

Graft takes edge off exports

Bribes raise knitwear equipment costs 6-10pc: WB

JASIM UDDIN KHAN

Corruption makes Bangladeshi apparels and other exportable goods less price-competitive in the world market, a World Bank report has said.

RMG manufacturers need to pay bribes to get duty exemption facility on importing machinery, observed the report on 'Bangladesh Growth and Export Competitiveness' published last month.

Bribes paid at the point of import can raise the cost of equipment that knitwear manufacturers bring into the country by 6 percent to 10 percent, added the report prepared by the World Bank South Asian Poverty

Reduction and Economic Management Sector Unit.

"Corruption imposes a heavy tax on all kinds of business operation; customs clearance bribes can hit twice at manufacturers who import materials, which they later export as processed goods," the report added.

When asked, Bangladesh Garments Manufacturers and Exporters Association (BGMEA) President Annisul Huq said RMG manufacturers do not have to pay bribes directly in getting duty exemption.

However, there are always some miscellaneous expenses in business and the RMG industry is not

beyond such extra expenses, he added.

The report appreciated "the government's recent decision to reduce the maximum customs duty rate from 30 to 25 percent, moving to a three, non-zero, tariff slab system, abolishing the Regulatory Duty and significantly scaling down and rationalising the Supplementary Duty" to overcome the existing anti-export bias.

The report suggested that Bangladesh government should avoid using direct export subsidies because of the strong likelihood of their abuse.

It also suggested following a strategic plan, streamlining policies

and improving quality and safety standard of products. Besides, investment in infrastructure, technology and skill development is also recommended.

The WB report underscored the need for improving the climate for both domestic and foreign investors in the country.

Policy makers must first address the damages that flawed governance, corruption, burdensome regulation and deteriorating law and order situation are doing to the country's growth and export performance, it observed.

Bangladesh to attend LDC meet in Zambia

BDNEWS, Dhaka

Bangladesh will attend the fourth meeting of the trade ministers of the Least Developed Countries (LDCs) in Livingstone of Zambia on June 25-27.

"Bangladesh will seek duty-free and quota-free access for all products originating in the LDCs to the global market," a high official of the commerce ministry said yesterday.

Bangladesh will also raise the issue of temporary movement of natural persons, particularly, less-skilled and semi-skilled persons under Mode-4 of GATS (General Agreement on Trade in Services), he told the news agency.

Trade ministers from the LDCs will appeal for exemption from anti-dumping, countervailing and safeguard measures on their products. The ministers will establish a common platform to protect their legitimate claim and interest in the forthcoming WTO Conference scheduled to be held in Hong Kong in December.

Dipak KA Patel, minister for Commerce, Trade and Industry of Zambia, will chair the meeting, which is likely to be attended by 30 trade ministers from the LDCs.

ICC-B team off to S Africa to attend World Chambers Congress

A five-member ICC-B delegation led by its President Mahbubur Rahman left Dhaka Friday for South Africa to attend the 4th World Chambers Congress to be held in Durban from June 20 to 22.

The Durban Chamber of Commerce and Industry is hosting the Congress organised by International Chamber of Commerce. The delegation also includes Latifur Rahman, vice president of International Chamber of Commerce-Bangladesh, and Rokia Afzal Rahman, former adviser to a caretaker government, says a press release.

The World Chambers Congress is held biennially in different regions of the world and brings together chamber leaders from all over the world to share experience and expertise, and determine future direction.

Some 1000 business personalities from more than 100 countries will attend the biggest gathering of chambers of commerce to take place this year. South Africa President Thabo Mbeki will address the congress on June 21.

The three-day conference addresses the themes that chambers have identified as the most important issues facing their organisations and member companies. Topics to be covered include the role of business institutions in both good governance and the rebuilding of economies, chamber branding, private-public partnership, women in chambers of commerce, ATA Carnets, Certificates of Origin, chambers and the HIV challenge, the environment and business diversity.

Mahbubur Rahman will chair the session of "Public-Private Partnership" in this congress. Mahbubur Rahman and Latifur Rahman will also join the 189th Council Session on June 23. The Council Session, among other agendas, will consider the appointment of the chairman of ICC Arbitration and the new secretary general of ICC.

GP SMS contest begins

STAR BUSINESS REPORT

Thousands of enthusiasts especially young people participated in the GrameenPhone (GP) SMS contest that began at Shilpakala Academy auditorium in Dhaka yesterday.

In the eight qualifying rounds on the first day, 80 contestants were selected. The same number of contestants will also be selected today from another eight rounds, which will remain accessible from 9am to 8pm. The grand final is scheduled for tomorrow.

Organisers said a total of 160 contestants will compete through sending fastest SMS (short message system) for ten prizes that include colour television, refrigerator, digital camera, DVD player, VCD player and mobile phone set.

The GP is organising the SMS contest to promote text messages as an alternative means of communication among the people especially the young generation, organisers said.

More than 15,000 GP subscribers registered for the SMS contest, GP said.

AVOIDANCE OF DOUBLE TAXATION

Dhaka moves to sign deal with Riyadh

UNB, Dhaka

Bangladesh has embarked on a negotiation with Saudi Arabia towards signing a deal on avoidance of double taxation with a view to boosting bilateral trade and investment.

The two sides agreed to finalise a draft of the deal by the end of this year at the eighth session of the Saudi-Bangladesh Joint Commission on Economic and Technical Co-operation held June 14-15 in Riyadh.

According to a message received here yesterday, the two sides yielded to the agreed minutes on June 15 covering two slots of bilateral co-operation-- one on economy, trade and investment co-operation and another on culture, information and science and technological co-operation.

Bangladesh External Resources Division (ERD) Secretary Ismail Zabihullah and Saudi Deputy Minister for Foreign Trade Abdullah Abdurrahman Al-Hamoudi, signed the agreed minutes.

The two countries agreed to arrange frequent visits of trade delegations and promote co-

operation between the Export Promotion Bureau (EPB) of Bangladesh and the Trade Promotion Authority of Saudi Arabia.

It also covers increasing "effective exchange of information about the trade and market opportunities available in both the countries for export promotion".

The Saudi side expressed interest to export polymers, fertilizer, iron, soda ash and dates to Bangladesh while Bangladesh proposed to export pharmaceuticals, leather goods, readymade garments, jute products, tea and other commodities.

The two sides also agreed to encourage joint investments in the sectors such as power, infrastructure, petrochemicals, hotels, iron and steel, telecommunications and fishing industries.

They also stressed the importance of streamlining the function of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) operating here.

Both the sides expressed desire to boost research cooperation in various areas at university level.

The Saudi side expressed interest in recruiting qualified professionals from Bangladesh in the health sector.

Welcoming the Saudi gesture, Bangladesh proposed to send qualified engineers and skilled workers from Bangladesh in addition to medical experts.

To facilitate visits of the business communities of the two countries, the joint commission appreciated the conclusion of a memorandum of understanding (MoU) between the Federation of Bangladesh Chamber of Commerce and Industries (FBCCI) and the Council of Saudi Chambers of Commerce and Industry (CSCCI) signed during the joint commission meeting.

The ERD secretary also met Vice-chairman and Managing Director of Saudi Fund for Development Yousef Al-Bassam and appreciated Saudi government's contributions to the economic development of Bangladesh through the fund.

The seventh session of the Saudi-Bangladesh Joint Commission was held in Dhaka in 1992.

Rajshahi mango, silk festival gets good response

STAFF CORRESPONDENT, Rajshahi

A good number of visitors including Indonesian ambassador to Bangladesh visited the Mango and Silk Festival in Rajshahi yesterday, the second day of the three-day event.

A total of 21 stalls have been set up at the local Parjatan Motel. Different local varieties of mangoes and silk products are on display.

The Indonesian envoy, Warmas Hasan Saputra, said his country imports mangoes and silk products from China and India. But Bangladeshi mangoes and silk goods have good chances to enter Indonesian market. "Local mangoes and silk are very rich in quality," he added.

Accompanied by wife and son, the envoy visited a number of stalls. Bon Voyage Tourism, a private tour operator, and Bangladesh Parjatan Corporation, national tourism organisation, have jointly organised the festival.

The Daily Star and ATN Bangla are the media partners of the event.

Many visitors took part in a package tour to Sona Mosque and mango orchards in Chapai Nawabganj in the morning. As part of the festival, tours to Puthia royal palace in Rajshahi and Uttara Gono Bhaban and Queen Bhabani palace in Natore were also organised.

In the evening, local artists performed traditional Gambhira song.

AKTEL, Danish Distribution Network sign deal

Mobile phone operator AKTEL has recently signed a dealership agreement with Danish Distribution Network Ltd (DDNL), a sister concern of Partex Group.

Under the accord, DDNL will distribute AKTEL scratch cards and e-fill vouchers through its network across the country, says a press release.

Nasir Bin Baharom, managing director of AKTEL, and Aziz Al Mahmood, managing director of DDNL, signed the deal on behalf of their companies in Dhaka. Vajay Watson, chief operating officer of AKTEL, and M Rahman, director (Marketing) of DDNL, were also present at the function.

Security breach may hit 40m credit cards

REUTERS, San Francisco

MasterCard International on Friday said a security breach had exposed about 40 million payment cards of various brands to potential fraud in the biggest such privacy violation ever reported, and said some amount of fraud tied to the breach had been detected.

MasterCard, the second-biggest credit card group behind Visa, said about 13.9 million of the payment cards at risk are MasterCard-branded cards.

"We have spotted some fraud ... but it's proportionately very small," MasterCard spokeswoman Jessica Antle told Reuters, declining to provide monetary estimates of the extent of the fraud.

Antle said credit card information with names, account numbers and expiration dates of about 70,000 MasterCard credit card holders had so far been found to have been taken out of a database system run by CardSystems Solutions Inc., which processes transactions for MasterCard.



PHOTO: AIR INDIA

Mir Mohammad Nasiruddin, state minister for Civil Aviation and Tourism, Nitopal Basu, chairman of the Parliamentary Committee on Transport and Tourism of India, Veena Sikri, Indian high commissioner in Dhaka, and V Thulasidas, chairman and managing director of Air India, cut a cake to mark the resumption of the airline's operations in Bangladesh at a function in Dhaka yesterday.

Air India resumes Dhaka operations

STAR BUSINESS REPORT

India's state-run Air India yesterday resumed its operations in Bangladesh nearly after two decades as the airline launched flights on Delhi-Dhaka-Kolkata-London route.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasir Uddin formally inaugurated the flight at Zia International Airport.

The state minister said Air India's flights will add competition to the civil aviation market.

"The flights will not only help

boost tourism in both the countries but also improve bilateral relations," the state minister said.

Indian High Commissioner to Bangladesh Veena Sikri, Indian Chairman of the Parliamentary Committee on Transport and Tourism Nitopal Basu, Air India Chairman and Managing Director V Thulasidas also spoke at the function.

Air India officials said the airline will operate six flights a week on the route.

The airline will operate flights on Tuesday, Thursday and Saturday

on Delhi-Dhaka-Kolkata-London route and on Wednesday, Friday and Sunday on London-Kolkata-Dhaka-Delhi route.

The airline will also offer connecting flights to passengers from Chittagong and Sylhet through domestic airlines of Bangladesh.

The fare for Dhaka-London-Dhaka has been fixed at US\$ 839.

The Air India is offering lower rates compared to those by British Airways, Emirates and Bangladesh Biman, said an Air India official.

Austrians urged to invest in agro-processing plants

STAR BUSINESS REPORT

Local businesses yesterday urged Austrian entrepreneurs to invest in Bangladesh's agro-processing industry.

The request came at a discussion on 'Investment Opportunities between Bangladesh and Austria' in Dhaka. The Dhaka Chamber of Commerce and Industry (DCCI) organised the discussion.

The local businesses also said Austria can invest in Bangladesh's power sector to boost bilateral trade.

Austrian Trade Commissioner HJ Hoertnagl and DCCI officials were present at the discussion.

"The DCCI in collaboration with Austrian chamber of commerce and industry can set up an agro-export

support services cell in Dhaka to ensure compliance at the production point to keep records of ingredients, product safety, processing and packaging," said DCCI President Sayeeful Islam.

Noting the extended tax holiday up to 2008 and exemption of utility services charges for import and export for the enterprises in the export processing zones, he said Austria can also invest in textile, frozen foods, leather, electronics, ceramic and light engineering sectors on 100 percent equity basis.

Gas, power, telecommunications and pharmaceuticals are also potential sectors for foreign investors here because of low cost labour, preferential trade status and advantageous global market access, Sayeeful added.

Hoertnagl assured the business

leaders of discussing the trade potential with his government.

The trade commissioner, however, stressed the need for exchange of information, business delegations and organising trade fairs.

Woven garments, knitwear, raw jute and leather products are the major items exported to Austria, while vegetable and chemical products, paper and paper board, materials of paper pulp, cotton machinery and mechanical appliances are imported from the European country.

Bangladesh exported products worth US\$ 17.89 millions and imported goods worth US\$ 24.96 millions from Austria in FY2003-04.

DCCI Director Sabur Khan, Senior Vice President Manzur-Ur-Rahman also spoke at the discussion.

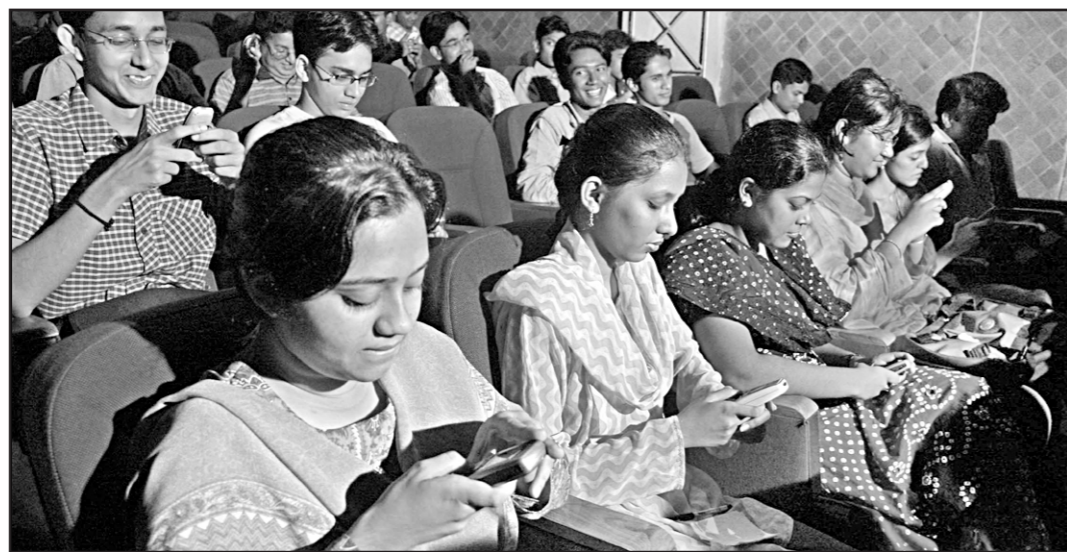


PHOTO: STAR

Enthusiast participants are busy sending SMS (short message system) on the first day of the GrameenPhone SMS contest at Shilpakala Academy auditorium in Dhaka yesterday. The competition comes to a close tomorrow.