

No trade negotiation before Safta implementation

Commerce secretary tells CPD dialogue

STAR BUSINESS REPORT

The government will not move ahead with trade negotiations with any party before the South Asian Free Trade Area (Safta) gets implemented on January 1, 2006.

At present, Safta tops government's priority list and the incoming South Asian Association for Regional Cooperation (Saarc) summit in Dhaka may provide further breakthrough in Safta negotiations, scheduled to be concluded by May 31, 2005, Commerce Secretary Md Aminur Rahman said yesterday in Dhaka.

The government will pursue bilateral, regional and multilateral trade deals and aggressive negotiations in the platform after implementation of Safta, he disclosed at a dialogue on "Regionalism vs Multilateralism: What Could Bangladesh Learn from the Global Experience" organised by Centre for Policy Dialogue (CPD).

The government official's comment erupted a debate at the dialogue at CIRDAP auditorium where most of the economists, business representatives and participants recommended pursuing aggressive negotiations on bilateral free trade deals.

They said under Safta arrangement, Bangladesh may get full duty

free market access to India in 2013 whereas under India-Asean partnership Myanmar, Vietnam may get the duty free facility to India in 2010.

Even being the closest neighbour and a fellow Saarc member, India is not ready to provide Bangladesh with duty free market access facility before the four LDCs from Association of Southeast Asian Nations (Asean), they said.

Chairing the dialogue, CPD Chairman Professor Rehman Sobhan said, if Bangladesh does not continue negotiations vigorously the country may lose out to Vietnam, Myanmar, Laos and Cambodia, the four LDCs in Asean bloc, to get duty free access to Indian market.

Former diplomat and President of Bangladesh Enterprise Institute Farooq Sobhan said, "We should start immediate diplomatic efforts to get duty free access to India."

India has signed bilateral free trade agreements (FTAs) with Sri Lanka and Nepal and is negotiating with Thailand over FTA, even though it is a participant in Safta and Bay of Bengal Initiative for Multi-sector Technical and Economic Cooperation (Bimstec), he added.

Bangladesh should negotiate with Saarc countries for on-arrival

visa and uniformity in standard requirements, a major non-tariff barrier in intra-regional trade, he said.

Md Fozlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association said apart from FTA with India, the government should reach a trade arrangement with China as the two giant economies offer huge market for Bangladeshi goods.

"If we do not move ahead with trade negotiations with China and India, Vietnam and Cambodia may grab the two huge consumer markets," he said.

Former commerce minister and opposition Awami League leader Tofail Ahmed said, the finance minister made the comment making a U-turn on bilateral FTA with India.

"Sri Lanka and Nepal have signed bilateral FTAs with India and they are seeing growth in export and GDP. We can see huge export growth if we sign FTA with India," he said.

He said, Bangladesh also lacks expertise in trade negotiations. Frequent transfers of key commerce ministry officials in political considerations have created the shortage of expertise, he said.

Commerce Minister Altaf

Hossain Choudhury said, the government is committed to multilateral trading system and at the same time it attaches importance to regional and bilateral trade.

Persistent slow pace of multilateral trade negotiations has led to proliferation in bilateral and regional free trade agreements. Presently there are over 300 such agreements in force or in final stage of negotiations and by the end of 2005, 55 percent of the world trade will be covered by such preferential arrangements, he said.

Gaddam Dharmendra, counselor (political) of Indian High Commission in Dhaka, said it is India that insisted FTA with Bangladesh.

Bangladesh prefers regional and multilateral trade deals while India prefers bilateral trade deals.

Willem van der Geest, director of European Institute for Asian Studies, Brussels, presented a paper on the arranged dialogue.

Among others, Anne Marshal, first secretary of EU delegation to Bangladesh, Alamgir Faruk Chowdhury, former commerce secretary, Sayeeful Islam, president of Dhaka Chamber of Commerce and Industry, Abu Ahmed of Dhaka University, and A Rouf Chowdhury, director of FBCCI, spoke at the dialogue.

RMG exporters blamed for not investing in backward linkages

Saifur inaugurates online banking of Dutch-Bangla Bank

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Finance Minister M Saifur Rahman yesterday came down heavily on readymade garment exporters, saying had they made substantial investment in the backward linkage industries, the country would not have seen such an uncertain situation in garment export in the quota-free era.

"We have good backward linkage support in knitwear but our woven sector is not strong enough to face the challenges of present open market regime. Had the garment exporters made substantial investment in this area, the situation could have been different," he said.

Saifur underscored the need for a strong financial sector to increase investment in the backward linkage industries.

"We will face tremendous challenges in the days to come. We have to improve the services and efficiency in the financial sector to survive in the competitive world," the finance minister noted.

He was speaking as chief guest at the inaugural of online banking system of the Dutch-Bangla Bank Limited (DBBL) at Sonargaon Hotel in Dhaka.

Banking services are important for supporting investment and working capital required for the backward linkage industries, Saifur said stressing the need for a coordinated effort of all regulators in the financial sector to improve efficiency.

Referring to the dismal performance of the nationalised commercial banks (NCBs), the minister said the management of the NCBs do not go for investment rather keep almost all money idle. "They do only wholesale banking."

Private commercial banks (PCBs) are heavily making technol-



Finance Minister M Saifur Rahman inaugurates online banking system of Dutch-Bangla Bank Limited (DBBL) in Dhaka yesterday. Finance Secretary Zakir Ahmed Khan and Managing Director of DBBL Md Yeasin Ali are also seen.

ogy-oriented investment, expanding service and recording good growth in business.

It is difficult to bring about change in the existing structure of the NCBs, Saifur said adding: "We are carrying out reforms in fiscal and monitoring sector."

Citing example of the managing director (MD) of DBBL, Saifur said as an MD of of Rupali Bank he could not improve the situation, but after joining DBBL he is performing outstandingly for his bank.

Speaking at the function,

Finance Secretary Zakir Ahmed Khan said in present service sector, the use of Information Technology has become essential to satisfy the clients. "Without being IT equipped is like fighting with stick against tanks," he observed.

Managing Director of DBBL Md Yeasin Ali said Dutch-Bangla bank started its journey nine years back coming out of the existing culture. DBBL set the example of providing DD, TT, MT services without taking any charge. "It didn't affect the bank's business rather it is showed

good business growth."

Despite cutting its interest rates substantially last year the bank's overall profit did not decline, he said. Presently, the bank's average rate is above 10 percent and the maximum rate is 12 percent.

The bank is now benefiting from the investment in the IT sector, Yeasin said. "It was possible to get the annual bank statement instantly on the last working day of the year because of automation," he added.

Khulna Int'l Trade Fair begins today

STAFF CORRESPONDENT, KHULNA

A month long Khulna International Trade Fair 2005 begins today at Sonadanga truck terminal ground here.

India, Iran, Pakistan and some multinational companies will showcase their products in 14 pavilions and 200 stalls in the fair.

Commerce Minister Altaf Hossain Chowdhury is expected to inaugurate the show organised by Khulna Chamber of Commerce and Industry.

Hyundai Motor sales up 25pc

AFP, Seoul

South Korea top auto manufacturer, Hyundai Motor Group said, Monday its total sales rose 25 percent in 2004 despite weak domestic demand.

The group said its operating arms -- Hyundai Motor, Kia Motors and their overseas units -- sold 3.18 million vehicles last year, 24.7 percent up from 2.55 million in 2003.

Domestic sales fell 14.9 percent to 806,000 vehicles while overseas sales jumped 28.8 percent to 2.37 million.

Korea launches mobile phone for the blind

ABU SAEED KHAN

A vendor, an operator and two philanthropic bodies have developed a special type of mobile phone for the visually handicapped consumers in South Korea.

Samsung Electronics, SK Telecom, the Korean Blind Union and Intro Mobile, have agreed to continue developing a more upgraded version of the 'Helper Phone' that was launched in Seoul on December 23, 2004.

This phone is designed to help blind people conveniently use their mobile phones through a voice-enabled cellular function guide. Earlier, Samsung Electronics marketed the 'Helper Phone' with model no. SCH-E580. It offers special voice guidance to customers through the voice helper mode on the handset.

To use this service, the customer presses number '5' on the cellular screen a little bit longer than the regular pressing time. This model places its focus on facilitating the visually handicapped customers for their use of mobile phones.

'Helper Phone' provides such voice directed functions as the latest incoming and outgoing call list, text message list, voice message list, and non-answered call list. Furthermore, customers can get

such information as date, time, alarm and battery capacity balance via voice guide.

The number of visually handicapped people registered to the Korea Blind Union has reached 280 thousand in Korea. Most of them are using mobile phones. They have had difficulties in using their mobile phones because they had been using the ordinary handsets developed for normally sighted people.

Emphasizing the launching of 'Helper Phone', SK Telecom, Samsung Electronics, the Korea Blind Union and Intro Mobile have agreed to keep on developing more upgraded 'Helper Phones' for visually handicapped people.

This will greatly contribute to the protection of the rights of visually handicapped people who have been left out of the mainstream society. This development is due to the fact that Korea is a major power of the IT industry in the world holding a 76 percent cellular phone subscription rate among the general population.

Hyung Keun Kim, vice-president of SK Telecom said, "Starting with the launching of 'Helper Phone', we have a plan to keep developing more upgraded handsets with a variety of functions that facilitate visually handicapped customer convenience in the future."

Bangladesh fetches \$1.2m spot orders in India trade fair

STAR BUSINESS REPORT

Bangladesh has bagged spot orders worth US\$ 1.2 million in the Industrial India Trade Fair held in Kolkata from December 20 to 31.

Otobi Furniture, Quasem Drycell, Square Toiletries, Lily Cosmetics, Haque Brothers and exhibitors of Jamdani sarees received major export orders from the Indian visitors, an Export Promotion Bureau (EPB) press statement said yesterday.

A total of 32 local companies displayed handicrafts, Jamdani saree, silk products, drycell batteries, melamine tableware, kitchenware, furniture, cosmetics and toiletries, ready made garments, medicine, food items, soft drinks and jute products in the fair.

Besides Bangladesh, participants from four other countries showcased their products in the fair. According to an EPB source, Bangladeshi exhibitors received huge response from the visitors and people made queries about the products displayed in the Bangladeshi pavilion.

EPB takes part in the fair every year to extend the export market for locally manufactured products in India, the source added.

Gold loses shine in Asia on firm dollar

REUTERS, Singapore

Gold shed around \$5 an ounce on Monday in the year's first trading day, losing some of its shine to a firmer dollar and the holiday absence of investors in Japan.

Platinum and palladium were little changed from London's last quoted levels, while silver was down, tracking gold's decline.

Gold gained nearly 6 percent in 2004, and dealers expected the metal to rise further this year as violence in Iraq, high oil prices and the dollar's poor outlook raise gold's safe-haven appeal.

Spot gold fell to a three-week low at \$432.90 an ounce before rebounding to \$434.25/435.25 in

afternoon trade. That compared with \$438.15/438.45 last quoted in London on Friday, when the New York market was closed for the year-end holiday.

Tokyo's gold futures reopen on Tuesday after a long New Year's holiday.

Physical trading was quiet, with jewellery manufacturers and investors showing little interest in the metal despite falling prices.

In the currency market, the euro was at \$1.3441, versus around \$1.3558 in late US trade and off Thursday's record high at \$1.3667.

A firmer dollar makes dollar-priced gold more expensive for holders of other currencies.

But currency dealers said the euro was expected to continue to firm this year on concerns about whether the United States can attract enough foreign capital to finance its massive current account deficit.

Dollar weakness has been the dominant factor behind gold's three-year run higher, with the metal's price reaching a 16-1/2 year high at \$456.75 an ounce in early December. Some dealers said expectations that last week's devastating tsunamis would ignite heavy safe-haven buying in Asia had failed to materialise.

Gold is often bought as an investment that can be sold in times of trouble.

JOBS training for Banarashi Palli entrepreneurs

Job Opportunity and Business Support (JOBS), a project funded by USAID, Bangladesh, recently conducted a seven-day entrepreneurship training for entrepreneurs of Banarashi Palli at Mirpur in Dhaka.

JOBS project, implemented by the IRIS Centre at University of Maryland, designed the course to focus the need of business selection and planning, market survey, financial management and selling skills of the entrepreneurs of Banarashisaree.

A total of 13 entrepreneurs participated in the course conducted by SM Shahidullah, manager-Training, and Mafruha Alam, deputy manager-Training of JOBS, says a press release.