

Move to cut long distance phone call costs drastically VoIP legalisation on cards

ABU SAEED KHAN

Bangladesh Telecommunication Regulatory Commission (BTRC) is seriously considering to approve phone calls through the Internet.

The technology, generally known as voice over Internet protocol (VoIP), would significantly reduce the costs of long distance calls.

"Proliferation of VoIP has become a reality and this is the high time to legitimise this technology in Bangladesh," said Syed Marghub Morshed, chairman of the BTRC, in an interview with The Daily Star.

He said the International Telecommunication Union (ITU) has approved the technical standards of VoIP and Bangladesh, being a member of this United Nations body, should implement it.

Morshed said neither the national telecom policy nor the telecom law but an executive order of the telecom ministry has prohibited use of the VoIP in the country. "But it is being widely used to send

and receive international calls, which has been draining the telecom earnings," commented the chairman of telecom regulator.

Quoting a study of the UK-based consultancy Tekplus, Morshed said the global market of the VoIP is predicted to grow by 67 per cent a year, and from \$790 million in 2000 to \$3.7 billion in 2003. In Latin

America and Asia, the growth rate is expected to be much higher.

Developed in the mid-1990s, the VoIP has become a popular mode of telecommunication. It enables a caller from one phone to place a call on another phone almost anywhere in the world at a price much lower than that of conventional international telephony.

However, it is still illegal in many countries including Bangladesh.

The BTRC chairman said the Indian government legalised the VoIP from April 1. Referring to Satyam Infoway, one of the Indian VoIP providers, Morshed said, "They are charging eight rupees (US\$0.16) per minute during peak hours for a call over the Internet to the United States, a good 80 per cent lower than the regular peak time phone tariff of 39.60 rupees (US\$0.80) per minute."

He said legalising the Internet telephony has also reduced the illegal calls being made, estimated at some 800 million minutes, during 2001 in India.

Morshed said inhibition towards a new technology is a general ailment in any developing economy and Bangladesh is not an exception. He said instead of eroding the revenue, VoIP would rather boost the telecom income. Referring to the early days of fax machines in Bangladesh during the mid 1980s

he said, "People were financially punished with license fees and harassed with procedural maze to use a fax."

He said it was done in order to protect the BTTB's obsolete and expensive telex service. "Proliferation of fax has increased the BTTB's revenue and reduced the cost of cross-border data communications," said the BTRC's chairman.

Morshed said both the consumers and the government would be mutually benefited if the VoIP was legalised. "Relevant ministries, trade bodies, the telecom industry and the consumers would be consulted before necessary steps are taken to this end."

He said a dialogue has been initiated with the Infrastructure Investment Facilitation Company (IIFC) to conduct a study on introducing VoIP in Bangladesh. The Canadian government has reportedly shown interest to finance this project.

IDLC approves 30 pc cash dividend

Industrial Development Leasing Company of Bangladesh Ltd (IDLC) has approved a 30 per cent cash dividend for the year 2001, says a press release.

The approval came at the 17th annual general meeting (AGM) of the company held on Tuesday at Sonargaon Hotel in the city.

Anwarul Huq, chairman of the Board of Directors of the company, presided over the meeting.

It was also attended by Director Abbas Uddin Ahmed, Khan Tariqul Islam, Ahmed Rajeeb Samdani and Yangbok Jo.

M Aminul Islam, Managing Director of the company, presented the directors' report and financial statements for the year 2001 before the shareholders.

The short term finance and house finance units of the company disbursed Tk 1,780 million and Tk 209 million respectively, posting growths of 41.9 per cent and 32.3 per cent respectively over the previous year, the AGM was told.

During the year, the profit before tax and after tax stood at Tk 180 million and Tk 90.00 million respectively.

The after tax net profit recorded a growth of 28.3 per cent over the previous year and total assets of the company stood at Tk 4.6 billion at the end of the year.

Workshop for Al-Arafah Bank executives held

A workshop on banking based on shariah was held at training Department of Al-Arafah Islami Bank Ltd on Sunday, says a press release.

The workshop was jointly organised by Shariah Council and Training Department of the bank for executives, branch managers and second officers of Al-Arafah Islami Bank Ltd.

Moulana Mohiuddin Khan, member of the Shariah Council of the bank and editor of the monthly Madina, inaugurated the workshop.

AZM Shamsul Alam, chairman of the bank, and Moulana Ruhul Amin Khan, member of the Shariah Council of the bank also attended the meeting.

Qazi Abdur Razzaque, executive vice president of the bank, presided over the workshop.

Thai firm to supply IT to Myanmar

AFP, Bangkok

Thailand's Shin Satellite Company Tuesday signed an agreement to provide information technology to a Myanmar military-run computer firm, Radio Myanmar said.

The accord was signed in Yangon by Shin Satellite's executive chairman Dumrong Kasemset and Colonel Thien Swe, director of the Pagan Cyber Tech Co. Ltd., the radio said in a broadcast monitored here.

It gave no further details of the deal.

Present at the signing ceremony was the chairman of Myanmar Computer and Information Technology Development Committee, Lieutenant General Khin Nyunt.

Khin Nyunt is also secretary general of Myanmar's junta and heads the military intelligence unit.

Govt shortlists 14 products for GSP in US market

UNB, Dhaka

Export Promotion Bureau (EPB) has sought detailed business information of products under 14 categories as the government is planning to seek GSP facilities for those items in the US market.

Official sources said the Commerce Ministry has finally short-listed 14 items to name in a review petition urging US Trade Representative for granting generalised system of preferences (GSP) eligibility.

The prayer has to reach the Chairman, GSP Subcommittee, USTR by June 1 and US administration would notify Bangladesh Representative for granting generalised system of preferences (GSP) eligibility.

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furnish detailed information of their production strength by today afternoon.

"The queries are huge and it'll take at least one month to collect those. That's why we requested the concerned private sector people to reply those shortly," an EPB executive said.

The Commerce Ministry initially listed 26 categories for putting in the review petition, but later shortened it to 14.

Each of the items will have to respond to as many as 14 queries stating their production strength and cost, estimated increase of production if GSP eligibility is granted. The answer sheets will have to be enclosed with the review petition.

These items will also have to qualify under GSP's 35 per cent value added requirements.

The items, for which Bangladesh

will seek GSP, are small leather articles carried in pockets or handbags, carpet and textile coverings made of jute or others, jute sacks, knives with stainless steel handles, spoons with stainless steel handles valued below 25 cents each.

The items have been cautiously selected keeping in view the TCF (textile, clothing and footwear), export of which is very sensitive in American market.

Bangladesh's readymade garments, which have around US\$ 2 billion market in US, also do not get GSP facilities there.

The petition, if accepted for review, will go through a public hearing in September-October. And the decision on the fate of the petition will be conveyed to Bangladesh authority by April next year, the EPB official said.

Malaysia likely to meet 3.5pc growth forecast for 2002

AFP, Kuala Lumpur

Malaysia's economy is on track to meet a 3.5 percent growth forecast for this year despite strong exports posted for March, a top economic official said Tuesday.

"(There's) no change in our official forecast," said Mustapa Mohamed, executive director of the National Economic Action Council, which was established to steer the economy into recovery.

However analysts say Malaysia's economy could grow at a higher rate than the official forecast.

Prime Minister Mahathir Mohamad recently said strong exports posted for March would enhance Malaysia's growth and that the upturn in global demand suggested the US and world economies are recovering.

Chinese export bodes well for Asian economies

AFP, Singapore

A continued strong export performance from the Chinese economy is a positive signal for the rest of the region still struggling to recover from the global slowdown, a report received Wednesday said.

The latest figures from Chinese authorities showed April exports grew 17.3 percent from a year ago, outstripping market expectations, investment bank Barclays Capital said.

"While the strength of Chinese exports may ultimately tell us more about that country's underlying competitiveness than it does about pan-Asian export prospects, the sharp rise in overseas sales does suggest that the pan-regional export recovery is set to gather pace in the coming months."

Asian economies, highly dependent on external trade for growth, now see China as an increasing threat to their traditional export markets, in particular the United States.

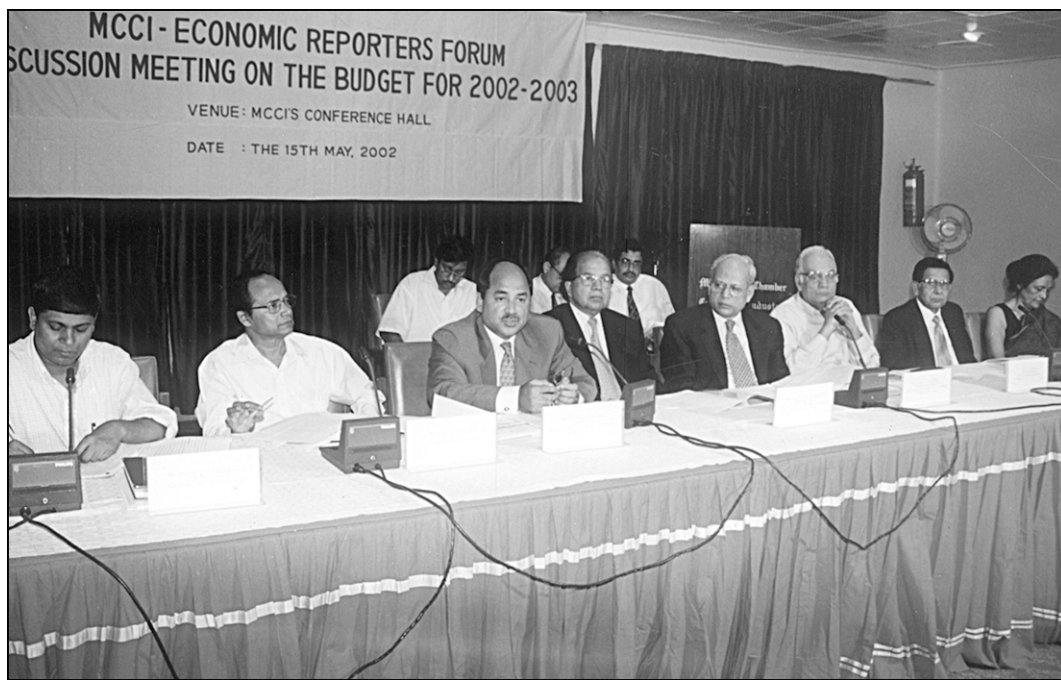


PHOTO: MCC

Members of the Economic Reporters Forum led by its President Shamsull Huq Zahid meet the members of Metropolitan Chamber of Commerce and Industry (MCCI) at the Chamber's conference hall yesterday. Tapan Chowdhury, president of the MCCI, is also seen in the picture.

New import policy may allow over five-year-old vehicles

UNB, Dhaka

A new import policy now in the making may allow conditional import of aluminum scraps, used computers and reconditioned vehicles over five years old to make the items available to larger numbers of consumers at affordable prices.

Necessary amendments and modifications will be made to the existing import policy to ease the import of the items, reflecting suggestions from the private sector and considering the needs of the people.

These hints came from a consultation on import policy between Commerce Minister Amir Khosru Mahmud Chowdhury and business leaders here yesterday.

Meeting sources said local importers and assemblers of vehicles had varying views on car import policy -- one side wants ban on the import of old vehicles and the other further relaxation of the rules.

Bangladesh Reconditioned

Vehicle Importers and Dealers Association (BARVIDA) argued that cars up to eight years old should be imported considering the purchasing power of domestic consumers and absence of any car-assembling industry in the country.

Eight-year-old Japanese cars are being imported into Europe even, an executive of the Association said.

"Older Japanese cars, buses and trucks are, in some cases, found even better than newer ones coming from India," he said.

Association of local assemblers of heavy-duty vehicles favoured banning the import of old buses and trucks in the next five-year import policy to save local industry. But the government may allow import of seven-year-old such vehicles considering the need of users, meeting sources said.

An inter-ministerial meeting will be held on May 23 involving the ministries of Communications and Environment to decide on the policy

of import of old vehicles.

As the existing Import Policy 1997-2002 expires on June 30, the government is seeking recommendations from private sector in framing the next policy.

Yesterday's meeting mainly discussed recommendations already furnished to the ministry for amending and updating the existing regulations on the import of a wide range of goods, including scrapped aluminum, reconditioned vehicles, used computers and radio-communications equipment.

Officials said the Ministry of Commerce responded positively to the recommendation for allowing the import of scrapped aluminum to reduce cost of raw materials in aluminum industries. Cost of scrap is about a third of that of aluminum sheet, since the scraps are locally collected and reused in industries. There is no wrong in importing it, business people felt. Import of used computers will widen the scope of computer usage in schools across the country, the businessmen argued. In sector-wise recommendations compiled earlier by FBCCI and forwarded to the Ministry of Commerce, the private sector stressed the need for simplifying the import regulations to match with WTO trade regime as well as expand external trade.

"We feel that complicated rules and regulations must not stay, and the regime be made business-friendly," a top business leader told UNB after the meeting.

He said the business-leader-turned-Commerce-Minister was at one with the business community on this point: easing the rules and procedures by making necessary amendments, updates and modifications of the existing import policy.

Oil price eases in London

AFP, London

The price of oil eased back here on Wednesday as traders locked in profit from a recent rally, but analysts said the prospects for the oil market remained positive.

Reference Brent North Sea crude for June delivery fell to 26.80 dollars a barrel by early afternoon from 27.31 dollars late on Tuesday.

In New York, the light sweet crude June contract rallied 98 cents a barrel to 29.36 dollars on Tuesday, setting new eight-month high points.

The market was mulling the weekly figures on US stock levels from the private American Petroleum Institute (API).

The report showed a fall of 7.4 million barrels in crude oil stock levels, coupled with an increase of 2.1 million in gasoline stocks and 1.7 million in distillate fuel inventories.

"The market's sort of retraced not so much on the statistics but because last night's rally was so much and it had to retrace a little bit," said ABN Amro trader Mark Keenan. "Overall the stats are quite bullish," he said, adding that a fall of 1.3 million barrels in reformulated gasoline stocks boded particularly well for prices.

Demand for gasoline is usually the main driver of the oil market during summer in the northern hemisphere as US holiday makers take to the road in their hoards for the so-called "summer driving season".

"We haven't even got to the driving season yet," said Keenan.

"The biggest area of upside in the market is gasoline. There's a lot of room for gasoline to move higher," he told AFP.

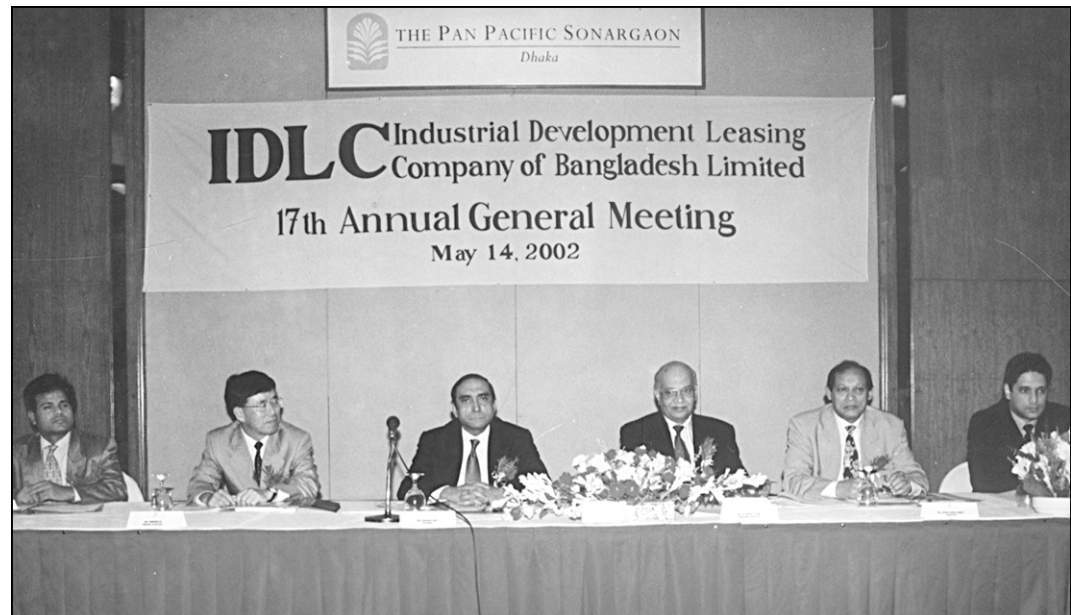


PHOTO: IDLC

Picture shows (from left to right) Khan Tariqul Islam, director, Yongbok Jo, director, Anwarul Huq, chairman, M Aminul Islam, managing director, Abbas Uddin Ahmed, director, and Ahmed Rajeeb Samdani, director of IDLC, attending the 17th AGM of the company in the city on Tuesday.

US comes under fire over farm subsidies at OECD gathering

AFP, Paris

A bitter US-European Union trade row threatened to overshadow an OECD ministerial meeting starting here Wednesday, as Washington came under attack for recent moves to boost farm subsidies.

"It's hypocritical to talk about market liberalization and then not to go through with it," Belgian Prime Minister Guy Verhofstadt charged here as top economic officials from the 30-nation Organization for Economic Cooperation and Development were gathering for annual talks.

Verhofstadt and other EU leaders have reacted angrily to legislation, signed by President George W. Bush on Monday, that will mean a 70 per cent increase in government aid to US farmers over the next decade.

European officials argue that the law undermines US commitments to end trade-distorting agricultural subsidies made at a World Trade Organization ministerial meeting in the Qatari capital Doha last November.

"The Doha meeting was a ray of hope," Verhofstadt told journalists at a forum preceding the OECD ministerial gathering.

"Doha called for the establishment of authentic free trade in both directions. But I see that exactly the opposite is taking place ...

"Protectionist measures in some countries delay and prevent reforms in others."

At the Doha talks US delegates argued strenuously and successfully that a new global round of trade liberalization negotiations should include provisions for eliminating agricultural export subsidies.

US officials maintained that such assistance depressed world farm prices and harmed the interests of developing countries that export agricultural commodities.

Verhofstadt on Wednesday said he feared that pressure could now build in Europe for increased subsidies there as well.

"Some are saying we must follow suit and increase subsidies in Europe as well," he said. But he

added: "Who will be the victim? Not us, but the developing countries."

Also clouding US-EU relations are US tariffs of up to 30 percent on certain steel imports that Bush ordered imposed in March in a bid to shield the ailing US steel industry from foreign competition.

The OECD meeting was initially to have provided a venue for talks between US Trade Representative Robert Zoellick and EU counterpart Pascal Lamy aimed at easing trans-Atlantic tension.

But the US delegation here announced Tuesday that Zoellick would not attend the ministerial sessions. The US team will be headed by Glen Hubbard, chairman of the president's council of economic advisors, and will include Zoellick's deputy, Peter Allgeier.

Ministers and officials on Wednesday were meanwhile due to assess global economic prospects, which according to Hubbard are promising.

Addressing the OECD forum ahead of the formal ministerial

session, he said the US recovery was "well underway."

"I think that forecasts in the private sector for 3.0 to 3.5 percent growth for the balance of this year look very very reasonable to me."

Near-term growth prospects outside the United States were "weaker but encouraging," he said.

On Thursday participants will turn their attention to international development issues, in particular the OECD's contribution to the new round of trade liberalization talks launched in Doha last November.

Also Thursday the OECD's 22-nation development assistance committee (DAC), whose members account for 95 percent of annual development aid, will review their commitments to fight poverty made at a special UN conference in Monterrey, Mexico in March.

The OECD said Monday that if DAC members made good on their pledges, their assistance to poor countries would increase to 0.24 percent of their gross national income in 2006 from its current level of just 0.22 percent.

18 nations lash out at US farm bill

AFP, Geneva

Eighteen agricultural exporting countries condemned on Wednesday a new US farming subsidies programme and urged the United States to renew its commitment to new trade talks.

The countries which together make up the so-called Cairns Group also warned in a joint statement that the US legislation could undermine efforts to reform the global agricultural sector.

"It is damaging to the international economy and could undermine efforts to achieve global reform of this heavily subsidised and distorted sector," the statement said.

Congressional budget estimates indicate the US measure will provide 181.5 billion dollars in farm subsidies over 10 years, an increase of some 82.8 billion dollars from current levels.

"The new legislation makes the US administration's task of continuing to take a leading role in the Doha Round more difficult," they said.

"It will provide comfort for those WTO members who are determined to resist meaningful reform of the agricultural sector."

Agriculture, including reductions of export subsidies and trade-distorting domestic support for farmers, is on the agenda of new trade liberalisation talks.

The talks were launched by World Trade Organisation ministers in the Qatari capital, Doha, last November and are set to run until early 2005.

President Bush has downplayed international concerns and said the bill supported US commitment to open trade and compliance with WTO obligations.

But the Cairns Group charged that it would hurt farmers around the world, and would be especially damaging for developing countries, food exporters and importers alike, who were reliant on the agricultural sector.

The group, which has fought EU export subsidies to farmers for years, said it was committed to phasing out all forms of export subsidies, reducing distorting domestic support measures and improving market access.

The Cairns Group includes Australia, Argentina, Brazil, Canada, Malaysia, New Zealand and Uruguay.