

ICC-B confce to give impetus to multilateralism

Mahbubur Rahman tells *The Daily Star* ahead of high-profile business meet

STAR BUSINESS REPORT

As public and private sector leaders from around the world are gathering for a high-profile business conference in Dhaka next week, the man at the helm said focus will fall on multilateralism, the key mechanism to derive benefits from global trade regime.

"By hosting the conference Bangladesh is spearheading the causes of the developing countries. This is not our demand but rights... We will be very happy if we can see from this meeting participating governments and institutions go for a further common position," said Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B).

Developing and least developed countries (LDCs) will benefit from multilateral trade regime if they can build their capacity and everyone follows rules, Rahman said in an interview with *The Daily Star* ahead of the two-day international business conference.

"Multilateralism should take off without delay despite backlash and anti-globalisation sentiments," Rahman said. "If multilateralism can't work, bilateralism may stage a comeback which is not the solution to today's free trade regime," he believed.

The ICC-B is going to organise the conference on 'Global Economic Governance and Challenges of Multilateralism' from January 17 against the backdrop of a stagnancy in WTO talks following Cancun debacle.

About the possible outcome of the Dhaka conference, Rahman said it is not that something will be delivered outright at the conference but "it may be seen as a step forward."

Rahman said business community of Bangladesh is in favour of a free market economy but at a 'fair and equitable' term. "At the conference we will emphasise the special and differential treatment, duty-free market access with relaxed rules of origin in a positive note."

He said capacity building of poor nations is a prerequisite for the success of multilateralism. "But capacity building takes time. And we can't survive if we don't get market access in this period," he

cautioned.

Resumption of trade talks is extremely important and it should start from the point where it was stalled, said Rahman. "The talks should restart from the draft (of Cancun talks) whatever it was."

The Dhaka conference, as Rahman hopes, will create scopes for concretising views from all 'those who matter' as WTO Director General, EU Trade

the US, war in Afghanistan and Iraq, security concern of the US and others, are seemingly overtaking global economic agenda, he observed. "While increasing threat to the multilateral trade regime should have been addressed with right earnest on a priority basis, it appears mounting differences are surfacing more than ever before among the leaders that virtually govern world economic order."

It is, therefore, imperative that



Mahbubur Rahman

Commissioner along with trade ministers of several countries, some 200 policymakers, business leaders and experts from 36 countries are joining it.

The post-Cancun scenario, which has in the meantime changed drastically, will be given due importance in discussions at next week's conference so that the next WTO meeting will have a positive outcome, the ICC-B president hoped.

The September 11 attacks on

world leaders give their immediate attention to the development agenda a top most priority for an integrated global market place that has been visualised for the shared prosperity for people from across the world, Rahman said.

"It is no doubt a daunting challenge," he said adding, "but there is no choice either. Unless, leaders go deep into problems, crises will continue to be aggravated threatening the very concept of multilateralism."

India cuts indirect taxes as election nears

PALLAB BHATTACHARYA, New Delhi

In the strongest signal so far about parliamentary polls earlier than schedule, Indian government on Thursday announced a slew of sops for middle class and corporate sector by indirect tax cuts on a wide range of consumer and industrial goods.

The announcement of the slash in the customs and excise duties and exempting a section of the salaried middle class and pensioners from filing income tax returns came even as the country's ruling BJP-led alliance left its Prime Minister Atal Behari Vajpayee to decide on the timing of the elections which now seems certain either in April-end or first week of May.

Under the package of sops widely perceived as a "mini-budget" by the finance ministry, computers, air travel, mobile phones, refrigerators, washing

machines and televisions will become cheaper.

Import of laptop computers as part of personal baggage will now be free from customs duty while Indians returning home from overseas under transfer of residence scheme can bring half a dozen goods free of duty, including VCD/VCR, washing machines, laptop computers, refrigerators up to 300 litre capacity and cooking range.

Duty on 17 other items under transfer of residence has been halved from 30 to 15 percent.

Employees with annual income of up to Rs one and half lakh will continue to pay income tax but would not be required to file income tax returns and the facility has been extended to those pensioners who do not have taxable incomes.

Air travel tax within the country as well as foreign travel tax have been done away with bringing

down price of air tickets of state-owned and private airlines.

The government also allowed electronic filing of service tax returns for all service taxable categories, extending the facility from the present ten.

For the industrial sector, the peak rate of customs duty has been reduced from 25 to 20 percent on all non-agricultural goods while surcharge on customs duty has been abolished.

Seeking to boost investment, customs duty on projects with investment of at least Rs five crore has been cut from 25 to ten percent and the same on import of coal from 25 to 15 percent.

Duty on specific life-saving bulk drugs, formulations, medical equipments and artificial limbs has been brought down by five percent and customs duty on power transmission and distribution projects cut from 15 to ten percent.

US beef industry balks at labelling despite crisis

AFP, Washington

The US meat industry opposes labeling meat with its country of origin, rejecting the scheme as too costly and cumbersome, despite the recent discovery of mad cow disease in the United States.

Leading Democratic Senator Tom Daschle has called for immediate implementation of a law that would label meat from US-born animals "Made in the USA" -- approved in 2002 but stalled in Congress due to the cost.

"In order to maintain consumer confidence, the Bush administration should immediately implement country-of-origin labeling,"

Daschle said, accusing Republicans of trying to delay implementation of the program by two more years.

"If the law had already been implemented, the Canadian-born Holstein in Washington state that was diagnosed with mad cow in December, could not have been labeled a US product," Daschle said on Wednesday.

The European Union implemented a labeling system and increased testing for bovine spongiform encephalopathy (BSE) after the mad cow outbreak in Europe in the 1990s.

The United States seemed immune until late December when

it announced that a dairy cow slaughtered in the northwestern state of Washington was infected with mad cow disease. DNA tests showed that the infected animal had been imported from Canada.

But the US meat industry nevertheless rejected Daschle's argument.

"Tom Daschle's demand that the Bush administration immediately implement country-of-origin labeling is inappropriate and alarmist in trying to link country-of-origin labeling and any food safety issue-- particularly BSE," said Patrick Boyle, president of the American Meat Institute.

Staff agitate against Ajax Jute Mill sale

STAFF CORRESPONDENT, Khulna

Tension was prevailing in Mirerdanga-Atra industrial area in Khulna yesterday as staff of private Ajax Jute Mill continued their agitation protesting sale of the industrial unit at a nominal price.

Mahbub Hossain, younger brother of Jatiya Sangsad Whip Ashraf Hossain, and four others purchased the Tk 100 crore jute mill at Tk 3 crore only.

The authorities did not hold any discussion with the staff before selling the mill.

According to sources, around 1200 officials, employees and workers owe Tk 30 crore to the mill.

Wahid Murad, senior vice-president of the collective bargaining agent (CBA) of the mill, said both the sellers and buyers keep mum about arrears and wages.

When contacted, Whip Ashraf Hossain said his brother and four others have purchased the jute mill.

Badal Ghosh, the owner of the mill, could not be contacted for comment.

Dollar steady against taka

BSS, Dhaka

The US dollar was steady against the Bangladesh taka in this inter-bank trade yesterday, while the US unit was under pressure against major currencies due to a disappointing report on the US labour market.

Dealers said the dollar traded between Tk 58.85 and Tk 58.90 yesterday slightly lower than its record high at 60.00 last week-but higher than its previous month's level.

The demand for the US dollar remained strong due to higher import payments but the volume of trade was lower as most international markets remained closed due to weekend holiday, dealers said.

The local market reopened yesterday after weekend holiday on Friday while most international markets remain closed on Saturday and Sunday.

The demand for the US currency remained strong as some private commercial banks faced short-fall in dollar earnings when corporate bodies showed more interest in forward buying to avoid currency fluctuations, dealers said.

Most dealers quoted rates of foreign currencies in line with the New York's closing on Friday.

Call money rate low

BSS, Dhaka

The call money rate was lower than bank's rate yesterday as money market remained packed with huge liquidity, fund managers said.

The call money rate touched its intra-day high at 8.00 per cent and intra-day low at 4.00 per cent today compared to bank rate of 5.50 per cent, fund managers of leading commercial banks said.

They said the banking system is now facing difficulties with huge surplus funds amounting about Tk 7000 crore due to thin credit and low investment.

To increase investment and credit flow, most banks already have cut interest rates in different portfolios.

The central bank already has cut bank rates twice in 2003 to encourage commercial banks to cut their interest rates- the main obstacle to the growth of investment.

Iranian trade team to visit Bangladesh

UNB, Dhaka

A delegation of Iranian entrepreneurs will visit Bangladesh soon to see the feasibility of setting up automobile and soft drink plants here.

Iran's Ambassador in Dhaka Mohammad Beheshti Monfared said this when he called on Industries Minister Matiar Rahman Nizami yesterday.

Monfared said Bangladesh has a good prospect of exporting jute yarn for his country's carpet industry.

The minister welcomed the Iranian private sector's interest in setting up automobile and soft drink plants in Bangladesh and also invited Iranian investment in carpet industry for export purpose.

The Iranian envoy mentioned with gratitude Bangladesh government's help following the recent devastating tremor in Iran.

20 missions miss export targets in July-Nov

Commerce ministry reviews performances of missions today

MONJUR MAHMUD

Failing to provide the foreign buyers with adequate information about Bangladeshi products, 20 out of 46 missions abroad fell short of their export targets set for July-November period of the current fiscal year.

However, 24 missions have performed well crossing their export targets for the period while the statistics of the rest two missions are not available, according to the latest performance review by the Ministry of Commerce.

The ministry will hold a meeting today to review the performances of the 46 diplomatic missions covering a total of 124 countries. Many of the missions are assigned to promote exports in two to four countries.

"We are not happy with the performances of most counsellors," said a high official of the commerce

ministry. "After reviewing the performances, the ministry may call back some of them who are not fit for the position," he added.

According to sources, most of the commercial counsellors working in Bangladesh missions had been selected on political consideration and sent without training on how to promote the country's export products to the prospective buyers.

The missions which failed to achieve targets during July-November period of 2003-04 fiscal are Washington, The Hague, Rome, Brussels, Stockholm, Tokyo, Hong Kong, Tehran, New Delhi, Canberra, Singapore, Seoul, Bangkok, Moscow, Brasilia, Jakarta, Tashkent, Manama, Tripoli and Amman.

The missions which performed well are Berlin, London, Paris, Madrid, Ottawa, Cairo, Islamabad, Dubai, Ankara, Warsaw, Beijing,

Riyadh, Hanoi, Kuala Lumpur, Pretoria, Nairobi, Kuwait, Yangon, Manila, Rabat, Colombo, Doha, Muscat and Kathmandu.

The performances of missions at Thimpu and Brunei Darussalam could not be measured as statistics were not available.

The government earlier used to set the export targets on sectoral basis after consulting with the private sector entrepreneurs. In the last financial year, the government introduced setting country-wise export targets and asked the diplomatic missions to take necessary measures to achieve their respective targets.

The overall export target has been set at \$7,439 million for the 2003-04 fiscal year. The target for the July-November period was \$3023 million and the earning was around \$50 million short of the target.

City IT fair ends on upside

STAR BUSINESS REPORT

The 12-day computer exposition -- City IT 2003 -- ended in Dhaka yesterday with participants expressing satisfaction over sales.

This year at least 5,000 personal computers were sold at the third edition of this annual show, participants said.

BCS Computer City organised the computer show on its premises at Agargaon that began on December 30 last year.

According to the organisers, this year the fair witnessed at least two lakh visitors.

On the last day of the fair, the participants were found busy with introducing their products to

customers.

Exhibitors showcased a wide array of computer accessories and electronics at 114 permanent shops. Eleven temporary stalls were also set up at the fair.

Participants also showcased different multimedia items like webcams, microphones, sound systems, sound cards, specialised keyboards, optical mouse and personal digital assistant (PDA) popularly known as palmtop.

They also exhibited a wide variety of products such as digital cameras, pagers, network appliances, ethernet cards, switches, routers and picture capture cards.

A local company has introduced a binocular cum digital camera of

Vivitor brand at the fair. Users can take photos even from one kilometre distance with this camera, which can preserve 209 pictures at a time. The camera was selling at Tk 7,200 a unit at the fair.

Among the items, Deluxe webcam from Mercury priced at Tk 8,000 attracted the customers. The new device can be used as a webcam, digital camera, voice recorder and video camera.

Visitors also showed interest about the latest Intel processors, equipped with multithreading technology for running more than three graphics software at a time.

The organisers also held several discussions everyday at the fair venue.

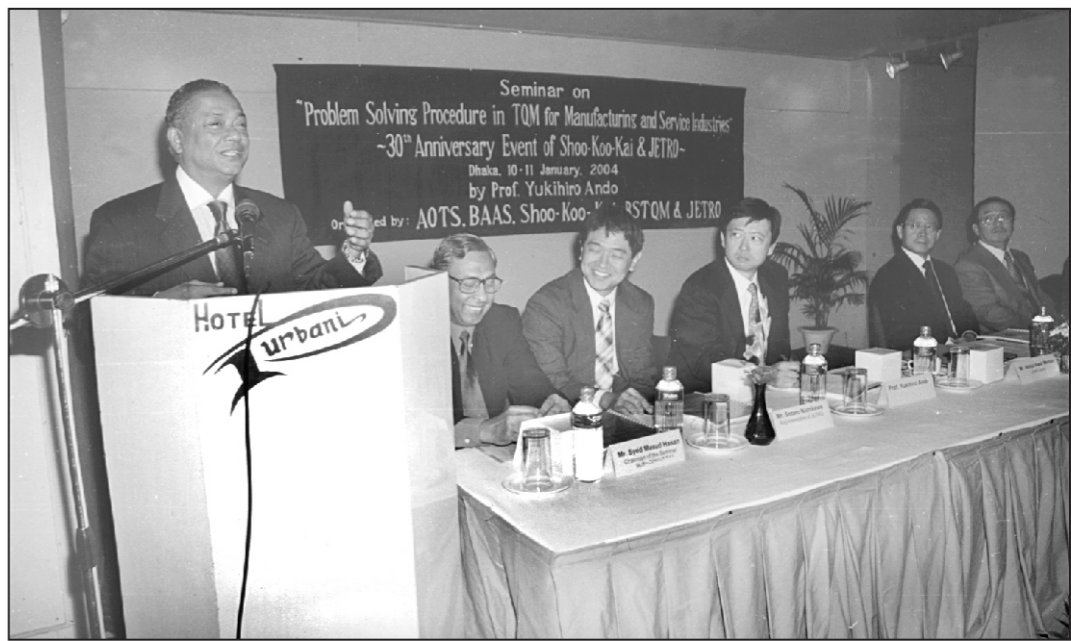


PHOTO: FBCCI
Federation of Bangladesh Chambers of Commerce and Industry President Abdul Awal Mintoo speaks at a seminar on 'Problem Solving Procedure in Total Quality Management (TQM) for Manufacturing and Service Industries', organised by the Association for Overseas Technical Scholarship of Japan in Dhaka yesterday.

Dubai int'l trade fair begins Jute goods main attraction at Bangladesh pavilion

Adding a new dimension to the attractions of the 18th International Autumn Trade Fair 2004 (IATF04) that began in Dubai yesterday, Bangladesh is participating with a variety of products made from jute.

Exhibitors of Bangladesh pavilion at the five-day fair said the environment-friendly jute products are the main attraction among other products displayed, says a press release.

Arranged by the Export Promotion Bureau (EPB) in collaboration with the Consulate General of Bangladesh in Dubai, the Bangladesh pavilion is featuring products of 17 companies on a 150-square-metre area.

A few public sector companies including the Bangladesh Jute Mills Corporation (BJMC) and Bangladesh Tea Board are also participating at the fair.

Bangladesh pavilion is also exhibiting a wide range of high quality exportable items like saree, punjabi, lunges, leather goods, handicrafts, artificial flower, tableware, kitchenware, tea, biscuits, condensed milk, plastic, metal and glass products, electrical items, chemicals and herbal products.

The Bangladeshi pavilion features stalls of Aakor, Abul Khair Group, Agricultural Marketing Company Ltd, Al Amin Bread and Biscuits Ltd, Bangladesh Tea Mills Corporation, Bangladesh Tea Board, Bangladesh Women Chamber of Commerce and Industry, Bogra Motors (Pvt) Ltd, Chameeli Silk Industries and Ready-made Garments Centre, Bangladesh Export Promotion Bureau, Gulshan Chemical Co, Jute and Bags Export Corporation, Kiam Metal Industries Ltd, Modern Herbal Research Garden and Modern Food Products, Saleh Ahmed Jamdani Weaving Factory, Shafi Processing Ind. Ltd and Wahab and Sons Pvt Ltd.

The participants of Bangladesh pavilion consider the fair to be a unique venue to address the diverse Middle East markets. The opening up of Gulf economies, particularly the UAE, is seen to be the key factor for attracting Bangladeshi companies to Dubai.

The Bangladeshi manufacturers are hoping to utilise the re-export facilities available in Dubai to access the neighbouring markets like the Gulf, North Africa and Central Asia.

The show will run up to January 14 at the Dubai International Exhibition

Center. Dubai-based Al Fajer Information and Services has organised the conference.

Commenting on Bangladesh's participation at the fair, Satish Khanna, general manager, Al Fajer Information and Services said: "I am confident that the Bangladeshi traditional items depicting its rich cultural heritage will draw special attention of the visitors."

He said Bangladeshi garments have found a huge market in the European Union and the US due to its competitive price and high quality. "And with the potential of re-export facility in Dubai, the importers of this region should be able to seize new opportunity by adding new dimension to their businesses."

Over 525 exhibitors from 25 countries are participating in the IATF04, compared to 471 exhibitors from 23 countries in the last fair.

The fair is showcasing a wide range of products including cosmetics, foodstuff, electronics, household appliances, plastic household products, toys, stationery, electrical, handicrafts, carpets, garments, textiles, house wares, kitchenware, sanitary ware, novelties, machinery and machine tools, hardware accessories as well as diary products.