

Form national committee on WTO: ActionAid

STAR BUSINESS REPORT

ActionAid, an international NGO, yesterday suggested forming a National Committee on WTO to effectively take part in future trade negotiations with a view to protect the interest of least developed countries (LDCs).

It said the national committee should represent all stakeholders including experts, politicians, and representatives of non-governmental organisations, workers, business community, women and local government.

Leaders of the organisation urged the government not to agree with any decision against the interests of LDCs in the next World Trade Organisation (WTO) general convention to be held in Hong Kong next year.

Developed countries especially the US and the countries under European Union always dominate the least developed and developing countries in the WTO trade negotiations, they told a press conference in Dhaka.

"Bangladesh can play a vital role in the convention as the country leads the LDCs," said Ziaul Haq Mukta, ActionAid team leader of Natural Resources and Services in Bangladesh, speaking at the press conference.

New MD of Union Ins



Syed Shahriyar Ahsan has joined the Union Insurance Company Limited as its new managing director.

Prior to joining the present position, he was the managing director of Continental Insurance Ltd, says a press release.

He has been associated with the insurance sector of the country for a long time.

'Germany may go bankrupt sans reforms'

REUTERS, Berlin

Finance Minister Hans Eichel said Saturday Germany would go bankrupt if the government's reforms are stopped.

In an interview with Focus magazine, Eichel also criticised the work ethic in Germany, saying it was incomprehensible that a country with more than four million unemployed people still has to import seasonal workers.

"If we don't do these reforms we'll go bankrupt," Eichel said, according to an advance text of the interview.

Chancellor Gerhard Schroeder's government has faced sharp public criticism and weekly demonstrations against planned cuts in jobless and welfare benefits. The ruling Social Democrats are expected to suffer a series of election defeats in September.

US still presses China on piracy, trade gap

REUTERS, Washington

The United States is still looking for proof that China is serious about a promised crackdown on illegal copying of billions of dollars of US goods, a top Commerce Department official said Friday.

"Frankly, we need to see the 'perp walks' in China," Commerce Under Secretary Grant Aldonas told reporters, referring to a US police practice of parading an arrested suspect, or perpetrator, in handcuffs before the media. "We need to see the enforcement efforts have teeth."

Aldonas, who travels to China next week, said the United States also was looking for government action aimed at opening the Chinese market to more American exports.

Offering immunity to WB to hurt country's interest

Politicians, academics, economists, lawyers say

STAR BUSINESS REPORT

Politicians, academics, economists and lawyers yesterday urged the government not to pass any bill in the parliament that will give immunity to the World Bank (WB).

They also urged organisations and individuals to take the government to court if it gives legal immunity to the multilateral donor agency.

"What will we do if any of the World Bank projects poses any threat to our environment or any other fields?" asked Muzaffer Ahmed, a former professor of the Institute of Business Administration of Dhaka University, at a meeting in Dhaka.

Saptahik 2000, a weekly Bangla magazine, and The Innovators, a trust, jointly organised the meeting titled 'The World Bank and The Question of Immunity' to raise voices against the government move.

In the first week of July, the

Cabinet approved a draft bill to offer legal immunity to the bank by seeking an amendment to the International Financial Organisations Order 1972.

The bill styled as International Financial Organisation (Amendment) Bill 2004 is expected to be placed during the upcoming parliament session, sources said.

The WB sought such immunity following a case filed by its former Bangladeshi official Ismet Zerin Khan on August 6, 2001 after she was sacked from the organisation.

Participating in the discussion, GM Quadir MP criticised the government for drafting the bill.

He said the government is obsessed with the idea that it cannot run the economy without the support from the World Bank and therefore it does not want to confront with the bank.

The Jatiya Party (Ershad) lawmaker also urged people to file case

against the government if it passes the proposed bill.

Moinul Islam, former president of Bangladesh Economic Association, said the World Bank assistance is not essential to run the country. "As a student of economics, I say that Bangladesh can move without the bank's assistance," he added.

Hasanul Haque Inu, president of Jatiya Samajtantrik Dal (JSD-Inu), said although the WB provides a little amount of money for the country's development, it always try to influence Bangladesh's policy-making process.

Anu Muhammad, a professor at Jahangirnagar University, said as the bank has realised that its activities are harmful to people in many cases, it now seeks immunity from legal proceedings.

Presenting a paper at the meeting, Rashed Al Mahmud Titumir of The Innovators said the bank fails to

bring significant changes in the fields it works for.

According to him, despite WB presence in Bangladesh after the country's independence, the country has found it difficult to achieve a faster rate of poverty reduction.

Still 49 percent of the total population live below the poverty line and 19.98 percent suffer from hardcore poverty, he said, adding that the gap between the rich and the poor has also widened.

According to organisers, they invited a representative from the World Bank to attend the meeting but none came to join the meeting.

Hafiz Uddin Khan, former advisor to the caretaker government, and MM Akash, a professor of economics at Dhaka University, among others, spoke at the meeting.

Banks turn to 'unfair means' to dodge rules

UNB, Dhaka

A section of commercial banks are inventing ways of dodging Bangladesh Bank's stringent measures imposed on them trying to improve their management efficiency and thus reduce operational costs.

Delinquent borrowers who failed to repay large sums of bank money are getting fresh loans in collusion with a section of bankers through such roundabout way, according to sources in the banking circles.

Professional bankers find the ways and utilise those at the instructions from some members of respective bank boards, taking risks of the central bank's punitive action.

The news agency investigated the impact of Bangladesh Bank's effort to improve governance in the commercial banks and observed that the banks were still sanctioning fresh loans to the defaulters.

Bangladesh Bank has set guidelines for the commercial banks to improve their management efficiency to reduce their high operational costs so that they can reduce interest rates on loans to facilitate investment.

According to an Asian Develop-

ment Bank (ADB) estimate, the operational cost in the banking system of Bangladesh is a staggering 3.13 percent of net assets against an international standard of only one percent. In India, it is 2.5 percent.

"We sanctioned fresh loan to a party who, as we know, is a defaulter," admitted a credit officer of a private commercial bank, requesting anonymity. "What we do is make sure that the party's overdue loans have been rescheduled taking money from the fresh loan."

The technique applied: the bank first helped their client reschedule the previous loan, procure Bangladesh Bank's Credit Information Bureau (CIB) report that he is no more a defaulter and then activated the fresh loan at a deferred date.

The bank, however, charged due interests incurred for the days behind the date.

To sanction the fresh credits the bank has been convinced that the party would eventually be able to pay back the loans after overcoming his temporary shortcomings. It also considered a lucrative lending rate the party offered.

In some other cases, another banker said, defaulters run from one

bank to another seeking bankers' help to bail them out from the difficulties they are facing due to the Bangladesh Bank measures freezing the defaulters' entitlement to fresh credits.

"We're also trying to take the advantage of the scared clients of other banks to make them ours, but after cautious evaluation of their business condition," he said.

Another ploy was also revealed in the investigation that the bank directors, who had earlier directed loans, now avoid making direct edict on the loan proposals and ask verbally their appointed bankers to sanction loans.

As a result, the bankers were in fear that they would have to lose their jobs as per new regulations if Bangladesh Bank's inspection teams—a bit aggressive these days—once uncover the malpractice.

"We hardly could bypass an instruction from the directors in the past," said an officer of a private commercial bank, apprising how his senior colleague avoided awarding a loan to an ineligible client despite instructions from a Board member of his bank.

StanChart starts ATM services in Narayanganj

Standard Chartered Bank has launched its ATM (automated teller machine) services in Narayanganj recently.

Azimuddin Ahmed, a long-standing client of the bank in Narayanganj, inaugurated the service, says a press release.

Among others, M Sajidur Rahman, head of Consumer Banking of the bank, and Tanvir H Chowdhury, head of Shared Distributions, were also present.

Standard Chartered has 24 ATMs in Dhaka, Khulna, Chittagong, Sylhet, Bogra and Narayanganj.

Indian PM sees no slowdown in economic growth

AFP, New Delhi

There are no signs that the Indian economy is slowing down, despite concerns over a patchy monsoon and rising inflation, Prime Minister Manmohan Singh said Saturday.

However, he conceded that short-term growth could be impacted by high inflation fuelled by an uptick in oil prices despite strong performances in the industrial and services sectors.

Singh, an economist, has targeted 7.0 to 8.0 percent GDP growth for the next decade, supported by a pickup in industrial and agricultural output.

"There is no indication that there is any deceleration in the overall growth of the Indian economy," Singh told a press conference.

"The short-term economic situation has worked out in a manner we would not have liked it to go. The reason for this is inflationary pressures which is a matter of concern," he added.

"But we have adequate stocks of food grain, adequate stocks of foreign exchange. The industrial growth for this year has been much better (than last year) and the export growth has also been much better."

Oil prices have spiralled in India, which imports 70 percent of its crude needs, helping push up inflation which hit a three-and-a-half-year high of 8.17 percent in the week ending August 21.

India's central bank in May forecast 6.5 to 7.0 percent growth for the fiscal year 2004-2005.

Opec mulling 28-30 dollar price band

AFP, Kuwait City

Opec is considering raising its price band to between 28 and 30 dollars a barrel, Qatar's energy minister said in comments published Saturday, ahead of a crucial meeting of the cartel.

"A special committee is currently reviewing raising the band to between 28 and 30 dollars a barrel," from the current 22 to 28 dollars, Abdullah bin Hamad al-Attiyah told the London-based daily Al-Hayat.

"If the committee completes the revision, the issue could be discussed at the meeting," of OPEC ministers due to be held in Vienna on September 15, he added.



PHOTO: STAR
Muzaffer Ahmed, a former professor of the Institute of Business Administration of Dhaka University, right, Golam Mortoza, executive editor of Saptahik 2000, middle, and Rashed Al Mahmud Titumir of The Innovators, left, are seen at a meeting jointly organised by Saptahik 2000 and The Innovators in Dhaka yesterday.

Trade through Benapole land port virtually stalls

Businesspeople blame Indian customs

UNB, Benapole

Export-import trade through Benapole land port virtually stalled following strict measures taken by the Indian customs at Petrapole on the other side of the border, businesspeople said.

In the last three days, barely 30-70 goods-laden trucks entered the Benapole Port as against some 400-500 that used to drive into the Bangladesh territory before the "port crisis" was created.

Port sources said Indian authorities tightened the rules after a

high-powered customs delegation from New Delhi visited the Petrapole Port on September 1.

The delegation was reported to have been able to identify massive irregularities, including misdeclaration, at the port.

Under the new rules, customs officials were issuing orders for export after checking every cargo truck and relevant documents.

"Perishable goods like fruit, onions, garlic and other items have already been damaged for the rigid attitude of the Indian authorities," one of the traders told UNB corre-

spondent here. Worries gripped the customs officials, exporters and C&F agents on the Petrapole side, port sources said.

Thousands of goods-laden trucks remained stranded at Bongaon, near Petrapole port, following the brake having been pressed on the cross-border haulage.

Sources said Indian chamber federations are planning to go on strike over the unilateral decision of the Indian customs.



PHOTO: STANDARD CHARTERED

Azimuddin Ahmed, who has been a client of Standard Chartered Bank in Narayanganj for a long period, and officials of the bank pose for photographs at the inauguration of the bank's ATM (automated teller machine) services in Narayanganj recently. Ahmed inaugurated the service formally.

India for equal rich-poor relationship in WTO

REUTERS, New Delhi

Rich nations must acknowledge the basis realities of developing countries if the World Trade Organisation (WTO) is to move forward, Indian Commerce and Industry Minister Kamal Nath said Friday.

WTO members reached a framework agreement in Geneva in July on the principles that will set the tone for the reduction of tariffs and other barriers to trade in agriculture, industrial products and services.

Developing countries including India are pressing hard to preserve their farm sector while developed countries press for access to their markets and analysts say issues relating to the farm sector will continue to remain in focus in the

WTO.

Analysts say the stance taken by India, which has a paltry 0.8 percent share of global trade but has come to voice the views of developing nations, was crucial to the breakthrough in world trade talks in July.

"If the WTO has to move forward then obviously developed countries have a bigger responsibility to see that they comprehend ground realities of developing countries," Nath said.

Nath said India would continue to forge a strong relationship with G-20 nations to articulate the views and concerns of developing nations in the WTO.

The G-20 is an alliance of diverse interests, that's what gives it credibility. It has a credible voice

and that has been its strength to remain bonded to each other," said Nath, a successful businessman-turned politician.

The G-20 which includes other influential developing countries such as China, Brazil and South Africa -- is pressing rich countries to slash farm subsidies which they say distort global trade.

The minister also said India would work towards a closer trade relationship with its Asian rival China whose exports far outstrip India's.

India exported goods worth \$61.84 billion in the year to March 2004 while China's exports in the January to July period were \$309.1 billion.