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# Star BUSINESS

DHAKA MONDAY MAY 21, 2001

Canada eases  
ban on EU meat,  
livestock

AP, Ottawa

Canada has relaxed restrictions on EU imports due to foot and mouth disease, but will continue to lay out the disinfectant welcome mat for international travelers arriving on Canadian soil.

The Canadian Food Inspection Agency on Friday lifted the ban on imports of animals and food products from European Union countries that have not had any cases of foot and mouth disease.

However, because travelers often visit several countries, the agency will continue safety measures put in place at all international airports in Canada, including disinfectant footbaths and a detector dog for all international travelers.

"We should not get complacent, ever," Frederique Moulin, veterinarian and national manager at the agency, said Saturday.

Fears the highly contagious disease could infect Canada's large cattle herd prompted Ottawa to ban EU imports of animals and animal products. Canada's last case of foot and mouth was in 1952.

All passengers arriving from Europe have to walk through disinfectant mats, while detector dogs prowl through luggage for possible contaminated material.

Warning posters and in-flight videos remind passengers arriving from abroad to abide by the restrictions.

The temporary suspension on imports, put in place March 13, was lifted Friday from the following countries: Austria, Belgium, Denmark, Italy, Finland, Germany, Spain, Sweden, Portugal and Luxembourg.

The import ban will continue to apply to Britain, Netherlands, Greece, France and Ireland, which have had confirmed cases of the disease.

Foot-and-mouth disease rarely infects humans and is not fatal to animals, but its presence has devastated Britain's livestock exports.

Infected animals develop blister-like sores on the tongue and lips, in the mouth, on the teats and between the hooves.

## Ashuganj-Habiganj pipeline delay costs country Tk 25cr a month

MONJUR MAHMUD,  
back from Ashuganj

In absence of the pipeline, the government now has to buy costly gas from Sangu gas field of Shell instead of low-priced gas from Petrobangla fields.

A local company Summit Pipeco Limited and a Chinese company Daqing Petroleum Technology Import and Export Corporation are jointly implementing the 54 kilometer and 30 inches Ashuganj-Habiganj project.

"Increased demand has forced the government to purchase 185

190 mmcf gas at the rate between \$2.8 and \$2.9 per unit from Sangu," said a top official of the Gas Transmission Company Limited (GTC).

As per contract, the government is committed to buy only 140 mmcf of gas from Sangu in foreign currency.

"But had the Ashuganj-Habiganj transmission line been implemented earlier, the present demand could be met from the gas fields operated by the subsidiary

companies of Petrobangla," the official added.

The rate of gas from Petrobangla fields is \$1.2 per unit which is also payable in local currency, he stated.

At present, gas fields at Habiganj, Rashidpur, Lalabazar, Kailashnagar, Titas and Baniabazar can supply around 700 mmcf gas to the national grid. But due to transmission constraints, only 420 mmcf gas is now utilised.



Abbas Uddin Ahmed, Managing Director of The City Bank Limited, and Badrul Hasan Khan, Managing Director of Peer Services Limited, exchange documents after signing an agreement for recovering classified bank loans at the board room of the bank recently. Deputy Managing Directors of the bank Satya Gopal Podder, Md Habibur Rahman, A H M Nazmul Quadir, Director of Peer Services Limited Quazi M Kamal and other officers of the two organisations were present on the occasion.

## SCCI meet in Islamabad this week S Asian businessmen to talk ways to rejuvenate SAARC

AFP, Islamabad

Asian business leaders are hoping a major trade conference here this week will help revive the South Asian Association for Regional Cooperation (SAARC) and prepare it to compete with other blocs.

They said the meeting of more than 100 South Asian businessmen under the umbrella of the SAARC Chamber of Commerce and Industry (SCCI), combined with a visit of 40 Indian trade leaders, would exert pressure on Islamabad and New Delhi to set aside political differences which are damaging regional trade.

The SCCI meeting will also help formulate SAARC's common position ahead of the fourth ministerial conference of the World Trade Organisation (WTO) in Doha in November, organisers said.

SAARC summits have been frozen since May 1998 due to India's refusal to sit down with fellow member Pakistan following their border conflict in Kashmir from May to June 1999 and the military coup in Islamabad a few months later.

SAARC groups Pakistan, Nepal, Sri Lanka, the Maldives, Bhutan, Bangladesh and India. The last summit was to have been held in the Nepalese capital Kathmandu in November 1999.

The visit by the powerful Indian trade delegation between May 21 and May 24 has been cleared by both governments and will be the first significant meeting since the conflict in the Kargil region of Kashmir two years ago.

Federation of Pakistan Cham-

ber of Commerce and Industry president Iftikhar Ali Malik said the Indians would meet local business leaders to discuss the political impasse and ways to increase bilateral trade.

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## China's WTO membership in limbo as ties with US tumble

AFP, Shanghai

When China signed bilateral WTO trade deals with the European Union and the United States last year, Beijing knew WTO membership would be painful and calculated the benefits outweighed the risks.

But with US-China relations in freefall, navigating China's domestic political waters has become ever more difficult for reformers pushing for swift membership of the World Trade Organisation.

"China's leaders remain committed to entering the WTO as soon as possible. The talks are stalled not over the terms of trade but because of renewed tension over Taiwan," said Andy Rothman, of Credit Lyonnais Securities Asia (CLSA) in a recent report.

Tensions in Sino-US relations began to spiral after a US spy plane collided with a Chinese fighter jet off the coast of southern China last month.

Relations have been soured further by US President George W. Bush's decision to sell Taiwan a major new arms package, as well as by Beijing's detention of several Chinese-American academics on spying charges.

Against this background the push for swift solutions to the stumbling blocks in WTO talks, chiefly China's demand to be allowed to give larger agricultural subsidies, has become clouded by larger political concerns.

The stalemate over farm subsidies centres on China's demand to be allowed subsidies of 10 per cent in the United States, and souring US-China relations make it even harder to reach a compromise.

"I don't think the biggest problem is agriculture. It's political. China has spent 16 years trying to get into the WTO and done a lot of work on opening up the agricultural sector," said Zhang Hanlin, professor at the WTO research centre at the trade ministry's university.

For the Chinese government, the welfare of the bulk of the population who live off the land is an explosive issue.

"A very sizeable portion of the population is connected to the land and if you were to destabilise that, it has got very serious political implications," said Bob Broadfoot, of the Hong Kong-based Political and Economic Risk Consultancy.

"There is just a huge concern about what will happen to these 900 million people," he added.

For China, "raising subsidies from the current level to the full developing country level would

cost 15 billion dollars annually—an unlikely scenario," the report said.

So why is China fighting tooth and nail for the right to give higher subsidies?

Because domestic political concerns loom as large for Chinese trade negotiators as they do in the United States, and souring US-China relations make it even harder to reach a compromise.

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## Taiwan to cut GDP forecast further

AFP, Taipei

Taiwan's leading government budgeting body is expected to revise further downwards this year's economic growth forecast to below 4.75 per cent in the face of data showing a persistent slowdown, it was reported Sunday.

"The economic forecast for the first quarter would be lowered to around 3.0 per cent ... and the GDP forecast for the entire year could be lowered to below 4.75 per cent," an official from the Directorate General of Budget, Accounting and Statistics (DGBAS) was quoted as saying by the United Daily News.

The official said the new gross domestic product (GDP) growth forecast must be marked down as various signals suggested a persistent slowdown since February.

Falling share prices, contracting private sector consumption and declining private sector investment were held responsible for the worse-than-expected economic performance.

"Private sector consumption in February was previously predicted to increase by 4.71 per cent this year, but now it is almost certain the figure would be lower than the forecast level," the official said.

Private sector investment, which the DGBAS previously forecast to grow 4.4 per cent, fared worse.

"It would be a surprise if there is any positive growth," the official said.

The newspaper said official figures are due to be unveiled Friday after a DGBAS meeting.

In February the DGBAS cut the 2001 growth forecast by 0.78 percentage points to 5.25 per cent.

Government figures showed 1,341 plants closed down in March, a fourfold increase on the same month last year.

All these brands are now available at 31 outlets in Dhaka and one in Chittagong.

"Although these are world-

famous expensive brands, we offer them at 15 per cent cheaper rates than in Dubai, Singapore or at any duty-free shop worldwide," said Asif Moyeen, Director of the company.

After four years of its successful operation, Bengal Cosmetics now plans to introduce other famous brands in this country so that the consumers can get genuine cosmetics at cheaper rates, company officials said.

Bengal Cosmetics is also planning to set up its own outlet in the city, showcasing most of the famous brand names of the world under one roof.

The anniversary celebration was attended by diplomats, businesspeople, journalists and others.

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## ECNEC approves Tk 1449.93cr projects

BSS, Dhaka

The Executive Committee of National Economic Council (ECNEC) yesterday approved seven projects worth Tk 1449 crore 93 lakh and 44 thousand, including project assistance of Tk 209 crore 94 lakh and 94 thousand.

The approval was given at the 109th meeting of ECNEC held in NEC Conference Room at Sher-e-Bangla Nagar. Prime Minister and Chairperson of ECNEC Sheikh Hasina presided over the meeting.

The approved projects are: Reconstruction project of rivers and canals (cluster projects), Rehabilitation project of Jessore-Khulna Drainage (Second term Amendment), Construction of cross-dam to protect the unions on the bank of Brahmaputra river

under sadar upazila of Mymensingh from food, Infrastructural project of rural development (development of roads, bridges and culverts and bazaars), Coordinated social development projects in Chittagong Hill Tracts-second phase (Amended), Construction of 132 KV transmission line from Haripur to Ulon and Research and development project to sustain the increase of food production.

Finance Minister Shah A M S Kibria, Education Minister A S H K Sadique, Food Minister Amir Hossain Amu, Industries Minister Tofail Ahmed, Agriculture Minister Motia Chowdhury, Water Resources Minister Abdur Razzaq and State Minister for Planning Dr Mohiuddin Khan Alamgir attended the meeting.

## Phoenix Leasing declares 22 pc dividend

Phoenix Leasing Company Limited has declared a 22 per cent dividend for its shareholders for the year 2000.

The dividend was announced at the sixth annual general meeting of the company held its head office in the city on Saturday, says a press release.

The meeting was presided over by Deen Mohammad, Chairman of the company.

M. Yunus, Vice Chairman, Nasir Uddin Ahmed, Mazharul Haque, M A Majid, Rafiqul Islam Khan, Md. Shobir, Evana Fahmidah Mohammad, directors, A Quadir Chowdhury, Managing Director, Kazi Emdadul Haque, Company Secretary of Phoenix Leasing, and Harun-Ur-Rashid, FCA, auditor of the company, were also present.

## Launch of euro notes, coins likely to tumble

AFP, Paris

Disgruntled French security van guards and bank tellers are threatening strike action that could seriously disrupt the launch of euro notes and coins on January 1, 2002.

Their unions complain of a lack of consultation with the government over handling the huge task of handing the changeover from national currencies to the euro.

France is producing 2.57 billion euro banknotes and 7.5 billion euro coins for the changeover, which officially takes place at midnight on December 31, according to the European Central Bank.

The authorities face an unprecedented logistical challenge in moving the new currency to banks and major retailers and security workers fear being asked to do extra time for little recompense.

Prime Minister Lionel Jospin announced May 11 that army troops, police and fleets of armoured trains and cars would protect the distribution of the billions of euro banknotes and coins.

"They will provide escorts for funds transport, the guard of regional currency centers, and security for 50,000 banks, and treasury or postal depots," Jospin said.

He warned that distribution delays would quickly undermine public and professional faith in the single currency.

But unions were angered by the prime minister's speech, which called for everyone to work together. They accused the government of having dictated its policy without negotiation.

The Confederation Francaise Democratique du Travail (CFDT) union representing security van drivers warned of "an explosion of industrial unrest" among employees.

## Two new brands launched Bengal Cosmetics holds show of its collection

STAR BUSINESS REPORT

Marking its fourth business anniversary, Bengal Cosmetics Ltd, the distributor of world-class perfumes and cosmetics, held an exhibition of its collection at Samarkand restaurant in the city on Saturday.

Starting with Pierre Cardin Beaute cosmetics brand in 1997, Bengal Cosmetics later introduced five more perfume brands—Givenchy, Paco Rabanne, Kenzo, Carolina Herrera and Nina Ricci—in the country. Two more brands, Paul Smith and Lolita Lempicka, were launched in the exhibition.

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