

Develop transport infrastructure to derive maximum trade benefits

Indian external affairs minister tells MCCI luncheon meeting

STAR BUSINESS REPORT

Indian External Affairs Minister Yashwant Sinha has stressed the need for strengthening and expanding transport infrastructures to derive maximum benefits from the proposed free trade agreement (FTA) between the two neighbours.

Speaking at a luncheon meeting hosted by Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday he said the existing infrastructures need to be upgraded to ensure better and free movement of goods between the two countries.

The volume of goods would increase after signing the free trade agreement, he said.

India has offered to sign an FTA with Bangladesh and both the countries have agreed to initiate discussions on it in September-October this year.

The Indian minister laid special

emphasis on developing rail link to introduce containerised rail services between the two countries.

"It is also necessary that we consider developing multi-modal transport arrangements which would result in a better utilisation of inland water transit routes," he said.

Turning to FTA, Sinha said India would not go for a free trade agreement with Bangladesh in ad hoc basis. "India wants to sign a comprehensive agreement which would ensure sustainability of trade relations," he added.

Sinha suggested that India and Bangladesh should exploit vast trade and investment opportunities in the region, especially in the northeastern states of India.

India has identified its north-east provinces as a bridge for expanding India's trade ties with contiguous countries and constructed a road linking Manipur with Myanmar which was inaugurated in 2002, he said.

Sinha, who came to Dhaka to co-chair the 6th meeting of the Joint Economic Commission, mentioned that India is conducting a study with Myanmar on a transit route from Mizoram to the Bay of Bengal.

"Bangladesh can also participate in and benefit from the process of opening up of this region by taking advantage of its position as a regional hub and developing the Chittagong seaport as an entrepot, he said.

On para-tariff and non-tariff barriers imposed by India on Bangladeshi goods the Indian minister said a Joint Working Group has already been formed to address the issue and the Group is expected to meet in Dhaka shortly.

Citing Sri Lankan experience of FTA with India, Sinha said it could be an encouraging example for Bangladesh. Sri Lankan exports to India have increased by 137 per cent after the FTA with further expansion of their export basket,

headed.

Sinha hoped that Bangladesh's export basket and foreign investment would also see positive signs once the FTA is signed with India.

Welcoming the latest development on the issue of FTA, Tapan Chowdhury, president of MCCI urged both the governments to consider recommendations of trade bodies in signing such an agreement.

He laid emphasis on removal of all para-tariff and non-tariff barriers and said, "Bangladesh and India should take lessons from ASEAN free trade agreement in respect of exclusion list, inclusion list and sensitive list."

Chowdhury said SAPTA failed to yield the desired benefits to the South Asian countries as tariff cuts were not meaningful, actively traded goods were not given tariff preferences, and modalities of removal of non-tariff and para-tariff barriers were not well-

articulated in the arrangement.

He also urged the two countries to depoliticise trade and economic relationship and shun narrow party interest for national economic gains.

Foreign Minister M Morshed Khan, Commerce Minister Amir Khosru Mahmud Chowdhury, Awami League General Secretary Abdul Jalil, State Minister for Foreign Affairs Reaz Rahman, Foreign Secretary Shamsher Mobin Chowdhury, Commerce Secretary Suhel Ahmad, FBCCI President Yussuf Abdullah Harun, ICC-B President Mahubur Rahman and DCCI President Matiur Rahman were, among others, present at the function.

Former MCCI President Latifur Rahman, former advisor to the caretaker government Rokia Afzal Rahman, leading businessmen, government officials and diplomats also attended the meeting.



Indian External Affairs Minister Yashwant Sinha replies to a question at a luncheon meeting hosted by Metropolitan Chamber of Commerce and Industry (MCCI) yesterday in Dhaka. (From left to right) General Secretary of Awami League Abdul Jalil, Foreign Minister M Morshed Khan, MCCI President Tapan Chowdhury and Commerce Minister Amir Khosru Mahmud Chowdhury are also seen in the picture.

Barapukuria to go into commercial production in 2005

UNB, Dhaka

Commercial production of coal from Barapukuria will start from the year 2005 on completion of the mine project by December 2004.

State Minister for Energy and Mineral Resources AKM Mosharruf Hossain said this in the Parliament yesterday replying to M Shahidul Islam Talukder.

The minister said 10 lakh metric tons of coal would be produced annually from the Barapukuria mine. Of this, seven lakh metric tons would be consumed by the 250-MW power plant, now under construction beside the mine.

He said mining of five other discovered coal deposits in the northwestern region were yet to be started. These coal deposits are in Khalashpir of Rangpur, Jamalpur Coal Mine, Digipara and Fulbari in Dinajpur and Kachua in Bogra.

Repo auction

UNB, Dhaka

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

Ten bids of one-day tenor amounting to Tk 385 crore were received and accepted.

The rates of interest against the accepted bids ranged from 3.75 per cent to 3.95 per cent per annum, a Bangladesh Bank press release said.

BGMEA hails port charge reduction

BSS, Dhaka

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday welcomed the government's decision on reducing charges from some export-related heads in Chittagong Port.

Terming the decision as time-befitting, BGMEA President Kazi Moniruzzaman thanked the government, especially the finance, shipping and commerce ministers for it.

The decision will bring dynamism in the export sector, and the overall economy will be more benefited for this initiative, the BGMEA president opined.

Southeast Bank to open three Islamic banking branches

Southeast Bank Limited has decided to open three Islamic banking branches during this year.

The decision was taken at a board meeting of the bank held in Dhaka recently, says a press release.

Meanwhile the bank has obtained necessary permission for running Islamic banking business.

The bank will set up the branches at Bander Bazar in Sylhet, Chhaganaiya in Feni and Cox's Bazar.

The branches are expected to start operation soon.

Registration of local industries posts 32pc growth in 2002-'03

Board of Investment officials say

STAR BUSINESS REPORT

Registration of local industries with the Board of Investment (BoI) grew by 32 per cent in 2002-2003 compared to the previous fiscal year, official sources said.

Local investors registered various types of industries involving Tk 116.52 billion during 2002-'03 while the total registration was to the tune of Tk 88 billion in 2001-'02.

Engineering, printing and packaging, agro-based industry, and food and allied sector mainly contributed in attaining the growth, according to BoI sources.

Officials said increased competition among the local entrepreneurs and expansion of domestic market had been the major reasons for the significant growth.

"Local entrepreneurs are now more serious in investing in the backward linkage industries for readymade garment (RMG) and knitwear as well as steel and other sectors to equip themselves in facing the challenges beyond 2004," BoI Executive Chairman Mahmudur Rahman told The Daily Star yesterday.

A recent survey of the BoI on the projects registered between 1996 and 2002 revealed that 80 per cent of the domestic investment proposals were implemented.

However, the survey said, the rate of implementation of the foreign direct investment proposals was only 27 per cent during the period.

The industries in engineering sector registered during the just concluded fiscal year aimed at investing Tk 39.03 billion against

only Tk 4.18 billion in 2001-'02. This prospective sector posted a huge 832 per cent growth.

Registration in printing and packaging industry also marked a significant 189 per cent growth. In fiscal 2002-'03, projects involving Tk 3.04 billion were registered while the figure of the previous year was Tk 1.05 billion.

The BoI registration figures show an 86 per cent growth in agro-based industry sector as projects involving Tk 9.13 billion were registered with the Board in 2002-'03 as against Tk 4.90 billion in 2001-'02.

Food and allied sector posted a 65 per cent growth in 2002-'03 with the registration of projects involving Tk 8.69 billion as against Tk 5.28 billion in the previous year.

However, textile sector saw the

highest amount of local investment, which was to the tune of Tk 43.37 billion in terms of registered projects.

The BoI registration figures of 2002-'03 in other sectors are -- service sector Tk 4.7 billion, chemicals Tk 5.91 billion, tannery and rubber Tk 874 million, and glass and ceramic sector Tk 506 million.

Registration of proposed industries with BoI is not mandatory for the entrepreneurs. However, the investors prefer to register their projects with the BoI to avail prompt utility services and some other facilities regarding import duty and bank loans.

Khosru criticises developed nations for subsidising agriculture sector

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday criticised the developed nations for highly subsidising their agricultural sector.

He said due to such increased subsidy, it has become virtually impossible to enter their markets.

"Developed countries provide a subsidy of two dollars for one cow per day, whereas maximum people living in the least developed countries (LDCs) earn less than two dollars a day," said the minister.

He asked the developed countries to reduce amount of their subsidy in the agriculture sector.

The minister was speaking at the concluding ceremony of a two-day meeting on Defending Life, Lifestyles and Collective Needs: Peoples' Strategies and Policy

Options organised by Unnayan Bikalper Nitinirdharani Gobeshona (UBINIG), Policy Research for Development Alternative, in Dhaka.

The two-day meeting was organised to discuss issues ahead of the 5th WTO ministerial meeting to be held in Cancun, Mexico in September.

Environment and Forest Secretary, Sabihuddin Ahmad, also attended the meeting which was presided over by UBINIG Managing Director, Farhad Mazhar.

Termining discussion on World Trade Organisation (WTO) a highly technical one, the minister admitted that there is lack of adequate experts in the ministry.

Khosru said there is a cell on WTO in the ministry, which comprises experts from both govern-

ment and private sectors. However, he admitted that there is no representative from the agriculture sector.

The minister said there is also lack of adequate inputs in the cell on WTO from the ministries concerned.

The minister informed the audience that he had told the World Bank Country Director, Christine Wallich, that the ministry does not need any consultants either he asked her to appoint one or two consultants to work with the ministry for a period of two to three years.

"Such arrangements will also help the ministry officials in building up their capacity," said the minister.

Khosru said Dhaka Declaration addressed and adopted issues concerning all the LDCs.

Deal for boosting trade with north-eastern India

STAFF CORRESPONDENT, Ctg

A memorandum of understanding (MoU) has been signed between the North East Federation on International Trade (NEFIT) of India and Chittagong Chamber of Commerce and Industry (CCCI) aiming at promoting trade and economic cooperation between them.

The MoU was signed following a seminar titled "development of export from north-east region" organised by NEFIT at Shilong in the Indian state of Meghalaya on July 11.

This was disclosed by CCCI President Amir Humayun Mahmud Chowdhury on return

from Shilong on Monday. Chowdhury led a 24-member delegation of CCCI during the visit to Meghalaya to attend the seminar.

While inaugurating the Shilong seminar Meghalaya Governor MM Jacob emphasized introduction of effective set of rules and development of infrastructures along the border for enhancing trade between the two countries, said a CCCI press release.

The Meghalaya governor said effective trade relations between India and Bangladesh would help boost trade of north-eastern states.

He said the recently opened export of Bangladesh cement, CI sheet, steel and iron rod to India was about to stop after the Indian authorities had made it compulsory to collect certificate from the Bureau of Indian Standards.

The CCCI president said, if the Indian government do not take initiative to remove the existing non-tariff barriers, his chamber will also request Bangladesh government to impose similar trade barriers on Indian goods, the press release added.

Speaking at the seminar CCCI President Amir Humayun Mahmud Chowdhury said a num-

Citigroup, Bank of America profits rise

REUTERS, New York

Citigroup Inc. and Bank of America Corp. on Monday posted higher-than-expected second-quarter profits, helped by gains in credit cards, mortgage lending and investment banking.

"The consumer has been the strong point throughout this weak economy, and it looks like the consumer is getting stronger. That's good news for banks," said Wayne Bopp, and analyst for Fifth Third Investment Advisors in Cincinnati, which invests \$31 billion and owns both banks' shares.

The nine other largest US banks are set to report earnings later this week. Analysts say an improving economy, rising stocks and increased lending as interest rates sit near 45-year lows should fuel profits.

Thai trade team due in Chittagong today

STAFF CORRESPONDENT, Ctg

A 64-member Thai trade delegation led by Suwat Tantipat, governor of northern Thai province of Chiangmai, arrives in the Chittagong today on a five-day visit.

The delegation comprising businessmen, industrialists and investors from five northern provinces of Thailand will directly fly to Chittagong in the afternoon.

During the visit they will hold meetings with ministers, businessmen and industrialists to discuss bilateral issues of trade

and investment.

Besides, they will visit Rangamati and Cox's Bazar to explore the possibility of investment in tourism sector there.

The delegation will hold a one-to-one business meeting with their counterparts at Chittagong Club auditorium today. Commerce Minister Amir Khosru Mahmud Chowdhury will be present there as the chief guest.

The Thai businessmen will exchange views with local businesspeople at Hotel Agrabad at 8am tomorrow. State Minister for Civil Aviation and Tourism Mir

Nasir Uddin and chairman of Bangladesh Parjatan Corporation will attend the meeting.

Besides, the delegation will hold a view exchange meeting at Chittagong Chamber auditorium at 10am on Friday. Foreign Minister M Morshed Khan will be present there.

Board of Investment Executive Chairman Mahmudur Rahman and Bangladesh Export Processing Zones Authority Executive Chairman Brigadier Gen (ret'd) M Mofizur Rahman will also take part in the meeting.

Battery manufacturers against FTA with India

UNB, Dhaka

Irate by Indian non-tariff barriers, a local trade body sees the proposed Free Trade Agreement (FTA) as another Indian tool to further marginalise Bangladesh in two way trade, now heavily tilted in New Delhi's favour.

"Is Free Trade Agreement a way forward or further marginalisation of our trade position with India?" Bangladesh Accumulator & Battery Manufacturers' Association (BABMA) posed the question in a statement yesterday, as the Indo-Bangla JEC met here to sort out bilateral trade and economic issues.

Battery export from Bangladesh faces anti-dumping duty imposed by the Indian authorities. Indian trade diplomats here admitted the fact saying the measure also affects exports from China and Japan.

The association cited lead-acid battery export to India as a "classic case study" of encountering repeated export barrier put by

India, eventually blocking Bangladesh's battery export to that country.

Recent cases of mandatory ISI certification for Bangladeshi cement and import tariff on apparel are also instances of barriers put by India on exports from Bangladesh, it said.

To substantiate its concern, BABMA referred to a recent World Bank report that identified India as having a protective trade regime with the highest applied tariff rates and active use of anti-dumping procedure to hinder entry of foreign products.

The association felt that India could only make the difference, by taking steps to remove the existing trade barriers, such as Anti-dumping duty on battery export and tariff on garments.

"This will earn trust and goodwill, essential for two parties to work together," it said, hoping that the proposed free trade would be fair trade.

Tax lawyers demand withdrawal of mandatory tax return

UNB, Dhaka

Tax lawyers yesterday demanded withdrawal of some of the provisions of the Finance Bill 2003 that made submission of income tax returns mandatory by professionals irrespective of their income.

Addressing a press conference at the Dhaka Reporters Unity, Bangladesh Tax Lawyers Association president MA Salam Talukdar also demanded scrapping of the provision of compulsory filing of income tax returns by member and chairman candidates of municipal and village elections.

The Association, a national forum of tax lawyers and practitioners, termed the law as anti-people and said the compulsions would

turn the law into a repressive one.

It said the requirement of submitting Taxpayer's Identification Number (TIN) for issuing license to new doctors, chartered accountants, cost and management accountants and lawyers was inhuman.

Secretary General of the Association Kamrul Alam Chowdhury and other leaders, including MA Gafur Majumdar, Monirul Huda and Mokhlesur Rahman Bhuiyan, were present at the press conference.

The tax lawyers, however, appreciated the Finance Minister for bringing some changes on their request like reducing the ceiling in case of self-assessment.

Pubali Bank's national workshop held

A national workshop of all branch managers, regional managers and senior executives of Pubali Bank Limited was held at BIAM auditorium in Dhaka on Thursday.

EA Choudhury, chairman of the bank attended the workshop as chief guest while Khondkar Ibrahim Khaled, managing director, presided over the meeting, says a press release.

EA Choudhury asked the managers to try expand the bank's business.

Khondkar Ibrahim Khaled said Pubali Bank would soon become a sound bank.

Directors Monzurur Rahman, Hafiz Ahmed Mojmuder, Shaeikh Wahidur Rahman, Ahmed Shafi Chowdhury, Md Faizur Rahman, alternative director Md Kabiruzzaman Yakub, DMD A H Ziauddin Ahmed also spoke on the occasion.

Thirty eight branch managers were rewarded for their excellent performance.

China to host Asia-Europe meeting from July 22-24

ANN/THE CHINA DAILY

China's first high-level international event since the SARS outbreak -- the fifth Asia-Europe Economic Minister's Meeting -- will be held in Dalian of Northeast China's Liaoning Province from July 22-24.

Minister of Commerce Lu Fuyuan said that China's role as host reflected its commitment to regional economic co-operation and the multilateral trading system.

The meeting will also alleviate the negative impacts of SARS on China's economy, improve the country's international image and revive foreign investors' confidence in the market, said Lu.

He said China was invited to host the meeting because the country, with imports of around US\$360 billion each year, has contributed greatly to the Asian-Pacific and world economy.