

France keen to cement trade ties with Bangladesh

UNB, Dhaka

France is interested in further strengthening bilateral trade and investment relations with Bangladesh, said the French ambassador here yesterday.

Michel Lummaux conveyed the desire during a meeting with Commerce Minister Amir Khasru Mahmud Chowdhury at the latter's office Tuesday.

Lummaux said many a big French companies, including Lafarge, had already invested their capital while many others thinking of making investment here.

He also invited Bangladesh to take part in the French Textile Fair to introduce Bangladeshi products there.

Terming France an important development partner of Bangladesh and seeking more of its support, Khasru said there is ample scope for enhancing French-Bangladesh cooperation.

"These opportunities can be utilised fully by forming a joint chamber between the two countries," Khasru opined, also suggesting formation of a joint economic commission to bolster bilateral relations.

Inviting more French investment, the Commerce Minister said considering commercial importance of France the government had already decided to open the office of commercial counselor there.

Commerce Secretary Suhel Ahmed and deputy trade commissioner of the French Embassy were present in the meeting.

Later, Bhutanese Ambassador Lhatu Wangchuk called on the Commerce Minister at his office and discussed matters related to mutual interest, particularly bilateral trade.

JOBS Trade Fair-2001 opens today

The four-day 3rd yearly JOBS Trade Fair-2001 opens at Gulshan Youth Club in the city today, says a press release.

Different types of handicrafts, leather products and garments will be displayed in the fair.

More than 120 small and medium enterprises from different districts from all over the country will take part in the fair.

The fair will extend a potential arrangements to the participating entrepreneurs for marketing their products and getting new potential bulk buyers.

The fair will continue till December 8 from 10:00 am to 10:00 pm.

Enron failure fuels Japanese concern over power projects

AFP, Tokyo

Japan's trade and industry minister expressed concerns Tuesday about the impact the failure of US energy giant Enron Corp. might have on Japan's domestic power projects.

Economy, Trade and Industry Minister Takeo Hiranuma said Tuesday the collapse of Enron would be a serious blow to those involved in the power generation and retail projects Enron was pushing for in Japan.

"Although I do not know details about Enron's businesses, people involved in the projects will be seriously affected as Enron's large projects in Aomori, Fukuoka and Yamaguchi prefectures are likely be deadlocked," Hiranuma said at a press conference. "Enron was planning large-scale power projects (in those areas) as Japan started to deregulate the energy industry," Hiranuma said.

Hiranuma said the government had hoped Enron's entry into the Japanese market would help to open up the nation's energy market.

The government would press on with further liberalisation of the domestic energy market regardless, he said.

"Despite (Enron's failure), we will continue to push for further liberalisation of the energy market in Japan."

The Japanese unit of Enron declined immediate comment on Hiranuma's statement or about the fate of those projects, which involve thermal power generation.

Separately, Financial Services Minister Hakuo Yanagisawa said he expected Enron's failure would have limited impact on the Japanese banking sector.

Local software show begins Khasru vows to develop IT sector

UNB, Dhaka

Local software developers began a two-day fair yesterday in the city putting their products on display to give local and regional users an idea of aptness of homegrown software industry.

Bangladesh Computer Samity (BCS), in association with Asian-Oceanian Computing Industry Organisation (ASOCIO), has organised the fair, dubbed ASOCIO Multilateral Trade Visit and BCS Software Expo 2001.

The exposition has drawn a 10-member ASOCIO delegation comprising IT industrialists and promoters from Japan, Malaysia, Thailand and Sri Lanka.

Some 22 local software companies are displaying their diversified software products, covering banking, accounting, office management, sales and service sectors.

The main objective of the fair is to integrate Bangladesh's booming IT industry more closely with regional IT business platform ASOCIO and to work together for narrowing the digital divide in this part of the globe.

Commerce Minister Amir Khasru Mahmud Chowdhury, who inaugurated the software exposition at Sheraton Hotel yesterday, reiterated the government's priority to develop the IT sector, which he said, has tremendous potentials to grow as an export sector like readymade garment.

Thousands of educated youths can be easily trained up as IT professionals to add to the country's limited export base, the minister said.

"We believe in creating an enabling environment, rather than controlling," Khasru said, attaching the government's focus to IT industry, already marked as a thrust sector.

State Minister for Science and Technology Lutfar Rahman Khan Azad also spoke at the inaugural function.

Talking to UNB, BCS president Abdullah H Kafi said the fair is intended to make a self-assessment of our own achievements in IT business and allow visitors from abroad to assess Bangladesh's ability in this high-tech area.

He said before going for export, Bangladesh needs to explore its domestic market where the government has the most important role to play. The vast local software market rests with the

government sector, which needs change of attitude of the official policy makers, he pointed out.

Business Development Manager of Technohaven Company Limited Mirza Alim Ahmad said Bangladeshi IT companies have already achieved international standards of banking and other software products suiting domestic needs.

Although a number of private banks have already adopted local software, nationalised commercial banks are lagging behind, mainly due to attitudinal constraints of the management, he noted.

Technohaven, the pioneer of computerised ticketing in Bangladesh Railway, has recently vied for computerised ticketing arrangement in Pakistan railway and would explore markets in Myanmar and Sri Lanka, Mirza Alim said.

The company has installed centralised computer software in Bangladesh's banking system. Some other IT companies, including Beximco Computers, have also developed banking software, creating a competitive local market.



Visitors inspect a stall at a two-day ASOCIO Multilateral Trade Visit and BCS Software Expo 2001 at Sheraton Hotel yesterday.



A delegation of the Foreign Investors' Chamber of Commerce & Industry (FICCI) headed by its President, Waliur Rahman Bhuiyan (centre-right), called on Minister for Health and Family Welfare Dr. Khondker Mosharrar Hossain (centre-left) at his office on Tuesday and discussed matters relating to improvement of the pharmaceutical sector of Bangladesh.

China lifts ban on foreign investment in telecom carriers

AFP, Beijing

China has decided to lift a ban on foreign investment in its telecom carriers as part of commitments made in order to join the World Trade Organization, state media reported Tuesday.

Although the decision will give more direct access to one of the world's largest telecom markets, most foreign companies are likely to remain cautious because many rules remain unclear, the China Daily said.

The Ministry of Information Industry, the powerful telecom regulator, will abolish two separate

rules barring foreign investment, with effect from December 11, the day China joins the WTO, the paper said.

This move appears to be prompted by a Chinese WTO-related concession that will allow foreign companies a 25 per cent share in mobile telecoms firms directly after accession to the trade body, rising to 49 per cent three years later.

Foreign investors have so far had only very limited access to the huge Chinese market, by buying shares in mobile operators such as China Mobile and China Unicom, which are listed overseas.

China says it is the world's largest mobile market, with 136 million cellphone users at the end of October, on top of 174.6 million fixed-line users.

Even so, the China Daily quoted experts as saying "an overwhelming flow" of overseas investment was unlikely, because the country's telecoms regulations are still not transparent enough.

A clear and stable regulatory environment would help attract more overseas investors, said Zhang Xinzhu, a researcher at the Chinese Academy of Social Sciences, the top government think tank.

US delivers 1st shipment of soybean oil to Bangladesh

The first shipment of 20,000 metric tons of soybean oil is expected to arrive at Chittagong Port on Friday, says a press release.

The shipment is arriving under an agreement signed in April this year between the United States and Bangladesh.

Under the deal, 80,000 metric tons of crude degummed soybean oil will be supplied as a development assistance grant to Bangladesh.

Bangladesh has sold the oil through CARE-Bangladesh to private oil millers through an open tender process in accordance with the agreement.

The proceeds of the sale of the shipment, approximately \$6.6 million, will be used to finance development programmes including agricultural diversification; rural development; non-formal education; and local government development in Bangladesh.

Tendering for another tranche of 20,000 metric tons of oil has successfully been completed.

The next shipment may arrive in January.

China to slash import duties on imported cars drastically

AFP, Beijing

The Chinese government is to cut by nearly one-third its prohibitive import duties on imported cars from January 1 following its entry into the WTO, state media said Tuesday.

Duties on cars of more than 3,000cc will be reduced to 50.7 per cent from 80 per cent and to 43.8 per cent from 70 per cent for cars of less than 3,000cc, the Beijing Morning Post said.

The move follows China's long-awaited accession to the World Trade Organisation this month, the daily quoted an official from the Ministry of Foreign Trade and Economic Cooperation as saying.

Under its WTO obligations, China must slash its customs duties on imported autos to 25 per cent by July 2006. Duties on auto parts must come down to 10 per cent by then.

The expected influx of foreign competition is expected to deal a potentially fatal blow to the dozens of Chinese auto makers unless they consolidate into several large groups, experts say.

Poor countries need more globalisation: US Fed chief

AFP, Washington

Poor countries need more globalization, not less, US Federal Reserve chairman Alan Greenspan said Monday in a stiff defence of market-led economies.

"One would be hard pressed to cite examples of free and prosperous societies that shun the market place," the Federal Reserve boss told George Washington University.

"Contrary to much public opinion, contrary to much current opinion, developing countries need more globalization, not less," Greenspan said, rebuffing the arguments of some protesters.

"Such a course would likely bring with it greater economic stability and political freedom," he added.

GP pre-paid cards sell in Ctg black market Company official denies allegation

ATAUL GANI SUMON, Chittagong

The pre-paid cards of mobile phone company GrameenPhone (GP) have been selling in the black market in Chittagong for the last two months, causing great inconveniences to the subscribers.

Dealers of GP in Chittagong with the blessings of a section of the company men have created an artificial crisis and are selling the pre-paid cards to illegal traders, said a card seller of the port city on condition of anonymity.

However, a GP official denied the allegations and said they have sufficient quantity of pre-paid cards. "By our authorised dealers or agents we have been distributing the cards".

The official added, "We also published advertisements in differ-

ent newspaper and asked our valued subscribers to buy the cards at the face value".

The pre-paid cards of Tk 300 and Tk 600 are now being sold at Tk 350 and Tk 650 by a good number of illegal phone traders in the city, it is alleged.

GP subscribers are suffering as cards worth TK. 300 and TK. 600, which are used by most of them are not available. There are also cards worth TK. 1200 and TK. 2400.

Mohammad Mustafa, a third year student of Marketing Department of Chittagong University, Jahed Hossain Mir and Borhanul Islam, subscribers of the GrameenPhone, told this correspondent that they were facing problems due to shortage of pre-paid cards. "We have bought the cards from Dhaka and using mobile phones", they added.

India seeks common Asian policies for IT, telecom

AFP, New Delhi

Indian IT and Communications Minister Pramod Mahajan said Tuesday he was trying to set up a forum to bring about common Asian policies for IT and telecommunications.

"I am planning to write to eight to 10 Asian ministers to meet sometime in March and April. The idea is we should have some common policy or mechanism in IT and telecoms so that Asia will be benefited," he told a conference of the high-powered India Economic Summit here.

"The time has come for Asian countries to get together," he added.

Mahajan said Asian countries have a strong presence in IT software, hardware and telecommunications, and therefore could gain strongly in the world market with such a partnership.

India, which has seen a boom in IT software and its telecom industry, has so far entered into partnerships

with 22 countries individually in these sectors.

Mahajan said his government was actively considering increasing the foreign investment limit in telecom firms to 100 per cent from 49 per cent in order to help the industry increase subscriber numbers.

"We have to take up this issue," he said, in response to demands by the industry.

India's telephone density is among the lowest in the world with only 2.6 lines per 100 people, compared with the global average of 14.5.

According to mobile telephone service providers, their total number of subscribers in India currently stands at just three million.

The minister said the government was determined to raise the total number of phone lines in the country to 100 million by 2004, from the current level of about 40 million.

"We will do everything to reach the target. It may seem that it will take a miracle to reach this level, but

Filipino exports down 13.5pc in October

AFP, Manila

Philippine merchandise export receipts fell 13.5 per cent from a year earlier to 2.94 billion US dollars in October due to weak electronics components markets, the government said Tuesday.

Exports for the 10 months to October slipped by 14.0 per cent to 26.87 billion dollars compared to the same period last year, the National Statistics Office reported.

President Gloria Arroyo's government has said exports were expected to fall by 15 per cent this year and remain flat in 2002 amid the slump in the information technology industry in the United States, the Philippines' number one trading partner.

Electronic components shipments plunged by 26.0 per cent from a year earlier to 1.52 billion dollars in October, the agency said.

Only reforms backed by monetary policy can revive Japan: OECD

AFP, Tokyo

The Japanese government and central bank must combine reforms with more radical monetary policy to prod the nation out of recession and onto a path of genuine growth, the OECD said Tuesday.

The risks were great, but a hesitant approach could undermine confidence and deepen recessionary forces, said the Paris-based Organisation for Economic Cooperation and Development (OECD) in its annual report on the world's second largest economy.

"After a decade of lost opportunities, it is now urgent for Japan to

move ahead with fundamentally reforming its economic structure and institutional framework while making intelligent use of the limited set of macroeconomic policy instruments now available to support economic activity," it said.

The Bank of Japan (BoJ) should play a key role in offsetting a nationwide price slide, which is crippling corporate profits and further pressuring banks.

"With the economy weakening and a major programme of structural reforms and fiscal consolidation expected to get underway, the BoJ can and must ease monetary policy further," the report said.

The central bank has already responded to Japan's deteriorating economic conditions by cutting interest rates effectively to zero. It has also targeted its current account reserves at over six trillion yen (50 billion dollars) to maintain liquidity in the financial system.

But as banks struggle to reduce non-performing loans to safe levels within three years as part of the government's reform strategy, the BoJ should further boost its target, the OECD said.

The bank would usually fund such a move by increasing government bond purchases, but this could create more harm than good by driving up bond prices.



Mohammad Monir, a 14 year-old ornament vendor, walks past a shopping complex in the city yesterday eyeing a good sale ahead of Eid-ul-Fitr.