

## Tifa to lead to FTA between US, Bangladesh

### US ambassador says

**UNB, Dhaka**  
Signing Trade and Investment Framework Agreement (Tifa) between Bangladesh and the United States would lead to striking a deal on free trade agreement (FTA) between the two countries, the US Ambassador Harry K Thomas said yesterday.  
The envoy does not know exactly date or place of signing the

Tifa, the draft of which has already been reached through the recent negotiations in Dhaka. But he noted that it would be finalised in next few months.

"Tifa would be a first step towards a free trade agreement between Bangladesh and the USA... It is important to both countries. We hope Bangladesh would like it," he said responding to a question at a function at the

American Center.  
About the TRADE (Trade Relief Assistance for Developing Economies) bill laid in US Congress seeking duty-and quota-free access of the products of developing countries like Bangladesh to American market, he said Bangladeshi citizens, businesses and lobbyists should lobby for that.  
But ultimately US Senators and

Congressmen would take the decision on it, the envoy added.  
About impact of repeated hartal, the American diplomat said he had already made statements about it that hartal is disruptive to economy no matter who calls it.  
About US cooperation with Saarc, he said the USA supports all regional cooperation. He hoped that Saarc would move forward by resolving the differences.

## Bank holidays on Sunday, Monday

**UNB, Dhaka**  
Bangladesh Bank and all scheduled banks will remain closed on the occasion of Muharram (Ashura) on Sunday and Shaheed Day and International Mother Language Day on Monday, said a release.

## Huawei wins \$187m contract in Thailand

Huawei Technologies Co Ltd, a Chinese company, has been awarded with a US\$ 187 million contract to install Thailand's nationwide CDMA2000 3G expansion network.  
Communication Authority of Thailand (CAT), one of the largest state-owned telecoms companies in Thailand, selected Huawei for the job, says a press release.

Thai Prime Minister Thaksin Shinawatra and Information and Communications Technology Minister Surapong Suebwonglee were present at the CAT's auction bidding ceremony.

## Hyundai Motor, Pohang Steel plan to set up plants in India

**PALLAB BHATTACHARYA, New Delhi**  
In signs of South Korean multinationals' growing confidence in India market, carmaker Hyundai Motor Corporation and steel major Pohang Steel Company (POSCO) have proposed to set up plants here.  
While Hyundai Motor announced on Wednesday that it would build a second manufacturing plant in the southern state of Tamil Nadu close to its first plant without specifying the amount to be invested, POSCO appears to have decided to set up a steel plant in the eastern state of Orissa at an estimated cost of ten billion dollars.

Hyundai Motor Corporation Chairman Chung Mong-koo told a gathering of employees in its existing plant that the new manufacturing unit would have production capacity of 150,000 vehicles a year. Spurred by growing demand, the new facility is expected to go into operation by the middle of 2007.

Mong-koo said the Indian plants will be the company hub of manufacturing and exporting vehicles to South Asia, West Asia, Europe and South America.

Family car Santro from Hyundai was designed and developed in India at its existing plant which rolled out 215,000 cars last year of which 140,000 were sold in domestic market and the rest were exported.  
Hyundai is the second multinational carmaker to go for a second manufacturing facility after Suzuki Motor Corporation of Japan.

In steel sector, a delegation led by POSCO Chairman Chang Oh Kang met Orissa Chief Minister Naveen Patnaik and more or less agreed to set up a 12 million-ton capacity plant in the state with an approximate invest up to 10 billion dollars.

## China's foreign trade jumps 33pc in January

**ANN/CHINA DAILY**

China's foreign trade remained on the fast track in the first month of 2005 after the country grew into the third largest trader worldwide last year.

China's trade volume rose about 33 per cent year-on-year in January to US\$95.1 billion, the latest statistics from the General Administration of Customs show.

Exports grew significantly to US\$50.8 billion last month, a 42 per cent rise over the same period of the previous year; imports hit US\$44.3 billion, 24 per cent up year-on-year. The country achieved a trade surplus of nearly US\$6.5 billion in January.

Although the fast pace of export growth has caused great concern, experts say the trade volume last month was greatly influenced by factors such as the Lunar New Year, which falls on February 9.

Economists predicted the trade gap this year would be narrowed compared with the previous year.  
China's steady economic growth will drive up the demand for imports of raw materials, said Zhang Yansheng, a scholar with the State Development and Reform Commission.  
This year the possibility of trade deficits would still remain for some months, he said.

## Loan-classification rules tightened

**STAR BUSINESS REPORT**

The central bank has tightened loan-classification regulations under which loan repayments overdue for three months will have to be shifted to 'special mentioned accounts' of the banks.

At present, if a loan repayment is overdue for six months, it is considered classified. The new regulation, to be effective from March 31, will offer an interim warning period of three months before turning the loans into classified loans.

The Bangladesh Bank in a circular issued on Wednesday said if borrowers fail to repay their debts within six months tenure, the loans will become classified and they will then be enlisted with the Bangladesh Bank's Central Information Bureau (CIB). The default borrowers will not be able to get fresh loans afterwards.

The new rule will not penalise the borrowers after three months. Instead, the banks will have to pay the first penalty. The banks will not be allowed to incorporate the interest of such loans in their income after three

months. However, the banks need not create provisions against these types of loans for the next three months, in case the borrowers continue not to repay.

Central Bank sources said that the BB is gradually upgrading the loan classification system as per international practices. "We want to reach the international standard slowly," said a source, "the new rule is an early warning for the banks so that they start monitoring these loans from three months on and avoid accumulating default loans."

## DSE gets new leaders

**STAR BUSINESS REPORT**

Md Shahiq Khan was elected president of Dhaka Stock Exchange (DSE) yesterday.

Md Feroz Khan and Ahmad Rashid were elected senior vice-president and vice-president of DSE respectively.

They were elected at the 43rd annual general meeting (AGM) of the bourse held in the DSE premises in Dhaka, said a press release.

The AGM also inducted four newly elected directors -- Khwaja Ghulam Rasul, NUM Oliullah, Kazi

Firoz Rashid and Ahmad Rashid in place of four retiring directors -- Ahmed Iqbal Hasan, Abdul Haque, Abdul Mannan MP and Md Hanif Bhuiya.

Shahiq Khan became a member of the DSE in 1980. He was elected vice-chairman and chairman of DSE during 1998-99 and 2000-01 period.

Feroz Khan became a member of the stock exchange in 1980. He was elected director of DSE in 2003. He was also vice-president of the bourse in 2004.

Ahmad Rashid was elected councillor of the bourse in 2000-02 term.

## Saarc fails to make enough progress on economic front Says ICC-B chief

President of International Chamber of Commerce-Bangladesh (ICC-B) said when Asean, Apec and several other regional blocs have made significant changes in the lives of their peoples, the Saarc has not been able to achieve much progress for economic cooperation in South Asia.

Mahbubur Rahman said if the South Asians really mean business, they need to move on the 'fast track' in dismantling trade barriers among the Saarc countries as well as changing the mind-set, says a press release.

Rahman observed this when he called on the Sri Lankan High Commissioner to Bangladesh Gaminis S. Munasinghe yesterday in Dhaka to convey ICC-B's sympathy at the huge loss of lives and properties due to devastating tsunami in Sri Lanka.

ICC-B president handed over a cheque for Tk 500,000 and medicines to the high commissioner as a token of solidarity with the tsunami affected people of Sri Lanka. Transcom Group, Square Group, Newage Group, Duncan Brothers, KAFCO, IFIC Bank, EXIM Bank, Janata Bank, State Bank of India, Eastland Insurance, Sunflower Life Insurance, The Merchants, National Housing, Arlink Group, BASF, Dr. M. Zahir and Associates, Huq and Company, Nestle, UAE Bangladesh Investment Co. and Aventis Pharmaceuticals contributed the to the fund.

Vice President of ICC-B Latifur Rahman, who accompanied the ICCB president, said increased regional cooperation as well as bilateral FTAs can be catalysts for preparing the South Asians to compete in the globalised economy.

ICC-B Secretary Aatur Rahman was also present during the meeting.

## CRAB holds first AGM

The first annual general meeting (AGM) of Credit Rating Agency of Bangladesh Ltd (CRAB) was held in Dhaka on Tuesday.

CRAB Chairman M Syedurazzaman presided over the AGM attended by, among others, Vice-chairman Md Matiuil Islam, Managing Director Anwaruddin Chowdhury and directors of the company, says a press release.

CRAB has a technical collaboration agreement with Investment Information & Credit Rating Agency (ICRA) of India. In January 2005, it became a member of the Association of Credit Rating Agencies in Asia (ACRAA), the apex body of Asian rating agencies, the release added.

## IMF gives Zimbabwe one last chance

**AFP, Washington**

The International Monetary Fund Wednesday gave Zimbabwe one last chance to meet its obligations before being expelled from the international lending organization.

The IMF's executive board decided to postpone for six months a proposal to expel Zimbabwe, which has fallen behind in payments on more than 300 million dollars in debt since 2001, because the country had made some progress toward meeting its obligations and stabilizing its economy.

"The Board's decision provides the country with an opportunity to significantly strengthen its cooperation with the IMF, with the aim of addressing its economic decline and resolving its overdue financial obligations, prior to the executive board's next consideration of the managing director's complaint," the IMF said in a statement.

## 71pc turnout in BGMEA polls

**STAR BUSINESS REPORT**

Election of the executive committee of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) was held yesterday in its Dhaka and Chittagong offices with 71 percent turnout of voters.

Out of 1,775 voters in Dhaka zone, 1,217 exercised their franchise and out of 512 voters in Chittagong zone, 410 cast their votes in the biennial election of the country's top trade association.

Of the 27-member executive committee, 20 will come from Dhaka zone and seven from Chittagong zone for the 2005-06 term.

The polls started at 8am and continued until 4pm simultaneously in BGMEA's Dhaka and Chittagong secretariats.

Although 75 candidates from three panels are officially contesting the polls, the three panels at the last minute floated a common panel of 27 candidates in line with an internal consensus.

Formation of the common panel by Forum led by incumbent president Annilul Huq, Sammilito Parishad led by Tipu Munshi and Sammilito Parishad led by Fazlul Hoque made the election a mere formality as there was no other candidate in the polls fray outside the common panel.

As per an understanding among the three groups, Forum fielded 12 candidates, Sammilito Parishad (Tipu group) 10 and Sammilito Parishad (Fazlul Hoque group) five candidates in the common panel.

After the election, presidency will rotate among three top leaders of Forum, Sammilito Parishad (Tipu group) and Sammilito Parishad (Fazlul Hoque group) for an eight-month tenure each.

The top leader of Forum will take over as president on March 12 at the association's annual general meeting for the first eight months. Tipu



PHOTO: STAR

Top leaders of three panels, who formed a common panel for the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) executive committee election, pose for photographs in front of BGMEA office during the polls hour yesterday. As per an understanding of the common panel, presidency will rotate among the three leaders -- Annilul Huq (C), Tipu Munshi (L) and Fazlul Hoque for an eight-month tenure each.

Munshi, who is leading a faction of Sammilito Parishad, will serve as president for the second eight months while SM Fazlul Hoque, leader of another faction of Sammilito Parishad, will lead the largest trade body in the third eight months.

Forum was yet to select its candidate for the BGMEA presidency as its leader, However, the incumbent BGMEA President Annilul Huq is unwilling to serve the presidency for another term.

The common panel candidates from Dhaka zone are -- Annilul Huq, Tipu Munshi, SM Fazlul Hoque, Golam Sarwar Milon, Jalal Uddin Ahmed, Haroon Ar Rashid, Shahadat Hossain Chowdhury

(Arun), Meshba Uddin Ali, Khondoker Jamil Uddin, Shahidul Islam, Mahmud Hasan Khan, Siddiqur Rahman, Kazi Zakir Hossain, Ferdous Perves Bivon, Shawkat Ali Bhuiyan (Dilan), Anwar-Ul Alam Chowdhury (Parvez), Sirajul Islam, Faisal Samad, Shafiqul Islam, SM Mannan (Kochi).

Candidates from Chittagong zone are -- Mohammad Abdus Salam, SM Abu Tayyab, Ashek Bhuiyan, Nasir Uddin Ahmed Chowdhury, AM Mahubub Chowdhury, Moynuddin Ahmed and ANM Saifuddin.

Our Chittagong correspondent adds that the election was held in the port city in a festive mood amid enthusiasm yesterday. Hundreds of

garment units owners, leaders of BGMEA and other trade bodies gathered at the regional BGMEA office premises and exchanged pleasantries with each other.

Last BGMEA election was held on January 28, 2003. Forum and Sammilito Parishad, at that time, formed a common panel and fought against Oikko Jote. Just on the day before election, Oikko Jote decided to boycott the polls. The alliance jointly led by Annilul Huq and Quazi Moniruzzaman won the election and shared the power.

Quazi Moniruzzaman served as president of BGMEA for the first year and Annilul Huq is now leading this trade body for the second year.



## New chairman of First Security Bank

Md Saiful Alam, a leading industrialist, took over as chairman of First Security Bank Ltd yesterday.

The board of directors of the bank in a meeting unanimously elected Alam chairman of the board, says a press release.

He is also the chairman and managing director of M/s S Alam Group, which includes S Alam Steels Ltd, S Alam Cement Ltd, S Alam Luxury Chair Coach Services Ltd, Sonali Overseas Corporation, S Alam Trading Company, the release added.

## Oil extends gains above \$48

**REUTERS, Singapore**

Oil prices added to strong gains yesterday, spurred by persistent Opec talk of a cut in supplies ahead of the second quarter that could drain healthy US stockpiles before summer.

US light crude rose 13 cents to \$48.46 a barrel, building on Wednesday's rally of more than 2 percent that took prices to the highest level in three weeks.

## KYOTO PROTOCOL IMPLEMENTATION

## Indian private sector sees trade opportunity

**PALLAB BHATTACHARYA, New Delhi**

Indian private sector sees major trade opportunity with the Kyoto Protocol going into force requiring industrialised countries to reduce their emission of carbon dioxide and other greenhouse gases.

One of the provisions of the Kyoto Protocol called Clean Development Mechanism (CDM) establishes a framework within which a developed country can meet a part of its greenhouse gas emission reduction target by funding clean-up operation by purchasing Certified Emission Reductions (CERs) from developing countries such as India, official sources here said.

The sale of CERs gives an additional revenue opportunity to clean energy projects, thereby enhancing their financial viability, they said.

The Indian private sector is emerging fast as a the biggest potential supplier of CERs. The Forest and Environment Ministry has also set up an inter-ministerial committee to approve CDM project proposals before they are forwarded to an international CDM executive board in Bonn.

The protocol is expected to push up the demand for CERs, which are currently priced at six dollars for single ton of carbon dioxide emission reduction. The price is about one dollar more than what it was a

year ago.  
Most assessments forecast that the price would rise up to eight or ten dollars in about three to five years, sources added.

The Kyoto Protocol is also likely to improve the rate of return of renewable energy projects by one to two percent and it will be five per cent or more in the case of projects turning urban wastes into energy.

The reason why waste-to-energy projects are likely to gain more is that these projects collect methane, which is a 20 times more potent greenhouse gas than carbon dioxide. These projects use Methane, generated from landfills, to produce electricity.

## Myanmar gas woos investors

**REUTERS, Singapore**

Politically and economically isolated for more than a decade, Myanmar is being thrown a lifeline by its Asian neighbours, which are jostling to spend billions of dollars to tap the country's energy resources.

Myanmar is estimated to hold 13-15 trillion cubic feet (tcf) of natural gas, 7 percent of total proven reserves in Southeast Asia.

Aggressive state companies from China, India, Thailand, Malaysia and South Korea,

undoubtedly by US and European sanctions, are looking to invest their big cash piles to develop Myanmar's gas fields and build pipelines and hydropower dams.

"Non-western majors are now able to take significant positions that they might have a decade or more ago as they become more professional and have more financial muscle," said Andrew Symmons, research fellow at the Institute of Southeast Asian Studies in Singapore.

The influx of Asian players

picked up steam in 2004 and threatens to eclipse long-standing investments by a handful of Western companies, predominantly France's Total SA and US independent Unocal Corp.

Few Western firms have the stomach to invest in the country formerly known as Burma, worried by government and shareholder pressure to steer clear of the military-ruled nation shunned for its human rights record and suppression of political opponents.