

MDG achievement by 2015 hinges on good governance

Roundtable on millennium development goals observes

STAR BUSINESS REPORT

Concerted efforts are needed to establish good governance to achieve Millennium Development Goals (MDGs), speakers said at a roundtable in Dhaka yesterday.

They also called for involving commoners and local government bodies to attain the much-needed MDGs by the year 2015.

The speakers urged the government to focus more on health, primary education, gender issues, human rights and HIV/AIDS protection to accelerate the MDGs.

"If the government can address these issues, only then it is possible to attain the MDGs target," said Zafrullah Chowdhury of GK/PHM while participating as a panel discussant on health issue.

NGOs Manusher Jonno, Peoples' Forum on MDG at CAMPE and

Social Watch Bangladesh of Unnayan Shamannay jointly organised the roundtable titled 'Achieving Millennium Development Goals in Bangladesh: Challenges and Options towards Peoples' Progress Report on MDGs' at the Jatiya Press Club.

Manzoor Ahmed of Education Watch chaired the discussion while Arifur Rahman of Manusher Jonno presented a keynote paper.

Moderating the open discussion, Atiur Rahman, chairperson of Social Watch, said the civil society should monitor the progress of MDGs.

"As corruption has crept into every sector of Bangladesh, good governance and a strong local government are keys to achieving the MDGs target," he said.

To attain the MDGs successfully, the government has made a framework but there is no participation of

common people in it, he added.

He said the implementation of MDGs should be based on the country's own recipe instead of a donor-driven one.

Shaheen Anam, team leader of Manusher Jonno, said five years have passed since the MDGs target was set and now time has come to review the latest status of MDGs achievement both from the perspectives of the government and the civil society.

Rasheda K Choudhury, convenor of Peoples' Forum on MDG, said, "Through discussions we want to make a wake up call to the government. The government is not doing enough and it has to do more to achieve the MDGs target in time."

She said had there been no global trade imbalance, Bangladesh would not have needed any aid from donor countries.

During the panel discussion, the discussants termed the government's Alternative Report on MDGs 'unrealistic'.

They said the Alternative Report on MDGs does not reflect the government claim of having opinions of commoners.

The report did not represent people's participation, they said. The discussants recommended that the term Alternative Report should be turned into Supplementary Report as the word 'alternative' means substitute of something.

In the panel discussion, Hossain Zillur Rahman of PPRC, Mahmudul Alam of IED-BRAC University, Ayesha Khanam of Bangladesh Mahila Parishad, Selina Ferdous of HASAB, Hameeda Hossain of Ain o Shalish Kendro and Salma Khan of CEDWA & MDG also spoke.

Bangladesh example of economic resilience, stable growth

Citigroup South Asia head talks to *The Daily Star*

Chief Executive Officer of Citigroup India and Area Head for South Asia Sanjay Nayar (SN) visited Dhaka to mark the 10th anniversary of Citibank NA in Bangladesh. The Daily Star (DS) interviewed him to obtain his views on Citigroup's activities and future initiatives in Bangladesh. The following is the excerpt.

DS: What future expansion plans do you have for the country, especially in terms of introducing retail services considering your strength in consumer banking across the region?

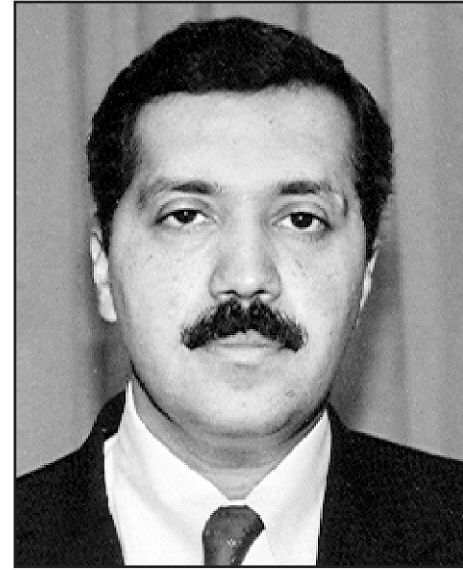
SN: Bangladesh has tremendous potential and we are keen to grow our franchise here. We already have three branches and one booth here. We are keen to share our knowledge and expertise with all stakeholders -- with clients for providing financial solutions; with relevant authorities for attracting capital in important development sectors such as infrastructure and with regulators for introducing internationally renowned best practices and global standards for financial services.

We will continue to innovate and introduce appropriate financial products and services to meet the increasing demands of the Bangladesh market.

DS: How do you assess the economic trends and core competency of Bangladesh?

SN: Bangladesh's progress is a unique example of economic resilience and stable growth in the face of many challenges, political and natural. The country's GDP growth has risen by roughly 1 percentage point on an average every decade from 3 percent a year in the 1970s to 5 percent annually in the 1990s supported by steady rise in the flow of remittances from workers abroad and the garments sector. Over the years, Bangladesh could reduce inflation, preserve exchange rate stable and kept a low external debt servicing ratio and a low debt overhang. It is impressive that the country has achieved more social progress than most countries with similar per capita income. Besides, poverty declined significantly in the rural areas.

The country's achievement in human development is largely due to the environment where NGOs and community-based organisations were able to expand and reach the poor. The micro-finance institutions have not only provided informal loans to rural households but also raised social awareness in general and enhanced the



Sanjay Nayar

decision making role of women.

Recently, there raised liquidity issues with foreign currency leading to devaluation of local currency, which we think is temporary. The foreign reserve scenario is stable. The banking sector, particularly nationalised commercial banks, has been one of the weakest segments in the country's development. Although infrastructure development, such as power, ports, and telecommunications has been a priority, implementation can only be expedited through adequate policy reforms. Corporate governance and capital markets require more focus to generate local financing for large infrastructure projects. In the changing global economic scenario, initiatives taken by the policy makers to manage key challenges, the recent increase in oil prices for instance, are encouraging. In addition, the FDI marshalling efforts by the government are also noteworthy. The recent investment commitment by Indian Tata Group is an indicator of the same.

DS: Citigroup has launched the Global Microentrepreneurship Awards (GMA) in Bangladesh. What is the main objective of this award and what do you want to achieve from this

programme?
SN: Citigroup is a staunch supporter of micro credit and micro finance across the world. UN has declared 2005 as the year of microcredit and the Citigroup Foundation is working with UN to organise the GMA programme in various countries across the world. The GMA programme is designed to recognise and honour successful entrepreneurs who used micro credit to transform their lives, overcome poverty, generate employment successfully and made meaningful contribution to the society. We hope that this award programme will inspire others.

DS: The SME segment is now considered to be the growth engine in this region. What is Citibank's strategy in this regard?

SN: The SMEs play a crucial role in the development of any economy. They help generate valuable employment and foster entrepreneurial spirit. SMEs also form the supply chain and distribution support for the large corporate bodies.

Citigroup follows a strong SME practice across the world. The requirements of SME vary from sector to sector and country to country. As part of our overall plans to grow in Bangladesh, we will evaluate opportunities in the SME domain as well.

DS: Can you tell us more about Citibank's operations in Bangladesh?

SN: Citibank has been present in Bangladesh for 18 years now, although we are celebrating the 10th anniversary of our operations here. Prior to 1995, we had a representative office in Bangladesh.

Over the last decade, we have introduced a range of innovative financial products and solutions such as cash management, structured and project finance, derivative solutions. Moreover, by partnering with the leading local companies to meet their business objectives, we believe we have made a small yet significant contribution to Bangladesh's steadily growing economy.

A number of factors have contributed to our success in Bangladesh. At Citigroup, we always respect local culture, make ourselves an integral part of the community, abide by local laws and regulations, believe in forging long-term strategic relationships with all stakeholders. All these combined with the hard work and dedication of our Bangladesh team and trust of clients have helped us successfully grow our franchise.



(From left) Atiur Rahman, chairperson of Social Watch, Manzoor Ahmed of Education Watch, Rasheda K Choudhury, convenor of Peoples' Forum on MDG, and Arifur Rahman of Manusher Jonno, are seen at a roundtable on millennium development goals in Dhaka yesterday.

SHARE DISTRIBUTION

SEC asks Meghna Life Ins to hold lottery Aug 11

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) at a meeting yesterday instructed the Meghna Life Insurance Company Ltd to hold its lottery for disbursing primary shares among the public on August 11 in place of its previously declared date.

The SEC earlier withheld the lottery of the company.

"We have to examine some papers and documents before allowing the company to hold the lottery," said a SEC official.

The Meghna Life floated its shares for public on July 3.

SAFEGUARDING INTEREST

Telecoms subscribers seek BTRC role

STAR BUSINESS REPORT

Telecoms subscribers at a workshop yesterday sought proper role of the Bangladesh Telecom Regulatory Commission (BTRC) to safeguard their interest.

Although there have been tremendous developments in the telecommunication, the consumers, at large, are not sufficiently aware of their rights which consequently deprives them of required facilities, they alleged.

They were addressing the inaugural function of a three-day training workshop titled 'Consumer Awareness Building Telecommuni-

cation and ICT Services' jointly organised by BTRC and United Nations Development Programme (UNDP) in co-operation with International Telecommunication Union (ITU) at Brac Inn at Mahakhali in Dhaka.

Citing different examples of violation of subscribers' rights in the country, they said the functions of the regulator can be effectively executed if it obtains the market feedback.

Chairman of BTRC Muhammad Omar Farooq called upon telecom operators to spend a portion of their profit on the benefit of telecom subscribers. Bangladesh is a market with lots

of potential and every operator is doing good business here, Farooq said while inaugurating the workshop.

Fazlur Rahman, director co-ordination of Telekom Malaysia International Bangladesh (TMIB), the service operator of AKTEL, said competition is vibrant in Bangladesh's telecommunication industry and consumers have started dominating the market.

The role of operators towards consumer satisfaction has attained a new dimension, he added.

AMM Reza-e-Rabbi, vice-chairman of BTRC, presided over the inaugural session.

Oil prices ease slightly after record run

AFP, New York

World oil prices eased Tuesday after breaking new records in the past 24 hours because of security concerns in Saudi Arabia, the world's biggest crude exporter, and tensions over Iran's nuclear programme.

In response, the Organisation of Petroleum Exporting Countries (OPEC) said it had boosted production.

New York's main contract, light sweet crude for delivery in September, fell 28 cents to 63.66 dollars per barrel in electronic trading after striking 64.27 dollars overnight -- the highest since it was first traded in 1983.

The price of Brent North Sea crude oil for delivery in September declined 29 cents to 62.41 dollars per barrel on Tuesday. It earlier burst through the 63-dollar level for the first time, hitting 63.06 dollars.

"It is a combination of the concerns over Saudi security, the tensions over the Iranian nuclear program and more refinery problems in the US," said Global Insight analyst Simon Wardell.

"They are all converging to push prices as high as they've gone."

Saudi Arabia intensified security Tuesday around foreign compounds in Riyadh after the United States, Britain and Australia warned that terror attacks may be imminent in the wealthy oil kingdom.

Bush signs sweeping energy bill

AFP, Albuquerque, New Mexico

US President George W. Bush on Monday signed a sweeping energy bill he said would strengthen the US economy and eventually help wean the United States from foreign sources of oil.

The US Congress passed the legislation just last month, about four years after the Bush administration proposed it, drawing an outcry from environmental groups who said it favored oil companies at the expense of conservation.

"The bill makes an unprecedented commitment to energy conservation and efficiency -- unprecedented commitment," said Bush, who paid a symbolic visit to a solar panel manufacturing plant during his trip here.

The president also noted that the legislation aimed to encourage the development of nuclear energy -- no new atomic power plants have been built in the United States since the Three Mile Island crisis of 1979.

SAFTA NEGOTIATIONS

Officials to meet in Kathmandu Aug 31

UNB, Dhaka

Official negotiators from the seven Saarc countries will meet in Kathmandu from August 31 to September 2 in their bid to wrap up the long-drawn negotiations on South Asian Free Trade Area (Safta) for a final deal.

An official delegation from Bangladesh, representing ministries concerned, will attend the critical negotiations on four unresolved issues -- rules of origin, sensitive list, mechanisms to support revenue loss compensation for LDCs, and technical assistance to the LDCs within the

Saarc bloc.

Saarc leaders at their 12th summit in Islamabad signed on the Safta to be implemented from January 1 next year.

The member-states exchanged their respective sensitive lists of products at the last meeting of the Committee of Experts (CoE) with the hope of finalising the negotiations -- the crucial point being the sensitive lists -- in the next round in the Nepalese capital.

"The members will explain their respective position on the sensitive lists at the 10th meeting," a senior government official said.

At the last CoE meeting, Bangladesh placed a sensitive list of around 1,300 items to protect domestic industries from free flow of commodities within the trading bloc. The negotiators came closer on three other outstanding issues -- Safta rules of origin, compensation mechanism for the revenue losses by the least developed members and technical assistance for the Saarc LDCs.

The 10th CoE meeting in Kathmandu will try to finalise the rules of origin under which the member-states will be able to identify the actual place of manufacturing or production for offering duty concessions.

EU to talk with China over breached textile quotas

AFP, Brussels

EU trade commissioner Peter Mandelson said Tuesday he would hold talks with his Chinese counterpart Bo Xilai starting this week after imports of Chinese pullovers and trousers overshoot agreed limits for this year.

But although he would "be in touch" with Xilai as early as this week, no decision on what action to take would be made until early next month, he said.

"Final decisions, including some flexibility on the future management of the quotas will not be taken until early September and will be resolved in agreement with the Chinese authorities," Mandelson said in a statement.

However, he added that he hoped "some flexibility" on the quotas for pullovers could be found in the meantime. Earlier the European Commission, which handles trade issues for the EU's 25 member states, said that Chinese imports of trousers to the EU had been found on Monday to have surpassed a quota for this year agreed between EU and Chinese authorities in June.

Chinese pullover imports were earlier determined to have exceeded the limit.

"As of yesterday we overshoot the quota of 100 percent which has been concluded as part of China-EU agreement in Shanghai in June," a commission spokesman told journalists.

The EU and China headed off a trade war on June 10 when Mandelson and Xilai agreed in Shanghai to limit the growth of 10 Chinese textile products.

Mandelson said the quotas for trousers and pullovers had already

been overshoot for this year because "Chinese and EU traders launched massive shipments of pullovers and trousers to get these goods into Europe under the wire" ahead of the implementation of the agreement.

KL to cut diesel import with bio-fuel plan

REUTERS, Kuala Lumpur

Malaysia, the world's largest producer of palm oil, plans to cut diesel imports by 500,000 tonnes a year with a plan to produce bio-diesel using a mix of palm oil and diesel, an industry official said Tuesday.

Under a government policy to be announced on Wednesday, palm oil would make up five percent of bio-diesel, Deputy Prime Minister Najib Razak told reporters at a commodities-week event.

Malaysia wants to encourage national use of a green fuel as climbing oil prices and dwindling supplies of petroleum make it commercially viable to produce palm diesel.

Bio-fuels are taking on new importance worldwide as countries seek to cut emissions to meet the UN Kyoto Protocol, since burning the environmentally friendly fuel is considered to be carbon dioxide neutral and does not require emissions rights.

"Tomorrow night," Najib said, replying to a question about when Malaysia's bio-fuels policy would be announced. The cabinet has been examining the plan since June.

Asked what the composition of palm oil in the blend would be, he added, "It will be five percent." Yusof Basiron, head of the government-run Malaysian Palm Oil Board, said the policy is expected to save imports of about half a million tonnes of diesel each year, or about 10,000 barrels per day.