

BKB reduces interest rates

In line with the government directives, the Board of Directors of Bangladesh Krishi Bank (BKB) took a decision to cut the interest rates by 1 to 3 percentage points on different investment portfolios in its 321st meeting held Thursday, says a press release.

The BKB also reduced the interest rate at 7 percentage points from 10 percentage points on all export credits with immediate effect.

In case of short term loans, viz crop, fishery, banana cultivation, the rate of interest has been cut by 1 percentage point. On top of that 2 per cent interest rebate will be allowed to the creditors who will make regular repayments as per schedule. This means effective interest rate for crop loan will be 10 per cent instead of 12 per cent. Rebate in potato preservation loan will be 1 per cent.

The medium term borrowers (pond fishery, poultry, irrigation equipment, bullocks, power pump, dairy farms, beef fattening, nursery etc) will have to pay 1 percentage point less than the prevailing rate as interest and the long term borrowers (deep tubewell, farm machinery, fruit gardening etc.) also enjoy the same facilities.

In the context of reduced bank rate, the bank also reduced its interest rates on different deposit accounts with immediate effect.

US calls for elimination of farm export subsidies

AFP, Doha

The United States called Thursday for the elimination of steep farm export subsidies -- a key bone of contention with Europe and Japan -- as part of any world trade liberalization program.

Freeing up agricultural trade is the key plank of the US position at a five-day World Trade Organization meeting starting here Friday, a senior US trade official said on condition of anonymity.

Ministers from the 142-member WTO were gathered at a tightly-secured resort hotel on the shores of the Gulf in the Qatari capital Doha to draw up an agenda for a new round of global trade negotiations.

Two years ago, they abjectly failed to agree on a fresh agenda at a meeting in the west coast US city of Seattle under the weight of internal disputes, particularly over agriculture and the paltry gains already achieved by developing countries from freer global trade.

"From our perspective, the core of the negotiations should be market access in its broadest sense -- first and foremost liberalization of agricultural trade," the US official said.

"Agriculture has been many, many steps behind the liberalization of industrial trade, over decades," he said, estimating average global tariffs in agriculture at 60 per cent compared to five per cent for other goods.

ADB backs ASEAN-China free trade plan

AFP, Manila

The Asian Development Bank (ADB) on Friday backed plans by China and 10 neighbours to create the world's largest free trade area (FTA), saying Beijing's growth engine could take up part of the slack in the United States, Europe and Japan.

China and the Association of Southeast Asian Nations (ASEAN) reached broad agreement at a meeting in Brunei on Tuesday in working toward the creation of the FTA.

They also have set up an experts' group to look at enlarging the FTA to include South Korea and Japan.

"The evolving pattern of trade of ASEAN with PRC (People's Republic of China) is moving in that direction," said Brahm Prakash, assistant chief economist of Manila-based ADB.

The discussions are "more of a recognition" that such an arrangement would be "beneficial" to both parties, he added.

Prakash said Beijing was "emerging as a major engine of growth in the region," and that its formal entry into the World Trade Organization (WTO) this year would have a "positive impact" overall for Asia.

He predicted a "major restructuring of the developing Asian economies" over the next few years as China opens up its economy.

The ADB forecast Friday that the Chinese economy would grow by 7.3 per cent this year, with the September 11 terrorist attacks on the United States having a much more muted effect than in other countries "due to Beijing's relatively low dependence on exports and its strong domestic demand."

Govt bans import of 9 items thru' 4 land ports to check smuggling

RAFIQ HASAN

The government has banned the import of nine items through four land ports in a bid to check massive smuggling of the products from India and protect local industries from ruin.

The items are duplex board, newsprint, craft paper, cigarette paper, paperboard, yarn, juice, tobacco and spices.

The National Board of Revenue (NBR) Thursday issued a Statutory Regulatory Order (SRO) imposing the ban on these items.

The land ports through which the imports have been banned are Hili, Sona Masjid, Buribari and Bhomra.

Other ports will, however, not come under the purview of the ban, according to the SRO.

NBR sources said the ban was aimed at saving local industries threatened by the smuggled goods under the nine categories.

The local paper manufacturing units had been demanding a ban on import of the items through the four ports.

They alleged that a section of smugglers were evading import tax

through wholesale smuggling of the goods into Bangladesh.

The representatives of local paper and paperboard manufacturing industries called on the NBR chairman last week and demanded imposition of such a ban on those items.

According to sources, out of the 30,000 metric tons of paper, which came to the country's main paper market in Nayabazar last week, 25,000 metric tons were smuggled through the borders.

Although the country is self-sufficient in cigarette papers, huge quantities of the product are smuggled into the country and sold at a cheaper rate affecting the local industry, the sources said.

On the other hand, the smuggled yarn in the market is also affecting local producers. The Narayanganj market is flooded with smuggled yarn. Locally produced yarn is more expensive than the smuggled Indian yarn and the ban will help protect the local spinning mills, said industry sources.

More than 90 per cent of raw materials for the packaging industry come from India through smuggling. The ban will also help flourish local producers of duplex boards, which are used for manufacturing packets and cartons for export items, they said.

Honour past deals before new trade talks: Developing states

AFP, Doha

Developing countries insisted Friday that past trade liberalisation accords had to be honoured before they can commit to the new round of trade talks sought by WTO ministers gathering here.

"We want development issues to be addressed, capacity building and technical assistance," Kenyan Trade and Industry Minister Kipyator Biwott told AFP hours before World Trade Organisation ministers were to start a five-day conference to draft an agenda for a fresh cycle of negotiations.

"There needs to be implementation of the areas that have already been agreed upon. New issues are dependent on the success of that," he asserted.

After signing up to agreements reached under the Uruguay Round of trade talks, which ended in 1994, developing states complain they have yet to see the promised benefits.

A Nigerian delegate, speaking on condition of anonymity, echoed Biwott's views, calling on the 142-member Geneva-based trade body to re-examine and re-negotiate existing accords.

"The main issue is implementation of agreements already in place

whereby developing countries can benefit," he said.

"Simply, we want access to the developed world's markets. This must come before launching new trade talks.

"All countries, be they developing or developed nations, must go into the negotiations as equal partners," the delegate said.

Thomas Atokre, a delegate from Ivory Coast, maintained that poorer nations "need time to bring their legislation into conformity with the (previous) accords."

The extent to which provisions of the Uruguay Round have been implemented was one of the thorniest issues before WTO ministers at a similar meeting in Seattle in 1999 and is likely to be so again in Doha.

Poorer countries in the WTO say that little has changed in the last two years, an assessment disputed by the United States and European Union who argue that significant concessions have been made.

The Group of 77 developing countries, plus China, said last month: "We note with great concern that the benefits of the existing multilateral trading system continue to elude developing countries."

Developing nations saw their

case bolstered in a recent World Bank report that chided rich countries for failing to remove barriers to trade in the goods most exported by the developing world -- textiles, clothing and agriculture.

Poorer nations ask why should they now make pledges to open their economies to more foreign investment and competition -- as sought by the West -- if rich countries have yet to tear down trade barriers as mandated in previous agreements.

One issue emerging as a potentially deal-breaker in Doha is the flexibility of a WTO accord on trade-related aspects of intellectual property rights (TRIPS), in particular as it relates to medicines.

Developing countries are seeking a looser interpretation of the agreement to allow them to override patents to supply their populations with cheap, generic drugs to confront crises such as HIV/AIDS.

But the United States and Switzerland advocate a more restrictive statement on the issue. They maintain that nothing agreed to in Doha should weaken the patent protection embodied in the TRIPS agreement, which they say is already flexible enough to enable poor countries to deal with health crises.

Shell opens information centre at BUET

AFP, Washington

The World Bank and IMF said Thursday that launching a new round of global trade talks would boost confidence in the global economy at a critical juncture and urged negotiators to find ways to help the poorest nations.

Officials in Doha for World Trade Organization talks should "seize this opportunity to launch a new round of multilateral trade negotiations, one that is inspired by a desire to use trade as an engine for global economic growth and poverty reduction," World Bank

president James Wolfensohn and IMF managing director Horst Koehler said in a joint statement.

"At this critical juncture for the world economy, a strong commitment to continue opening world markets will provide a much-needed boost to market confidence and global growth prospects."

The heads of the multilateral institutions said such a commitment "will also send a clear signal that governments reject trade restriction and protectionism and see it as particularly damaging in

current circumstances."

The two officials welcomed the intention to place the needs and interests of developing countries at the center of the WTO's efforts.

"International trade has a vital role to play in promoting economic development and reducing poverty," the statement said.

"Providing the poorest countries with unrestricted market access, including for their agricultural and textiles and clothing exports, would be a decisive breakthrough in the fight against poverty."



State Minister for Commerce Barkat Ullah visits Otobi Ltd stall at a three-day building material exhibition at Sheraton Hotel after inaugurating the show yesterday. Furniture manufacturer Otobi's Managing Director Nitun Kundu was also present during the visit.

IMF, WB chiefs says new round vital to poor nations

AFP, Washington

The World Bank and IMF said Thursday that launching a new round of global trade talks would boost confidence in the global economy at a critical juncture and urged negotiators to find ways to help the poorest nations.

Officials in Doha for World Trade Organization talks should "seize this opportunity to launch a new round of multilateral trade negotiations, one that is inspired by a desire to use trade as an engine for global economic growth and poverty reduction," World Bank

president James Wolfensohn and IMF managing director Horst Koehler said in a joint statement.

"At this critical juncture for the world economy, a strong commitment to continue opening world markets will provide a much-needed boost to market confidence and global growth prospects."

The heads of the multilateral institutions said such a commitment "will also send a clear signal that governments reject trade restriction and protectionism and see it as particularly damaging in

current circumstances."

The two officials welcomed the intention to place the needs and interests of developing countries at the center of the WTO's efforts.

"International trade has a vital role to play in promoting economic development and reducing poverty," the statement said.

"Providing the poorest countries with unrestricted market access, including for their agricultural and textiles and clothing exports, would be a decisive breakthrough in the fight against poverty."

Anti-globalisation forum urges WTO to block new round

AFP, Beirut

A forum of anti-globalisation groups wound up here Thursday with a call on World Trade Organization (WTO) ministers preparing to meet in Qatar to resist calls for launching a new round of global trade talks.

The World Forum on Globalisation and Global Trade issued a seven-point declaration after four days of talks, addressing it to negotiators from 142 countries attending the WTO's ministerial meeting.

More than 200 NGOs, trade unions and activist groups took part in the Beirut forum.

Against the backdrop of the US-led war on terrorism, the statement said its participants rejected use of that "so-called war ... to pressure developing countries into making more concessions and forcing them to accept the wishes of the United States and its various special interests."

Turning to the crux of the talks, the statement said, "We refuse a new round of negotiations in the WTO and any inclusion of new issues on the agenda."

In particular, it referred to "investment, competition, government procurement" and other issues that would "overwhelm the meeting" and put developing countries in a position of being unable to follow negotiations on all

those issues at the same time. The statement called for existing agreements to be re-evaluated "in light of the practice of their implementation that showed a great bias against the interests of developing countries."

Specifically, it called for the "correction, or the annulment, of harmful agreements, or those that were signed under pressure or ignorance."

The statement also called for "uncompromising reconsideration" of agreements on intellectual property to allow developing countries to obtain modern technology, to reduce periods on patents and to remove "what is related to human life and health."

Turning to agriculture, the statement called for reconsideration of agreements in that area and a ban on dumping practised by multinational corporations.

"This means the lifting of agricultural subsidies in industrialized countries, and the opening up of their markets to the agricultural products of developing countries."

Developing countries should also have the right to "create national policies to develop and protect their agriculture and farmers", and "any measures that aim to monopolize the production of seeds through patents and genetic modification" would be rejected.

The forum said it rejected the WTO including labor, services and

investment in trade agreements, "since these are connected directly to the well-being of people" and "should remain the responsibility of people through their national institutions."

The statement's final point rejected the WTO's existing internal mechanisms and conflict-resolution process, as "they are neither democratic, nor transparent, nor do they provide equal representation in the decision-making process."

It added a call "to stop the war against Afghanistan, and to stop this dangerous thrust to involve the whole planet in conflict and war."

The forum also called for the "lifting of the siege against the people of Iraq" and for the end of the Israeli occupation of the Palestinian territories and recognition of the Palestinians' right to a state and a return of refugees to their former homeland.

The statement warned that changing the venue of WTO meetings to avoid the riots that took place in the US city of Seattle in 1999 "will not solve the problem."

"What we demand is that the WTO changes its mechanisms and content, not the location of its meetings. If the WTO does not do so, then any meeting, wherever it may be, will become another Seattle."



Reinier Reddingius, Chairman of Shell Companies in Bangladesh, speaks at the inauguration ceremony of information centre of Shell at Bangladesh University of Engineering and Technology (BUET) recently.

EU ready to go 'extra mile' for trade liberalisation talks

AFP, Doha

The European Union is willing to go the "extra mile" to see a new trade liberalisation programme launched but cannot do it alone, EU Trade Commissioner Pascal Lamy said here Friday.

Speaking to reporters just hours before a five-day meeting of World Trade Organisation (WTO) ministers was due to open, Lamy said he believed they had already covered 80 per cent of the ground.

He compared the situation now to that of two years ago when WTO ministers last met -- in the US city of Seattle -- but bitterly failed to agree on what should be included in a new round of trade talks.

At that time, Lamy said, they had only covered 50 per cent of the distance beforehand.

"Europe has listened, Europe has moved and Europe is willing to go the extra mile. But Europe cannot do so alone," Lamy told a news conference.

"In Seattle, the EU had a united front. Well, two years on, we have been able to adjust our position and retain the full support of our 15 member states," he said.

"I can assure you that in Doha

the European Union will play a constructive role in the agriculture talks. We have already proven that when we say 'constructive' we mean business," Fischler told reporters.

He said about 40 countries shared the EU's views on the importance for agriculture of "non-trade" concerns, such as food safety, environmental protection and the future of rural economies.

"It would be a big mistake to think that the WTO should only be about trade," Fischler said.

"Trade interests cannot be placed above legitimate concerns of our society, about the food they eat, about the environment they live in about the development of their rural areas."

Lamy stressed that the EU delegation had come to Doha in a "determined and constructive frame of mind to agree on a programme of negotiations."

"In Seattle, the EU had a united front. Well, two years on, we have been able to adjust our position and retain the full support of our 15 member states," he said.

He cited investment and com-

petition, as well as the environment as areas where the 15-nation bloc had shifted.

Fischler said the EU wanted to see the talks in Doha agree to go further in helping developing countries benefit from special treatment in agricultural trade with industrialized nations.

"The EU has already shown its willingness to treat developing countries in a special way," he maintained.

But he remained firm on Washington's main gripe against the EU -- the provision of export subsidies for farmers.

"The (draft) text mentions the idea of 'phasing out' export subsidies. We cannot accept such pre-negotiation of an outcome," he insisted.

He said that although they supported disciplines for all trade-distorting forms of export promotion, EU authorities wanted to see a "level playing field"

The EU charges that the United States gets away with a disguised form of export subsidy through its export credit programme, which Fischler said was worth four billion dollars a year.