

Govt signs \$200m credit deal with IDA

UNB, Dhaka

Bangladesh yesterday signed a loan agreement with International Development Association (IDA), the lending window of the World Bank Group, to receive US\$ 200 million under the third phase of Development Support Credit (DSC).

ERD Secretary Mohammed Ismail Jabihullah and World Bank Country Director Christine I Wallich for the IDA signed the agreement for their respective sides at the NEC committee room. Senior officials from both sides were present at the signing ceremony.

The DSC-III will play an important role in enhancing the ability to meet poverty goals and encourage the private sector growth, which is crucial to creating employment and raising incomes of the poor, the signing ceremony was told.

The credit is a series of IDA's annual budget support, adjustment operations in the context of a medium-term reform framework alongside the IMF supported Poverty Reduction Growth Facility (PRGF) to meet the MDGs.

The IDA credit has 40 years to maturity with a grace period of 10 years. It carries a service charge of 0.75 per cent.

Two previous DSCs had supported earlier phases of the government programme of governance and other reforms -- a US\$300 million DSC-I was approved in June 2003, followed by a US\$200 million DSC-II in July 2004.

The World Bank approved the credit on December 2 to support a programme of core and sectoral governance reforms being carried out by the Bangladesh government.

Transcom opens HP Centre in Gulshan outlet

STAR BUSINESS REPORT

Transcom Electronics Limited in its Gulshan outlet yesterday opened HP Experience Centre, the first of its kind in South Asia, where all kinds of HP brand products, such as personal computer, printer, laptop and digital camera, will be available.

Arshad Huq, general manager (sales and marketing) of Transcom, and Sabbir Saifullah, manager (sales) of HP, jointly inaugurated the centre.

Customers will also get after sales services or home services up to a certain period for purchases, officials said.

They also said the customers can get attractive prizes through lottery by purchasing products from the centre.

Speaking at the function, Saifullah said HP opened experience centre in Bangladesh as the country is a rising economy. And HP selected Transcom as the company has countrywide network, he added.

Yamin Sharif Chowdhury, manager (marketing), Zafrul Alam Khan, manager (national sales), and Arifur Rahman, showroom manager of Transcom, were also present.

Invest more in tourism

Saifur asks entrepreneurs as he opens Bangladesh Tourism Fair

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday urged private sector entrepreneurs to invest more in tourism as the sector holds immense potential.

Tourism can contribute significantly to the country's economy, the minister said as he was speaking at the inaugural ceremony of a four-day tourism fair at Bangladesh-China Friendship Conference Centre in Dhaka.

The minister said the Maldives, Malaysia, Nepal and other neighboring countries have made tremendous progress in their tourism

industries while Bangladesh fails to tap the potential, thanks to dearth of infrastructure facilities.

"Present-day businesspeople are not interested to invest in tourism industry, because they want to make quick money. So, my request to new generation entrepreneurs to come forward to develop the sector," Saifur said.

Bangladesh Parjatan Corporation is organising the first-ever show, 'Bangladesh Tourism Fair 2005'. Mirza Fakhru Islam Alamgir, state minister for civil aviation and tourism, AKM Jafar Ullah Khan, secretary of civil aviation and tourism ministry, and

Mahfuzul Haque, chairman of Bangladesh Parjatan Corporation, were also present at the function.

A total of 50 organisations including 26 tour operators, airlines, educational institutions, restaurants and hotels are participating in the exhibition.

Organisers said the fair will help tourists get proper information on different tour packages offered by tour operators.

The fair will remain open from 10am to 8pm. The entry fee has been fixed at Tk 20 per person. The Daily Star, the Prothom Alo and ATN Bangla are the media partners of the fair.

Reconsider decision to allow yarn import thru' land port

BTMA urges govt

STAR BUSINESS REPORT

Refuting knitwear manufacturers' claim of high prices of local yarn, textile millers yesterday urged the government to constitute a committee immediately to verify the allegations before implementing the decision to re-open Benapole land port for yarn import.

Knitwear manufacturers also alleged the quality of local yarn is inferior and textile millers often miss the deadline to supply yarn.

Prime Minister Khaleda Zia at the inaugural ceremony of the 2nd Bangladesh Knitwear Exposition on December 13 announced the government will allow knitwear manufacturers to import yarn from India through Benapole land port to facilitate the export-oriented knitwear production, a long standing demand of the apparel manufacturers and exporters.

The government suspended yarn import through Benapole land port in March 2002 to prevent dishonest businessmen from importing or smuggling yarn by taking advantage of inadequate infrastructure facility at the land port.

Leaders of Bangladesh Textile Mills Association (BTMA) at a press

conference in Dhaka urged the government to form a five-member committee comprising chiefs of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Bangladesh Garment Manufacturers & Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) and BTMA under the leadership of executive chairman of Board of Investment.

Terming the decision to re-open

the land port a harmful one, BTMA Chairman MA Awal said it will hurt the local textile industry especially the spinning units and discourage investment in the textile sector.

"If the government implements the decision to allow yarn import through Benapole port most of the local spinning mills will turn into sick ones," he said.

According to him, local textile millers can meet 85 per cent yarn of the total requirements by the knitwear manufacturers. They (knitwear manufacturers) have to manage the rest 15 per cent yarn through import, he added.

He, however, hoped that the local spinners will be able to fulfil the total requirement of the knitwear sector within the next six months as most of the spinning mills are expanding their units and many spinning mills are in the pipeline to come into production.

Quoting BKMEA president, Awal said in 2003-04 export growth of knitwear was 26 per cent and it was 16 per cent during the first six months of 2005. "It proves that use of local yarn could not hamper the export growth," he pointed out.

Govt lifts ban

UNB, Dhaka

Benapole land port on the country's southwestern frontier with India is open to yarn import as the government eventually lifted a longstanding ban "in the interest of knitwear export".

"Yarn import has been opened for 100 per cent export-oriented knitwear-manufacturing firms, having customs bond licence, on the basis of their entitlement," said a government announcement yesterday.



PHOTO: STAR

Arshad Huq, general manager (sales and marketing) of Transcom Electronics Limited, and Sabbir Saifullah, manager (sales) of HP, jointly inaugurate HP Experience Centre at Transcom's Gulshan outlet yesterday where all kinds of HP brand products will be available.

Bimstec FTA likely to come into force by July next year

Dhaka hopes

DIPLOMATIC CORRESPONDENT

Dhaka is optimistic about implementation of free trade area (FTA) in goods in seven-member Bay of Bengal Initiative for Multi-Sectoral Technical Cooperation (Bimstec) bloc by July 1 next year.

"Things are being sorted out and negotiated...one can be optimistic about the final settlement of the issues when the negotiators of the member states will meet in Kathmandu on December 21-27," said Foreign Secretary Hemayetuddin yesterday.

He said the Trade Negotiating Committee (TNC) is going to conclude negotiations on the Bimstec FTA for trade in goods, hopefully at the 10th meeting in Kathmandu.

"If they are able to conclude their negotiations, the FTA could enter into force, as scheduled, on July 1, 2006," Hemayetuddin said adding "The FTA in goods is expected to be signed at the Trade Ministers' Meeting in Dhaka in early next year."

The foreign secretary said the TNC would also initiate negotiations on two other agreements related to Trade in Service and Investment of Bimstec FTA at the Kathmandu meeting.

Speaking at a curtain raiser press briefing at the Ministry of Foreign Affairs, he said Dhaka is ready to host the two-day Senior Official and Ministerial Meetings of the Bimstec beginning Sunday.

He said Bimstec provides a unique link between South Asian and Southeast Asia as it brings together 1.3 billion people, that is 21 per cent of the world population, and a combined GDP of US\$ 750 billion.

CSE gets new president

STAFF CORRESPONDENT, Ctg

MKM Mohiuddin has been elected president of Chittagong Stock Exchange (CSE) for the year 2006.

He was elected at the 10th annual general meeting of the bourse held on Wednesday.

The AGM also elected AQI Chowdhury, Fakhor Uddin Ali Ahmed and Nasiruddin Ahmed Chowdhury vice presidents.

Earlier, the AGM elected Mirza Salman Ispahani, ASM Nayeem, AQI Chowdhury and AL Maruf Khan directors of the bourse for a three-year term from 2006 to 2008. Outgoing President Habibullah Khan chaired the meeting.

The AGM approved the audited accounts for the year 2004 and re-appointed Rahman Rahman Huq the auditor of the CSE for the year 2006.

The present CSE Board is composed of 12 elected and 12 non-elected directors.

WTO Hong Kong Ministerial 2005



PHOTO: AFP

South Korean farmers perform a three-steps one-bow towards the venue of the sixth World Trade Economic ministerial conference in Hong Kong yesterday. WTO ministers held a third day of talks following sharp criticism of the United States and the European Union over cotton subsidies and banana tariffs which threaten the outcome of the six-day gathering.

EU blasted as culprit for holding up global trade talks

AP, Hong Kong

It was the European Union vs the Rest of the World as global trade talks remained deadlocked Thursday, with the EU defending itself from a barrage of criticism that its refusal to further open its farming markets threatened to torpedo the entire World Trade Organization meeting.

Poor nations say that as a part of a global free-trade deal, the EU, U.S. and other rich nations must cut their farm subsidies and tariffs that block developing countries' access to those lucrative markets.

Chile's foreign minister, Ignacio Walker, blasted the EU's farm subsidy program, which critics say totals up to US\$110 billion a year. Walker said that works out to about US\$2 a day for each cow.

"So many poor people wish they

would be at least as well off as an EU cow," Walker said.

But European nations say they have already offered generous cuts in agricultural programs, including an average cut 46 per cent on farm tariffs, and that developing countries, particularly Brazil, India and China, need to counter with offers to lower their trade barriers to services and manufactured goods.

"The EU has presented a complete agricultural package," said Elena Espinosa, Spain's agricultural minister. "What did the others present? Nothing, nothing, nothing."

In the area of beef, for example, the EU said its proposed tariff cuts would lift beef imports from a current level of 500,000 metric tons to a projected 1.3 million metric tons, a figure that equals the total amount of Australian beef exports.

Battle over rice trade touches soul of Asia

AFP, Hong Kong

When the anti-globalisation movement rolled into Hong Kong this week for the WTO talks, the first thing they did was to build a shrine to that most basic of foodstuffs -- rice.

In a ceremony of chanting and dancing, activists from across Asia gathered in a carnival-like atmosphere to honour the simple seed that has sustained populations for millennia.

"Rice is not just food," said Indonesian rice-grower Ahmad Sumeri. "It is our life, it is our culture."

"It is God's gift to us and God gives us life through rice," said the farmer from the main island of Java.

Few crops are as politically, culturally or economically important to Asians and as a result rice has become a pressing and high-profile issue at the World Trade Organisation meeting in Hong Kong this week.

Around 1,000 South Korean farmers, who have been involved in sporadic clashes with police near the conference venue, are imbued with deep-rooted anger at WTO plans to open up domestic agricultural markets.

"Basically if the Korean government is asked to choose between agriculture and manufacturing, they would select agriculture, ignoring the manufacturing sector, because politically, agriculture is quite powerful," said Kang Moon-Sung, head of the WTO research team at the Korea Institute for International Economic Policy.

Rice farmers are heavily subsidised for both economic and political reasons in Korea where the rural sector is very well represented in the national assembly.



PHOTO: CPD

Executive Director of Centre for Policy Dialogue (CPD) Debapriya Bhattacharya speaks at the Hong Kong Trade and Development Symposium Dialogue on "Post-Doha Marginalisation of LDC Concerns" organised by CPD as a parallel event to the 6th WTO Ministerial Conference in Hong Kong on Wednesday. Among others, Commerce Minister Altaf Hossain Choudhury is also seen.