

Common agri-market to come under Safta negotiations

Int'l food policy expert hopes

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The formation of a common agriculture market in South Asia would definitely come under the broader perspective of the South Asian Free Trade Area (Safta), an international food policy researcher said in Dhaka yesterday.

PK Joshi, a research fellow of the International Food Policy Research Institute (IFPRI), expressed the hope speaking at a press conference on the sidelines of a five-day South Asian agricultural workshop that began on Sunday.

Washington-based IFPRI, Jahangirnagar University and the Asian Development Bank are jointly organising the workshop to discuss some of the most crucial agricultural issues including developing nations' abilities to cope with globalisation.

Joshi, also South Asia coordinator of the institute, termed the common agri-market an innovative idea to come under the Safta, now under negotiation process following an agreement signed by Saarc countries in Islamabad this year.

Joshi and his colleague Suresh Babu, a senior research fellow of IFPRI, observed that promotion of high-value agriculture and growth of agro-based industries could put a dent into the poverty that plagued the South Asian region for decades.

"Though many of the South Asian countries including Bangladesh have attained food self-sufficiency at national level, up to 50 percent of their populations are still in a state of food-insecurity because of poor purchasing capacity," Babu said.

In this respect, he referred to Bangladesh's efforts to raise the purchasing capacity of the rural marginal farmers and landless people through the food-aided interventions like food for work (FFW) and vulnerable group development (VGD).

But both Babu and Joshi considered that more prudent mechanisms have to be evolved for ensuring higher income earning of the 40 percent of South Asian population who live under poverty-line with a wage as low as one dollar a day.

"If these farmers, who earn very

low wage now, could be shown the path of high-value agriculture like dairy and fishery products, fruits and vegetables, they should be able to graduate themselves to a higher level of income," Joshi said.

To help these farmers the governments have to facilitate marketing linkage, infrastructure development and to pursue new technologies for agro-based industries, he suggested.

Joshi said South Asia, the home to 22 percent of world population, contributes only 2 percent to global income. Some 44 percent of world's poor lives in this region.

Replying to a question, Suresh Babu laid special emphasis on the role of governments of the developing countries in evolving mechanisms to cope with their developed counterparts who have been subsidising their agriculture heavily.

Communication specialist of IFPRI, Hodur Janet, was also present at the press conference held at Hotel La Vinci.

Earlier, the workshop was told that agricultural protectionism and high level of subsidies given to

farmers by rich countries were causing the developing world to lose \$40 billion worth of potential agricultural exports every year.

Millions of small farmers in the poor countries are hit hard due to protectionist measures adopted by the European Union, US and Japan to skew markets in their favour, participants told the workshop.

The IFPRI, which focuses on agriculture in poor countries, said the lost exports would be able to add nearly \$30 billion to farmers' incomes in the developing world.

According to an IFPRI finding, agricultural surpluses in rich countries, generated through protectionism and subsidies and then dumped onto world markets, hurt agricultural development in developing countries.

Some 24 delegates from across the South Asian region and also from the United States are participating in the workshop titled "South Asian Initiatives: Methods for Analysing Markets and Market Reforms for High-Value Agriculture."

Bourses asked to finalise enlistment of cos in 75 days

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The Securities and Exchange Commission (SEC) has asked bourses to make final decision on enlistment of companies within 75 days of application submission.

The capital market watchdog in a directive yesterday asked the Dhaka Stock Exchange and Chittagong Stock Exchange to communicate their final decision on granting or non-granting of listing applications to the company and the SEC within the deadline.

In case of non-granting, the stock exchange will have to specify reasons, the SEC directive said.

Within the set period, the bourses are expected to complete verifying of the investment plan papers and documents.

The SEC also asked bourses to take appropriate measures for amending relevant provisions of listing their regulations in line with the directive.

Sources said SEC has set the deadline to ensure investors' interest in secondary market. In the past, many applications were kept pending in stock exchanges for months and even years.

Also in the past some applications were denied listing without assigning any specific reason.

Ctg Port to join DGF web portal

STAFF CORRESPONDENT, Ctg

Chittagong Port will soon join Development Gateway Foundation (DGF) web portal to disseminate information on its day-to-day activities.

This was disclosed at a seminar titled "BdDGF portal and its countrywide impact" held at the CPA Training Centre here yesterday.

Chittagong Port Authority (CPA) and Bangladesh Development Gateway Foundation (BdDGF), the country partner of DGF, jointly organised the seminar.

Addressing the inaugural session, CPA Chairman AMM Shahadat Hossain said Chittagong Port had been on the web for long but its joining the DGF web portal would give people the real picture of the port and details on its activities.

It would benefit both the port and its present and would-be users by providing information required for business, he observed.

CPA Director (Admn) ANM Momin and BdDGF Executive Director Habiba Tasneem Chowdhury also attended the inaugural ceremony.

The main component of the BdDGF is the development and operational management of the web portal www.bangladesh-gateway.org -- through partnership formation, networking and skill transfer.

New DMD of Prime Bank



Mahbubul Alam has joined the Prime Bank Limited as deputy managing director (DMD).

Prior to his new assignment, Alam served as general manager of Janata Bank's international division, says a press release.

Mahbubul Alam started his banking career as trainee officer of State Bank of Pakistan in 1968.

Trust Bank, BIFCL sign loan deal

The Trust Bank Limited has extended a credit facility of Tk 65 million to Bangladesh Industrial Finance Company Limited (BIFCL).

An agreement to this effect was signed between the two organisations on Monday in Dhaka.

Shah Jalal Uddin Khan, senior vice-president of The Trust Bank, and Md Nazimuddin, senior vice-president of BIFCL, signed the loan agreement on behalf of their organisations, says a press release.

Iqbal U Ahmed, managing director of the bank, and Hasan Iqbal, managing director of BIFCL, were also present.



Prime Minister Khaleda Zia cuts a band to inaugurate the three-day 6th Dhaka International Leather Fair (DILF) 2004 jointly organised by Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association (BFLFEA) and Bangladesh Tanners Association (BTA) at Sonargaon Hotel yesterday.

Make world standard goods at competitive prices

PM urges exporters at inauguration of int'l leather fair

UNB, Dhaka

Prime Minister Khaleda Zia yesterday urged tannery owners and leather and leather goods exporters to produce world standard goods at competitive prices.

"In the competitive world, our objective will be not to survive only, but to remain ahead of others. Nearly all of you are aware about the situation of present international market and trade...none is giving concession to anyone," she said.

Inaugurating the three-day 6th Dhaka International Leather Fair (DILF) 2004 at Sonargaon Hotel, the prime minister hoped the country will be able to lead in this sector if the scopes and facilities provided by the government are properly utilised and the concerned people take sincere initiative.

So far, the leather sector earned nearly Tk 25,000 crore from exports with annual earning totalling about Tk 1,700 crore, the function was informed.

Bangladesh Finished Leather, Leathergoods and Footwear Exporters' Association (BFLFEA) and Bangladesh Tanners Association (BTA) jointly organised the fair, with about 49 participants from home and abroad.

Finance Minister M Saifur Rahman, Industries Minister M Atiur Rahman Nizami, Commerce Minister Amir Khosru Mahmud Chowdhury, Adviser to the Commerce Ministry Barkatullah Bulu, Nasiruddin Ahmed Pintu MP and BFLFEA Chairman Rezaul Karim Ansari also addressed the function.

The prime minister said her government formed the "Leather Sector Promotion Council" last year to expand the country's exports and consolidate its position in the competitive international market.

The government is also considering to set up a "Leather Design Development Centre", she informed.

Listing the supports and co-operation offered by the government, Khaleda said 15 percent cash

incentive is being given on export of leather products to flourishing the leather industry. Also, interest on bank loans on exporting leather and leather goods has been brought down to 7 percent, she added.

She hoped the owners of tanneries and the exporters of leather and leather goods will make the desired contribution to the national economy by further developing the sector and expanding foreign market and export volume.

Recalling her declaration to shift the tanneries from Dhaka's Hazaribagh, the prime minister said work on a project involving Tk 177 crore to that end is being implemented.

Finance Minister M Saifur Rahman assured all possible government assistance to the manufacturers of finished leather goods, but gave negative response to waiving tax and bank loans.

Later, the prime minister formally opened the fair by cutting a ribbon and went round some stalls.

India for multilateral tax treaty among Saarc countries

PALLAB BHATTACHARYA, New Delhi

Seeking to break new ground to push for economic integration of Saarc nations, India yesterday proposed a multilateral tax treaty among member countries to bolster flow of investment and services in the region.

Indian Foreign Secretary Shashank said such a treaty would offer greater comprehensive protection to investors and provide relative legal certainty as regards their tax status.

Addressing the first meeting of Saarc inter-governmental experts' group on investment, arbitration and avoidance of double taxation at New Delhi, he also suggested a mechanism for settlement of disputes related to investment at the regional level saying it would help attract more foreign investments in the region.

Shashank stressed the need for a forward-looking investment regime and said it should be conducive to encouragement of private investment flow within Saarc

region.

A regional approach to investments and a coordinated investment promotion initiative will increase the competitiveness of the Saarc region, he said.

The high-level meeting of senior Saarc officials discussed at length proposals aimed at promoting trade and investment in the region and issues related to trade facilitation which will supplement the agreement on South Asian Free Trade Area (Safta) signed during the Saarc summit in Islamabad in January this year.

Shashank said taking into account the speed with which globalisation is taking place and the increasing trend of regional trading arrangements across the world and stakes for Saarc in multilateral trade negotiations, it has become imperative for member-countries of this region to accelerate their economic integration.

He, however, conceded that much more work has to be done to create a favourable environment for economic integration.

Signing of Safta was a landmark, reflecting the commitment of Saarc countries to strengthen the economic ties among them, the Indian foreign secretary pointed out.

"We have the potential and talent to make South Asia an economic powerhouse. We must, therefore, seize the moment or else be content with being marginal players on the world stage," he said.

Shashank said India would host meetings of Saarc forums on harmonising standards, quality control measurement and customs cooperation in the next few months.

The New Delhi meeting decided on exchange of information on tax collection in Saarc countries.

Meanwhile, Indian industry sources said a multilateral tax treaty in Saarc would help companies if all member-countries have a uniform and lower withholding tax or the tax deducted at source on income derived from dividend, interest, royalties and fees charged for rendering technical services.

One of the key sectors which could benefit from a multilateral tax treaty is the energy sector in Saarc region keeping in view the number of projects being planned, the sources added.

The sources argue that it is easier to live with a uniform multilateral treaty on tax than separate non-uniform bilateral accords. With Saarc poised to go for enhanced economic cooperation, the necessity for such a treaty has all the more urgency, they added.

Latin America and NORDIC countries have among them multilateral tax treaties whereas in Saarc region the subject of cross-border double taxation avoidance is dealt with at bilateral levels.

India has bilateral agreements with Bangladesh, Sri Lanka and Nepal on avoidance of double taxation.

It was the Saarc Secretariat which a few years ago had taken the initiative for a regional agreement on avoidance of double taxation but it failed to make much progress.

Luong visits Square Pharma plant

Visiting Vietnam President Tran Duc Luong yesterday visited Square Pharmaceutical's manufacturing plant at Kaliakoir in Gazipur.

During his visiting with other businesspeople from Vietnam, Luong appreciated the Square's new plant, says a press release.

Tapan Chowdhury, managing director of Square Pharmaceuticals Ltd, presented a crest to the Vietnam president.

Square is already marketing its products in Vietnam and volume of export is increasing because of the quality of the products.

Eastern Lubricants Blenders declares 25pc dividend

Eastern Lubricants Blenders Limited (ELBL), a subsidiary of Bangladesh Petroleum Corporation, has declared 25 percent dividend for the year ending June 30, 2003.

The declaration was made at the 35th annual general meeting of the company held in Dhaka recently, says a press release.

ELBL Chairman and Education Secretary Khondakar Shahidul Islam presided over the meeting.

Among others, company directors Dewan A Raquib Chowdhury, Md Abdul Malek, Ahmed Jamal Khan Choudhuri, and Company Secretary MMahfuzul Haque were present.

Vietnam businesses prefer joint venture to boost investment

Visiting president tells FBCCI luncheon meeting

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Vietnam President Tran Duc Luong has said businessmen of his country prefer joint venture initiatives to export-import business with Bangladesh.

"Our trade relations have not lived up to expectation as we remain confined to export and import. We now have to move further to help each other in comparative advantage sectors through joint venture investments," he said.

The Vietnam president now on a three-day official visit to Bangladesh was speaking at a luncheon meeting hosted by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at Dhaka Sheraton Hotel yesterday.

For boosting investment, frequent communication between businesspeople of the two countries is of paramount importance, said Luong urging entrepreneurs to take dynamic efforts to augment both-way investments.

"Bangladeshi entrepreneurs can make investment in pharmaceuticals, jute, leather, garment sector in Vietnam and our investors can do same in Bangladesh in agro-processing, chemicals, electrical machinery, motorcycle sectors," he said.

Luong hoped the agreements on avoidance of double taxation and agricultural co-operation signed on Monday would increase bilateral trade and investment.

He said through its membership

in Asean (Association of South East Asian Nations), Apec (Asia Pacific Economic Co-operation) and Asean-EU Forum, Vietnam can help Bangladesh to augment trade with those groupings.

The volume of two-way trade dropped to \$9.48 billion in the last fiscal from its peak of \$30.44 million in 1994-95 with Bangladesh having a \$23.10 million trade balance in its favour. In 2002-03 fiscal, Bangladesh exports to Vietnam figured at \$6.2 million while imports amounted to \$3.28 million.

Giving a brief description of Vietnam's economic achievements, Luong said the Doy Moy reform programme worked tremendously for the economy helping to achieve an average GDP growth of 7.2 percent after 1990.

Export and import is witnessing 15 percent annual growth and total foreign direct investment reached \$40 billion in Vietnam, he said.

"After the long liberation war Vietnam aimed to maximise its internal resources and mobilise external resources to overcome the crisis. We equally focus on domestic and overseas investment for industrialisation," Luong said.

Chairing the meeting, FBCCI President Abdul Awal Mintoo said business community wanted Bangladesh government to sign a free trade agreement with Vietnam.

"Bangladesh should also sign a treaty with the Far East economy for promotion of investment," he said praising Vietnam's assurance

to support Bangladesh in joining the Asean Regional Forum and Mekong-Ganges Cooperation.

Vietnamese Foreign Minister Nguyen Dy Nien and his Bangladesh counterpart M Morshed Khan, Communications Minister Nazmul Huda and Commerce Minister Amir Khosru Mahmud Chowdhury were present at the luncheon meeting.

Bangladesh's export to Vietnam is mostly dominated by leather goods, chemical fertiliser, raw jute and pharmaceutical products. The country imports textile, machinery and electronic equipment from Vietnam.

Earlier, businessmen of the two countries discussed trade and investment at the Bangladesh-Vietnam Business Forum Meeting at the same venue.

The business leaders of both the countries agreed to take joint venture investments. The praised the governments for signing double taxation avoidance and agricultural co-operation agreements and vowed to take full advantage of that.

Vietnam's Commerce Minister Dinh Tuyen, Bangladesh Agriculture Minister MK Anwar, FBCCI President Abdul Awal Mintoo and Vietnam Chamber of Commerce and Industry First Vice-president Hoang Van Dung spoke at the meeting.

The businessmen of the two countries also held a one to one meeting for exploring the possibility of joint venture investment.

'Simplified tax payment system to raise collection'

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Government's revenue collection will increase significantly if effective measures are taken to stop harassment of taxpayers and simplify tax payment system.

This was observed by the speakers at the launching ceremony of the Centre for Tax Training and Research (CTTR), a private training institute for tax collectors and taxpayers, at BIAM auditorium in Dhaka yesterday.

The speakers urged the tax officials and bureaucrats to change the mindset and become friendly to the general people for collecting more tax.

People want to pay tax but they shy away from going to the tax

officials for their negative attitude and bureaucratic mindset, they observed.

Speaking at the function, State Minister for Finance and Planning Shah Mohammad Abul Hossain said the system of tax payment and collection should be simplified for giving relief to the people from harassment.

He admitted that the bureaucrats were yet to change their mindset positively towards serving the people. "That is why people do not feel comfort to go to them for paying taxes and duties," he observed.

Metropolitan Chamber of Commerce and Industry (MCCI) President Kutubuddin Ahmed said businessmen always face difficul-

ties in getting their additional taxes refunded. There is hardly any instance that a businessman got refund of such taxes, he said.

Ahmed said there should be a time limit for refunding the additional duties and value-added taxes paid by businessmen.

Former Chairman of National Board of Revenue Shah Abdul Hannan chaired the meeting, President of Jatiya Press Club and Editor of The News Today Reazuddin Ahmed and Director of CTTR Kazi Shahidul Hoque also spoke.

The CTTR has been set up by a group of former NBR officials aiming to help the people in paying taxes and duties in a more transparent way.