

Capacity building key to wooing FDIs in developing nations

ICC-B confce session told

STAR BUSINESS REPORT

Developing countries should enhance capacity building efforts to attract more foreign direct investments (FDIs), speakers at an international conference in Dhaka said yesterday.

Infrastructures like port, communications, utility services are needed to woo increased investment, they said at a session on 'Capacity Building for Investment Promotion in Developing Countries'.

International Chamber of Commerce-Bangladesh (ICC-B) organised the session as part of its high-profile business conference on 'Global Economic Governance and Challenges of Multilateralism' that ended yesterday.

ICC-B organised the conference to commemorate 10 years of its

presence in Bangladesh.

Addressing the session, Japan Bank for International Cooperation (JBIC) Governor Kyosuke Shinozawa said lack of basic infrastructures including communications and transportation will result in loss of competitiveness.

Multilateral agencies like the World Bank and JBIC are beginning to put emphasis on infrastructure loan, he said.

"If Bangladesh improves its investment climate I am sure it will receive increased FDIs in the coming days."

UN-ESCAP Executive Secretary Kim Hak-Su said least developed countries (LDCs) need more FDIs to spearhead economic development.

"But it is seen that level of eco-

nomic development itself is major determinant of FDI flow. So developed countries are getting more FDIs than developing nations," he said urging the latter to increase capacity building.

Commerce Secretary Suhel Ahmed proposed establishment of a global trust for trade related capacity building to help the poor countries overcome problems of weak infrastructures, human and institutional capacity.

Vice-Chairman of ICC Yong Sung Park said developing countries should simplify investment regulations and remove bureaucratic obstacles to attract more FDIs.

Executive Chairman of Board of Investment (BoI) Mahmudur Rahman said the national taskforce formed to improve investment climate is working and it is helping

to better the climate.

Prof Wahiduddin Mahmud said the poor countries need quality investment for growth and poverty reduction. "Tea export from Bangladesh is declining as domestic demand shoots up and good investment dries up," he said.

Debapriya Bhattacharya, executive director of independent think tank Centre for Policy Dialogue, said though capacity building projects funded by multilateral agencies are costly they are not so effective as they lack indigenous reality.

"It is apparent that multilateral agencies are on a race to take lead in capacity building projects for poor countries. So, there is duplication of projects, which are not coherent and co-ordinated," he said.

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PHOTO: STAR

International Chamber of Commerce-Bangladesh (ICC-B) President Mahbubur Rahman (second from right) speaks at a press briefing at the end of the two-day International Business Conference on Global Economic Governance and Challenges of Multilateralism in Dhaka yesterday as former ICC president Rahmi M Koc (second from left), ICC-B vice-presidents Latifur Rahman (left) and ASM Quasem (right) look on.

PM favours common LDC stance to face globalisation

Trade ministers of Indonesia, Turkey, Zimbabwe meet Khaleda

UNB, Dhaka

Prime Minister Khaleda Zia yesterday stressed forging a common position of LDCs in world trade to secure an equitable benefit for them from globalisation, facing the emerging challenges.

She expressed the view when trade ministers of Indonesia, Turkey and Zimbabwe who came here to attend the two-day international business conference of ICC-B, had a joint meeting with her at her office.

Indonesian Minister for Industry and Trade Rini M Sumarno, Turkish Minister for Industry and Trade Ali Coskun and Zimbabwean Minister for International Trade Dr SC Mumbengewi sought increased bilateral trade and commerce with Bangladesh.

The Zimbabwean minister said

happiness Bangladesh's progress in trade and commerce and social sectors.

They billed Bangladesh as a moderate, liberal and democratic country and said the country can be a model for other developing countries in respect of democracy, women education and empowerment and economic reforms.

Taking the opportunity of their being leading business personalities, Prime Minister Khaleda hoped that they themselves, on behalf of their companies, would take initiative to invest in Bangladesh.

The ICC Chairman and the Secretary General both appreciated the PM's inaugural speech at the international business conference and her government's initiative for a successful holding of the meet, which concluded yesterday.

Bangladesh and his country have "complementary economic elements" and both the countries would be benefited if the business potentialities were explored.

The three trade ministers appreciated the prime minister's inaugural speech at the inauguration of the International Business Conference and thanked her Government for hosting the high-profile meet, at a time when world trade negotiations had stalled.

Meanwhile, the visiting leaders of International Chamber of Commerce met with the prime minister yesterday and appreciated the prevailing business and investment-friendly atmosphere of Bangladesh that they have seen themselves.

Global Chairman of the ICC Jean Rene Fourtou and Secretary General Maria Livanos, both business magnates, noted with

Rally calls for fair trade at every negotiation

STAR BUSINESS REPORT

A protest rally in Dhaka yesterday called for ensuring fair trade at every trade negotiation to protect the interest of the least developed countries (LDCs) including Bangladesh.

Speakers at the rally said the globalisation process only serves the interest of the rich nations.

They also alleged the International Business Conference, organised by International Chamber of Commerce, Bangladesh, was held in Dhaka to put pressure on Bangladesh government for trade liberalisation as what they said the rich countries failed to implement any bilateral and multilateral pacts.

They also demanded of the government to hold discussion in the parliament before signing any bilateral and multilateral pacts.

"We need a national platform from where people will be able to raise their voice against arbitrary trade liberalisation," JSD (Jatiya Samajtantrik Dal) President Hasanul Haque Inu told the meeting at Muktangon.

General Secretary of JSD (Rob) Abdul Malek Ratan said the trade liberalisation policy of the WTO (World Trade Organisation) is against the LDCs.

Mahbub Alam of Communist Party of Bangladesh (CPB) said the WTO has failed to reduce poverty through balance trade across the world.

Shirin Akther said, "Not free trade, only fair trade can ensure people's right."

JBIC governor meets finance minister

BSS, Dhaka

Governor of Japan Bank for International Cooperation (JBIC) Kyosuke Shinozawa called on Finance and Planning Minister M Saifur Rahman at his office here yesterday.

During the meeting, the finance minister apprised the governor of different development measures, including revenue and tax systems undertaken by the government for the economic development of the country.

The minister thanked the government as well as the people of Japan for continued support to the economic uplift of Bangladesh.

BKMEA President Monjurul Hoque said, "We have no alternative but to improve the quality of our exportable products, otherwise it will be difficult to survive in the post-MFA era." With the withdrawal of quota facilities, he said, China and India will be strong competitors of Bangladesh.

The BKMEA president hoped that this sort of training programme will play a vital role in all appropriate forums for developing human resources as well as technology transfer.

Hoque said, since Bangladesh is the biggest buyer of Japanese machinery, the latter should allow a considerable portion of exports to its 24 billion US dollars import market.

Some 42 managerial level offi-

Trade disputes hamper global economic governance

STAR BUSINESS REPORT

Speakers at a discussion in Dhaka yesterday stressed the need for alternative dispute resolution mechanisms and more diplomatic and negotiation-based system to settle international disputes.

They said trade and economic disputes between two or more contracting parties often lead to expensive and time consuming litigation, hampering global economic governance.

The observations came at a session of the International Business Conference on 'Global Economic Governance and Challenges of Multilateralism' organised by International Chamber of Commerce-Bangladesh (ICC-B) at Sonargaon Hotel.

The session was split into two parts --- 'WTO Dispute Settlement'

and 'Trade Facilitation Through Dispute Resolution', chaired by Dr Kamal Hossain from Bangladesh and Dr Shyamila Pappu, a senior lawyer from India.

Dr Pappu said if the court of a country makes a mistake, the legislature of that particular country can enact a law to correct it. "But in the WTO process, such power is not commonly exercised by its general council or the ministerial conference."

"This means that there are no effective checks and balances operating within the WTO," she observed saying that there is need to establish alternative dispute resolution methods.

Vice-chairman of IC C International Court of Arbitration Fall S Nariman said the real weakness of the WTO dispute settlement mechanism lies in the fact that the WTO members are independent

states. "And independent, sovereign states often act like billiard balls which collide, and do not cooperate."

Law, Justice and Parliamentary Affairs Minister Moudud Ahmed said Bangladesh is now trying to create a culture of settling corporate disputes without going to the courts.

"Now we have a panel of arbitrators in every district for resolving disputes through mediation and most of the panels are working well."

Taking part in discussion, President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Abdul Awal Mintoo said the dispute settlement system of WTO appears to be complicated and time consuming.

"The mechanism undergoes

Davos forum to set stage for upcoming G7 meeting

AFP, Paris

Economic policymakers gathering in Davos, Switzerland, this week for the World Economic Forum are likely to put their heads together over the swooning trade, setting the stage for a Group of Seven (G7) finance ministers meeting in early February.

European Central Bank (ECB) President Jean-Claude Trichet, US Commerce Secretary Donald Evans and Japan's Economic and Fiscal Policy Minister Heizo Takenaka are among the big guns due to appear at the Alpine resort.

Although none of the three is billed to talk at a session on Friday entitled "What if the dollar fell by an additional 20 percent?", the recent flood of comments on the subject is unlikely to subside ahead of the key G7 meeting in Boca Raton, Florida on February 6-7.

Last week the red-hot euro -- the flip-side of the weak dollar -- slipped down from an all-time high of 1.2898 Monday after various ECB officials showed concern for the strength of the euro, which was interpreted as a clear sign to the currency markets.

Although the euro cooled,

concern over the euro's strength and the dollar's weakness raged on throughout the week.

French Prime Minister Jean-Pierre Raffarin called last Thursday for a euro-dollar exchange rate "more compatible with economic reality". He also pushed the ECB to cut interest rates, bringing them closer to the US Federal Reserve's rates.

The ECB, which had long remained silent on the subject, launched last week a campaign of verbal intervention to talk down the euro against the dollar.

Dhaka, Jakarta sign jt statement to promote trade

BSS, Dhaka

Bangladesh and Indonesia yesterday signed a joint statement on Comprehensive Trade and Economic Partnership (CTEP) aimed at promoting trade between the two countries.

Commerce Minister Amir Khosru Mahmud Chowdhury and visiting Industrial and Trade Minister of Indonesia Rini M Sumarno Sowewandi signed the statement on behalf of their respective sides.

The signing ceremony was followed by an elaborate discussion on the prospects of the bilateral trade, a ministry press release said.

Dhaka, KL businesses for new economic forum in SE Asia

BSS, Dhaka

Business leaders of Bangladesh and Malaysia have proposed for setting up a new platform of economic cooperation among five Muslim countries of Southeast Asia to work for a common market.

The proposed forum -- South East Asia Cooperation (SEACO) -- will group Bangladesh, Malaysia, Indonesia, Brunei and the Maldives.

Addressing a reception in honour of the visiting delegation of the Federation of Malaysian Manufacturers (FMM), the speakers said the SEACO would start its journey towards forming the much-talked-about Islamic Common Market comprising all member states of the Organization of Islamic Conference (OIC).

Commerce Minister Amir Khosru Mahmud Chowdhury, who was present at the reception held on Friday described the idea as "extremely brilliant" and said he would help take it forward to the appropriate level. He, however, said only strong political will of the leaders of the region could transform the proposed SEACO into

reality.

The commerce minister said in the age of globalisation we should look at every alternative to bring up positive changes in the region.

The reception, organised by Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) at Hotel Sheraton, was also addressed by Commerce Secretary Suhel Ahmed, former minister Zahiruddin Khan, former State Minister for Foreign Affairs Abul Hassan Chowdhury, Malaysian High Commissioner Ashaari Sani, President of FMM Dato Mustafa Mansur, Vice-Presidents of BMCCI Matlubur Rahman, Mohammad Nasir Bahram and Abdus Salam.

President of BMCCI Salauddin Kasem Khan presented a paper on SEACO at the reception.

The members of the delegation of FMM, the largest platform of Malaysian manufacturers with 5,000 members, expressed their keen interest in further investment in Bangladesh. Malaysia is the third largest investor with direct investment of US\$3.2 billion in Bangladesh.