

## Bangladesh trade fair begins in Moscow today

UNB, Dhaka

A 5-day Bangladesh trade fair begins today in Moscow in an effort to familiarise Bangladeshi products and expand market in Russia.

Commerce Minister Amir Khosru Mahmud Chowdhury, who left Dhaka for Moscow Tuesday night, is scheduled to inaugurate the fair, said an official handout here yesterday.

Different companies have set up 62 stalls to display Bangladeshi goods including apparels, melamine, frozen food, handicrafts, light engineering and leather products.

A 70-member Bangladesh delegation comprising members and representatives of different chambers and business associations is now visiting Moscow to attend the fair.

The Commerce Minister is scheduled to meet with the leaders of Russian Chamber of Commerce and entrepreneurs to project trade and investment potentials in Bangladesh.

On the way back home, he is expected to attend a function of Caterers' Association of Bangladesh in London. He is scheduled to return home on June 20.

## UCBL becomes corporate client of GrameenPhone

United Commercial Bank Limited (UCBL) recently signed an agreement with GrameenPhone Limited to avail itself of mobile phones under the GP Corporate Sales Package initiative, says a press release.

Under the agreement, UCBL has been provided with GrameenPhone's GP-GP mobile phone connections.

UCBL is now using nearly 100 GP mobiles to transmit remittance and other banking information among its different branches around the country.

Mehboob Chowdhury, director-sales and Marketing Division, GrameenPhone, and Md. Sajid Ullah, managing director of UCBL, signed the agreement on behalf of their respective organisations.

Md. Salauddin Gazi, DMD, Shahidulla, vice-president-Establishment of UCBL, Khalid Hasan, director-Personnel and Organisations of GrameenPhone, Kafil HS Mueyed, general manager-Sales and Marketing Division, Syed Yamin Bakht, AGM-Information Department, Mahboob Hossain, Additional General Manager-Distribution, Jasim Uddin, DGM-Finance Division, and Hassan Md. Zahid, Head of Corporate Sales Department of GrameenPhone, among others, were present at the signing ceremony.

## Cambodia seeks \$1.46b from donors meet

AFP, Phnom Penh

Cambodia will bank its financial future on the international community after a troubled year when it next week seeks 1.46 billion dollars from donors whose purse strings are tightening under foreign aid demands from elsewhere.

Analysts said Cambodia and its Prime Minister Hun Sen have enjoyed a dream run from donors over the past six years in a bid to reconstruct the war-torn country and raise living standards above the basic poverty level.

But they warned the slow pace of reforms, endemic corruption and a failure to try surviving Khmer Rouge leaders was testing donor patience, and could result in conditions being attached to aid for the first time.

Their list of complaints is long and will be judged by the sixth meeting next week of the Consultative Group (CG), consisting of the World Bank, International Monetary Fund, Asian Development Bank, ambassadors from the world's richest countries and a host of non-governmental organisations (NGOs).

International environmental watchdog Global Witness has highlighted uncontrolled logging; the United Nations is angered after some 18,000 squatters were left homeless by three fires and annoyed at breaches of the international convention on refugees.

And increased human trafficking and political violence has upset human rights organisations.

"Donors, when they give, they expect results and they are entitled to expect results and this is something the government has to understand," the United Nations envoy for human rights to Cambodia, Peter Leuprecht, said recently.

"This will be conveyed to the government at the CG meeting," he said, adding: "The picture is not very positive."

# New car for Tk 3-9 lakh impossible: BARVIDA

## STAR BUSINESS REPORT

Reconditioned vehicle importers have accused the new automobile dealers of providing incorrect information regarding price of a new car and a reconditioned one.

"It is completely a confusing statement that the price of a new car of 800 to 1300 cc would be Tk three to nine lakh and they would provide new cars at almost the same price of reconditioned vehicles once the new tax structure in the budget for 2002-03 fiscal takes effect," said Md Anwar Hossain, president of Bangladesh Reconditioned Vehicles Importers & Dealers Association (BARVIDA), at a press conference at National Press club in the city yesterday.

Because of tax reduction price of an Indian 800 cc Maruti will go down

by Tk 45,000 while 1000 cc and 1300 cc by Tk one lakh. So, how are they claiming they would provide new cars at the same price of the reconditioned ones? Hossain asked.

"Price of a new Indian 1300 cc Maruti would be at least Tk 7 lakh and a Japanese 1300 cc Toyota Corolla DX would be Tk 12 lakh once the new tax structure takes effect. But if allowed price of reconditioned 1300 cc Toyota Corolla DX would be Tk 3 lakh under the proposed tax structure. Before the budget price of reconditioned 1300 cc Toyota Corolla DX was Tk 5.25 lakh," he mentioned.

The BARVIDA leaders apprehended if Japanese reconditioned vehicles are not imported Indian cars with outdated technology would flood local market, giving rise to environment pollution.

Referring to a World Bank report about air pollution in Bangladesh, they said the report recommended for discouraging use of those vehicles with old and outdated technology.

Bangladesh Automobiles Distributors Association (BADA) members have admitted that the price of a 1300 cc Japanese car would be around Tk 10 lakh and they would sell these without profit in the first year. So, what would be the price in next year? asked the BARVIDA leaders.

They requested the authorities concerned to make the information public that how much spare parts are imported from India and Japan. "If it is published people would come to know which vehicles are facing troubles frequently," Anwar Hossain said.

He said the extent of pollution of a one-year old Indian vehicle is higher than a five-year old Japanese one because these vehicles have built in catalytic converters. As the Indian vehicles are made of carburettor engine with outdated technology, these are not popular in any country of the world, he added.

The BADA is not a registered association but it is organising press conferences and confusing people, he mentioned.

The BARVIDA leaders said they requested the National Board of Revenue earlier to take action against some importers who imported scrap vehicles from India and Singapore but they did not do that.



Md Anwar Hossain, president of Bangladesh Reconditioned Vehicles Importers & Dealers Association (BARVIDA), speaks at a press conference in the city yesterday.



Picture shows officials of GrameenPhone and United Commercial Bank Limited (UCBL) at the signing ceremony of an agreement between the two organisations held in the city recently. Under the agreement, UCBL has been provided with GP-GP mobile phone connections.

# US, Sri Lanka ink 'open skies' aviation accord

## AFP, Washington

The United States and Sri Lanka on Tuesday signed an "open skies" aviation agreement that is expected to boost air transport links between the two countries.

The pact, signed by US Secretary of State Colin Powell and Sri Lankan Foreign Minister Tyrone Fernando, provides for cooperation in air traffic security and safety and was forged in the aftermath of deadly terrorist attacks in both countries involving aviation last year.

"The agreement ... is a tribute to

the aviation industry's vitality in overcoming attacks in both countries during 2001," the State Department said in a statement.

The statement did not mention the incidents but appeared to refer to the September 11 hijacked jetliner attacks in New York and Washington blamed on Osama bin Laden's al-Qaeda network and a July attack on the Colombo airport by Sri Lanka's separatist Tamil Tigers rebels.

The wording of the agreement was finalized in negotiations with US and Sri Lankan aviation experts in October 2001 but it did not take effect until Tuesday.

Powell and Fernando's signing of the deal allows for the immediate implementation of its provisions including open-route rights and code-sharing for the two countries' airlines.

The pact "breaks new ground in creating opportunities to strengthen economic relations between the United States and Sri Lanka through closer links in transport, trade and tourism," the State Department said.

The deal is the second open skies pact between the United States and a South Asian country to come into force. The first, signed with Pakistan, took effect in 1999.

# US recovery spreading worldwide: Official

## AFP, Paris

The US economic recovery is spreading to other countries, marking the start of a fully fledged global rebound, US Treasury Under Secretary John Taylor said here on Tuesday.

"What we are seeing now with information well into the second quarter is that the US recovery is on track ... and that that's beginning to have a wider effect on the world economy," Taylor said told a news briefing at the Organisation for Economic Cooperation and Development.

"It looks like there's a full-fledged

global recovery under way," he said. Taylor said he expected annualised US economic growth of two to three per cent in the second quarter, after inventory factors resulted in an artificially strong first quarter reading of 5.6 per cent. Growth was expected to be more than three per cent in the fourth quarter, he said.

US growth and inflation would not be disrupted by the dollar's recent depreciation, Taylor predicted. Both inflation and growth were "on track" and changes in the value of the dollar would not have an impact on this, he explained.

He also criticised a decision by

the European Union to retaliate against US tariffs on steel imports, charging that "retaliation is a form of raising trade barriers."

The EU and other key US trading partners have gone to the World Trade Organization to challenge President George W. Bush's decision to impose three-year tariffs of between eight and 30 per cent on a range of steel imports.

While Bush said the curbs were needed to temporarily protect the struggling US steel industry, EU officials have denounced them as a unilateral violation of free trade principles.

## China's foreign investment rises 12pc

AFP, Beijing

China's foreign direct investment in the first five months of this year rose 12.38 per cent from the same period last year to 16.92 billion US dollars, state press said Wednesday.

In the same period, investment commitments, which give an indication of future investment inflows, reached 27.86 billion dollars, rising 7.29 per cent from a year earlier, Xinhua news agency said.

Last year, China's foreign direct investment rose 14.9 per cent compared to 46.8 billion dollars, according to previously released official figures.

China's entry into the World Trade Organization late last year is expected to encourage more foreign companies to invest in the country as it opens its markets.

## FDI in Vietnam down 26pc in first 5 months

AFP, Hanoi

Vietnam attracted just 394 million dollars of foreign investment in the first five months of 2002, marking a year-on-year decline of 26 per cent, the General Office of Statistics (GOS) said Wednesday.

"With 209 projects licensed, the number of projects was up but the capital inflow fell down," a GOS official told AFP.

Eighty-two per cent or about 322 million dollars the total flowed into the industrial and construction sectors and nearly 80 per cent of the projects located in the commercial hub of Ho Chi Minh city and southern satellite provinces of Binh Duong and Dong Nai, the official said.

South Korea was ranked first among the investors with 52 projects capitalized at 108 million dollars, and Taiwan was the second with 80 million dollars, followed by Japan and Malaysia.

## Malaysia to ban Indonesian logs

AFP, Kuala Lumpur

Malaysia plans to ban imports of logs from Indonesia, partly to protect its furniture industry from charges it uses illegally-felled timber, a government source said Wednesday.

Primary Industries Minister Lim Keng Yaik proposed the ban at a weekly cabinet meeting Wednesday and would submit a working paper on the subject next week, a ministry source told AFP.

"The proposal is to ban all imports of logs, whether legal or illegal, especially from Indonesia which has requested us to do so for a long time. There is also pressure from Europe," he said.

The ban was partly aimed at protecting Malaysia's furniture exports to Europe amid protests the country's timber products did not come from sustainable forest management, he said.

The proposal came just a day after Lim returned from a three-week trip to Europe to promote Malaysia's timber products.

Last year, Malaysia exported 1.7 billion dollars worth of furniture, mainly to Europe and the United States.

Some 70 per cent of Indonesian logs are estimated to be illegally felled, and Jakarta has banned the export of unprocessed logs in a bid to protect its rainforests.

# BGMEA signs deals for workers' insurance coverage, hostels

## BSS, Dhaka

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday signed agreements with two organisations on starting group insurance and construction of dormitory for the staff and workers in garment sector.

BGMEA signed an accord with Jiban Bima Corporation (JBC) for introduction of group insurance for the staff and workers of readymade garment sector.

The BGMEA President and Executive Director of the Nari Uddog Kendro signed the MOU on behalf of their organisations.

As per the MOU, the Kendro

will build hostels for 13,000 female workers. BGMEA will provide free land for the hostels.

Under the agreement, each member unit of the BGMEA will pay Taka 6,000 per year as premium for the group insurance, which will cover the staff and workers of the unit.

BGMEA signed a memorandum of understanding (MOU) with Nari Uddog Kendro, an NGO, for construction of hostels for female workers of the garment sector.

The BGMEA President and Executive Director of the Nari Uddog Kendro signed the MOU on behalf of their organisations.

As per the MOU, the Kendro

will build hostels for 13,000 female workers. BGMEA will provide free land for the hostels.

State Minister for Commerce Barkat Ullah Bulu was present at the signing ceremony as the chief guest.

Speaking on the occasion, Mr Bulu said despite the present downturn in garment business, the initiatives taken by the BGMEA today, will certainly brighten the country's international image.

He urged the garment owners to ensure socio-economic safety of the staff and workers of the sector as they are main contributor to the export earning.

## BUDGE & QUIPS

"I don't mind paying my taxes. What I resent is to pay the same amount of tax on my Tk 80,000 annual income as my boss would on his Tk 100,000. Isn't it iniquitous?"

"It is, but it is an incentive to work hard to go to higher income bracket and enjoy the benefit of the reduced taxes."

MMI



Mohammed Sahabuddin Ahmed, chairman of Dutch-Bangla Bank Limited (DBBL), distributes certificates among the participants of the 6th foundation training course of the bank at a function held in the city on Sunday. CM Koyes Sami, president and managing director of the bank, was also present.

## DBBL's 6th foundation course ends

The sixth foundation training course of Dutch-Bangla Bank Limited (DBBL) ended on Sunday at the DBBL training centre, says a press release.

Officers of different branches and Head Office divisions took part in the 25-day training programme, which started on May 16, 2002.

The Chairman of the bank, Mohammed Sahabuddin Ahmed, was present at the certificate awarding ceremony. Ahmed, in his address, asked the participants to work for the bank with sincerity and devotion.

On the occasion, CM Koyes Sami, president and managing director of the bank, said today's banking industry is getting more and more knowledge-based. So, proper and timely information is a very crucial thing that can assist a bank to have upper hand over its competitors, he added.

KS Tabrez, senior executive vice-president of the bank, and Monirul Islam, in-charge of Human Resource and Training Division, also spoke on the occasion.

# EU ministers confront precarious recovery

## Meeting with G7 counterparts Saturday

## AFP, Paris

European finance ministers are headed for a week-end meeting in Canada with counterparts from the Group of Seven, their economies on the mend but showing few signs the recovery is sustainable.

Ministers from Britain, France, Germany and Italy will confer with colleagues from Canada, the United States and Japan on Saturday in the eastern Canadian city of Halifax.

The scheduled gathering comes as a recent surge in the euro against the dollar threatens to decrease the attractiveness of French, German and Italian goods abroad, thereby cutting into critically needed export earnings.

France, Germany and Italy currently do business in the European single currency.

"The (European) recovery remains fragile," said Anne Beaudu, an economist at the Credit Agricole bank. While industrial output has picked up, according to recent statistics, activity continues to lag in

the services sector, she said. "The transportation and tourism sectors are still feeling the effects of September 11 while those linked to communications and development continue to be hurt by the global slowdown."

"The European economy sustained a major blow and is still recovering," she added.

The rebound has so far been more robust in the United States, where annualized growth should surpass three percent by the end of the year, US Treasury Under Secretary John Taylor told reporters here Tuesday.

US output in the first three months of the year expanded at a brisk 5.6 per cent pace and should come to two to three per cent in the second, Taylor said.

France foresees an expansion in gross domestic product this year of 1.4 to 1.6 per cent, while in Italy officials predict growth of around 2.3 per cent.

The German economy, hit hard by the slowdown last year, is forecast to grow a meager 0.75 per cent

in 2002. Economic activity stagnated in Britain in fourth quarter 2001 and in the first three months of this year, its worst performance since 1991. Chancellor of the Exchequer Gordon Brown expects growth of between two and 2.5 per cent this year, a result many economists say is unrealistic.

Officials in all four European countries expect growth rates of around 2.5 per cent in 2003, but that is a prediction that could be imperilled by the weakness of the dollar and the strength of the euro.

Despite such currency uncertainties and their impact on European exports, the decline of the dollar is not expected to loom large in Halifax, Taylor said.

A European diplomat, who asked not to be named, noted that "concerning exchange rates, the golden rule is for us to say as little as possible" in order to discourage speculation.



Bangladesh Express Co Ltd, licensee of Federal Express Corporation of the USA, organised a daylong training on 'Decision Making and Problem Solving' for its management staff recently. Picture shows the participants and officials of the company.