

## Exporters seek utility bills subsidy

JASIM UDDIN KHAN

The country's leading exporters have sought subsidy for utility bills to expedite overall exports.

"If the government injects subsidy in the form of withdrawing value added tax (VAT) on the utility bills, it will help make the local products more competitive," the exporters said making a plea for increasing competitiveness of local goods.

The exporters made the demand at a recent meeting with the policymakers in Dhaka.

The exporters also demanded a comprehensive national export strategy to achieve the export target of US\$10.15 billion for the fiscal year 2005-06.

Commerce Minister Altaf Hossain Choudhury, Commerce Ministry Adviser Barkat Ullah Bulu and Commerce Secretary Faruq Ahmed Siddique participated in the meeting from the government side.

Among the exporters, President of Bangladesh Frozen Foods Exporters Association Maqsoodur Rahman, Chairman of Bangladesh Finished Leather, Leather Goods & Footwear Exporters' Association Tipu Sultan and Vice Chairman of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Saidul Islam were present.

The country traditionally follows theoretical export strategies

rather than practical ones, resulting in non-diversification of exports, the exporters pointed out.

Frozen food exporters called for withdrawal of ban on export of frog leg, considering its huge demand and high prices in the international market. They also demanded the government to allow export of small species of shrimp.

Leather goods exporters demanded withdrawal of incentive on raw hide export and insisted on selling leather to shoe and leather goods exporters at subsidised rates.

If the government gives incentive to value added leather goods, it will help double export earning from the sector within the next few

years, they hoped.

They also urged the government to take steps so that Bangladeshi leather goods' duty free access to Japanese market continues.

The commerce ministry has decided to hold a separate inter-ministerial meeting soon to fulfil the demands.

The ministry, however, urged the exporters to maintain the export growth of 17.39 percent in the next financial year.

The ministry officials informed the meeting that 70 percent of the import bills were paid from export earnings in the FY2004-05.

## Govt again urged to enact law to protect consumers' rights

STAR BUSINESS REPORT

Consumers Association of Bangladesh (CAB) yesterday urged the government again to enact consumers' rights protection law immediately.

Although the cabinet approved a draft in August 2004, the law is yet to be enacted, CAB leaders told a discussion titled 'Consumers Rights Protection Law and Helpless Consumers' in Dhaka.

CAB also criticised the government for its dilly-dallying attitude in making the law.

Speakers at the discussion also said the CAB has been demanding the law since 1992.

They also viewed the government's failure to stop food adulteration will cast an adverse impact on the country's export of farm products.

Lawyers, university teachers, retired government officials, journalists and political leaders were present at the discussion, which was presided over by Dr Zafarullah Choudhury, president of CAB.

## Dhaka to sign Asia-Pacific Trade Agreement

BSS, Dhaka

Commerce Minister Altaf Hossain Choudhury leaves here today for Beijing to sign the Asia-Pacific Trade Agreement (Apta).

The accord will be signed on November 2 in the Chinese capital along with approving Beijing's accession to the business bloc.

The existing Bangkok Agreement will be formally transformed into Apta.

This is going to be a turning point as China is joining the bloc, Altaf told the news agency yesterday.

"For the first time, Dhaka will be getting concessionary trade access, both duty free and quota free, at different levels under the new Apta arrangement to countries like China or South Korea," he added.

The Beijing meet will also discuss the rules of origin issue for products to be traded under concessionary regime among the member states and

Bangladesh will get advantage from this, he hoped.

This will also be the first ever ministerial meeting of the Bangkok Agreement bloc. Previously all such meetings were at the expert level, Altaf said.

The commerce minister said the Beijing meeting will not only seal the transformation of the Bangkok Agreement to Apta but may also take decision in favour of inclusion of some new members to enlarge the economic and business cooperation in the Asia-Pacific region.

Pakistan, Iran, Nepal, Myanmar, Vietnam and Fiji are aspirants to join the Apta, he said adding that the enlarged bloc may ultimately end up in creating an exclusive region for accelerated economic development and a free trade zone.

Altaf said the move to enlarge the Bangkok Agreement and put it under a

new flagship - Apta, has come at a time when the Asia-Pacific region is gaining a new growth momentum.

The Bangkok Agreement, a United Nations-focused drive, was signed in 1975 with Bangladesh, India, Sri Lanka, South Korea and Laos as the core members.

Explaining some of the business gains, he said South Korea has agreed to offer duty free access for 129 items, and 291 items will enjoy different concessional rates. Sri Lanka has agreed to offer 48 items at 35 percent duty, 10 percent down from the existing rates.

China is offering duty free access for 83 items and 50 percent duty for 25 more items.

Once the accession issue of new members is sorted out, he said, the business outreach of the bloc will become quite large and so also its economic and business gains.

## Bank of Thailand raises growth forecast

AFP, Bangkok

Thailand's economy is expected to grow 4.25-4.75 percent this year, the Bank of Thailand projected Friday, revising upward its latest growth forecast but also predicting an uptick in inflation.

"Despite the effects of high oil prices, domestic consumer spending, expanding investment and clear growth in exports support the growth," Suchada Kirakul, the bank's senior director in the domestic economy departments said.

Soaring world oil prices will push up inflation to 4.5-5.0 percent in 2005, the bank projected, marking a sharp increase from last year's rate of 2.75 percent.

The previous forecast issued three months ago called for growth of 3.50-4.50 percent.

Despite the increased forecasts, which are updated quarterly, the latest revision was still down sharply from the original projection of 5.5-6.5 percent growth for 2005.

## WTO rules against EU banana tariff

AFP, Geneva

The World Trade Organisation on Thursday struck down a proposed European Union tariff on bananas, saying it was too high to allow fair competition from Latin American exporters.

In its decision, the global referee said the new duty Brussels was proposing in order to fall into line with an earlier ruling would still skew trade by weighing on the price of Latin American bananas sold in Europe.

The EU had "failed to rectify" its proposals following the earlier ruling against its banana import regulations, said a WTO arbitration report. The arbitrator did not say what would be considered a fair tariff.

## GP gets 2.2m more subscribers in 1 year

### Telenor report says

ABU SAEED KHAN

GrameenPhone has retained its dominance over the cellphone market of Bangladesh by adding 2.2 million customers during the last one year, from October 2004 to September 2005, according to the third quarter report of Telenor, the 62 percent owner of GP, on Thursday.

GP also maintains 62 percent market share with 4.2 million of total customers. It corresponds to more than 100 percent annual growth in GP's clientele.

GP earned US\$120 million during last quarter (July-September), a 30 percent growth than its 3Q earning of 2004, thanks to the 511,000 new customers. Prepaid customers have been clearly fuelling the growth and it represents 92 percent of total subscribers. Most of them are, however, from the lower income group and they cautiously use the mobile phone. This behavioural pattern has directly impacted two fundamentals of GP's business.

The monthly average revenue per user (ARPU) was \$10 in Q3, which is 37 percent less than what it was (\$16) during the same period

of last year. This decline is attributed to GP's tariff-reduction as well as customers' lower average usage of mobile phone. On a monthly average basis each GP customer used to talk for 249 minutes in the Q3 of last year. That has come down to 223 minutes during last quarter. Monthly ARPU per prepaid customer was \$7 while it was \$44 in the post-paid segment during last quarter. GrameenPhone's pre-tax profit (\$50 million) in Q3 fell by two percent compared to 2004. Its operating profit (\$51.80 million) in Q3 rose by three percent than the Q3 of 2004. Its first nine months' operating profit (\$128.80 million) is slightly lower than the first nine months' result (\$128.96 million) of 2004.

GP has doubled its Q3 earning (\$8 million) from other mobile operators through interconnection. It has made \$19.34 million from interconnection during the first nine months of this year, which is 40 percent higher than its income of entire 2004 from the competitors.

GP's \$328.60 million total revenue during this year's first nine months grew by 31 percent com-

pared to last year's \$250.48 million of the same period. This year's 43.10 percent operating profit margin is, however, lower than last year's 54.30 percent.

Last year's 64 percent margin on earning before income tax, depreciation and amortization (EBITDA) was higher than this year's 56.90 percent. GP says this decrease was "primarily due to increased sales and acquisition costs as a result of the competition, with significantly higher customer growth compared to the third quarter of 2004."

Its \$68.36 million EBITDA in Q3 is 15 percent higher than last year's \$59.40 million. This is the result of increased capital expenditure (\$223.70 million) in the intervening quarters due to the extension of mobile coverage in new regions and increased mobile network capacity fuelled by strong subscription growth. GP has invested \$91.45 million in Q3 of this year

## BOC Bangladesh co-sponsor of Medexpo-2005

BOC Bangladesh, a member of BOC Group plc of the UK, has become co-sponsor of 'Medexpo-2005', an international medical and dental equipment and pharmaceutical products and healthcare services exposition scheduled for December 9-11 in the capital.

A memorandum of understanding (MoU) to this effect was signed on Thursday in Dhaka between BOC Bangladesh and Triune Exhibition and Event Management Services (TEEMS), the organiser of 'Medexpo-2005', says a press release.

Kazi Wahidul Alam, chief executive officer of TEEMS, and NEA Shibly, director of Human Resources of BOC Bangladesh, signed the MoU on behalf of their organisations.

## Emirates celebrates 20th anniversary

Dubai-based Emirates Airlines, which contributed US\$25 billion to the UAE economy in the past two decades, celebrated its 20th anniversary of operations on October 25.

Emirates' Chairman Sheikh Ahmed bin Saeed Al-Maktoum said Emirates is ready to take on bigger challenges as a leading player in global air transport sector, says a press release.

The airline expects to carry 33 million passengers annually by 2012 on some 150 aircraft. Emirates carried 12.5 million passengers and 838,000 tonnes of cargo last year.

Presently, Emirates operates close to 200 scheduled flights per day around its network, which covers 77 cities in 54 countries.

## WTO TALKS

### Apec to issue statement

AFP, Tokyo

Leaders of the Asia-Pacific Economic Cooperation forum will issue a special statement on the ongoing Doha Round of global trade negotiations under the World Trade Organization, a report said.

The Apec statement is intended to give momentum to the stalled trade liberalization talks ahead of a WTO ministerial meeting to be

held in Hong Kong in December, Jiji Press said late Friday, citing informed sources.

WTO Director General Pascal Lamy is expected to present WTO members with a first draft of "modalities," or key negotiating principles, for opening markets as early as mid-November, Jiji said.

If Apec members, including major WTO players such as Japan and the United States, express

support for Lamy's draft, it would help WTO members to move forward with the negotiations, Jiji said.

The WTO-sponsored trade talks have stalled over farm trade, with agricultural product importing and exporting countries divided over proposed maximum tariff rates.

## Oil firms over \$61

REUTERS, London

Oil firmed over \$61 a barrel after data showed the United States was shrugging off high oil prices and the rapidly expanding Chinese market was burning more fuel.

Strong spending by US consumers and the government helped power faster-than-expected 3.8 percent annual growth in the third quarter, overcoming the impact of hurricanes and oil prices that touched a record high of \$70.85 in late August.

"This is a very positive, strong report and encouraging because it included Katrina and a spike in oil prices and we still just seem to have a lot of momentum going into the fourth quarter," said economist Kurt Karl of Swiss Re in New York.

Data from China of Friday revealed a 9.7 per cent jump in China's oil demand in September, the biggest leap for eight months. The surge comes after months of unexpectedly weak figures from one of the world's fastest expanding markets.

"If we are seeing China back to growth, that is another stress factor back in the oil market," said Deborah White, senior energy analyst at SG Commodities in Paris.

US crude CLC1 settled up 13 cents at \$61.22 a barrel. London

Brent crude LCOc1 was up 28 cents at \$59.42.

With the northern Hemisphere winter approaching, analysts and economists are divided on how much near-record prices are hurting demand in the world's top consumer the United States.

The US oil and gas industry is still struggling back from hurricanes that battered Gulf of Mexico rigs and refiners. Lost refinery output and high natural gas prices have led to concerns in some quarter that Americans could run short of heating fuel.

A threatened strike threat at Europe's largest refinery is also hanging over the market. Workers at Shell's 418,000-bpd Pernis plant in Rotterdam have said they will walk out on Monday afternoon if there is no progress in a dispute over pensions.

A one-day strike in Belgium over government plans to raise the retirement age disrupted shipping at Antwerp port but refineries in the area were unaffected.



Kazi Wahidul Alam, chief executive officer of Triune Exhibition and Event Management Services (TEEMS), and NEA Shibly, director of Human Resources of BOC Bangladesh, a member of BOC Group plc of the UK, exchange documents after signing a memorandum of understanding (MoU) on Thursday in Dhaka. Under the MoU, BOC Bangladesh has become co-sponsor of international medical equipment exposition, scheduled for December 9-11 in the capital.