

## Business conclave Nov 17-18 to expedite regional integration

**SARWAR A CHOWDHURY**

In a bid to make Saarc one of the fastest growing blocs, business leaders from seven South Asian countries will gather at a conclave on November 17 and 18 in New Delhi.

Indian Prime Minister Dr Manmohan Singh is expected to inaugurate the event styled 'Saarc Business Leaders Conclave: South Asia Regional Integration and Growth' the first of its kind at Vigyan Bhawan.

One of the main objectives of the conclave is to expedite the economic integration process of South Asian

Association for Regional Co-operation (Saarc), sources said.

The event will bring together diverse networks of business, diplomatic and developmental communities across South Asia in a single platform that will help design a plan for achieving higher economic growth and reducing poverty.

Preparing the member states for a common South Asian market, single currency and an economic union are some of other objectives of the two-day meet being organised by India's apex trade body Federation of Indian Chamber of Commerce and Industry (FICCI).

Developing a suitable environment for higher intra-regional investment, promoting South Asia as a common investment destination and increasing employment opportunities are the other goals of the conclave.

World Bank has agreed to support this conclave as a 'Knowledge Partner'.

Around 30 business leaders from Bangladesh led by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Mir Nasir Hossain will participate in the conclave.

Sonia Gandhi, chairperson of

United Progressive Alliance and president of Indian National Congress Party, will attend a valedictory session of the conclave on November 18.

There will be a total of six sessions on Improving Competitiveness and Growth in South Asia, South Asia in Global Economy: Regional and Global Integration, Investment Climate in South Asia, How to Improve Technology Skills and Innovation in South Asia, Strengthening Co-operation on Infrastructure and Development, and Saarc Melting Pot: South Asia Soft Power during the two-day event.

## Commerce adviser pursues TRADE Act in US

**BSS, Washington**

Commerce Ministry Adviser Barkat Ullah Bulu, now on an official visit to the Washington DC, met a number of influential senators and congressmen to solicit their support for passage of the TRADE (Tariff Relief Assistance for the Developing Economies) Act 2005.

TRADE proposes to accord duty-free access of all products from Bangladesh and 13 other least developed countries (LDCs) of the Asia Pacific region.

The adviser is leading a three-member team of the BGMEA, including its President Anisul Huq and Directors SM Fazlul Hoque and Mahmud Hasan Khan.

The delegation called on the sponsors of the Senate version of the TRADE Act (S.191) -- Senator Gordon Smith (Republican-Oregon) and Senator Dianne Feinstein (Democrat-California) -- recently and thanked them for tabling the Act.

The team also met some key members of the US House of Representatives to seek support for the Act. They were Congress Women Thelma Drake (R-VA) and Judy Biggert (R-IL), Congressmen Jerry Weller (R-IL) and Congressman Ron Lewis (R-KY).

Congresswomen Thelma Drake and Judy Biggert indicated that they would be happy to co-sponsor the Act, while others have assured the adviser of actively considering his request.

## Bangladesh ranked third in Saarc region

**BSS, Dhaka**

The United Nations ranked Bangladesh third in the Saarc region in a new index measuring trade and development performance of 110 countries of the world.

Prepared by the Unctad secretariat under the guidance of Nobel Laureate economist Professor Lawrence Klein, the index measures integration of international trade in human development, and is capable of monitoring, benchmarking and ranking the trade and development performances of all countries, report reaching here said.

The trade and development index (TDI) uses an innovative methodology to link factors affecting a country's foreign trade and human development. It is based on a total of 29 distinct indicators ranging from structural and institutional factors, to trade process and policy indicators, to human development indicators.

This set of indicators also includes the much-discussed perception-based corruption index. Ranked at 59, Sri Lanka leads the South Asian region. India ranks 90th, followed by Bangladesh at number 93, Pakistan at 95, and Nepal at 98.

## WTO approves Saudi Arabia's membership

**AFP, Geneva**

World Trade Organization members approved on Friday Saudi Arabia's admission to the global body, a WTO spokesman said.

"The gavel has gone down", WTO spokesman Keith Rockwell said.

The WTO's ruling General Council, which groups all 148 current member states, gave the Middle East kingdom the go-ahead at a special session in Geneva, after more than a decade of negotiations, the official said.

Saudi Arabia will formally be admitted to the WTO on December 12, just in time for the organisation's Hong Kong conference which starts the following day.

## UK gender pay gap shrinks to record low

**REUTERS, London**

The gap between British men's and women's pay narrowed to its smallest since records began 35 years ago in the year to April 2005, official data showed on Thursday.

The Office for National Statistics said women's median gross hourly wages were just 13.2 percent lower than men's in the year to April, compared with a difference of 14.5 percent in the previous year. That was the lowest since records began in 1970.



As the 13th Saarc Summit begins in Dhaka today, business and economic activities have come to a standstill for a couple of days. The picture, taken yesterday at one of the busiest trade centres at Baitul Mukarram Market, shows only pedestrians and law enforcers on the footpaths where economic activities usually run in full swing on the weekend.

## PRSP meet with development partners begins Tuesday

**UNB, Dhaka**

A three-day meeting with the development partners begins here Tuesday (November 15) to review the financing and implementation process of Poverty Reduction Strategy Paper (PRSP).

Prime Minister Khaleda Zia will inaugurate the meeting titled "PRSP-Implementation Forum-2005" at Sonargaon Hotel at 4pm.

The meeting will discuss the existing condition and future course of action of the development and other sectors given preference in the PRSP.

Delegations of the partner organisations from their regional offices and headquarters, ministers, high officials, NGOs and civil society members will participate in the high profile meet.

Business sessions, however, will be

held at the NEC conference room at Sher-e-Bangla Nagar on Nov 16-17.

On conclusion of the meeting, a press briefing will be held at 3:30pm at the same venue on Nov 17 where Finance and Planning Minister M Saifur Rahman will brief newsmen about the outcome of the discussion.

Earlier, at a meeting on Oct 16, the National Economic Council (NEC) approved the much-talked-about PRSP, a donor-driven development guidebook for the country.

Khaleda Zia, also chairperson of the NEC, presided over the meeting that approved the PRSP titled 'Unlocking the Potential: National Strategy for Accelerated Poverty Reduction' in Bangladesh perspective.

Attuned to the UN-declared Millennium Development Goals (MDGs), the PRSP is an internationally

designed country-specific recipe for development planning and spending in poorer countries.

The government had started preparing the document at the advice of the World Bank and other donors, and in the process of "accommodated inputs from at least 40 different quarters and from root-level people to top-level policymakers."

However, opposition policymakers stayed away from giving inputs and the draft strategy was also not discussed in Parliament, as desired by many quarters.

PRSP is the document for government's development planning with social stability, economic growth and poverty alleviation as its cornerstones.

## South Korea leaves interest rates on hold

**AFP, Seoul**

South Korea's central bank left its key interest rate unchanged at 3.5 percent Thursday as it continued efforts to boost a sluggish economic recovery, saying domestic demand remained fragile.

Last month, the Bank of Korea (BOK) raised the call rate 0.25 percentage points for the first time in more than three years in a somewhat reluctant move against incipient inflation driven by soaring oil prices.

BOK governor Park Seung said Thursday that steady inflation and a quieter property market, which the government moved to cool earlier this year, allowed the central bank to leave rates on hold.

At the same time, Park noted a steady recovery in exports, industrial output and private spending which low rates would help support.

## Indian firms on buyout spree overseas

**OUR CORRESPONDENT, New Delhi**

Indian pharmaceutical major Dr Reddy's Laboratories said on Tuesday it has signed an agreement to acquire Swiss drug maker Roche's active pharmaceutical ingredients (API) business in Mexico for \$59 million including working capital.

It said the all-cash deal, to be completed by next month, will help the Hyderabad-based company strengthen its capabilities in the Custom Pharmaceutical Services (CPS) involving manufacture and sale of API to Roche and other innovative firms.

Meanwhile, India's largest software company Tata Consultancy Services (TCS) announced on Tuesday that it had acquired 100 percent equity in Chile's leading business process outsourcing company Comicro for \$23 million.

The deal, which saw TCS buying out 49 percent of Comicro's stake in the joint venture, is aimed at giving the Indian firm a stronger presence in Latin America for providing information technology services. The TCS had held 51 percent equity in the joint venture with the Chilean firm formed two years ago.

The privately-held Comicro is the market leader in banking and pension business process outsourcing in Chile with a 57 percent market share in cheque processing business and catering to 70 percent of banks in that country.

On the other hand, global IT major IBM said on Tuesday that it would acquire leading Indian private infrastructure services firm Network Solutions.

The acquisition will enable IBM to

strengthen its leadership in Indian domestic infrastructure services market. IT industry analysts say the IBM is betting strongly on the system integration business in India.

Network Solutions, the Bangalore-based firm, employs more than 1400 people with customers like Cisco, HSB, Microsoft and Oracle and reported revenues of Rs 150 crore in 2004-05 fiscal year.

The IBM had recently secured two major contracts. In April last year, it got an outsourcing deal from leading Indian telecom player Bharti Tele-Ventures at an estimated \$750 million for a 10-year period. Later in July this year, Industrial Development Bank of India chose IBM to consolidate, build and support its entire IT infrastructure with a five-year contract worth \$12.8 million.

## China think-tank sees rising yuan

**REUTERS, Shanghai**

China will see another year of strong growth and contained inflation in 2006, with the yuan gradually appreciating, a leading government think-tank said in a report published yesterday.

The State Information Centre said explosive growth in China's trade surplus, a lightning rod for criticism by Washington of the yuan's exchange rate, would slow next year. But the surplus would still reach \$117 billion in 2006, up from a projected \$100 billion this year, with both exports and imports likely to grow by about 20 percent.

"In the second half of this year and in 2006, the renminbi faces pressure to appreciate. There will also be factors that help relieve the pressure, but the upward trend will not change," the think-tank said.

The official China Securities Journal carried the forecasts from the think-tank, which is linked to China's top planning body.

Economists say China would be

wary of letting the yuan rise too far too fast if deflation, which last haunted the economy in 2002, looked likely to reappear. A stronger currency would cut import costs, making it harder to push prices back up.

There was little sign of deflation on Friday when the National Bureau of Statistics reported that annual consumer price inflation quickened to 1.2 percent in October from 0.9 percent in September.

"Inflationary pressure will be contained partly due to the stronger yuan, while there is little risk of deflation," said Song Gouging, an economist at the China Stock Exchange Executive Council, a Beijing think-tank.

The State Information Centre said consumer prices would climb between 1.5 percent and 3.2 percent next year, bracketing a 1.9 percent rise in the first 10 months of 2005 from a year earlier.

The center expects net exports to account for 35 percent of China's growth this year. It gave no comparison, but economists say the figure last year was as little as 5 percent.