Star BUSINESS
DHAKA MONDAY JUNE 3, 2002

Tripura, Bangladesh businesses to pressure govts to boost trade

MONJUR MAHMUD, *back from Agartala, India*

Political and business leaders of Indian state of Tripura and entrepreneurs of Bangladesh have agreed to put pressure on their governments to initiate steps to increase trade between the two neighbours by improving transport networks and developing tourism.

"A group will be formed with the participation of business leaders from Bangladesh and Tripura, which after holding meetings at adjoining districts and identifying the problems, will prepare specific recommendations and pursue those with the policy makers," said Pabitra Kar, commerce and industries minister of Tripura, at the end of a daylong seminar concluded Friday.

Tripura government and Tripura Chamber of Commerce & Industry (TCCI) jointly organised the seminar on 'Promotion of Trade and Investment between Tripura and Bangladesh'. A 63-member delegation representing chamber leaders, transport and infrastructure experts, government officials, journalists from Bangladesh participated in the seminar in Tripura, one of the seven northeastern states of India.

In order to discuss problems and identify possible way out, leaders of Moulvibazar Chamber of Commerce & Industry (MCCI) and northern districts of Tripura will sit together at Moulvibazar on June 25 and 26 to be followed by another meeting between Feni Chamber of Commerce & Industry (FCCI) and eastern districts of Tripura state at Feni on July 8 and 9, the Tripura minister told newsmen.

Business leaders of Agartala, Bishalgar and Sonamura will hold another meeting with the leaders of Comilla Chamber of Commerce & Industry (CCCI) and Brahmanbaria Chamber of Commerce & Industry (BCCI) on July 20, 21 and 22. Besides, a memorandum of understanding will be signed between Dhaka Chamber of Commerce & Industry (DCCI) and TCCI in August, Pabitra Kar added.

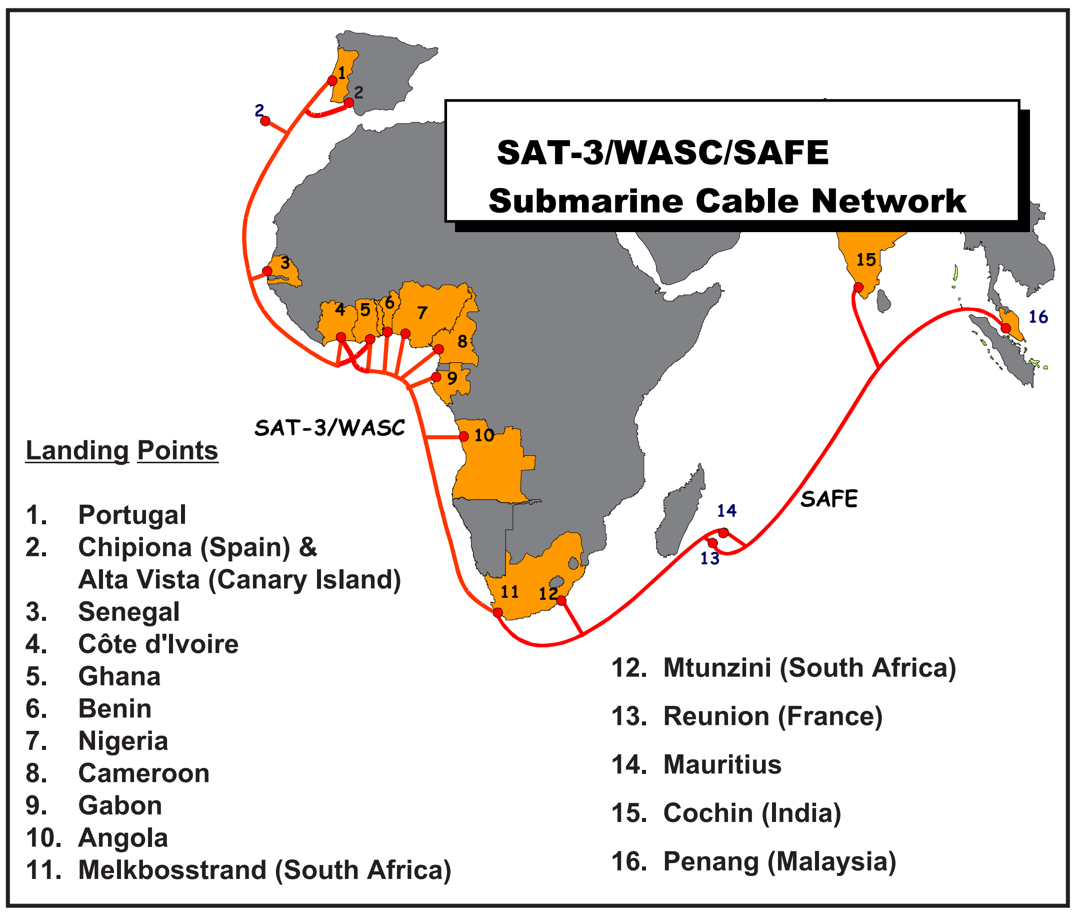
Referring to the present trade between Tripura and Bangladesh, the minister said presently unofficial trade is 10 times higher than the official trade and trade through official channel is only 10 crore rupees annually. "We have set a target to bring at least 50 per cent of the unofficial trade through the official channel that will benefit Bangladesh tremendously."

As part of the ongoing efforts, the Tripura government has already taken a number of steps to facilitate trade through official channel. Chief Minister of Tripura Manik Sarkar on Saturday laid the foundation stone of the 'Integrated Complex for Foreign Trade' at Agartala.

After completing the complex, export and import from both the sides will go up significantly, said a DCCI leader at the foundation laying ceremony at Agartala. "Some Bangladeshi entrepreneurs are also planning to set up joint venture plants in Tripura in rubber, food processing and other sectors," he added.

Africa's own submarine cable opens

ABU SAEED KHAN



Africa took a giant leap in telecom as Senegalese President Abdoulaye Wade officially inaugurated a submarine cable from Europe to Asia along the African coast last week.

Representatives of the 36 members of this tri-continental consortium gathered in Dakar, the capital of Senegal, to attend the launching ceremony of the first African submarine cable directly linking Europe and Asia.

This network has two segments. The Afro-European segment, SAT-3/WASC ((South Africa Telecom/West African Submarine Cable), spans from Portugal to South Africa. And the Afro-Asian segment, (South Africa-Far East), travels from South Africa to Malaysia.

The European cable stations in Portugal and Spain and the Asian cable stations in India and Malaysia provide access to global submarine cable networks with direct links to most of the world; a first of its kind solution for most African countries.

Alcatel Submarine Networks of France was contracted in March 2000 to build the 14,350 kilometres SAT-3/WASC. Tyco Telecommunications of USA was contracted in December 1999 to build the 13,500 kilometres SAFE segment of this network. Altogether it is called the SAT-3/WASC/SAFE and its total cost is more than US$650 million.

This consortium cable has an ultimate design capacity of 120 gigabits per second. It would transport a total 5.80 million simultaneous phone calls or transfer the contents of 35 DVD disks in one second.

It spans a total of 28,000 kilometres linking Portugal, Canary Islands (Spain), Senegal, Ghana, Benin, Cote D'Ivoire, Nigeria, Cameroon, Gabon, Angola, South Africa, Reunion (France), Mauritius, India and Malaysia.

This consortium cable will be critical to the economic development of the continent as a whole. Since it is owned, controlled and maintained by the individual operators, revenue generated by the African operators will remain in Africa.

Currently almost 80 per cent of Africa's telecom revenue flows out of the continent, simply because many African countries lack infrastructure and are forced to rely on foreign operators to route their traffic.

According to Wouter Myburgh, Telkom South Africa's senior manager of International Network Operations, various European and North American operators have $85 million stake in the 28800-kilometre cable.

"About 34 other funders, who do not wish to disclose their identity for competitive reasons, include most of the leading European operators, three key US players, some from Asia and one from Australasia," Myburgh told the South African press.

SAT-3/WASC/SAFE will provide an underwater global information highway for the Southern Hemisphere. It has the potential to access 90 per cent of Africa's existing sub-Saharan telephone market in which 72 per cent of the sub-Saharan population lives.

Meanwhile, the Indian telecom giant Videsh Sanchar Nigam Limited (VSNL) is poised to reap the benefit of being with another submarine cable consortium. The VSNL's Cochin landing station in the state of Kerala would be the African cable's gateway to Asia. Being in SEA-ME-WE-3 submarine cable consortium, the VSNL may carry the African telecom traffic to the Middle East and West Europe.

But the recently privatised VSNL is likely to face stiff competition from Telekom Malaysia, the state-owned telecom giant of that country. The African SAFE arrives at Penang and the Malaysian landing station of SEA-ME-WE-3 is located there. From this point, the African traffic may take the West European route via Middle East as well as proceed towards the Far Eastern telecom destinations.

It may be noted the then BNP government did not allow Bangladesh Telegraph and Telephone Board (BTTB) to join the SEA-ME-WE-3 submarine cable consortium in the early 90's. Now the BTTB is ready to join the SEA-ME-WE-4 consortium at more than half the costs being offered by Tyco and Alcatel to link the country with a private cable.

But the government is yet to officially scrap these bids, reportedly due to the political and diplomatic pressure being mounted by the vendors. Such persuasion has been stepped up after the BTTB officials returned from successfully attending the very first meeting of SEA-ME-WE-4 consortium in Cairo last month.

Next meeting of SEA-ME-WE-4 consortium would be held at Dubai in July. The government will have to cancel the bids of Tyco and Alcatel before that event. "Otherwise, the BTTB's seriousness of joining this consortium would remain as a question mark," commented a BTTB official, requesting anonymity.

CACCI council meet June 4-5

The Confederation of Asia-Pacific Chambers of Commerce and Industry (CACCI), an organisation of the region's leading businessmen, is going to hold its 64th council meeting on June 4-5 at the Chinggis Khan Hotel in Ulaanbaatar, Mongolia, says a press release.

Representatives from the national chambers of commerce and industry of Australia, Brunei Darussalam, Bangladesh, Cambodia, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, Mongolia, Nepal, New Zealand, Papua New Guinea, Pakistan, the Philippines, Russia, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam are expected to attend the meeting.

Prof Masuda M Rashid Chowdhury, Director, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and Mizanur Rahman Mukul, Deputy Secretary of FBCCI left Dhaka Saturday to attend the meeting.

This year's gathering will be inaugurated by Nambariin Enkhbayar, prime minister of Mongolia, and will be hosted by the Mongolian National Chamber of Commerce and Industry (MNCCI), an umbrella organisation of the Mongolian private sector.

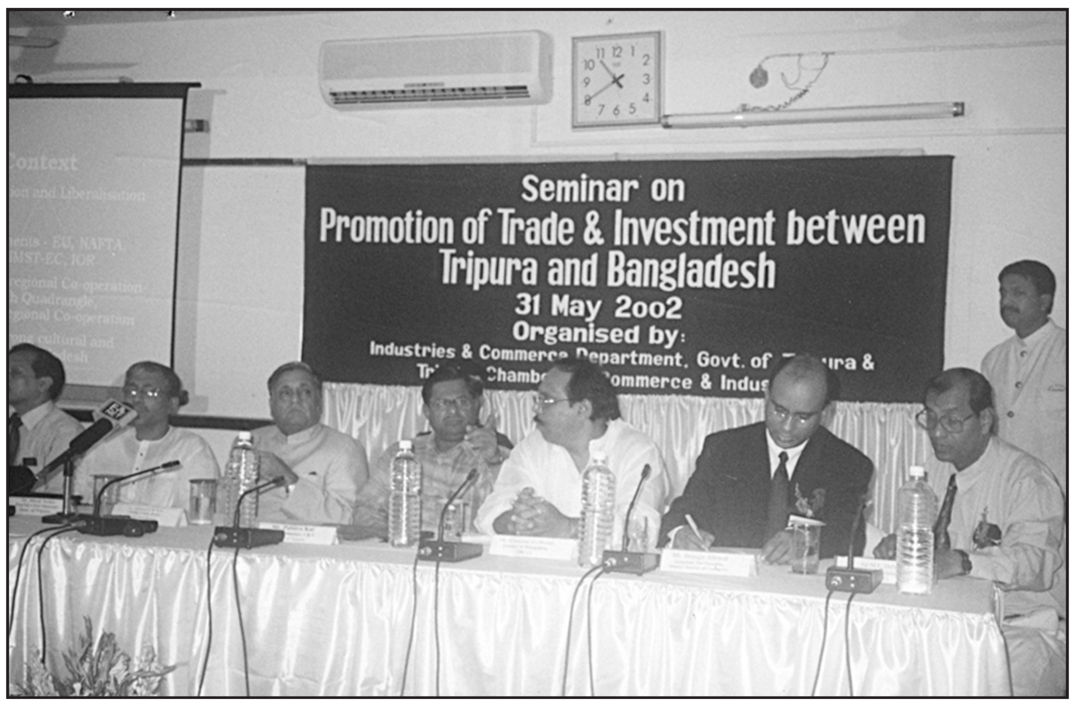


PHOTO: DCCI

A seminar on 'Promotion of Trade & Investment between Tripura and Bangladesh' was held on in Agartola, Tripura on Friday. Tripura Chief Minister Manik Sarkar, Governor of Tripura Lt General K M Seth (rtd), commerce minister of Tripura Pabitra Kar, Khurshed Ali Mollah, former EC member of the Federation of Bangladesh Chambers of Commerce & Industry (FBCCI), Benajir Ahmed, the immediate past president of DCCI, and ML Debnath, president of Tripura Chamber, are seen in the picture.

IDB VP visits REB, LGED

BSS, *Dhaka*

A four-member delegation of Islamic Development Bank (IDB), led by its Vice-President (Operation) Dr Amadou Bioubacar, yesterday visited Rural Electrification Board (REB).

The delegation members held a meeting with the high executives of the REB at its headquarters here and discussed and evaluated progress of various IDB assissinated projects under REB.

Discussions were held on rural electrification programme, engineering and technological aspects of REB as well as the organisational structures and economic management of the state-run board and its Rural Electrification Samities.

IDB vice president also visited the Local Government Engineering Department (LGED) in the city on Saturday, says a press release.

During the visit, Dr Amadou addressed the senior officials of the department and said LGED's experience in rural infrastructure development may be utilised in the member countries of the bank.

Former Chief Engineer of LGED, Q I Siddique, and Chief Engineer of LGED, Md Shahidul Hasan, also spoke on the occasion.

WB loans $200m to Vietnam

AFP, *Washington*

The World Bank said Friday it had approved a loan of 200 million dollars to help the Vietnamese government develop the rural economy.

The project would encourage investments by farm households and private rural entrepreneurs, strengthen banking in the rural economy and increase access of the rural poor to financial services, it said in a statement.

"We estimate that 175,000 enterprises and households will benefit as a result of this project," said World Bank project manager Arie Chupak.

"Of this number, 90,000 small and medium enterprises, including farm households and 75,000 households and 10,000 microenterprises will have access to formal financial services."

Indian fiscal deficit widens

REUTERS, *New Delhi*

India's fiscal deficit in the financial year ended in March widened to 5.9 per cent of the gross domestic product, breaching the target of 5.7 per cent due to lower-than-expected revenues.

Figures on the government Web site released on Saturday showed the deficit widened to 1.362 trillion rupees ($27.75 billion), representing 103.4 per cent of the revised target of 1.317 trillion rupees, or 5.7 per cent of GDP for 2001/02 (April-March).

The government had earlier estimated the 2001/02 fiscal deficit at 4.7 per cent of GDP, or 1,163.14 billion rupees, but revised it in the federal budget presented to parliament in February.

Analysts said the threat of war with nuclear rival Pakistan was likely to widen India's chronic fiscal deficit further and hurt economic growth as a conflict would put pressure on spending.

Tensions between the South Asian neighbours have been on the boil with war clouds looming large after India held Pakistan-based Islamic militants responsible for a raid on an army camp early this month. Thirty-one people including women and children were killed in the attack.

Both countries have deployed about a million troops along their common border in a confrontation triggered by a bloody December attack on India's parliament that New Delhi also blamed on Pakistan-based militants.

The main reason for the runaway deficit was a sharp decline in revenue receipts on the back of an industrial slowdown.

Net tax revenues up to the end of the fiscal year in March was 1332.85 billion rupees, which was about 93.6 per cent of the revised target. Non-tax revenues totalled 695.96 billion rupees as against the revised target of 702.24 billion rupees.

Industrial growth slumped to 2.7 per cent in 2001/02 (April-March), almost half of the previous year's 5.0 per cent, as demand remained sluggish due to the economic slowdown.

Expenditure was 3.59 trillion rupees as against the target of 3.644 trillion rupees for the year ended March 2002.

International rating agencies have cited India's high annual deficit as the main hurdle to achieving higher growth rates desperately needed in a country with more than a quarter of the population living in poverty.

Sheba World Cup spl package sales booth opens at Kakrail

On the occasion of 2002 FIFA World Cup, Sheba Telecom (Pvt.) Ltd opened a Sheba World Cup package sales booth at Karnafuli Garden City on Saturday, says a press release.

Former national football star Sheikh Mohammad Aslam inaugurated the sales booth at a colourful ceremony.

The Sheba World Cup special package is available in this booth. Customer can get Sheba World standard connection at cost of Tk. 12,250 including handset.

Jefri Ahmad Tambi, managing director of Sheba Telecom (Pvt.) Ltd. and Abu Sadat M. Sayem, head of marketing, were present on the occasion.

BUDGET QUIPS

"Why has the Finance Minister ordered replacement of old and soiled bank notes?"

"Because he wants to fight corruption by eliminating dirty money."

"MMI"

Mahathir paints rosy picture of economy

AFP, *Kuala Lumpur*

Prime Minister Mahathir Mohamad has painted a rosy picture of the Malaysian economy amid recovery of its top trading partner the United States, a report said Sunday.

Mahathir, 76, who is also the finance minister was cited by the Sunday Star newspaper as saying that economic growth for 2002 had been projected to exceed four per cent.

Mahathir had previously said that the economy was expected to grow by three per cent this year while the central bank said it would be 3.5 per cent.

The central bank last month said Malaysia's economic recovery was on track with gross domestic product (GDP) rebounding from two quarters of contraction to expand 1.1 per cent in the quarter to March.

Inflation remained low at 1.4 per cent and the country continued to operate under full employment despite the retrenchment of 10,083 workers in the first quarter, the central bank said.

Mahathir said Malaysia's economic recovery was assisted by the growing confidence shown by foreign investors especially from the United States to be active again in international trade.

"The same is also true for investment in the stock market. Malaysia's credit rating has also improved," he said.

PHOTO: SHEBATELECOM

Former national footballer Sheikh Mohammad Aslam, Jefri Ahmad Tambi, managing director of Sheba Telecom (Pvt) Ltd, Abu Sadat M Sayem, head of marketing, and Azmat Ullah, president of Karnaphuli Garden City Shop Owners' Association, are seen at the opening ceremony of Sheba World Cup special package sales booth at Karnafuli Garden City on Saturday.

OPEC chief in Tehran for talks on oil situation

AFP, *Tehran*

Outgoing OPEC Secretary General Ali Rodriguez arrived in Tehran Sunday for talks with Iranian officials on the oil market situation and the upcoming OPEC summit in Vienna, state radio reported.

"We will discuss the summit, environmental issues and the future OPEC secretary general with Iranian officials," Rodriguez said, referring to the ministerial meeting of the Organisation of the Petroleum Exporting Countries (OPEC) on June 26 in Vienna.

Rodriguez, who arrived from Saudi Arabia on a regional tour, will meet with Iran's Oil Minister Bijan Namdar Zangeneh later in the day and is scheduled to see President Mohammad Khatami on Monday.

OPEC slashed production by 1.5 million barrels per day from January for a period of six months, under an agreement with leading non-OPEC oil exporters to haul prices out of a steep post-September 11 slump.

But the 11-member cartel is under pressure from consumer countries to increase output amid concern that high oil prices could hinder the recovery of the global economy.

Last week, Iran's Deuty Oil Minister Mohammad Mir-Moezi said Tehran sees no need for the OPEC oil cartel to raise production.

"Evaluating the situation in the market, we see it is stable," he told reporters in Masjed-Soleiman, southwestern Iran.

"We have a margin of two to three dollars per barrel, due to the political situation in the Middle East," Mir-Moezi said. "The price of 20-22 dollars is a reasonable one. There is no need to increase the production."

Oil prices currently stand at between 25 and 26 dollars a barrel, and experts predict they will move lower amid an easing of Middle East tensions.

PHOTO: PRAN FOODS

PRAN Foods Ltd formally launched PRAN Spices yesterday at a function held at the National Press Club in the city. Photo shows (from left) Brand Manager Noman Anwar, GM (Marketing) Kamruzzaman Kamal, Executive Director (PRAN) Eleas Mridha, and GM (PRAN Sales) Mamun-Ur-Rashid at the launching ceremony.