

Pak businesses urge India to ease transport bottlenecks

AFP, New Delhi

Pakistani businessmen visiting Delhi amid a thaw in relations between the nuclear arch rivals Friday urged India to ease transport bottlenecks in the flow of goods across its borders.

"For the past two years bilateral trade has taken the biggest hit. Pakistani bazars are flooded with Indian goods but they are routed through third-party intermediaries," said Mohammad Shafiq, director of Peshawar-based Ocean pharmaceuticals.

"This just makes the goods horribly expensive. We need to remove these bottlenecks and have strong transport links to move our goods," added Shafiq, a member of an advance party of 35 Pakistanis who took the roundabout route to New Delhi via Dubai because bilateral air links remain suspended.

Ilyas Bilour, co-president of the India-Pakistan Chamber of

Commerce and Industry (IPCCI), is set to lead a larger group of about 50 business leaders to the Indian capital overland across the Wagah border point later Friday for a six-day visit.

India's leading trade lobby group the Federation of Indian Chambers of Commerce and Industry (FICCI), which is hosting the Pakistani delegation in Delhi, said the visit would help both countries take "the right" policy decisions.

"The Pakistani delegation will have extensive one-to-one meetings on July 7 and 8 with India's Foreign Minister Yashwant Sinha, other top government officials and the captains of Indian industry," said FICCI spokesman Abhinav Kanchan.

Indian businessmen are also likely to raise the issue of Pakistan granting most favoured nation status to India, which would allow them to export almost all items at low rates of import duties.

Currently Pakistan allows imports of only 610 items from India and these are subject to high tariffs, which encourages smuggling.

India has granted most favoured nation status to Pakistan, which means imports are treated the same as goods from any other country enjoying this status.

Islamabad is reluctant to reciprocate, linking it to settlement of the Kashmir dispute, which has been the cause of two of the arch-rivals' three wars since both gained independence in 1947.

Direct official trade has been the biggest casualty of the tense standoff between them triggered in December 2001 by an attack by gunmen on India's parliament, which prompted New Delhi to sever road, rail and air links with its neighbour.

The two sides then lined their borders with a million troops in offensive positions but withdrew

them late last year.

In April, Indian Prime Minister Atal Behari Vajpayee offered a "hand of friendship" to Pakistan, which reciprocated.

Since then, steps have been taken to restore full diplomatic ties and restart the Delhi-Lahore bus link. Restoration of train and bus links are still being discussed.

Until the attack on the New Delhi parliament, two-way trade was worth some 230 million dollars annually, according to the Indo-Pak Chamber of Commerce and Industry.

Despite the severed ties, however, trade through illegal channels has flourished and is now estimated at about 1.5 billion dollars annually and rising, reports said.

The Times of India newspaper said official trade between the two neighbours could go up to four billion dollars in two to three years if ties are normalised.



Roads and Highways Department (RHD) and Finroad Finland signed an agreement on road safety project funded by NORDIC Fund in Dhaka recently. Rabiul Islam and Asif Hassan of RHD and Mauri Mottonen and Ajmal Kabir of Finroad were present at the signing ceremony.

Singapore, India inch closer to free-trade pact

REUTERS, Singapore

Singapore and India inched closer to a free-trade pact on Thursday, agreeing to take steps to boost bilateral investments and promote tourism in three days of talks on forging economic links.

Indian trade links with Singapore date back to the founding of the city-state, when British colonial administrator Sir Stamford Raffles arrived to establish a trading outpost in 1819.

The talks began on Tuesday and centred on plans for a free trade pact following a first round of negotiations in New Delhi in May, according to a joint statement released by the two negotiating teams headed by the Singapore government.

Both sides explored cooperation in science, technology, health and education, it said.

The talks are part of efforts to reach a Comprehensive Economic Cooperation Agreement that would include a free trade area, investment promotion and open skies for charter flights.

Singapore suggested cooperation in air services would increase business and tourism and urged the Indian Institute of Technology to set up a branch campus in Singapore, which is trying to

become a regional education hub.

India sought access to Singapore's information technology sector for start-ups and small and medium enterprises.

In April, Singapore Prime Minister Goh Chok Tong said he wants Singapore to act as a bridge between India and China, the world's two most populous nations, and that he hoped to complete talks for a free trade area within a year.

"The negotiations may be difficult. But if both sides show goodwill and are prepared to make difficult trade-offs the target can be met," Goh said.

He said a trade agreement with India would be the first step toward integrating the South Asian nation with the 10-member Association of South East Asian Nations (ASEAN).

India is also seeking to set up a free-trade area with the Southeast Asia region within the next decade, hot on the heels of separate agreements signed by China and Japan to explore trade liberalisation with ASEAN.

Trade between Singapore and India totalled US\$6.8 billion last year, government data shows.



Leading travel agents from Chittagong and Dhaka escorted by Weerawat Swasditutra, general manager of Chittagong, and K B Zaki, Sales Promotion officer of Dhaka of Thai Airways International Limited, pose for a photograph during their six-day educational trip to Chiang Mai and Bangkok recently.



Officials of The Institute of Cost and Management Accountants of Bangladesh (ICMAB) and others pose for a photograph at a seminar on key accounts management organised by the Dhaka Branch Council of the Institute in Dhaka recently.

Weekly Currency Roundup

June 28-July 03, 2003

Local FX Market

US dollar remained steady against Bangladeshi taka in the local interbank forex market this week. Lower demand for import, matched demand and supply was attributed to be the main reason for the stability in the exchange rate.

Money Market

Bangladesh Bank borrowed BDT 5,100 million by the Treasury bill auction held on Sunday, compared with BDT 8,076 million in the previous bid. The weighted average yield of 28-D 1-bill fell drastically to 7% compared with 7.79% last week. Yield of other t-bills also fell slightly.

The call money rate remained steady throughout the week. The rate ranged between 2.50 and 3.25 per cent throughout the week.

International FX Market

In the beginning of the week US dollar rose to two-month highs on the yen and held firm near recent six-week highs versus the euro ahead of its first test in a data-filled week that will gauge the speed of US economic recovery. The dollar has been helped by speculation that economic growth may accelerate later this year.

The dollar recovered in the middle of the week after losses against the euro from a weak US manufacturing report as investors remained hopeful about economic recovery prospects but let go of some ground versus the yen. Economic optimism was supporting the Japanese currency, with Tokyo's Nikkei average jumping three per cent overnight, its biggest gain in seven months. All eyes are now on Thursday's US unemployment report for the June, which is expected to show a 0.1 per cent rise in the jobless rate to 6.2 per cent, a nine-year high. US market would be closed on Friday for Independence Day.

Euro fell across the board on by the end of the week after German Chancellor Gerhard Schroeder raised concerns that its rise this year could hurt the economy. Euro weakened against the dollar and fell below \$1.1450. Against the yen, euro was down three-quarters of a per cent at 135.26 yen. Euro, which had been weakening earlier and Schroeder's comment helped knock it through the chart levels. The dollar was flat against the yen at around 118.30.

At 1530 hours on Thursday, euro was at 1.1446/49, GBP at 1.6611/15 and yen at 118.35/40 against the dollar. -- Standard Chartered Bank



Deen Mohammad, chairman of The City Bank Limited, inaugurates the Shyamoli branch of the bank in Dhaka on Thursday. Aziz Al-Kaiser, vice-chairman, Abbas Uddin Ahmed, managing director, AHM Nazmul Quadir, deputy managing director, Habibur Rahman, consultant, Md Nurul Akbar Khan and M Shafiqul Alam, executive vice-presidents, were also present.

City Bank opens new branch at Shyamoli

The City Bank Limited has opened a new branch at Shyamoli in Dhaka on Thursday.

Deen Mohammad, chairman of the bank, inaugurated the branch of the bank as chief guest, says a press release.

Aziz Al-Kaiser, vice-chairman of the bank, and Abbas Uddin Ahmed, managing director, were present as special guests. A special client gathering was also organised at the branch premises.

Among others, AHM Nazmul Quadir, deputy managing director, Habibur Rahman, consultant, Md Nurul Akbar Khan, executive vice-president, and M Shafiqul Alam, executive vice-president of the bank, were also present.

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