

## Number of trading items fixed for Safta

PALLAB BHATTACHARYA, New Delhi

Members of Saarc (South Asian Association for Regional Co-operation) committee on free trade in the region have decided to restrict the number of sensitive trading items to 10 percent of total tariff lines for developing nations and five percent for least developed countries (LDCs).

The South Asian Free Trade Agreement (Safta) Committee of Experts took the decision at a two-day meeting in New Delhi on February 26 and 27, said SS Kapur, joint secretary of Indian commerce ministry, on Wednesday.

Speaking at a seminar organised by the Federation of Indian Chambers of Commerce and Industry (Ficci), he said South Asian experts have chalked out a year-

long programme for finalising rules for origin of goods and technical assistance to the LDCs in the region to help implement the Safta.

The heads of government and states of Saarc nations signed a broad framework for South Asian Free Trade Area in January during its summit in Pakistan. But issues like rules of origin, list of sensitive items, mechanism for compensating revenue loss to the LDCs and technical assistance to them, were left out for further discussions.

Kapur said, "We are very optimistic about the Safta. Our work programme for the year has already been agreed upon and we may even make faster progress than the anticipated dates."

Macky Hasim, president of Saarc Chamber of Commerce and Industries, said the chamber would hold seminar on Safta in

Dhaka, Kathmandu, Delhi, Mumbai and Colombo.

Meanwhile, the Ficci suggested Safta to include free movement of services and businessmen among the member countries to help free trade become an effective tool for economic integration of the region.

Pointing out Safta's (South Asian Preferential Trading Arrangement) failure in raising trade volume among the member states, SN Agarwal, a senior member of Ficci executive committee, said easy visa regulations and free movement of businessmen in the region was a key pre-requisite for increasing trade and investment.

"Current level of trade can be almost doubled if appropriate regional agreement on road, rail, shipping and air links are worked out to allow seamless movement like in the

European Union," he added.

He also proposed signing of a treaty on investment protection and promotion alongside the Safta.

Agarwal said the Ficci suggested an early harvest scheme under which Saarc countries, especially non-LDCs, can agree on a list of duty free products from the very start of Safta in 2006.

Stressing that the Safta was not the final aim and the regional association has to move towards an economic union, he further suggested for capital account convertibility, integration of central banks of member states, common currency, harmonisation of customs, banking, insurance, quality and arbitration standards.

## Bangkok Pattaya Hospital opens office in Dhaka

Bangkok Pattaya Hospital (BPH), a tertiary level hospital of Bangkok Hospital Group, has opened its Bangladesh office on Indira Road in Dhaka recently to facilitate its service to local patients.

Services of the new office include preparing case history of patients, getting advice of the doctors from the hospital within shortest possible time and providing assistance regarding visa and air ticket.

The office will also make appointment with specialist doctors, make hotel booking and follow up services. All these services will be available at free of costs.

These were disclosed by Director of Bangkok Pattaya Hospital Dr Pichit Kangwolkid and Chief Executive Officer of Bangkok Pattaya Hospital Office, Bangladesh Md Zahangir Alam at a press conference in Dhaka, says a press release.

The BPH is an international standard modern hospital. The hospital is situated in a very clean area of Patya, only one and a half hours drive from Bangkok Airport.

The hospital, which has interpreters in 16 languages for the convenient of patients from different countries, offers all kind of health services.

## StanChart gets Banker Middle East award

Standard Chartered Bank has received the 'Banker Middle East Banking Award 2004' for best use of IT for multi-channel strategy at a gala ceremony held under the patronage of Sheikh Hamdan bin Rashid Al Maktoum, deputy ruler of Dubai and UAE Minister of Finance and Industry.

V Chandrasekar, regional head of Information Technology and Systems (Middle East and South Asia) of the bank, received the award on behalf of the bank, says a press release.

Corporate Publishing International, the publisher of Banker Middle East, the leading regional B2B financial publication, presents awards to leading financial institutions around the Gulf Cooperation Council (GCC) countries.

Dr Mohammed Khalfan Bin Kharbush, UAE minister of State for Finance and Industry, was also present at the function, there he said.

## Holcim achieves ISO-14001 environmental certification

Holcim (Bangladesh) group has achieved ISO-14001 certification for environment management system.

The certification was given to all three companies of the group by the United Registrar system, a renowned certification body in UK, says a press release.

Holcim is the first and only cement company in the country to achieve this certification, according to the press release. Awareness and importance of environmental aspect has been increasing all over the world. In Bangladesh too, the importance of caring for the environment to achieve sustainable growth is becoming increasingly important.

## Disney's Eisner loses chairman role

REUTERS, Philadelphia

Embattled Walt Disney Co. Chief Executive Michael Eisner on Wednesday was stripped of his role as chairman, but kept his position as chief executive even after 43 percent of shareholders voted against him in an unprecedented protest.

Convening in Philadelphia after a stormy annual meeting, Disney's board said it had elected former US Senator George Mitchell as the company's chairman and that 61-year-old Eisner had its unanimous backing as Disney's top executive.

The board once again rebuffed a \$49 billion hostile takeover offer by cable operator Comcast Corp., saying it was insufficient, but that it would review "any reasonable proposal."

Comcast called on Disney's independent directors to open talks, while Microsoft Corp. Chairman Bill Gates rejected speculation the software giant would bid for Disney.



Former finance minister Shah AMS Kibria (centre) speaks at a meeting on 'Present Situation of the Bangladesh Economy' organised by Economic Reporters' Forum (ERF) at the National Press Club yesterday as ERF President Monwar Hossain (left) and General Secretary Nurul Hasan Kha (right) look on.

## Economy gets stagnant on lower investment

STAR BUSINESS REPORT

Former finance minister Shah AMS Kibria has blamed the government for lower flow of public investment which he said has made the economy stagnant.

Quoting the Centre for Policy Dialogue (CPD), a civil society think tank, Kibria said the government has curtailed Tk 4,000 crore from the announced Tk 20,300 crore annual development programme keeping the investment in the dark.

"This is a blatant cheating with the people," he said speaking at a meeting on the present situation of Bangladesh economy organised by Economic Reporters' Forum (ERF) at the National Press Club yesterday.

Kibria said deteriorating law and order, extortion and corruption are no doubt at the root of the country's current economic downturn. At the same time decreasing public investment has caused the stagnancy.

"Businessmen are being abducted and killed everyday across the country. They are increasingly facing extortion," he said while talking about law and order.

The former finance minister was also critical of the government policy to receive loans from donors accepting harsh conditions. "This is very sad that our finance minister has to meet the donors in every three months and convince them."

About the condition set by the International Monetary Fund (IMF) to merge rural branches of the nationalised commercial banks he said the process would promote traditional money lenders and destroy modern banking system.

Depicting a dismal economic scenario, Kibria said people's income did not increase but their cost of living shot up in recent times. "The price of almost every essential commodity, including rice and pulses, have gone up."

The government has failed to bring dynamism in the privatisation process, he said blaming 'conflicting attitude' of the privatisation commission and the ministries concerned, due to their motive for corruption.

The former finance minister said the country at present lacks an investment friendly environment, without which it is impossible to bring dynamism in the

economy, acquire expected growth and reduce poverty.

According to him, infrastructure development in rural areas, creating adequate employment opportunities and bringing dynamism in the economic activities depend on public investment.

He said a huge amount of money is lying idle at different local and foreign banks. "This also hampers country's overall investment."

Kibria said the government has failed to keep inflation rate low, which led to soaring of the prices of essentials. At present the inflation rate is 6.5 percent.

He also blamed the government for its failure to take action programmes for preparing the country for post-MFA era.

Turning to the recent diesel and fertiliser crises he said the coming two weeks will be very crucial for the farmers. He asked the government to ensure adequate supply of diesel and fertiliser required during this season.

ERF President Monwar Hossain and General Secretary Nurul Hasan Khan were present at the meeting.

## Janata Exchange Co opens 2nd branch in Italy Sunday

STAR BUSINESS REPORT

In a bid to boost remittance business, Janata Exchange Company, a subsidiary of the state-owned Janata Bank, is going to open its second branch in Italy on Sunday.

Finance Minister M Saifur Rahman will formally inaugurate the branch in Milan. The minister leaves Dhaka for Milan today. Janata Bank Managing Director Murshid Kuli Khan has already left Dhaka.

"We are opening the second branch of the exchange company following demand from expatriate Bangladeshis,"

Janata Bank Deputy Managing Director Dewan Mujibur Rahman said yesterday.

The Janata Exchange's first branch opened in Rome in June 2002 has helped in increasing the flow of remittances, Rahman added.

According to available statistics, Tk 32 crore was remitted through Janata Exchange during July-December in 2002. The amount was Tk 118 crore last year, according to bank officials, who hope further increases in the remittance flow.

The exchange house charged 9 to 80 euros to send different amount of money. JB allocated five lakh euro as Janata

Exchange capital.

Using Electronic Fund Transfer (EFT) system, the Janata Exchange remits money within 24 hours. However, clients residing out of Dhaka can get the remitted amount within three days.

A total of ten employees work in Janata Exchange Company out of which three went from the bank's head office. Amongst of the officials, six are expatriate Bangladeshis and other is an Italian.

According to bank officials, now some 60,000 Bangladeshis live in Italy.

## Australia-US trade deal comes under fire

AFP, Sydney

The Australian government defended a controversial free trade agreement with the US Thursday after belatedly releasing details of the deal and sparking a debate set to drag on into this year's election campaign.

Instead of extolling the virtues of what was expected to be an electoral trump card, Trade Minister Mark Vaile was forced to call a press conference to play down fears the agreement would send the price of medicines skyrocketing.

Vaile also backed away from claims the deal was worth four billion Australian dollars (three billion US dollars) a year to Australia and attacked the opposition Labor Party for

criticising it. "So far the Labor Party have been playing politics with what is a good agreement and one that is in the national interest," Vaile said.

Opposition trade spokesman Stephen Conroy said the deal was a letdown for farmers.

"This is not a free trade agreement and if you're an Australian farmer you've been dupped," he said.

The 1,000-page agreement was officially signed three weeks ago and originally scheduled for release Tuesday but it was then delayed as Australian and US negotiators wrangled over its final wording.

The agreement, reached after more than 14 months of negotiations, has come under

fire in Australia because it excludes sugar, largely maintains US protection on dairy and beef produce, and gives US pharmaceutical firms the right to appeal measures designed to keep the cost of medicines down.

Vaile said instead the deal was an opportunity to link up with the world's largest economy and denied he had been advised by his negotiating team to walk away from the agreement because Washington had refused to make key concessions.

"We believe on balance at the end of the process it was in the best interests of the nation to go ahead with it," he told Sky News.

## Textile, garment machinery show pulls entrepreneurs

STAR BUSINESS REPORT

It's a big opportunity for local entrepreneurs intending to set up textile and garment industry or looking for most modern machinery to upgrade their existing factories. And the entrepreneurs did not miss the opportunity.

The world's leading machinery manufacturers have gathered at the 1st Dhaka International Textile and Garment Machinery Exhibition-2004 at Dhaka Sheraton Hotel showcasing a wide range of state-of-the-art machinery.

The four-day show that began on Wednesday attracted a large number of visitors and prospective buyers on the second day. The exhibitors spent busy hours at their stalls exchanging views with the local businessmen.

"We got desired response from the visitors, mostly enthusiastic businessmen and entrepreneurs," said Israil Hossain of Techno Systems, local agent of Wellmade Enterprise Co Ltd which manufactures knitting machines.

He said most of the businessmen who visited their stall in the first two days showed their keen interest in the company's knitting machines and they would contact later. The Taiwanese company has its production plant in China.

"I went round almost all the stalls which are displaying garment machinery. I have collected information about the latest products of different countries," said a businessman who has a handicraft industry.

"I have a plan to modernise my industry and for this I'm looking for modern

machinery," he said adding that such exhibition should be arranged every year so that the businessmen can have access to the latest technologies.

Bangladesh Textile Mills Association (BTMA) and Chan Chao International Co Ltd of Taiwan have jointly organised the show aiming to accelerate technological advancement in local textile industry.

A total of 69 exhibitors from 20 countries including Taiwan, USA, China, Germany, Switzerland, France, Italy, Japan, Korea, Singapore, India, Hong Kong and Czech Republic are participating at the exhibition.

"The exhibitors are displaying textile and garment machinery, including embroidery and knitting machines, yarn and fabrics. The exhibition will remain open to all from 10am to 6pm until tomorrow."



Visitors crowd a stall at the 1st Dhaka International Textile and Garment Machinery Exhibition-2004, jointly organised by Bangladesh Textile Mills Association (BTMA) and Chan Chao International Co Ltd of Taiwan, at Dhaka Sheraton Hotel yesterday.

## Trading on peace: Can India, Pakistan do business?

REUTERS, Mumbai/Karachi

The year is 2010. Business between India and Pakistan is flourishing. Banking and telecoms links wedding the two former enemies have proliferated. Trade disputes replace military disputes.

Apipedream? For now, investors are cautious. But the strongest signs yet of a diplomatic breakthrough between the nuclear rivals have got economists wondering how big a boom peace in South Asia could be.

"I see a tremendous impact on trading activity," said Krishan Kalra, additional secretary general of the Federation of Indian Chambers of Commerce and Industries.

Hindu-majority India and Muslim Pakistan agreed last month on a "basic roadmap" for peace, aimed at putting decades of enmity behind them and boosting trade across their 3,224 km (2,003 miles) border. Train and air links were re-

established at the start of the year.

It may be only a few years away, but Kalra sees bilateral trade ballooning to \$10 billion by 2010, five times greater than current trade which is mostly channelled through third countries like Singapore and Hong Kong.

Direct trade is just \$200 million, a sliver of India and Pakistan's global trade.

"There are no direct banking and telecoms (cellular roaming) links, shipping, road and railway links are inadequate, getting a visa takes a long time," said Ajay Khanna, deputy director general of the Confederation of Indian Industries. "These are the major irritants to doing business."

But that could change if peace grows, reducing the costs of doing business between the two countries and oiling the trade in pharmaceuticals, steel, auto parts, cotton, tea and other goods.

Senator Ilyas Ahmed Bilour, co-

president of the India-Pakistan Chamber of Commerce and Industry, said transportation costs of \$2 billion on indirect trade would be cut drastically once direct trade was permitted.

Pakistan could open up to Indian imports, currently restricted to a list of 712 items, mainly raw materials. India has no formal restrictions on Pakistan imports.

India buys pulses, dried fruit, leather, semi-precious and precious stones and cotton from Pakistan, which buys chemicals, engineering goods, tyres and pharmaceuticals from India.

The paradox of India and Pakistan's trade is reflected in the lack of tea moving across the border.

"Pakistan presents a huge opportunity for tea exports, the country's per capita consumption is twice that of India's," said Anil Goel, vice president finance at Tata Tea Ltd, India's biggest tea exporter.



## New MD of Bakhrabad Gas Systems

Shahidul Abedin has been promoted as managing director of Bakhrabad Gas Systems Ltd.

Prior to this position, he was general manager (Planning & Development) of the company, says a press release.

He also served Rupantarito Praktik Gas Company Ltd (RPGCL) as general manager and Dhaka Clean Fuel Project as project manager.

Abedin started his career with Petrobangla as assistant engineer in the year 1978.

## SIBL grants Tk5cr to Peoples Leasing

Social Investment Bank Ltd (SIBL) has granted a mid-term investment facility of Tk 5 crore to Peoples Leasing and Financial Services Ltd (PLFS).

An agreement to this effect was signed on Wednesday at SIBL head office in Dhaka, says a press release.

Kazi Anwarul Mahub, managing director of SIBL, and Khandkar Manjur Mushed, managing director of PLFS, signed the agreement on behalf of their companies.

SIBL Additional Managing Director M Nazrul Islam, Deputy Managing Director Shahab Uddin Chaudhury, executive vice-presidents Shah Alam and Abdul Malek, Senior Vice-president Tahirul Islam and PLFS General Manager Dail Uddin were present at the function.

## SEDF training programme held

The five-day executive development training programme entitled 'fundamentals of good management' organised by the South Asia Enterprise Development Facility (SEDF) ended in Dhaka recently.

The programme was inaugurated by Zia U Ahmed, senior consultant and programme manager of Financial Markets Team of SEDF, says a press release.

Fahsed Mahmud and Nasar Hassan Khan, consultants of Financial Markets Team of the organisation, were present.

The training programme, conducted by the Singapore Institute of Management, was attended by mid-level executives from Dhaka Bank, Eastern Bank, United Leasing Company and IDLC.

The objectives of the programme were to increase managerial effectiveness of financial institutions executives through building competencies in strategic thinking, leadership, team-building, communication and motivational techniques.

Certificates were distributed among the participants by Anil Sinha, general manager of SEDF.