

## BFFEA, Vietnam exporters for unity to face global market

BSS, Dhaka

Frozen foods exporters at an opinion exchange meeting on Saturday underscored the need for a common platform and integrated programmes to sustain their business in the global market.

Leaders of Bangladesh 'Frozen Foods Exporters Association' (BFFEA) and Vietnam Association of Seafood Exporters and Producers (VASEP) at the meeting also stressed the need for unity of the exporters and producers of all countries, a press release said.

A four-member delegation of VASEP led by its General Secretary Prof. Dr Nguyen Huu Dung now on a visit here since last Thursday, held meetings with the officials of Bangladesh Fisheries Development Corporation (BFDC), Dhaka Stock Exchange and leaders of BFFEA.

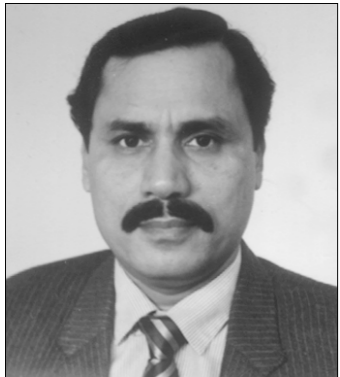
BFFEA President Salahuddin Ahmed called upon the global producers and exporters of frozen foods to set up a common platform for tackling the problems unitedly.

Nguyen Huu Dung alleged that Vietnam exporters are facing various troubles in exporting frozen foods in USA market.

USA buyers have lodged an anti dumping case against Vietnam, said the VASEP leader adding that Bangladesh may face the same problem in future. He underscored the need for signing a memorandum of understanding between BFFEA and VASEP for the common interest.

The meeting was also addressed, among others, by BFFEA joint secretary general S Humayun Kabir, VASEP vice president Ngo Phuoc Hau and legal consultant Edmund W. Sim.

## New MD of Jamuna Bank



Sirajuddin Ahmed Chowdhury has joined Jamuna Bank Limited as its managing director.

He took over the new position yesterday, says a press release.

Before joining Jamuna Bank Limited, he worked as managing director of Sonali Bank and Janata Bank, the largest two commercial banks of the country.

A senior banker, having 33 years professional experience in responsible positions in banks, financial and other institutions, he worked for six years as managing director and chief executive officer.

He also worked as Managing Director of Investment Corporation of Bangladesh (ICB), Bangladesh Krishi Bank (BKB) and Bangladesh Shilpa Rin Sangstha (BSRS).

He worked as the first chairman of South Asian Development Fund (SADF) created under the umbrella of SAARC. He represented ICB and other banks in the Board of a number of national and multinational companies and organisations as chairman, director and member.

## Taiwan exports growth seen to hinge on US, China

AFP, Taipei

Taiwan's export outlook depends on an economic recovery in the United States and demand for component parts from Taiwanese-invested companies in China, analysts say.

"The US economic data remains mixed. There is no clear indication about the sales in the upcoming Christmas shopping season, a crucial time for export-oriented countries like Taiwan," said Karl Tseng, a manager with Prudential Securities Investment Co. in Taipei.

KGI Securities economist Hermes Yang said improved US consumer confidence data mainly came from a low comparison base of last year after the September 11 terrorist attacks.

Yang said although the US consumer confidence in November rose to 84.1 from October's 79.6, retail sales remained flat.

"I remain cautious about the US economy. As a result, I do not think we should be over-optimistic about Taiwan's exports just because of the October statistics," he said.

# Indo-Bangla trade talk begins today

UNB, Dhaka

Bangladesh and India will begin a two-day parley in New Delhi today to resolve longstanding trade disputes between the two next-door neighbours having a widely unbalanced bilateral trade.

Adviser to commerce ministry AKM Fazlur Rahman and Joint Secretary Abul Kalam Azad flew in to the Indian capital yesterday for the long-awaited talks with their counterparts.

Commerce ministry officials here said immediate duty-free market access for selected 121 items and all products in near future would top Bangladesh's agenda for the meeting.

This is a follow-up to the April talks between the two commerce secretaries in Dhaka and a prelude to another secretary-level meeting, expected in January in New Delhi, officials said.

"We'll seek enhanced market access as a follow-up to the April talks. We'll also talk full duty-free

market access as assured by the Indian Foreign Minister in August," Commerce Secretary Suhel Ahmed told UNB today.

Bangladesh trade officials will also request removal of all non-tariff and para-tariff barriers put in the way to obstruct entry of Bangladesh's products into India. Besides, the issue of a revised trade agreement will also be put on the table, the Secretary said.

The yawning Bangladesh-India trade gap crossed US\$ 1 billion mark last fiscal, with Bangladesh having a scanty export worth around US\$ 60 million. Unofficial gap is estimated to be double the official trade figure.

After shifting of dates thrice, Indian trade secretary arrived in Dhaka in April to talk business with his counterpart.

The two-day meeting rolled into third day and produced a half-hearted commitment from Indian side to give duty-free access to 40 items, most of which Bangladesh hardly produces.

Businesspeople and trade officials were frustrated to see that the common export items, which earn the country about US\$ 6 billion annually, were 'intentionally' dropped from the list. The so-called duty-free access, therefore, came to no use for the country to enhance its palty exports to India.

While Indian products enjoying an easy access to Bangladesh in both formal and informal ways, Bangladesh products face tremendous tariff, non-tariff and para-tariff barriers even though those items have a market demand there.

Bangladesh lead-acid battery that has a mere US\$ 1.5 million market in India fell under the axe of anti-dumping law. Official and business-level talks so far yielded naught.

These issues would also come up in the joint secretary-level talks on December 2-3. Indian side, as trade officials here guessed, may have a package deal involving transit both through land and water routes.

## Pre-shipment inspection blocks reshuffled

UNB, Dhaka

The National Board of Revenue (NBR) has reshuffled the blocks for pre-shipment inspection of imports although the tender process is now suspended, official sources said.

In a major change in the reshuffle, India—from where Bangladesh makes 21 per cent of its total import — was put in block-A as the lone country.

Earlier, Bhutan, Sri Lanka and Nepal were also in block-A along

with India, which is the single-largest selling country for Bangladesh, said officials at the NBR.

One PSI firm will be appointed for each block. Now three PSI agents work in three blocks.

The NBR, however, earlier had postponed the tender procedure to appoint PSI agents.

The postponement took place after a deferment of the tender process to appoint five PSI agents. As per main notification of the

revenue board, the last date for submitting tender documents was November 10. Later it was deferred to November 28 and finally postponed.

However, in the meantime, the NBR continued its groundwork for resuming the tender process as the tenure of current PSI agents will be over on February 15, 2003.

Reshuffling the blocks was part of the preparation for resuming the tender process, they said.

## SoEs owe Tk60b to NCBs

BSS, Dhaka

The World Bank has laid emphasis on consistent application of the guidelines of bank loan classification and rescheduling for public and private sectors alike to avoid feared underestimation of state-owned enterprises owing to state-run banks.

"Consistent application of the guidelines on classification and loan rescheduling — for public and private sector borrowers alike — is important for a reliable assessment of trends in classified loans over time, and efforts should be made to institute this," a recently published World Bank review report said.

The country's state-owned enterprises (SoEs) owe taka 60 billion to the nationalised commercial banks (NCBs) as outstanding loans in February, 2002.

"Classified loans the SoEs owed to NCBs have reportedly accounted for around 15 per cent of NCBs' total classified loan portfolio in recent years but the possibility of underestimation of SOEs' classified loans is worth examining," the review of Public Enterprise Performance and Strategy said.

It is, the report said, also worth examining whether, and to what

extent, the share of SoEs in NCBs' portfolio of classified loans might have been understated due to lax application of the classification guidelines and or lowered through rescheduling.

The report noted that while outstanding loans owed by the SoEs have risen over the past year, to taka 60 billion in February 2002, the proportion of overdue loans has declined to 21 per cent.

"It is not clear to what extent the reported improvement in overdue loans is due to loan recovery as opposed to debate on rescheduling or write-off, backed by recapitalisation by the Government," the World Bank said.

The World Bank report said in 1996 a special evaluation of NCBs, carried out according to International Accounting Standard (IAS), found that virtually the entire loan portfolio of Rupali Bank, owed by SoEs was classified, although Rupali Bank had reported only 1 per cent to be classified.

"This finding suggests the likelihood of underestimation of SoEs' classified loans owed to NCBs," it said.

The World Bank report noted that most loans to SoEs have typically been associated with either an

explicit or implicit government guarantee but "it is not clear how the classification guidelines have been actually applied for classified loans of SoEs with implicit or no loan guarantees".

It further noted that the lack of periodic reporting on SoEs' loans constrained close monitoring during the year.

Under the current system data on outstanding SOE loans owed to NCBs are usually available in the public domain only on an annual basis through the Economic Survey published by the Ministry of Finance in June every year.

The data on overall classified loans for all borrowers are reported every three months but separate estimates relating to SoEs' loans are not reported by the NCBs periodically.

This gap in information need to be addressed by putting in place an MIS for periodic monitoring of SoEs' loans, so that interventions, if warranted, could be taken during the year.

Bangladesh Petroleum Corporation accounts for 32 per cent of outstanding NCB loans and Bangladesh Jute Mills Corporation for 28 per cent loans to the SoEs.



PHOTO: STAR

US Ambassador to Bangladesh Mary Ann Peters inaugurates the foundation laying ceremony of the 3rd branch of Citibank NA at Gulshan in the city yesterday. Mamun Rashid, chief executive officer of the bank, was also present at the ceremony. The branch is expected go into operation by March, 2003.

## Govt forms ICT council

### Move aims at diversifying, expediting export

UNB, Dhaka

The government has formed Information Communication Technology (ICT) Business Promotion Council incorporating private sector computer professionals to boost ICT trade and services at home and abroad, commerce ministry officials said.

This is one of the three business promotion councils the commerce ministry initially planned to set up for diversifying and expediting export trade.

Two such councils will be formed for light engineering and agro-based sectors in near future.

A sum of US\$ 500,000 will be spent for the council from World Bank's loan for export diversification. Besides, three registered ICT trade associations will have their

own financing.

Meanwhile, steps have been finalised to set up a 'shared business office' at Silicon Valley in California to promote the country's ICT services and products in America.

The business office, cost of which will be shared by both government and private sector, is expected to start functioning from January next year, officials said.

The government has plans to set up at least two more offices in Europe to showcase country's ICT strength.

Headed by the Commerce Secretary, the ICT council will incorporate two members each from Bangladesh Computer Samity, Bangladesh Association for Software and Information Services (BASIS) and Internet Services Providers Association.

Export Promotion Bureau (EPB) Vice-chairman and BASIS president will act as Vice-chairmen of the council which will also have representation from the ministries of Telecommunications, Science and ICT, and Foreign Affairs.

The ICT Council will conduct its activities from a temporary office at EPB until it gets its own office at TCB Building. It will also have a secretariat and arrangements are underway to recruit necessary manpower for it.

The Council will float an advertisement in a world reputed business magazine in its Bangladesh affairs issue to project the country's strengths and recent advancements in ICT services and products.

The advertisement will also help build country's image abroad, officials felt.

## South Korean trade surplus rises by 52pc

AFP, Seoul

Record exports helped boost South Korea's trade surplus by 52 per cent from a year ago to 1.24 billion dollars in November, official data showed Sunday.

Customs-cleared exports surged 24.1 per cent year-on-year in November to an all-time high of 15.3 billion dollars, the Commerce, Industry and Energy Ministry said.

November marked the fifth consecutive month of double-digit growth in exports, due in large part to brisk shipments of semiconductors, automobiles, handsets and computers, it said.

Semiconductor exports surged 52.8 per cent year-on-year to 993 million dollars in November and jumped 12.6 per cent to 14.56 billion dollars in the first 11 months.

## Arroyo tells businesses to pay taxes or face court

AFP, Manila

Faced with a runaway budget deficit, Philippine President Gloria Arroyo on Saturday warned businesses to pay their fair share of taxes or be hauled to court.

Arroyo said public revenues have steadily fallen since the financial crisis that gripped Asia in 1997, robbing the Philippines "of the resources to spend on important initiatives."

The government had managed to arrest the decline briefly, Arroyo said, but the decline has resumed due to fears on terrorism that has "added its toll to the global recession," Arroyo said.

"In this country, people don't pay the right taxes, especially those who can afford it," the president said in a policy speech.

She said the internal revenue agency and government's anti-smuggling body "must work harder" to help government narrow the deficit even as she warned businesses to pay up.

## Indian trade deficit widens to \$1.35b

AFP, New Delhi

India's exports rose 9.9 per cent to 4.1 billion dollars in October compared with the same month last year, but a corresponding surge in imports widened the trade deficit to 1.35 billion dollars, a government statement said Sunday.

Imports in October 2002 rose by 32.86 per cent to hit 5.44 billion dollars compared to 4.1 billion dollars during the same period last year, a release from the Commerce and Industry ministry said.

Exports during April to October 2002 increased by 13.7 per cent at 28.24 billion dollars against 24.84 billion dollars during the same period last year.

Imports during the same period showed a rise of 12.32 per cent, standing at 3.38 billion dollars compared to 3.01 billion dollars in

2001. India's trade deficit widened to 1.35 billion dollars from 375 million dollars in October 2001.

India is counting on exports to boost economic growth after a drought earlier this year trimmed farm incomes and hampered a strong revival of the industrial sector.

The annual June-September monsoon rains are crucial for India's farm-based economy, with agriculture contributing 25 per cent to GDP. About 70 per cent of India's population of over one billion are dependent on agriculture.

India's central Reserve Bank of India has estimated that the economy will grow between 5 per cent and 5.5 per cent in the year to March 2003, less than the 6.5 per cent it forecast in April.

## Taiwanese still prefer to invest in Malaysia

ANN, Sungai Petani

Malaysia still remains among the most sought after countries by Taiwanese investors because of the country's continued economic growth and political stability. According to a representative from the Taipei Economic and Culture Office in Malaysia, Wayne Wu, Malaysia was the third most popular country among Taiwanese investors in the Asean region after Indonesia and Thailand.

He said to date, Taiwanese had invested a total of RM35bil in Malaysia in various sectors, mainly in the electronic and electrical industry, most of which were in the northern island state of Penang. Of the overall total foreign investments into Malaysia, investments from Taiwan were also the third biggest after Japan and the United States, he said.

"Even during the recent economic recession which affected many countries in South-East Asia, Taiwanese investors still preferred

to stay on in Malaysia," he said.

This was mainly because of the country's conducive economic climate, political stability and the Government's good economic management policies, he told reporters after opening the Taipei Investors Association of Malaysia committee meeting here on Saturday. Wu, who is also a senior officer in the Ministry of Economic Affairs of Taiwan, said although many Taiwanese investors were now showing keen interest in Vietnam, their investments in Malaysia had not dwindled. He said his government always recommended Taiwanese investors to give top priority to Malaysia when investing abroad.

Malaysia should make things easier for Taiwanese investors to recruit foreign workers and allow the setting up of Taiwanese banks in the country to help woo more investors from his country, he added.

## BB T-bill auction held

UNB, Dhaka

The 221st auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held here yesterday.

Tk 1234.00 crore, Tk 12.00 crore, Tk 10.00 crore, Tk 239.20 crore, Tk 98.00 crore and 174.00 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 857.00 crore, Tk 2.00 crore, Tk 125.00 crore, Tk 11.00 crore and Tk 70.00 crore in total of Tk 1065.00 crore of 28-day, 91-day, 364-day, 2-year and 5-year bills were accepted respectively.

The ranges of the implicit yields were 7.40-7.70 percent, 7.50 percent, 9.99-10.00 percent, 10.50-10.61 percent and 10.95-11.01 percent per annum.

The bid offered for the 182-day bill was not accepted, said a press release of Bangladesh Bank.

The bills worth of Tk 804.00 crore will be retired in the current week and net issuance would amount to Tk 261.00 crore during this week.

## EU to investigate South Korean chip industry this week

AFP, Seoul

European Union (EU) inspectors will this week visit South Korea to ascertain whether leading chip makers have violated trade rules and should be subjected to tariffs, reports said Sunday.

The inspection will start on Tuesday, Yonhap news agency said.

Infineon Technologies AG of Germany has urged the European Union to impose tariffs on South Korean chips for violating trade rules.

The probe targets Samsung Electronics Co., the world's largest memory chip maker, and its domestic rival Hynix Semiconductor Inc.

Infineon and US giant Micron Technology Inc. have filed suits accusing Samsung and Hynix of receiving loan subsidies and tax benefits.

Hynix, the world's third largest memory chip maker, is facing collapse under crippling debts and it has been alleged that a proposed bail out package is tantamount to a subsidy.

Under the package unveiled by financial advisor Deutsche Bank last week, creditors were asked to convert a 1.9 trillion won (1.57 billion dollar) debt into equity for Hynix.

The package, which is awaiting approval, called for creditors to roll over three trillion won of Hynix's 6.2 trillion won debt until the end of 2006.

The plan, aimed at helping Hynix return to financial health by 2006, sparked criticism creditors were keeping Hynix alive for political reasons.

## S'pore cell phone giant faces growth challenge

AFP, Singapore

Singapore's second biggest mobile phone operator MobileOne Ltd. (M1) makes its long awaited listing debut on the stock exchange this week, with industry analysts saying it faces tough growth challenges.

The company has made huge strides in capturing the Singapore mobile market since launching commercial operations five years ago, but now faces the daunting task of keeping its growth rate intact in a market near saturation.

An obvious chink in M1's armour is its dependence on the Singapore market for revenues, analysts said.

"M1 operates in a very specific market and one of the challenges is it is only operating in Singapore which is a relatively small market," said Manoj Menon, regional director for technology practice at research house Frost and Sullivan.

Menon said the small city-state offered little prospect in terms of new subscribers, and "M1's growth is highly linked to the growth of Singapore. Their growth will be limited by the growth of the Singapore market."

M1, the first company to challenge Singapore Telecommunications Ltd.'s (SingTel) monopoly, returned a net profit of 100.5 million Singapore dollars (57.4 million US) on operating revenue of 639.1 million dollars in 2001.

But the challenge now was to search for new growth avenues in an extremely competitive market, said Charles Wheeler, director of Asian equities at Standard and Poor's Asia Market Scope.



PHOTO: BATA

Thomas J. Bata, honorary chairman of Bata Shoe Organisation, formally opens the Bata Bazar at the Balaka Cinema Building at Azimpur Road in the city yesterday. Sonja Bata, wife of Thomas J. Bata, B Rhodes, managing director of Bata Bangladesh, and MA Quader, retail marketing manager, were present at the opening ceremony.