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Star BUSINESS

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UN confce action programme promises a little for LDCs

Meeting begins in Brussels on May 13

STAR BUSINESS REPORT

The new programme of actions (POA) for discussion at the third UN conference on the LDCs scheduled in May will have marginal impact on the Least Developed Countries in its present form.

The actions include a long list which the LDCs have to do for trade liberalisation, but in exchange the developed nations offer a little to their lesser partners.

"The draft programme of actions in its present form reflects an unbalanced menu of rights and obligations to the neglect of the fundamental interests of the LDCs," said a study paper on 'Third UN Conference on LDCs: Making it Work for Bangladesh'.

The paper presented at a re-

cent dialogue on 'Bangladesh's agenda for the third UN LDC conference' organised by the Centre for Policy Dialogue (CPD) was prepared by Dr Debapriya Bhattacharya and Dr Mustafizur Rahman.

It is quite evident that while the targets for the LDCs have been described in very precise terms, the commensurate measures which are expected to come from the development partners remain either vague or under advisement, the study added.

The Brussels Conference is expected to be a hunting ground for the least developed countries (LDCs) and the developed countries to negotiate trade deals.

The POA proposes increased role of trade in development to the full benefit of LDCs, while taking

into account the trade interests of the other developed countries and development partners.

"Such a stipulation borders on being an oxymoron," said the CPD paper.

With respect to special and differential treatment, the LDCs are yet to get support for a binding commitment to GSP, inclusion of industrial subsidies in 'non-actionable' category, safeguard measures in agriculture against import surges and low import prices. There is also no consensus on seeking early finalisation of minimum criteria and procedures for accession of LDCs to the WTO.

Concerns of the LDCs about standard-setting and quality control measures by the developed industrialised countries as technical barriers to trade are yet to be

fully addressed in the draft POA.

Among the proposed actions to be undertaken by the LDCs under the commitment of enhancing the role of trade in development, the only one which will be debated in Brussels relate to further liberalisation of trade in the agriculture sector.

Curiously, the developed countries have not made any commitments in the new POA regarding liberalisation of their own service sector.

Regarding increasing flow of foreign direct investment (FDI) to LDCs, the draft POA does not mention any action on the part of the development partners.

On the other hand, it is expected that the LDCs should remove 'all obstacles to the creation of new foreign-owned business'.

Govt decides to set up Product Development Council

Bid to boost exports

UNB, Dhaka

The Export Promotion Council at a meeting yesterday decided to set up two new platforms under the Commerce Ministry to facilitate expansion of the country's exports, especially exploiting duty-free market access.

One of the committees would be formed soon to utilise the recently declared duty-and-quota-free market access of Bangladesh products to EU, Japan and other countries.

The other platform will be the Product Development Council to identify new sectors to add to the export basket, now confined to a very few items.

The platforms would comprise public and private-sector representatives, Commerce Minister Abdul Jalil told the meeting at Hotel Sonargaon.

Announcing the decision, he asked authorities concerned to take necessary steps and sought private sector's cooperation in forming the forums immediately.

The minister, also the EPC chairman, resented the activities of the council that failed to implement a decision of its earlier meeting nine months ago.

In last year's EPC meeting, Jalil gave the decision to hold separate meetings to focus five thrust sectors - textiles, agro-based industries, leather and leather goods, frozen foods and computer and software.

He renewed his decision to hold separate meetings and instructed parties concerned so that sector-specific problems can be identified and measures can be taken. He also emphasised holding the council meeting quarterly.

The EPC summarised 41 recommendations for consideration out of 333 put forward by different trade bodies. The areas of recommendations were made on the basis of some common problems that businesses are facing regarding bank loans, insurance, duties-taxes-VAT, transportation and ports and power.

Sector-specific recommendations were also made at the meeting on readymade garments, jute and jute goods, leather and leather goods, frozen foods, agro-products, tea, handicrafts and computer software.

Very few of them could be reviewed in the time-barred meeting with the minister in the chair, prompting separate meetings.

High government officials representing member ministries of the EPC and business leaders

representing different sectors attended the export-promotion talks.

"The government remained aware about expansion of export items and market and strengthening export-facilitating infrastructure to remove the weakness of export trade," the Commerce Minister told the meeting.

He expected that the exporters would take the advantage of government-provided export incentives and different programmes for developing new items and for market expansion.

Jalil referred to a recent complaint from Brussels-based shrimp buyer that the buyer detected cholera germs in shrimp exported by Sigma Sea Foods.

He expressed concern about destroying reputation of Bangladesh frozen foods and asked concerned association to investigate the fraud.

BSS adds: Business leaders demanded a number of duty exemptions in the next budget, including total exemption of income tax from export earnings.

The business leaders made the demand as part of their recommendations to 'boost export earnings' at a meeting of the Export Promotion Council participated by the country's apex chamber body.

The leaders also demanded for introduction of seven per cent interest in all bank loans relating to exports, special bonded license for non-traditional exportables and withdrawal of Value Added Tax (VAT) in respect of gas supply to exporting houses.

Leading chambers and major exporters associations attended the 33rd meeting of the council where the government made commitment to give policy support as demanded by the leaders, as far as possible.

Production at Jamuna Fertiliser Co suspended

BSS, Dhaka

Production at Jamuna Fertiliser Company Ltd was suspended yesterday for the next ten days for repairing technical faults at its ammonia plant.

There will be no problem in supplying fertiliser as over 30,000 metric tonnes of fertiliser have been stocked at the godowns of the company, a BCIC press release said here yesterday.

The repair work is being held at the end of the pick season to avoid any problem in fertiliser supply, the release said.

The production at the company is expected to resume on May 7.

Taste instant noodles available in market

Taste instant soup noodles, a Korea-Bangladesh joint venture product, is now available in the local market, says a press release.

Korea-Bangladesh Food Products is producing this food item under a technical collaboration with a South Korean company.

In the international market, Taste instant soup noodles is known as Ramyun. Taste is enriched with vitamin B and calcium, the release said.

DHL launches EasyShip v4

DHL Worldwide Express, the world's leading air express and logistics provider, has announced the release of the upgraded version of its widely popular product, EasyShip v4.

The desktop PC-based shipment management system, which operates via the Windows platform, now ensures even easier access for customers to automate and manage their shipment processes. Like other countries of the world EasyShip v4 will be available from Bangladesh, says a press release.

DHL EasyShip is a powerful shipment management tool that provides total shipping solutions to high-volume shippers. Through this product, DHL customers have the capability to process their shipments, send shipment notification, query shipment charges and delivery status directly from their office computer.

EasyShip was initially developed by DHL Systems in the mid 1980s. Since then it has been constantly refined and enhanced and, in late 1990s, a DOS version became available worldwide.

"DHL is delighted to offer our customers an even more powerful version of EasyShip," said Marc Duale, Chief Operating Officer, DHL Asia Pacific. "DHL has made significant investments in this product and we believe that EasyShip v4 will be well-received among our customers. The upgrade version is a demonstration of DHL's long-standing commitment to providing the easiest, most accessible products in the industry, and I believe that this product will differentiate us well among our competitors."



PHOTO: MUTUAL TRUST BANK

The 2nd Annual General Meeting of Mutual Trust Bank Ltd was held at the bank head office Saturday. The meeting was presided over by Syed Manzur Elahi, Chairman. Samson H Chowdhury, Vice Chairman, Mosharrar Hossain, Managing Director, other directors and sponsor shareholders were present. The Directors' Report and audited accounts of the bank for the year ending December 31, 2000 was adopted at the AGM.

Taiwan economy performing worse than expected

AFP, Taipei

Taiwan's economy is performing worse than expected, several reports said Sunday, blaming falling government policies and the global business slowdown.

Business start-ups fell by a monthly average of 480 over the past calendar year, according to a study by opposition New Party lawmaker Lai Shyh-bao and Professor Tu Chen-hua of National Taiwan University.

It also showed that private sector investment decreased 5.81 percent during the past year, and business income tax dropped by a monthly average of 3.2 billion Taiwan dollars (97.3 million US).

Economic ministry officials have said the island's unemploy-

ment rate hit a 15-year high of 3.89 percent in March.

The rate is expected to exceed four percent in April, and could top the historic high of 4.1 percent hit in August 1985, they said.

Economic ministry officials were also concerned business failures for the year 2001 would break the record of 6,788 hit in 1998 during the region's financial crisis, the United Daily News said.

The government's chief economic planner Chen Po-chih said the economic slump in the United States was responsible for some of the woes.

"International economic problems like the rise of oil prices and slowdown of the new US economy started to erupt in July, or two months after the DPP gov-

ernment took the power."

The pro-independence Democratic Progressive Party's (DPP) took power last May ending the Kuomintang's 51 years in power, and some critics said it had caused uncertainty among entrepreneurs by ruling on "ideology."

"Negative influences started to be felt in the fourth quarter last year," Chen said.

"The Council for Economic Planning and Development started to prepare for the slowdown in September... but I have to admit the downturn was far beyond our forecast," he said.

DPP lawmaker Lin Cho-shui told reporters that even "the party's supporters were unhappy with the government's economic performance."

2 Ships with 27,000 MT of sugar arrive by May 15

BSS, Dhaka

Two ships with 27,000 tons of sugar is to arrive here within a fortnight, official sources said yesterday.

MV Lardia and MV Chapal-II carrying 27,000 tons of sugar would arrive at the Chittagong Port in the second week of May, Bangladesh Sugar and Food Industries Corporation (BSFIC) said in a press release yesterday.

The consignments are arriving as part of total of 1 lac 75 thousand tons of sugar being import by BSFIC to meet the shortfall. MV Lardia and MV Chapal-II are loading the sugar in Mumbai in India and Thailand.

These will be first consignment of sugar from abroad, BSFIC sources said.

Dhaka, Tehran sign Investment Treaty

UNB, Dhaka

Bangladesh and Iran signed an Investment Treaty yesterday for promotion and protection of bilateral investments to bolster economic cooperation.

Industries Secretary Al Ameen Chowdhury and Iranian Ambassador in Dhaka Mohammad Rezaei Nouri, on behalf of their respective governments, signed the accord at the Industries Ministry.

Industries Minister Tofail Ahmed and officials of both the countries were also present on the occasion.

Iran is the 24th country that Bangladesh signed such type of agreement with. The major other countries are - USA, UK, France, Germany, China, Japan, Korea, Indonesia, Thailand, Pakistan and the Philippines.

"Negotiations are going on

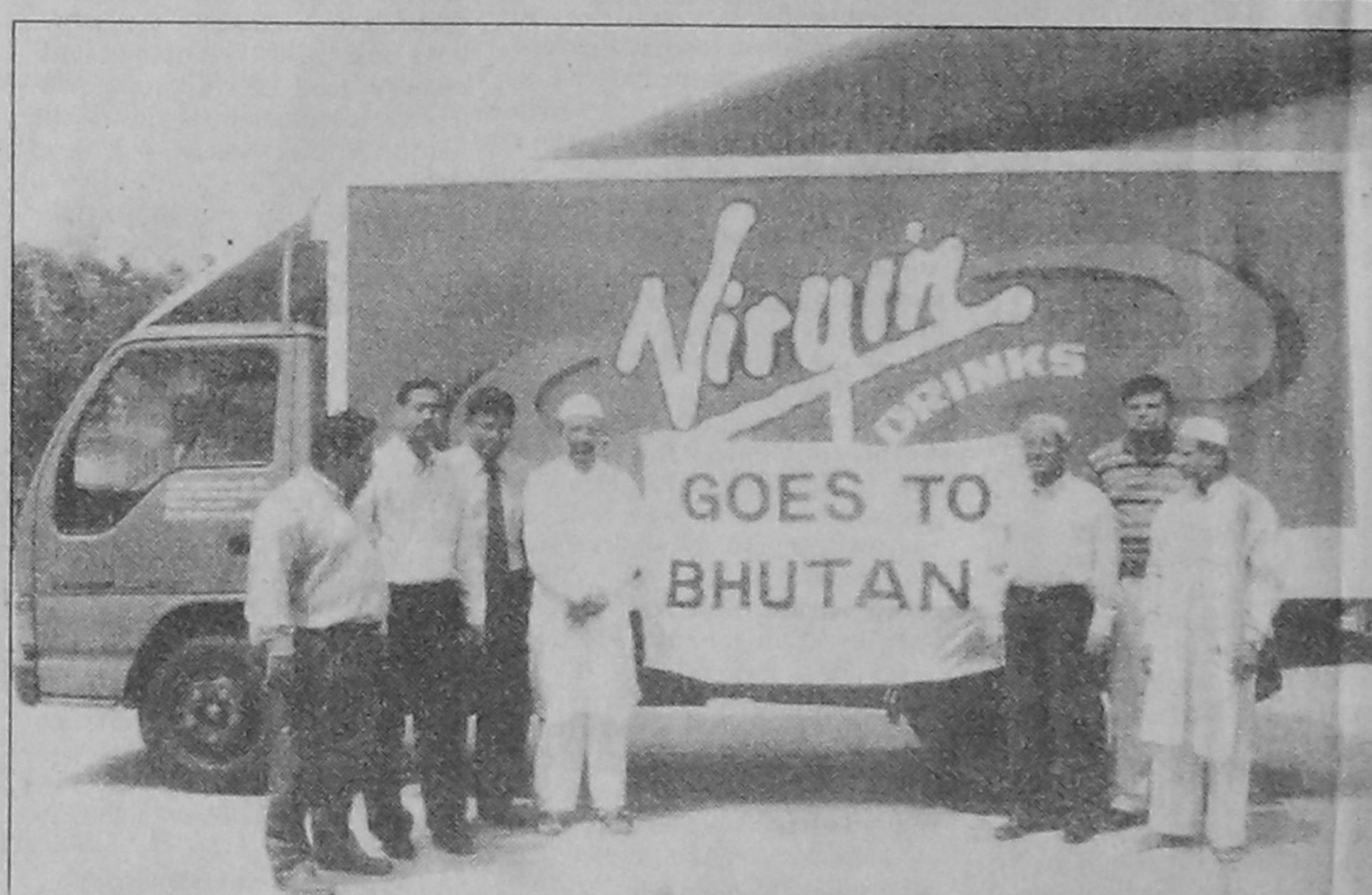
with nine other countries, including India, Oman, Austria and Egypt, to sign bilateral investment treaty," said an official announcement.

In the treaty both Bangladesh and Iran agreed to protect mutual investment from expropriation and other losses beyond control of the investors.

Through this agreement each country will encourage their nationals to invest in other country and they will get similar treatment as local investors are enjoying.

Under the terms of the treaty the investors can repatriate and transfer their invested capital.

"Following this treaty, trade and investment relations between the two countries would be strengthened further," Minister Tofail Ahmed said addressing the signing ceremony.



Chairman of Global Beverage Co Abul Quasem Haider (3rd from right) poses beside a Virgin van to mark the product's export to Bhutan.

Global Beverage exports Virgin drinks to Bhutan

Global Beverage Co Ltd, manufacturer and marketer of Virgin drinks, is now penetrating international market, says a press release.

As a first step, it has exported the product to Bhutan. To mark the occasion an inaugural ceremony was held at GBCL factory premises on April 28. The ceremony was inaugurated by Chairman of the Global Beverage Co Ltd Abul Quasem Haider and addressed by Managing Director Feroz Alam.

The inauguration ceremony was also addressed by Afzal, Rezakul Haider, Anis S Ahmed, M Billa, directors of GBCL, Tariqzaman, GM, BK Barua, Factory Manager, Mizanur Rahman, DGM, and Quamrul Hassan, Brand Manager of Global Beverage Co Ltd.

Global Beverage Co Ltd, the manufacturer and marketer of the Virgin drinks, launched its operation in Bangladesh last year under an exclusive franchise agreement with Virgin Enterprises Ltd.

ASEAN meets this week to sustain growth amidst US slowdown

AFP, Singapore

Southeast Asian economic ministers meeting in Cambodia this week are faced with the task of sustaining growth while their trade-dependent economies are hammered by the US slowdown, analysts said.

Their job is made more difficult by pockets of political instability which are dampening investor interest in the region at a time when China's allure as an investment haven is growing.

"It's a question of marketing ourselves with the right strategy," said Malaysia's International Trade and Investment Minister Rafidah Aziz.

Economic ministers from the Association of Southeast Asian Nations (ASEAN), a 10-nation market of 500 million people, will meet from May 2-7 in the Cambodian city of Siem Reap, site of the ancient Angkor Wat temples.

Their counterparts from China, Japan and South Korea are expected to join them under the so-called ASEAN plus three umbrella.

A spokesman for the ASEAN secretariat in Jakarta, M.C. Abad, said proposals to expand a free trade arrangement with Northeast Asia -- China, Japan and South Korea -- as well as Australia and New Zealand are expected to be tabled.

World Trade Organisation (WTO) issues such as the need for greater access for industrial goods, as well as agriculture and services, and the need to simplify the accession process for developing countries to the global trade body, were also likely to be raised.

An underlying issue was to make ASEAN relevant as an entity, analysts said.

"Frankly, the group has not done much to promote itself as a group," said Pande Raja Silalahi, an economist with the Centre for Strategic and International Studies in Jakarta.

"Everyone is promoting themselves to foreign investors, vying with others in offering better terms."

Expanding the ASEAN Free

Trade Area (AFTA) to cover Australia and New Zealand could prove to be difficult for consensus-driven ASEAN, given strong opposition by Malaysia, analysts said.

In an apparent reference to Australia and New Zealand, Malaysian Prime Minister Mahathir Mohamad has warned against attempts by "some countries" to gain backdoor entry to AFTA using bilateral free trade pacts with ASEAN members.

"The challenge is how to make ASEAN more effective as an organisation and how to restore confidence, translated in terms of increased investment flows," said Jose Tongzon, an economics professor at the National University of Singapore (NUS).

Dealing with the US economic slowdown and tougher competition from China are the other challenges, he told AFP.

Southeast Asian nations, led by Brunei, Indonesia, Malaysia, the Philippines and Singapore.

In the long-term, ASEAN economies should cut dependence on the US market by diversifying exports, Tongzon said.

fall than anticipated.

With the region still smarting from the blows of the Asian financial crisis in 1997 and 1998, ASEAN ministers should put aside their differences at Siem Reap to forge better economic cooperation, said Chaiwat Khamchoo, Dean of Political Science at Chulalongkorn University in Bangkok.

The general economic environment would be a major topic of discussion, along with strategies for the more advanced members to help their less developed neighbours, he said.

Thailand's priorities would be to push for better cooperation on tourism -- a crucial driver of the ailing Thai economy -- as well as on electricity generation in the Mekong sub-region which also covers Cambodia, Myanmar, Laos and Vietnam.

The other ASEAN members are Brunei, Indonesia, Malaysia, the Philippines and Singapore.

In the long-term, ASEAN economies should cut dependence on the US market by diversifying exports, Tongzon said.

Thailand plans new strategies to woo investors

AFP, Bangkok

Thailand plans to expand the role of state investment promotion agencies in an effort to boost its damaged economy with fresh foreign and domestic investment, reports said Sunday.

During a two-day economic workshop chaired by Prime Minister Thaksin Shinawatra, officials pledged to transform Thailand into a "knowledge-based" economy through new investment spurred by tax incentives and special privileges.

Trade and investment information, marketing services and networking opportunities are among the benefits that would be offered to entice investors under Thailand's new investment rationale.

Thailand's Board of Investment (BOI) would play a larger role by shepherding investor funds towards Thailand's small- and medium-size businesses and lower-profile projects that represent

weak economic links.

Businesses that stand to benefit include labour-intensive industries such as local food and craft businesses, industries targeted for improvement such as the automotive and electronics sectors and future growth industries such as bio-technology.

"I want to convey the message that the government is not against foreign investment. But we need to strengthen Thai investment," Thaksin was quoted by the Bangkok Post as saying.

Thaksin said the BOI's new strategies would emphasize increased support for local investors and Thai firms looking to invest overseas while stepping up efforts to facilitate relationships between investors and state agencies.

Thailand's National Economic and Social Board (NESB), a government think-tank that handles economic research, would also work with the BOI to hammer out new investor-friendly approaches to revive the economy.

India invites private firms in power transmission

AFP, New Delhi

India's state-owned Power Grid Corporation has invited bids from private companies for six transmission projects with a total investment of 2.6 billion dollars, newspapers said Sunday.

The Economic Times said the projects were open to international competitive bidding.

"We want these projects to be totally transparent where the project developer can be selected on the basis of the tariff he is offering," the Economic Times quoted an official of the Power Grid Corporation as saying.

"The project will be developed on a build-own-transfer basis," the official added.

India needs an estimated 252 billion dollars of investment in the next decade to generate an additional 100,000 megawatts of power.

Nearly a fifth of the power generated in India is lost in transmission, distribution and large-scale theft.