

Star BUSINESS

DHAKA THURSDAY DECEMBER 12, 2002

CSE, Thai bourse to sign MOU for cooperation

Chittagong Stock Exchange (CSE) will sign a memorandum of understanding (MOU) with Stock Exchange of Thailand for mutual cooperation, says a press release.

A two member delegation from Chittagong Stock Exchange (CSE) left Chittagong for Chiang Mai yesterday by Thai Airways maiden flight from Chittagong to Chiang Mai.

The prime ministers of both the countries is expected to witness the signing ceremony of the MOU, on Friday.

After the signing ceremony in Chiang Mai the CSE team will join the Bangladesh business delegation led by the executive chairman of board of investment at Bangkok.

Bank holiday on Monday

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on the occasion of Victory Day on Monday, said a press release yesterday.

Dunhill Desire Blue launched

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With the slogan 'a journey of discovery to feel a moment of peace', a new fragrance of Dunhill brand 'Dunhill Desire Blue' was formally launched in the country yesterday.

"The new French product which is designed for men has already got popularity all over the world," said Nazrul I Shah, executive director of Bangla Perfumes Distributors Limited, distributor of this product in the country.

He was speaking at a press conference, organised for sharing some features of this new product, held at Amazon Club in the city yesterday.

Nazrul said that Dunhill Desire Blue is fresh and smooth and it is a sense of peace.

Speaking on Bangladeshis' habit on using perfumes he said they are more conscious about brand items.

Nazrul also said they are marketing different brands of Dunhill products in the country for five years that include toiletries, after-shave lotions, shower breeze and deodorants.

Commercial and Administrative attaché of French embassy Elisabeth Yearbury and Amazon Club Chairman Reshad Khan were also present on the occasion.

Motorola signs deal to expand PBTL network

Motorola's Global Telecom Solutions Sector was awarded an \$8 million supply contract to expand the CDMA 800 megahertz network for Pacific Bangladesh Telecom Ltd (PBTL), says a press release issued yesterday from New Delhi.

The CDMA network expansion will increase the overall subscriber capacity of the PBTL network by nearly 50 per cent to 200,000. The network expansion is under way and is scheduled to be completed by the first quarter of 2003.

As part of the agreement, Motorola will install SCTM 4812T base transceiver stations and other CDMA hardware and software equipment in Dhaka and Chittagong, as well as along the highway between these two Bangladesh cities.

UCBL confce adopts measures against money laundering

A conference of Dhaka city area branches of United Commercial Bank Limited was held in the city on Tuesday, says a press release.

The conference adopted measures to check money laundering and evaluated the performance of branches.

Muhammad Sajid-ul Haq, managing director of the bank, put emphasis on enforcing adequate measures for checking money laundering.

REPO auction

UNB, Dhaka

The repurchase agreement (REPO) auction of Bangladesh Bank for commercial banks and financial institutions was held yesterday.

13 bids of only 1-Day tenor amounting to total of Tk 216.90 (two hundred sixteen crores ninety lac) crores were received, of which 10 bids amounting to total of Tk 121.90 crores were accepted.

The rate of interest against the accepted bids ranged from 8.50 to 8.25 per cent per annum, said a press release of Bangladesh Bank.

Govt slaps regulatory duty on 12 items

Move to ease pressure on forex reserve

RAFIQ HASAN

The government on Tuesday imposed five to thirty per cent regulatory duties on the import of 12 items to reduce pressure on foreign currency reserve and discourage import of luxury and unimportant goods.

According to sources, the National Board of Revenue (NBR) issued a statutory regulatory order (SRO) imposing 30 per cent regulatory duty on the import of three types of biscuits, bicycle, three kinds of toys, T-shirts, trousers and bed linens.

On the other hand, 10 per cent regulatory duty was imposed on import of CI sheets and five per cent duty on import of soap noodles.

After imposing 30 per cent regulatory duty, the total import duty on those items would be now around 90 per cent. Earlier, around 59 per cent duty was effective while importing those items.

The main objective of imposing such high duty on those items is to discourage import of those items, which are produced in the country in large scale. Import of such items create pressure on the reserve of foreign currency in the country, according to sources.

The government thinks that there is hardly any necessity of importing expensive T-shirts and trousers in the presence of so many garments and textile industries in the country.

According to a preliminary estimate, T-shirts and trousers worth

around Tk 26 crore were imported during the first four months of current fiscal. On the other hand, bicycles worth Tk 22 crore were imported during the same period.

Bicycles are also produced in the country and these should get some duty advantage over the imported items, said a high official of the finance ministry.

According to him five per cent duty was imposed on soap noodles - a raw material for soap factories - to create a difference between the import duty of another raw material for the same product.

Earlier, the import duty on fatty acid and soap noodles was same and now there would be some difference, he said.

Aman may witness half million tons shortfall

STAR BUSINESS REPORT

Strange weather pattern this year will see half a million tons of aman shortfall. The production has already dropped by about 20 per cent in many places.

A publication of Syngenta Bangladesh Limited said the havoc was mainly in the north which accounts for about 40 per cent of the total average 10 million tons aman output.

Heavy downpour occurred at the end of the aman season when it was least expected. Adding to this natural vagary, disease infection was also heavy, pulling down farmers' hope, it added.

"In the north, the average yield per acre hovered around 30 to 35 maunds, some 10 to 15 maunds short of normal output. Even in middle Bangladesh where the yield is generally good, there are pockets like Feni, parts of Comilla and Laxmipur where floods and diseases affected the output."

Although rice price, as a result of

the shortfall, is going strong, northern farmers still stand to face loss. The finer variety of paddy now sells at Tk 280 to Tk 330 a maund. Coarse quality paddy sells at Tk 260 to Tk 270 a maund, Agro said.

On the other hand, because low production induced high price, farmers have found new interest in boro cultivation. As a result, demand for seed is still high as BADC could not supply seed because of its stand off with its contact growers, it mentioned.

"Seed prices have shot up by 50 per cent and middlemen are having a heyday selling seeds from private companies. A 12-kg seed bag tagged with Tk 280 was sold by middlemen at as high as Tk 350."

By the end of November, 50 per cent seed bed preparation was completed and the rest was going slowly due to seed crisis. Farmers faced special difficulty as they did not preserve seeds last year due to rain and early flood, Agro said.

Many farmers are turning to low quality seeds because of the dearth.

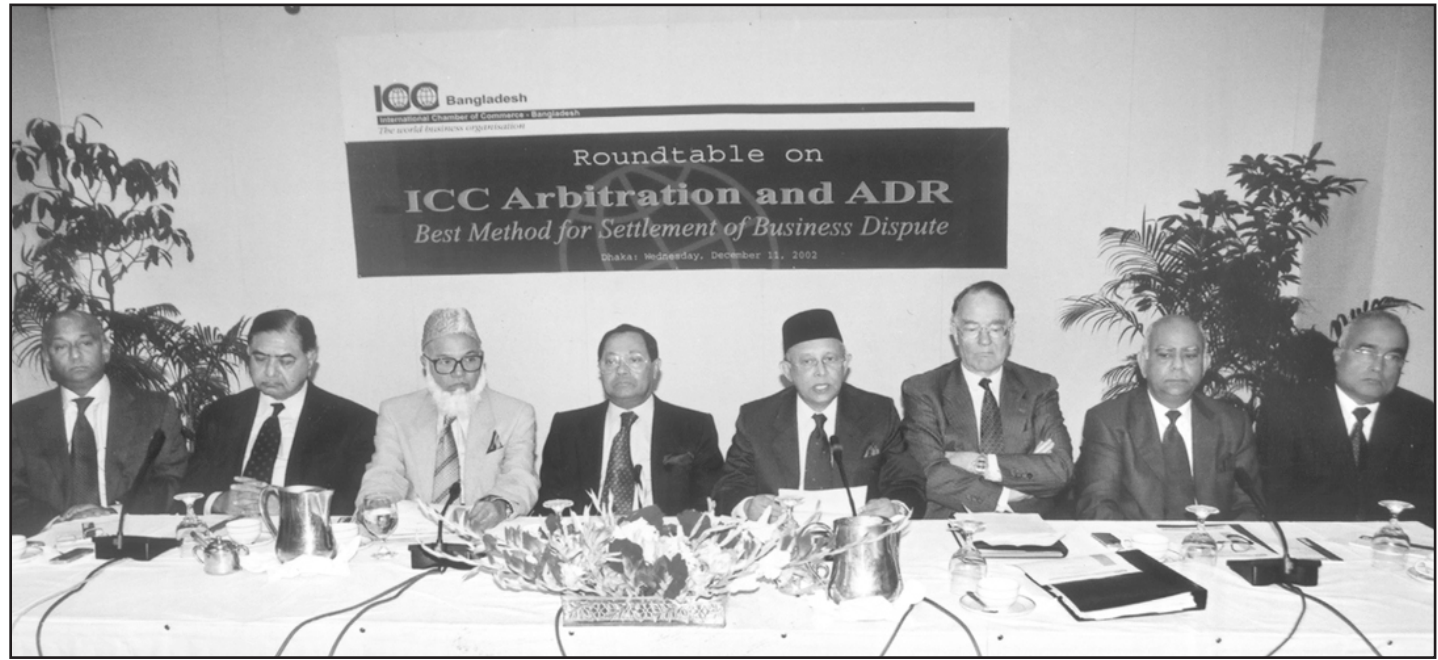
This may, in turn, affect production. Many are using the Indian so called mini-kit variety seeds at high price, it added.

In Barisal, an important rice bowl, the mid-November shower delayed boro plantation, it said.

Mohiuddin of Karpara of Gopalganj, said 80 per cent of his seed bed was damaged by the rain. He said 30 per cent of seed beds in his area was affected. This has put farmers in double difficulty because of seed crisis, Agro said.

In the meantime, hybrid seeds from India and China have also made inroads this year. Hira and Sonar Bangla from China sell at Tk 200 a kg.

Although the private sector plays an important role in seed production, it cannot do much because of lack of adequate facilities and resources. On the other hand, the BADC has a huge infrastructure and yet much of it remains under utilised. Perhaps a matching of the two can bring in handsome dividends to both, Agro added.



Mainur Reza Chowdhury, chief justice of Bangladesh, speaks at a roundtable on ICC Arbitration and ADR, Best Method for Settlement of Business Dispute organised by International Chamber of Commerce (ICC)-Bangladesh at a local hotel yesterday. Barrister Moudud Ahmed, minister for law, justice and parliamentary affairs, Mustafa Kamal, former chief justice of Bangladesh, Dr Kamal Hossain, senior advocate of Bangladesh Supreme Court, Latifur Rahman, vice president of ICC-Bangladesh, are seen on his right while Dr Robert Briner, chairman of ICC Int'l Court of Arbitration, Mahbubur Rahman, president of ICC Bangladesh, and ASM Quasem, vice president of ICC Bangladesh, are on his left.

Saifur lists sectors not for sale

Railway, water & sanitation, power, energy, fertiliser cannot be privatised now

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday said in a country like Bangladesh privatisation is not the only answer to get rid of the problems in the public enterprises.

He said that there are many sectors which cannot be handed over to the private sector for the sake of the interest of the poor.

He also mentioned that the country's private sector is not yet matured enough to take the onus of running the public enterprises if those are privatised.

The statement is a bit of a contrast to what the World Bank suggested in a huge report on the country's state owned enterprises and their performances at a workshop in the city yesterday.

The World Bank suggested that the government should have a clear vision about the activities from which it should move out and the activities which are to be retained in the public domain and also the underlying rationale for such decision.

The bank argued that the government could invest more on human development if it gets its hands off many areas of business.

However, Saifur Rahman also said that there are some utility services like water, sanitation, power, energy and railway, a transport system for the poor, which cannot be privatised.

"Suppose the state gets its hands off the fertiliser production and gives the onus to the private sector, I think the next day the private sector would increase the

fertiliser price by a thousand taka per ton as they are driven by the profit motive. This situation would be a disaster for our agriculture," Saifur Rahman said in support of his conviction to keep some important sectors in the hands of the state.

On the nature of the businesses of the SOEs, the minister said, "Government cannot do business like the private sector. It has to think about the welfare of the poor people while doing business."

The minister also said there are many corporations which are not in true sense corporations as they do not enjoy the freedom on financial issues and even on administrative issues. "We have to think of making those corporations in true sense corporations and give them enough freedom to run in a cost effective way."

World Bank Country Director Frederick T Temple said spending on human development in Bangladesh is very low in per capita terms. For example, during 1997-2002 annual per capita spending on education and health was \$11-12 in Bangladesh, in comparison to \$32-37 in Sri Lanka, \$15-21 in India and \$12-15 in Pakistan.

"If the gross losses of Bangladesh's SOEs during the last three years had been applied to education and health, the per capita expenditures could have been \$12 rather than \$12," Temple said.

"The most frequent rationale for maintaining the state enterprises despite their losses is that they provide employment and also down-sizing them would be politically or socially painful," he added.

Khosru for revising patent laws

Four-day regional workshop kicks off in city

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday underscored the need for consolidating and revising the country's patent laws, saying it should be more responsive to the needs of the times.

"Having an effective intellectual property system is one of the elements that encourage technology transfer and foreign direct investment. While the argument is strong, we should study the evidence and needs, so that the regime of intellectual property we develop meets our needs," he said.

The commerce minister was speaking as chief guest at a four-day regional workshop on 'Implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement)' at Sheraton Hotel in the city. The World Intellectual Property Organisation

(WIPO) and the World Trade Organisation (WTO) jointly organised the workshop in cooperation with the Ministry of Commerce.

The commerce minister said the country must find a mechanism for protecting traditional knowledge of indigenous and local communities as these have significant economic value. Developing countries, together with the least developed countries (LDCs), should create a legally binding norm in this area.

"We have been granting patents for products, processes and industrial designs for a long time, and enforcing laws more strict than what is required under the TRIPS agreement," Khosru told the workshop.

Referring to a World Bank estimate, Khosru mentioned if TRIPS were to be fully implemented, rent transfers to major technology-creating countries, particularly the US, Germany and France, in the form of payment for

pharmaceutical patents, computer chip designs, and other intellectual property, would amount to more than US\$ 20 billion. This means that TRIPS currently, represents, potentially, a \$20 billion plus transfer of wealth from the technology importing nations.

The main focus of technological dynamism is the industrialised world, but, all LDCs are also directly affected, he said noting the environment in which the LDCs operate is government by the rules that are formed in response to the needs of the developed world.

Md Rezaul Karim, state minister for industries attended the inaugural session as special guest while Thu-Lang Tran Wasesha, representative of the WTO, Roberto Castelo, deputy director general, WIPO and Suhel Ahmed, commerce secretary, spoke on the occasion.

Speaking at the inaugural

session, Suhel Ahmed mentioned that farmers in the country are generally poor and they preserve a portion of their produces for further production that they consider as their right and the government must protect this right.

"I am sorry to say that the LDCs mostly need technical assistance from the developed countries but international assistance for the LDCs is very inadequate," he observed adding that the property right should not legitimate the barriers to trade for the LDCs.

Castelo said WIPO is witnessing a marked increase in the participation of states in the intellectual property system, particularly and more importantly than that of the participation of LDCs.

Goods and services are being bought and sold on the Internet, accounting for trillions of dollars of business. WIPO is contributing to this process by making the Internet a safe place to transact business.



PHOTO: STAR

Commercial and Administrative attaché of French Embassy Elisabeth Yearbury shows off a new fragrance of Dunhill brand - Dunhill Desire Blue - at a press conference held at Amazon Club in the city yesterday. Nazrul I Shah (R), executive director of Bangla Perfumes Distributors Limited, and Amazon Club Chairman Reshad Khan (L) are also seen in the picture.

WB sees 4.6pc growth in South Asia this year

UNB, Dhaka

The World Bank projected a GDP growth of 4.6 per cent for the South Asian region in the current year, a downward revision from the multilateral donor's earlier forecast of a robust 5.3 per cent.

Security concerns both within and beyond the region, particularly because of the turmoil sent across the globe from the 11th September Armageddon, is one of the major factors for pulling down the benchmark of economic growth.

"The recent global economic slowdown, adverse weather conditions, and internal and external security concerns reduced growth figures ...," according to a new World Bank report launched through a video conference from Delhi, India, that covered Bangladesh and Nepal simultaneously.

"Future prospects appear brighter, however," said the report titled "Global Economic Prospects and the Developing Countries 2003: Investing to Unlock Global Opportunities" with a hope for higher regional GDP growth during 2003-2004.

The bank estimated 5.4 per cent

growth in 2003 while 5.8 per cent in 2004, expecting a return of normal weather patterns, improvement in political stability and regional security aspects to facilitate faster implementation of reforms, and a recovery in world trade turnover.

It said a sluggish global economic outlook, with slower growth in the next 12 to 18 months than previously anticipated, would impede poverty reduction in developing countries.

"Action to remove barriers to trade and investment that hurt poor people in developing countries is becoming increasingly urgent," says the report.

Its near to medium-term forecasts of growth were based on a return to a more normal weather pattern, following the recent droughts in the region.

It also assumed improvements in political stability and regional security issues, which allow a more rapid implementation of required reforms.

The World Bank report noted that a recovery in world trade prospects could translate into stronger external demand for exports from South Asia.

It also made a 10-year growth forecast for the region expected to

average about 5.5 per cent, higher than 5.2 per cent average real growth posted during the 1990s.

The forecast is based on the assumption that fiscal consolidation and further structural reforms would lead to an increase in productivity when combined with recent improvements in human-development indicators.

In contrast, some of the downside risks to this forecast include a weaker-than-anticipated recovery in global demand that might slow down export growth, a protracted implementation of fiscal and structural reforms in the region, a persistence of regional political tensions and vulnerabilities to external shocks and natural disaster.

"Should these risks prevail, growth prospects will be sharply lower than projected," says the donor-agency report.

World Bank senior economist Dominique Mensbrugge did not respond to a questioner from Dhaka on growing political tensions in the region on an excuse that he was not expert in the issue.

World Bank lead economist Aadiya Mattoo also spoke at the videoconference on South Asia's economic kismet.

US, China sign farm accord

AFP, Washington

The United States and China Tuesday concluded an accord on agriculture research which the US government hopes will eventually help reduce trade disputes.

US Agriculture Secretary Ann Veneman and China's Science and Technology Minister Xu Guanghua signed the accord to encourage collaboration in biotechnology and environmental research, the Agriculture Department said in a statement.

Other fields named in the accord include food safety, dairy production and new technology that can help save water.

"Consistent, science-based regulatory systems will strengthen the U.S.-China agricultural trade relationship, reduce trade obstacles and help resolve outstanding issues," Veneman said in the statement.

Pak protectionism to continue even after 2005

AFP, Karachi

Pakistan will continue to protect some of its vulnerable industries even after implementation of World Trade Organisation accords in 2005, an advisor to the Pakistani premier said Wednesday.

"There is a wrong preception that all the duties and tariffs would be waived after the WTO (accord) takes place in 2005," advisor Shaukat Aziz told a gathering of businessmen in this port city.

"We will still prefer to safeguard our national interest by providing protection to some of the industries."

Aziz, a former finance minister in President Pervez Musharraf's cabinet, did not mention which industries would enjoy protection. But he advised business lead-

ers to tighten their belts and prepare to face stiff competition under the free-trade regime.

"You must prepare for the competition and openness of the market, and we will have to be competitive," Aziz said in his address to the Karachi Chamber of Commerce and Industry.

The 145 members of the WTO, including Pakistan, are negotiating a new wide-ranging round of trade liberalisation in areas such as farming and services until the end of 2004 and are due to conclude the so-called Doha round of global trade liberalisation negotiations, begun a year ago in the Qatari capital, by January 2005.

Pakistan is due to end all tariff barriers by 2005 to open up its market for tariff-free external trade.



Janata Ins chairman reelected

The Board of Directors of Janata Insurance Company Limited at a meeting, held in the city on Tuesday, unanimously re-elected Abdul Gaffar Chowdhury chairman of the company, says a press release.

The board also elected Md. Jahangir Alam Khan vice-chairman at the same meeting.