

## Strong political will key to boosting trade in Saarc bloc

### Saceps-CPD seminar observes

#### STAR BUSINESS REPORT

A strong political will is key to expediting the process of regional cooperation for boosting trade and commerce in the Saarc bloc, speakers, mostly civil society members from the region, told a seminar in Dhaka yesterday.

They said the process of cooperation in various fields in the South Asian Association for Regional Cooperation was initiated two decades ago but the achievement is very insignificant due to lack of political commitment.

They focused on wrapping up all negotiations of Safta (South Asian Free Trade Agreement) before the forthcoming Saarc summit scheduled to be held in November this year.

They were speaking at the daylong seminar titled 'Promoting Regional Cooperation in South Asia: Issues for the Dhaka Saarc Summit', organised by South Asia Centre for Policy Studies (Saceps)

in collaboration with the Centre for Policy Dialogue (CPD).

In the first working session on 'Operationalising Safta', Commerce Minister Altaf Hossain Choudhury said the trend of deepening economic integration at the regional and bilateral levels has become dominant across the world, as the multilateral trade negotiations are not progressing much.

The CPD Research Director Mustafizur Rahman said Saarc countries are more interested to create barriers in the process of trade liberalisation through preparing long lists of negative products in the Safta negotiations.

"They should come up with positive attitude to shorten negative lists, relax rules of origin and agree on more trade compensation to make the ongoing Safta negotiations meaningful," Rahman said.

Former Indian diplomat Muckund Dubey chaired the first working session where Saceps Executive Director Sridhar Khatri,

Foreign Ministry Director General (South Asia) Ruhul Amin, former commerce secretary Alamgir Rahman Choudhury, ICC-Bangladesh President Mahbubur Rahman, and Bangladesh Enterprise Institute President Farooq Sobhan also spoke.

In the second working session on 'Transport Integration in South Asia', former commerce minister Amir Khosru Mahmood Choudhury said regional transportation links are needed for cross-border trade and commerce.

Enhancement of both way export and import volume reflects true picture of trade liberalisation, he said adding that if an Indian truck comes to Dhaka with goods and returns to Kolkata empty, it does not reflect both way trade.

Gono Forum President Dr Kamal Hossain, former secretaries Kamal Uddin Choudhury and Qamrul Islam Siddique and JSD President Hasnul Haque Inu also spoke. Former minister of the Maldives

Ibrahim H Zaki chaired the session and former adviser to the caretaker government Syed Manzur Elahi co chaired the session.

In the concluding session, economists and development experts including bureaucrats suggested creation of a Saarc Poverty Alleviation Fund to eradicate the regional poverty.

"We would like to propose the creation of the fund and take necessary steps in the next Saarc summit scheduled to be held in November," Mohan Man Sainju, chairman of Poverty Alleviation Fund (PAF), an NGO of Nepal, said.

Kamal Uddin Siddique, principal secretary to the prime minister, Prof MM Akash of Dhaka University, Hossain Zillur Rahman, executive chairman of PPRC, Atiur Rahman, senior research fellow of Bangladesh Institute of Development Studies (BIDS), and Shirak Gah, an economist from Pakistan, also spoke at the session.



Foreign Minister M Morshed Khan speaks at a seminar on 'Promoting Regional Cooperation in South Asia: Issues for the Dhaka Saarc Summit' in Dhaka yesterday. Chairman of the Centre for Policy Dialogue (CPD) Rehman Sobhan, among others, is seen in the picture.

#### FBCCI ELECTION

## Arbitration board to hear appeal today

### HC full bench hearing on candidates' list Aug 6

#### SARWAR A CHOWDHURY

The FBCCI arbitration board today will hear an appeal seeking permission to submit nomination for the biennial election of the apex trade body.

Earlier on July 31, the FBCCI arbitration board failed to hold a scheduled hearing of the appeal filed by Vice President of Narayanjan chamber Bazlur Rahman due to legal obligations.

The election board of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) cancelled Rahman's nomination paper alleging that the 'authorisation letter submitted for his candidature, issued by Narayanjan Chamber of Commerce and Industry, was false'.

Challenging the cancellation decision, Rahman then took the

issue to a five-member arbitration tribunal headed by FBCCI President Abdul Awal Mintoo. The tribunal on Sunday told him that it failed to hold a session to dispose of his appeal due to quorum crisis, as three of the five-member board were not available. The three -- Kamaluddin Ahmed, Mir Nasir Hossain and Abul Kashem Ahmed -- are also candidates for the election scheduled for August 21.

On August 1, the High Court stayed the publication of a valid list of candidates and issued a show cause notice on the government and the FBCCI to explain within a week why the cancellation of the nomination paper submitted by Rahman would not be declared illegal.

The court passed the order after hearing a writ petition filed by Rahman, challenging the cancellation of his nomination paper.

Meanwhile, rejecting the appeal

by the FBCCI against the stay order on publishing the valid candidates' list, the High Court yesterday told the FBCCI that a full bench hearing on the issue will be held on August 6.

The FBCCI election board was supposed to publish the valid candidates' list yesterday, but it could not publish so due to the stay order.

On the other hand, excepting 24 candidates from the chamber and the association groups, the rest of the candidates withdrew their nominations on August 2, the last date of withdrawing nomination papers, sources said.

The election board on July 21, primarily finalised the nominations of 44 candidates, 27 from chamber group and 17 from association group, for 24 posts of directorship to the executive committee of the FBCCI.

## Oil back above \$62 in Asian trade

#### AFP, Singapore

Oil prices climbed back to near record highs above 62 dollars in Asian trade Wednesday ahead of US inventory data expected to show lower crude and gasoline stocks, dealers said.

Expectations that stockpiles in the United States, the world's biggest consumer, will slip have added to concerns about tight supply, especially going into the northern hemisphere winter, they said.

At 12:15 pm (0415 GMT), New York's main contract, light sweet crude for September delivery, was at 62.01 dollars a barrel, up 12 cents from its new record close of 61.89 dollars in the United States on Tuesday.

On Monday the New York contract had struck a record intra-day high of 62.30 dollars, mainly on concerns about possible supply shortages owing to refinery disruptions in the United States and Europe.

The US Department of Energy is scheduled to release its weekly data on crude and gasoline stocks on Wednesday amid market expectations of lower gasoline and crude stocks.

## Govt to form body to ensure eco compliance in RMG sector

#### STAR BUSINESS REPORT

The government yesterday decided to form a national committee to ensure environment compliance in textile and garment factories.

The decision came at a meeting between BGMEA, BKMEA leaders and Environment and Forest Minister Tariqul Islam in Dhaka, according to a BGMEA statement.

Headed by the director general of Environment Directorate, members from Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA) and Terry towel exporters association along with officials of ministry of environment will constitute the national committee.

The committee, which is expected to come into being within a month, will ensure establishment and proper use of effluent treatment

plant (ETP) in all factories in phases.

The committee will also work to ensure that the textile factories gradually become environment-friendly production units.

It is very difficult to collect environmental certificates due to bureaucratic complications and many other problems, said Anwar Ul Alam Chowdhury, acting president of BGMEA, at the meeting.

It takes Tk 1.5 crore to Tk 2 crore to establish an ETP, which is very difficult to manage, he said. He requested the minister to think about making a government fund that can provide soft loans for the factories.

The minister assured the textile leaders of all-out help from his part for setting up environment friendly production system.

State Minister for Environment Jafrul Islam Chowdhury, acting BKMEA President Habibur Rahman, BGMEA directors Tipu Munshi and Fazlul Haq, and BKMEA Director Dr Yousuf were also present.

## India's financial hub back on track

#### AFP, Mumbai

India's rain-drenched city of Mumbai, where almost 1,000 people lost their lives in a week-long deluge, surged back to life Wednesday but aid workers still battling to get relief to battered areas warned the worst is not yet over.

Streams of office-goers poured from railway stations into the streets holding colourful umbrellas against the occasional drizzle as schools, colleges and offices reopened.

Traffic jams returned as residents, who had been urged by police at the height of the monsoon torrents to stay indoors, drove to work. Buses, taxis and three-wheelers added to the chaos.

"As of now the city on the whole is normal," said Mumbai municipal commissioner Johnny Joseph. "But we are not taking any chances and 147 medical teams are working round-the-clock to prevent any outbreak of diseases."

"More than 300 trucks and bulldozers are also on the roads to clear 15,000 tonnes of garbage being thrown into the streets by the residents every day -- which is three times of what we normally see," Joseph told AFP.

#### UNB, Dhaka

Indian allegation of non-payment of import bills by Bangladesh commercial banks appears hollow as the complainants regretted their irrational complaints after checking with the bankers.

A delegation from the Federation of Indian Export Organisations (FIEO), led by its Chairman SK Jain, during their six-day visit to Bangladesh, which concluded yesterday, alleged that Bangladesh banks were not paying import bills against LCs.

They took up the issue with Finance Minister M Saifur Rahman, Bangladesh Bank governor Dr Salehuddin Ahmed and the country's apex trade-body FBCCI to get wide press coverage. By doing so

they damaged the image of the country's banking industry both at home and abroad, a senior banker observed.

The allegations of dishonouring the LCs, amounting to around Rs 100 crore, were raised against three banks -- Shahjalal Islami Bank, Dutch-Bangla Bank and Mutual Trust Bank.

As part of their mission here, the team of traders met the management of Shahjalal Bank on Tuesday and found their allegation against the bank "irrational", said a corporate release yesterday.

"Shahjalal Bank is very rational and we're expressing our sincere regrets if our remarks damaged the image of the bank," SK Jain said, hearing about a false incident of letter of credit (LC) from the man-

agement. "Now, we have no complaint against Shahjalal Bank."

Chairman of the bank Sajjatz Juma informed the delegation that the so-called LC was not opened and transmitted by the bank--it was an act of forgery.

He further informed that the bank filed a criminal case with the court of chief metropolitan magistrate on March 10 against the forgery.

"We don't understand on what basis the shipment was made," Managing Director M Kamaluddin Chowdhury said, adding that the remarks were nothing but an effort to tarnish the image of the bank.

Dutch-Bangla and Mutual Trust banks in separate statements also explained their positions against similar allegations.

## Indian sugar traders eye huge exports to Pakistan

#### PALLAB BHATTACHARYA, New Delhi

Welcoming Pakistan's decision to lift a four-year ban on import of sugar from India, the Indian sugar traders are making preparation for a large scale exports to the neighbouring country.

According to a tentative estimate by Indian Sugar Mills Association, Pakistan may import about 500,000 tonnes of sugar from India in the next five months and the Indian sugar industry hopes to meet the demand riding on the back of a good output of sugarcane and sugar. Pakistan imported five lakh tonnes of sugar since January this year and the price of the commodity went up to Rs 30 per kg in that country in February.

According to Association Director General S L Jain, the output is expected to be around 18 million tonnes in the new season beginning in October this year even after taking into account the heavy rains in Maharashtra, the sugar bowl of India, and adjacent Gujarat states.

## HSBC comes up with new products

HSBC Bangladesh has recently introduced 'My Future' scheme to cater to the needs of local consumers.

Inspired with the success of 'My Loan' products in 2004, the UK-based HSBC has come up with new products. Unlike 'My Loan', which offers a range of loan products for customers' needs, 'My Future' is a savings-based solution, according to a press release.

'My Future' is a combination of savings plans that will help consumers meet future needs, said Mamoon M Shah, manager (Personal Financial Services) of HSBC Bangladesh.

"With the innovative and forward looking scheme, customers now have the option to save money for their children, education, travel, retirement plans and emergency," he added.

HSBC Bangladesh now offers Children's Savings Plan, Education Savings Plan, Holiday Savings Plan, Peace of Mind Savings Plan, and Retirement Savings Plan under its 'My Future' savings scheme.

'My Future' has additional benefits such as free accidental insurance up to one year, overdraft

facilities and many more. Under the Children's Savings Plan, parents can open a plan with Tk 10,000 and continue saving by depositing as low as Tk 5,000 a month during the tenure. The plan also offers attractive interest rates.

Parents can also open Education Savings Plan for higher education of their children. In addition to the flexible tenures of 1, 2 or 3 years and small initial deposit of Tk 10,000 with monthly savings of Tk 5,000, this plan offers bonuses for regular deposits.

Holiday Savings Plan offers a flexible tenure of 6 or 12 months along with special benefits from travel agencies.

Peace of Mind Savings Plan offers the flexibility of choosing different deposit amounts with a 3-year term. The plan also offers free personal accidental insurance coverage, besides healthcare facilities at discounted rates in selected diagnostic centres. Overdraft facilities are also available against this plan.

Retirement Savings Plan has the flexibility of choosing different deposit amounts with a 3-year tenure, the release added.

## India may hike prices of octane, diesel

#### PALLAB BHATTACHARYA, New Delhi

Indian Petroleum Minister Mani Shankar Aiyar has made a strong case for raising prices of octane and diesel to help four major oil companies partially offset their cumulative cash losses estimated at Rs 1516 crore in July this year alone.

The last time the government had hiked prices of octane and diesel was on June 20 this year. Price of octane was raised by Rs 2.50 per litre and diesel by Rs 2 per litre.

This was the fourth time that prices of diesel and octane were raised since the Congress-led UPA coalition government came to power in India in May last year.

Prices of octane and diesel vary in Delhi, Mumbai, Kolkata and Chennai because of local taxes and duties. Following the price increase in June this year, price of octane went up from Rs 37.99 to Rs 40.49 in Delhi, from Rs 43.23 to Rs 45.95 in Mumbai, from Rs 40.89 to Rs 43.51 in Kolkata and from Rs 41.25 to Rs 43.97 in Chennai.

The price of diesel went up from Rs 26.45 to Rs 28.45 in June this year in Delhi, from Rs 32.83 to Rs 35.22 in Mumbai, from Rs 28.72 to Rs 30.80 in Kolkata and from Rs 29.30 to Rs 31.52 in Chennai.

This price rise in June 2005 had come after a gap of seven months during which global oil prices surged by 20 percent and excise duty on octane went up. Despite the hike in prices of octane and diesel in June this year, four major Indian oil companies -- Indian Oil, Hindustan Petroleum Corporation Ltd, Bharat Petroleum Corporation Ltd and Indo-British Petroleum -- suffered a loss of Rs 1516 crore in July alone due to steep hike of six dollars a barrel in global crude prices.

## New DMDs of Janata Bank



Nazmus Salehin Mizanur Rahman

Md Nazmus Salehin and Md Mizanur Rahman have recently joined Janata Bank as the deputy managing directors.

Salehin started his career in Sonali Bank in 1979. Prior to his new assignment, he was the general manager of Agrani Bank, says a press release.

Rahman also started his banking career in Sonali Bank as a senior officer (Probationary). Prior to his joining Janata Bank, he was the general manager (International Division, Head Office) of Sonali Bank.

## Adidas buys Reebok for \$3.8b

#### REUTERS, Frankfurt

German sporting goods maker Adidas-Salomon is buying US rival Reebok in a 3.1 billion euro (\$3.8 billion) deal to expand its reach in Nike's home market.

Shares in Reebok surged 32 percent to \$58.17 in Germany, while Adidas was up 6 percent at 156.40 euros at 1005 GMT, after it painted a bright outlook for the merged group.

Adidas shares had initially dropped 4 percent on the news, as it said it would help fund the takeover with equity and as some analysts questioned the deal's benefits.

Adidas, the number two in the sporting goods industry behind Nike, said on Wednesday it was buying the outstanding shares of No. 3 player Reebok for \$59 per share in cash, a 34 percent premium to Reebok's closing share price on Tuesday.

It described the deal, to be funded through a mix of equity and debt, as a friendly takeover.

The deal will more than double Adidas's sales in North America and boost its basketball and sports lifestyle fashion business. The deal complements Adidas's strengths in Europe and Asia and its focus on sports such as soccer that are popular there.

The acquisition still needs approval of Reebok shareholders and antitrust authorities. Adidas expects to close the deal in the first half of 2006 and foresees no significant restructuring costs.

"I see the synergies very quickly outweighing the costs," Adidas Chief Financial Officer Robin Stalker told analysts on a conference call.

Sal.Oppenheimer analyst Joerg Frey had said earlier: "We are skeptical because the deal is driven by U.S. expansion plans and offers few synergies."