Star BUSINESS

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Rich nations must honour LDC stance on Doha agenda

Commerce minister tells WTO-Escap workshop

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Commerce Minister Altaf Hossain Choudhury yesterday said rich countries must accept proposals of poor countries to move forward with Doha Development Agenda.

Due to technical and negotiation shortcomings, some LDCs and developing countries are deprived of world trade benefits, Choudhury said. "So we must enrich ourselves with key trade issues of WTO to derive maximum benefits."

The minister was speaking at the inaugural function of a WTO-sponsored workshop on "Trade in Services Negotiations for Asian and the Pacific Economies" in Dhaka.

The World Trade Organisation (WTO) and United Nations Economic and Social Commission for Asia and the Pacific (UN-Escap) are sponsoring the three-day workshop in collaboration with the Ministry of Commerce.

Discussants at the inaugural session underscored the need for protecting the interest of least developed countries (LDCs) in trade negotiations.

Top government officials and negotiators of Bangladesh said LDCs are less interested in talks on General Agreement on Trade in Services (GATS) as it provides no guaranteed access for movement of natural persons.

"While GATS covers service suppliers at all skill levels, the WTO members' commitment tend to be limited to higher skilled categories such as managers, specialists and professionals," the commerce minister said.

He said the rich countries should change their stance about the LDCs' demand for temporary movement of natural persons, unskilled and semi-skilled.

State Minister for Finance Shah Md Abul Hossain said as LDCs have only 0.4 percent share in global trade their position must be strengthened to meet the United Nations Millennium Development Goals of halving poverty by 2015.

"In the changing consumer trend, service sector is the key vehicle of increasing trade volume. So to give a hand to LDCs in this sector, natural persons should be treated as service and visa restrictions should be simplified," he said.

Advisor to the commerce ministry Barkat Ullah Bulu said the developed countries must accommodate concern and interest like temporary movement of natural persons of LDCs to move ahead with WTO talks, now remained stalled.

Commerce Secretary Suhel Ahmed said wage parity, reciprocal recognition of qualification, temporary movement of natural persons and visa regime are the issues need to be clarified and solved for starting talks on liberalisation of service sector.

UN-Escap Representative Mathias Bruckner also spoke at the opening function held at Sonargaon Hotel. Government officials, representatives of trade bodies and service sector people were the participants.

A total of 39 participants from 20 Asia Pacific countries including 13 from Bangladesh are taking part in the workshop. Six resource persons from WTO, UN-Escap and Asean Secretariat are conducting the technical sessions.

BGMEA gets space in airports for reception centres

UNB, *Dhaka*

Civil aviation and tourism ministry has decided to allocate lands in Zia International Airport and Chittagong Shah Amanat Airport for the BGMEA to set up its two reception centres for the convenience of export trade.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin has taken the prompt decision upon a plea made by the exporters.

A delegation of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led by its president Annisul Huq, met the state minister at his office yesterday.

The centres will be used for giving reception along with protocol facilities to foreign investors and buyers of the readymade garment industry and making recommendations for their landing visa in the country.

Besides, BGMEA/Investor Immigration counters will be opened on June 16 in the two airports at the same time for buyers and investors in garment sector.

The state minister also assured considering the matters of issuance of security pass to BGMEA office

Simplified rules of origin vital for RMG survival

Oxfam discussion told

STAR BUSINESS REPORT

Simplified rules of origin for export to the EU market and duty and quota free access to other countries can help the ready made garment (RMG) industry survive in the quota-free world, speakers observed at a discussion yesterday.

"Simplified rules of origin to the EU market can save the RMG industry after MFA (multi-fibre arrangement) phaseout," Annisul Huq, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said.

He sought policy support from the government in setting up a central bonded warehouse for garment exporters, and reduction of lead-time, port related charges and bank rates to face the post-MFA challenges.

Commerce Minister Altaf Hossain Choudhury however told the discussion that the government is continuing negotiations with developed and developing countries to get duty and quota free market access for RMG products.

"We are aware of the possible consequences of quota phaseout in the export market after 2004… Duty and quota free access to a number of countries can be a good solution to this problem," the minister said.

The discussion was held after a presentation on 'Stitched Up: How Northern Protectionism in Textiles and Clothing Trade prevents Poverty Alleviation' by Oxfam GB, Bangladesh Programme, at Cirdap auditorium.

The commerce minister said due to duty and quota free access of Bangladeshi RMG products, export to Canada has gone up by 140 percent during the first nine months of the current fiscal over the same period of last year.

He hoped Bangladesh's export market in the European Union (EU) may be expanded as 10 more countries joined the bloc this month.

The minister suggested setting up of workers' skill upgradation centres where workers can improve their quality. He also proposed establishment of 'job bank' to provide a source of labour for any garment factory that needs workers.

In the presentation, Oxfam suggested reduction in tariffs on textiles and clothing imports for manufacturing finished products by 2010 through WTO negotiations.

Mustafizur Rahman, research director of the Centre for Policy Dialogue, chaired the meeting.

Capa confce concludes in Dhaka

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The 16th conference of the Confederation of Asian and Pacific Accountants (Capa), hosted by the Institute of Cost and Management Accountants of Bangladesh (ICMAB), concluded in Dhaka on Monday.

Speaking at the closing session, Speaker of the Jatiya Sangsad Muhammad Jamir Uddin Sircar emphasised transparency in the accounting profession. He called upon the accountants to remove their shortcomings.

Chairman of the Parliamentary Standing Committee on the Ministry of Agriculture Abdul Mannan and Comptroller and Auditor General of Bangladesh Asif Ali also addressed the session as special guests.

This is for first time Bangladesh hosted the conference of Capa, a platform of 31 accounting bodies from 21 countries in the Asia-Pacific region.

The theme of the conference was 'Accounting Profession in the Global Economic Scenario.' Six technical papers were presented in the conference by accounting professionals from Capa countries.

Robin A Hamilton Harding, president of Capa, appreciated the ICMAB for hosting the conference. Prof Khawaja Amjad Saeed, ex-president ICMAB, presented the recommendations of the conference.

The next Capa conference will be held in Osaka, Japan, in 2007.

PHOTO: BKMEA

Newly elected office bearers of Bangladesh Knitwear Manufactures and Exporters Association (BKMEA) yesterday met Commerce Minister Altaf Hossain Choudhury in Dhaka. BKMEA Chairman Fazlul Haq led the team.

AIRCONDITIONER ASSEMBLERS' BUDGET PROPOSAL

Cut import duty on spare parts to 2.5pc

STAR BUSINESS REPORT

Airconditioner assemblers and fridge importers have demanded reduction of import duty on spare parts of airconditioners and withdrawal of regulatory duty on imported parts of refrigerators in the next fiscal year's national budget.

Bangladesh Refrigeration and Airconditioning Merchants Association (BRAMA) raised the demands in its budget proposal submitted to the government through the Federation of Bangladesh Chambers of Commerce and Industry.

The association proposed reduction of import duty of spare parts of airconditioners to 2.5 percent from existing 22.5 percent.

Delwar Hossain, chairman of BRAMA, said there is hardly any difference between the price of a new airconditioner and cost of repairing an old one due to the high import duty on spare parts such as compressor.

"Then why the customers will repair their airconditioners?" he said. "All the air-conditioning workshops depend on imported spare parts and so the government should reduce the duty to help them survive."

Hossain said gathering practical experiences at these workshops, 12,000 to 15,000 technicians go abroad for job every year. "If the government maintains the high import duty, many workshops will be closed down."

In March this year, regulatory duty was imposed on refrigerator parts while import duty on airconditioner parts raised to 22.5 percent but the duty on finished products increased by only five percent, the association said.

The total tax incidence, after the new adjustment, on completely knocked down (CKD) refrigerator is 63 percent while it stands at 84 percent on completely built-up (CBU) units. Previously, it was 40 percent and 79 percent respectively.

"The narrow tax difference between CKD and CBU units hit hard the local assemblers and repairing shops," Delwar Hossain, also a director of FBCCI, said.

The repair workshops are now charging more as the prices of spare parts went up following the increase of regulatory and import duty, he added.

More than 150,000 units of refrigerator and 50,000 units of airconditioner are being sold in the local market every year, market sources said. Most of the refrigerators come in CBU form and airconditioners in CKD form.

BKMEA team meets Altaf

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Newly elected office bearers of Bangladesh Knitwear Manufactures and Exporters Association (BKMEA) yesterday met Commerce Minister Altaf Hossain Choudhury.

During the meeting, leaders of the BKMEA requested the minister to expedite the release of fund earmarked for cash incentives.

The minister assured the BKMEA leaders to take necessary steps to meet their demand.

Newly elected BKMEA Chairman Fazlul Haq and other officials were also present at the meeting.

AMCL-PRAN, CDBL sign deal

Agricultural Marketing Company Limited (AMCL-PRAN) has signed an agreement with Central Depository Bangladesh Limited (CDBL) to convert its paper shares into electronic ones for trading under central depository system (CDS),

Maj Gen (Retd) Amjad Khan Chowdhury, managing director of AMCL-PRAN and chief executive of PRAN Group, and MH Samad, managing director and CEO of CDBL, the service provider of CDS, signed the deal on behalf of their organisations in Dhaka on Sunday, says a press release.

Among others, Lt Col (Retd) Mahtabuddin Ahmed, chairman of AMCL-PRAN, was present.

Oil prices ease though supply fears linger

AFP, *London*

Oil prices gave back some of their recent steep gains on Tuesday but traders remained sceptical that producers will be able to quench the world's thirst for oil.

The price of benchmark Brent North Sea crude oil for July delivery dipped 45 cents to 37.72 dollars in late morning trading in London, having surged by 1.66 dollars a day earlier.

New York's light sweet crude for delivery in July soared 1.79 dollars Monday to finish at 41.72 dollars a barrel, the highest settlement in the 21-year history of the contract.

In pre-opening electronic dealing, it slipped 27 cents to 41.45 dollars.

Traders are worried that Saudi Arabia has neither the capacity nor the support of other Opec members to increase production by enough to meet rampant demand.

"Demand is now growing one million bpd faster than non-Opec supply, and Opec's post-1998 underinvestment is coming home to roost, amplifying the concentration of spare oil in Saudi Arabia, and the implications of further terrorism there," Deutsche Bank analysts told clients.

Saudi Arabia had proposed Friday that the Organization of Petroleum Exporting Countries (Opec) raise output by at least two million barrels per day (bpd).

Analysts note that the cartel's is already producing some two million barrels above its official 23.5 million bpd quota.

Opec ministers, at an informal meeting in Amsterdam on Saturday, postponed a decision until a formal gathering in Beirut on June 3.

Some members of the 11-country cartel appear less enthusiastic that Saudi Arabia about raising production substantially.

Iran backs a "limited increase" in Opec output to dampen soaring world prices, Oil Minister Bijan Namdar Zanganeh told Iranian state television.

Asked whether Iran would support Saudi proposals to boost the cartel's production ceiling by more than two million barrels per day (bpd), Zanganeh said: "The fact that Iran agrees with a limited increase in output does not mean it backs a hike beyond the usual limits."

He did not elaborate on what he meant by "the usual limits".

The minister warned that US pressure on Opec for a substantial output increase was counterproductive.

"US pressure on Opec to do something is really not a good thing at all. In fact it's very poorly regarded by member countries and will have no positive effect."

Even with extra oil from Opec, low gasoline inventories, refinery bottlenecks and fears about insurgency in Iraq and Saudi Arabia are likely to keep prices high, analysts said.

Truetzschler customer day held

STAR BUSINESS REPORT

Customer Day-2004 of Truetzschler GmbH & Co KG, a textile machinery manufacturing company of Germany, was held in Dhaka yesterday.

The company also held a technical seminar in association with its local representative Bengal Technological Corporation Ltd to mark the customer day at Sonargaon hotel.

The seminar was organised to let local customers know about the new developments of Truetzschler machinery, according to a press statement.

At the seminar, company officials discussed about new high production card and high performance draw frame, manufactured by Truetzschler.

Prime Bank, CDBL sign agreement

Prime Bank Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL), the service provider of the Central Depository System, to dematerialise its paper shares.

Under the deal, CDBL will convert paper shares of the bank into electronic ones, says a press release.

Shah Md Nurul Alam, managing director of Prime Bank, and MH Samad, managing director and chief executive officer of CDBL, signed the agreement on behalf of their organisations.

M Shahjahan Bhuiyan, additional managing director, Nasiruddin Ahmed, deputy managing director, and Md Anowarul Islam Khan, senior vice-president and secretary to the board of Prime Bank, were also present at the signing ceremony.

GP rewards six channel partners

GrameenPhone Ltd (GP) has rewarded its dealers for their performances under the company's sales incentive programme "Going Beyond".

GP Managing Director Ola Ree handed over the return air tickets for a three-day trip to Malaysia to the six winners of Rajshahi and Sylhet zones at a function held in Dhaka recently.

The winners of Rajshahi zone are Saiful Islam (best individual agent), Megbahul Hamid of Hamid Telecom (best outlet) and Rashidul Bari of Mobile Mart, Naogaon (best dealer), says a press release.

The winners of Sylhet zone are Nurul Islam (best individual agent), Nasim Hussain of Hussain Telecom (best outlet) and M Abdul Awal of Siemens, Sylhet (best dealer).

Among others, Kafil HS Muyeed, general manager, Sales and Marketing of GP, Mahboob Hossain, additional general manager and head of Distribution, and other senior officials of the Division, were present.

Take effective steps to check corruption in tax admin

Speakers suggest at pre-budget seminar

STAR BUSINESS REPORT

Speakers at a seminar yesterday said corruption has a taken a deep root in both government and private sectors because of poor governance and lack of transparency.

They underscored the need for taking effective measures against corruption in the tax administration and streamlining the country's taxation system.

"No new tax should be imposed without the parliament's nod," Justice Abdur Rouf said at the seminar on 'Corruption is an obstacle to revenue collection'.

Jatiya Kar Ainjibi Samity (National Tax Lawyers' Association) organised the pre-budget seminar at the National Press Club in Dhaka.

Justice Rouf, a former Chief Election Commissioner (CEC), said it must be ensured that corrupt people cannot use the loopholes of law to avoid punishment.

"The government has agreed to set up independent anti-corruption commission due to pressure from the donors," Enayetullah Khan, editor of The New Age, said at the seminar.

He said a section of politicians in Bangladesh think that corruption is their right.

Presenting the keynote paper, advocate Kanika Mahfuz Ara said government faces a financial loss of about Tk 12,000 crore due to rampant corruption in government agencies.

If corruption can be checked, dependence on donors will be lessened, she said.

Quoting surveys, the keynote writer said the government has to incur a loss of Tk 300 crore annually due to lack of coordination between utility services agencies.

The discussants also urged the political parties to nominate honest people in elections and make the electoral process free of black money.

PHOTO: TRUTZSCHLER

Md. Wazihullah (second from right) chairman, Bengal Technological Corporation Ltd, speaks at a press conference to mark the Trutzschler Customer Day at Sonargaon Hotel in Dhaka on Tuesday. Gerold Conska, Lutz Trutzschler and Hermann Selker of Trutzschler, a German textile machinery manufacturer, are also seen.