.

Tofail said the business communities of the SAARC countries should counsel their respective governments in devising mechanisms of economic cooperation.

The SAARC nations should create a common platform to ensure their own share of global trade pic during the upcoming WTO round, the industries minister said.

Echoing the industries minister, FBCCI President Abdul Awal Mintoo said the SAARC nations should take a collective stand and work together as a unified powerhouse in facing he challenges of the WTO system.

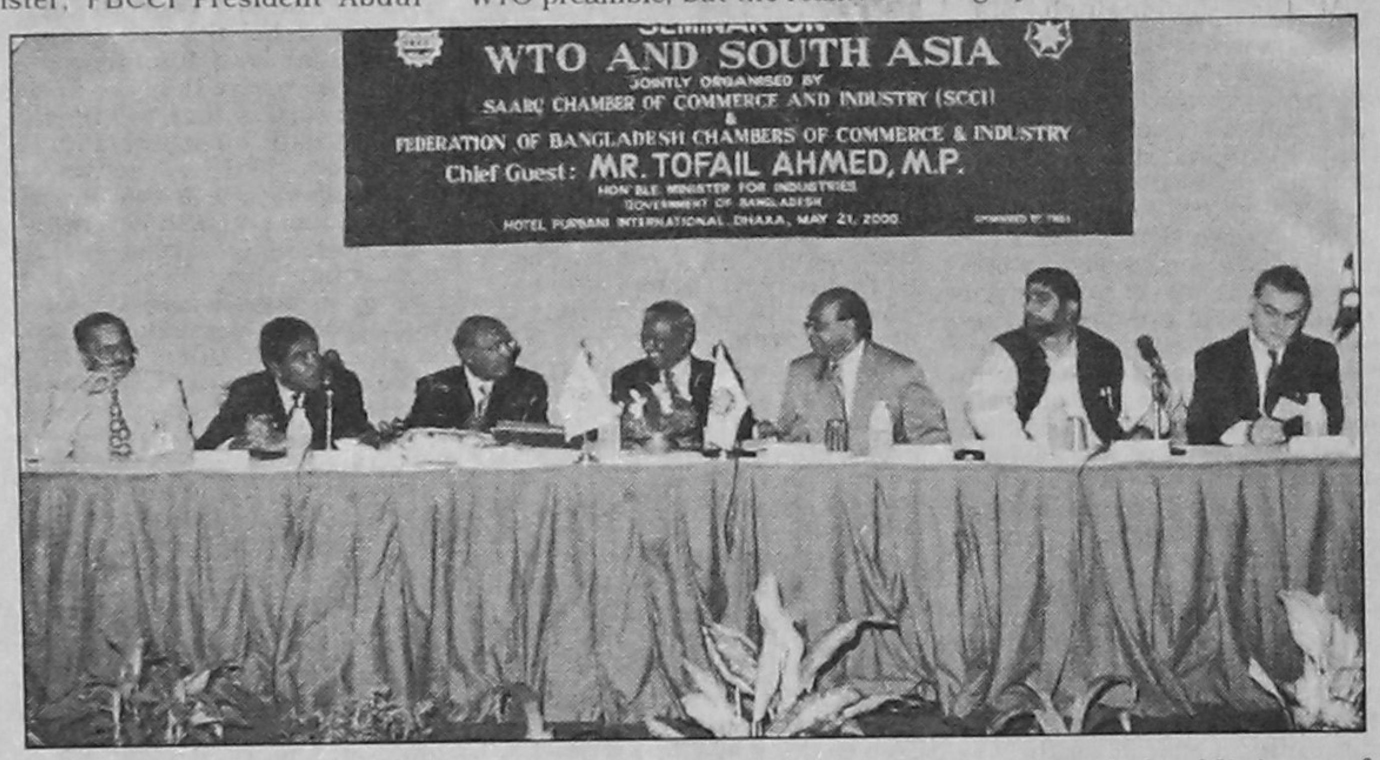
Mintoo urged the WTO authorities to include private sector leaders of the underdeveloped countries along with their governments in any forum of the organisation.

The inclusion of private sector is important because WTO decisions are taken in closed-door sessions and the business communities can only know those either through the press or their governments later, the FBCCI president said.

The FBCCI president said there are lofty statements in the WTO preamble, but the reality is that the LDCs are being marginalised instead of getting integrated into the global system.

He said the share of global trade of the 48 LDCs having a quarter of the world population has decoined to 0.4 per cent from the pre-Uruguay round volume of 0.5 per cent despite having a standing proposal to offer zero tariff to the products of the least developed countries.

Mintoo said under the globalisation scenario, the poor countries have two options, either to connect up with the new economic order or to get lost due to the uneven trade mechanism devised highly in favour of the mighty and rich nations.



Tofail Ahmed, Minister for Industries, Ghulam Rahman, Secretary of the Ministry of Commerce, Qasim Ibrahim, President, SAARC Chamber of Commerce and Industry (SCCI), Abdul Awal Mintoo, President of FBCCI and Vice-President of SCCI, Sheikh Jamil Mehboob Magoon, former Vice-President, SCCI, M A Mumin, Vice-President, FBCCI, and Siegfried Herzog, Project Director, Friendrich-Naumann-Stiftung (FNSt), are seen at a seminar on "WTO and South Asia" jointly organised by SCCI and the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at a local hotel yesterday.

BSFIC plans jt venture distillery to make export-only liquor

Search for fitting investors launched

By Inam Ahmed

Bangladesh Sugar and Food Industries Corporation (BSFIC) has planned to set up a joint venture distillery to produce high-quality liquor.

The corporation is now looking for prospective investors for the sketched joint venture plant to be set up preferably near the Mongla sea port, which will produce liquor only for export.

According to sources, the Corporation that also runs a distillery and produces Carew brand liquor, expects to produce around 60 lakh litre of liquor at the plant per year.

"We produce liquor as a by-product using molasses at our Carew plant," said D N Bhakta, Chief of Planning of BSFIC. "But we have a lot of excess molasses which could be used in producing more liquor for the sole purpose of export to international markets."

Carew has an annual output capacity of 45 lakh litre of liquor and rectified spirit a year, but it produces around 25 to 30 lakh litres depending on the demand.

BSFIC will provide the land and molasses whereas the equity partner will come up with the capital, which, according to preliminary estimates, will be around Tk 40 to 50 crore.

Carew uses about 10 to 15 thousand tonnes of molasses a year and there are three more private distilleries which also consume some of the products. The new plant with the envisaged capacity will need another 10 to 20 thousand tonnes of molasses.

"Currently, molasses have very limited economic application and is used only in making tobacco products and feeding animals," said Bhakta, adding "we also export around 10,000 tonnes a year. But with the new plant, the country will earn a lot of foreign currency as well as generate considerable employment opportunities."

Carew, the country's lone liquor-making plant, only produces for the domestic market and does not have the modern equipment and quality for export.

"For example, we still bottle the liquor manually which is unacceptable in foreign market," said a source, adding "exporting chances are always there provided the plant is modernised. But that also calls for a strong marketing channel."

Sony Wega TV promotion campaign launched

The Sony FD Trinitron Wega Colour TV Promotion-2000 campaign was launched at Rangs Electronics' Airport Road sales centre on Saturday, says a press release.

The campaign was inaugurated by magician Jewel Aich. Aktar Hussain, Managing Director, Rangs Electronics Ltd., Sabur Ahmed, General Manager, and other senior officers of Rangs Electronics Ltd. were present.

The campaign will continue till June 30.

While inaugurating the promotion campaign, Jewel Aich expressed the hope that the completely flat screen Sony Wega television would soon become the most favourite item in Bangladesh.

Aktar Hussain spoke of the 11 special features of Sony Wega TV, which has been acclaimed throughout the world as the latest in TV technology, it said.

Jewel Aich cuts the ribbon to launch the Sony FD Trinitorn Wega Colour TV Promotion-2000 campaign at Rangs Electronics' Airport Road sales centre on Saturday.
— Rangs Electronics photo

Erratum

The name of a regional organisation, Asian Clearing Union, was mistakenly printed as "Asian Currency Union" in a BSS story published under the heading "Myanmar elected chairman of ACU," on this page yesterday. We regret the error.

Fazlur Rahman made Loyeds Ins chairman

Fazlur Rahman has recently been elected Chairman of The Loyeds Insurance Company Limited.

Rahman, a renowned industrialist, has been playing an important role in the development of edible oil industry of the country for the last few decades. He is the chief of City Group and one of the leading importers of agricultural commodities.

Rahman, who is also the Senior Vice President of Bangladesh Vegetable Oil Refinery Association, is the top producer of vegetable oil. Besides, he is also the Managing Director of City Re-Rolling Mills, Hasan Plastic Industries, Hasan Vegetable Oil Mills Ltd., City Fibers Ltd., Hasan Dal Mills Ltd., Hasan Flour Mills Ltd., Hasan and Company and Asia Pacific Refineries Ltd.

Indian PM warns country's finances under stress

Resources seen scanty to meet development needs

NEW DELHI, May 21: Indian Prime Minister Atal Behari Vajpayee warned today that the country's finances were under severe stress and called on the federal and state governments to act in tandem to reduce their fiscal deficits to release resources for economic growth, reports Reuter.

"The centre and the states are going through a period of severe financial stress. Our resources are increasingly proving to be inadequate to meet essential development needs," Vajpayee told a meeting of the Inter-State Council.

The one-day meeting of the council, an inter-government forum, is being attended by federal ministers, chief ministers of most states and senior officials.

Vajpayee said both the federal and state governments were borrowing excessively.

"The result is that the combined fiscal deficit of the centre and the states has reached nine per cent of GDP (gross domestic product) in 1999/2000 (April-March)," Vajpayee said, adding that this was higher than the level in 1990 when the country faced a severe balance of payments crisis.

The fiscal deficit of the federal government for 1999/2000 is estimated at 5.6 per cent of GDP, sharply up from 4.5 per cent the previous year. It is seen at 5.1 per cent of GDP for the year 2000/01.

Vajpayee said an unsustainable level of deficit had serious negative effects on the economy and could derail growth projections.

The government is targeting a GDP growth rate of seven to eight per cent in 2000/01, up from 5.9 per cent in the previous year.

Vajpayee said the growing subsidy burden needed to be tackled jointly by both the centre and the states.

"The union government has taken some difficult decisions to contain subsidies at the centre. The states would be well advised to do the same," he said.

In its 2000/01 budget, the federal government slashed food and fertiliser subsidies and refuse to roll the cuts back despite strong opposition both from within and outside the government.

During the meeting the state governments drew attention to the difficulties faced by them due to ever-increasing financial burdens.

They said the states' share of central taxes, which had been raised to 29 per cent with the passage of a bill in parliament, should be increased to at least 33.3 per cent.

The states also wanted their short term overdraft limits from the Federal Reserve Bank of India to be increased to 14 days from the present 10. States use the overdraft facility to meet mismatches between revenue and expenditure.

EU Sea Food Expo

Fish processors win $9.16m spot orders

Ten fish processing units of Bangladesh that took part in a three-day prestigious 'European Sea Food Expo-2000' in Brussels from May 9 received spot orders amounting to US $9.16 million, says UNB.

Exporters organised by the Export Promotion Bureau took part in the fair and displayed block frozen shrimp, IQF and semi-cooked shrimp along with marine fish.

Many reputed buyers of shrimp and fish from across the world had visited the fair. Apart from spot orders, Bangladeshi exporters received a lot of trade inquiries at the fair.

Emirates comes up with 5-star cuisine in all classes

Emirates Airlines introduces five-star cuisine in all classes of its flights from the first of next month, says a press release.

The new dishes have been created by Swiss Stephan Schupbach, the hotel's Executive Sous Chef, and Australian Lew Kathreptis, Chef de Cuisine of the Royal Mirage's Celebrities restaurant.

The selection includes five hors d'oeuvre, five main courses and five desserts which will be available to passengers in all classes on board Emirates flights from June 1.

The freshest ingredients combined with flavours that evoke the countries of the Middle East are the concept behind 15 exclusive dishes created specially for Emirates by chefs at Dubai's luxurious Royal Mirage Hotel.

The Royal Mirage beach-resort recreates the ambience of a fabled Arab fort. From June 1, Emirates passengers in all classes will be able to sample its distinctive cuisine enjoyed by hotel guests in the Celebrities restaurant, a dining experience blending the Arabian flavours.

SAARC Chamber delegation meets PM

Hasina for harnessing untapped regional resources

Prime Minister Sheikh Hasina yesterday called upon the business leaders of the SAARC countries to work unitedly as one family with a common goal to achieve a prosperous South Asia, reports BSS.

"Move ahead with common approach and agenda for achieving economic progress and prosperity of the region ignoring political differences, if any, among the member states," she said.

The Prime Minister was talking to an 18-member delegation of the SAARC Chamber of Commerce and Industry (SCCI), who called on Prime Minister Sheikh Hasina at her office.

The Prime Minister stressed the need for proper harnessing of the huge untapped natural resources including manpower the SAARC countries are blessed with an utilise those for the benefit and wellbeing of our peoples.

Sheikh Hasina urged SCCI leaders to evolve ways and means through united endeavours to face the challenges resulting from the globalisation process.

The Prime Minister stressed the need for bridging the trade gap existing among the SAARC member countries. She also favoured free flow of goods among the SAARC countries.

The leaders of SAARC chamber are in the city to attend the just concluded seminar on "WTO and South Asia" jointly organised by SCCI and FBCCI. They will also attend the meeting of the executive committee of SCCI to be held here today.

Earlier, in his introductory remark SCCI President Qasim Ibrahim told the Prime Minister that SAARC chamber was working with common approach in all international forums to protect the interest of its member countries.

FBCCI President Abdul Awal Mintoo, who is also Vice-President of SCCI, introduced the members of the delegation to the Prime Minister.

The other members of the delegation included Mohammed Areef and Mohammad Faiz of the Maldives, A S Kastival, Pradip Madhavji, M K Saharia and Ms Amita Sarkar of India, Mohammad Shafique, S M Inam and Sheikh Jamil of Pakistan, Dr Upali Wickramasinghe of Sri Lanka, Salman F Rahman, M A Mumin, Momtazuddin, Dewan Sultan Ahmed, Momenul Haq, A H Sohel of Bangladesh and Siegfried Herzog, Project Director of SCCI.

Telenor buys 30pc stake in Thai cell phone firm

Telenor entered into an agreement for acquiring about 30 per cent stake in Total Access Communications (TAC), Thailand's second-largest mobile telephone company, says a press release.

Telenor, a leading telecommunications company of Norway, is a major shareholder of GrameenPhone Limited.

The investment in TAC, listed with the Singapore Stock Exchange totalled about $530 million. The agreement also included the purchase of 24.9 per cent of parent company United Communications (UCOM) for $189 million.

"The investment in TAC and UCOM is one of Telenor's most significant investments to date," said Telenor CEO Tormod Hermansen. "This transaction is consistent with our continued international expansion strategy and our commitment to partnering with leading companies in high growth markets worldwide."

The agreement was announced simultaneously in Oslo and Bangkok recently. Telenor's investment in Thailand follows the acquisition of 30 per cent of Malaysian mobile company Digi Mobile for about $200 million.

"The investment in TAC and UCOM, our position in Malaysian mobile operator Digi and our presence in Bangladesh gives us a solid presence in Asia, which we believe is a key growth market for our company," said Hermansen.