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BOL ships first export consignment of software

UNB, *Dhaka*

Bangladesh Online Limited (BOL), a leading software developer and internet service provider, has shipped its first export consignment of computer software worth US$ 1.5 million (Tk 10 crore) recently as the company bagged an order of US$ 4 million.

Rest of the games software order from UK remained under development for shipment soon, said a corporate announcement Monday.

The country's software export to different destinations around the world has gradually increased in the recent years, with big names in the high-tech industry taking interest in the business here.

Bangladesh fetched US$ 12.68 million through software export in 2004-2005, up from US$ 7.19 million in the previous 2003-2004 fiscal year, according to figures revealed at an Export Promotion Bureau (EPB) seminar recently.

"The BOL-developed games software is receiving overwhelming response from the UK importers," said Shayan F. Rahman, CEO of BOL, a concern of Beximco Group. He also said the company is trying to explore more export opportunities.

Lanka to double license fees for lubricant sellers

AFP, *Colombo*

Sri Lanka is to double the license fee for lubricant sellers and invite more players into the market, Energy Minister M. H. M. Fowzie said Monday.

The license fee will now be fixed at 10 million rupees (100,000 dollars) for a five-year period and two million rupees (20,000 dollars) for one year, Fowzie said.

"We want to encourage more players to come into the market and also get (the state-run) Ceylon Petroleum Corporation to compete," the minister said.

The local lubricant market, estimated at about six billion rupees (60 million dollars), is dominated by ChevronTexaco whose local operation is called Caltex Lanka Lubricants Ltd.

New DMD of IFIC Bank

Mohammad Abdullah has been appointed deputy managing director of IFIC Bank Ltd.

Prior to this appointment, he was the senior executive vice president and head of International Division of the bank, says a press release.

Abdullah joined IFIC Bank in 1986 and held responsible positions in different capacities.

Move to stop smuggling of hides, extortion in cattle markets

Rab, BDR to be deployed ahead of Eid-ul-Azha

STAR BUSINESS REPORT

The government has decided to deploy additional law enforcement agencies to stop extortion in cattle markets and control smuggling of hides of sacrificial animals ahead of Eid-ul-Azha.

The law enforcement agencies including Rapid Action Battalion (Rab) and Bangladesh Rifles (BDR), to be deployed in different cattle markets, highways and waterways, will also ensure smooth transportation of sacrificial animals.

The decision was made when a delegation of tannery association and district chambers met the home secretary yesterday in Dhaka. The businesses demanded steps to protect extortion during cattle transportation and stop smuggling of raw hides of sacrificial animals into neighbouring countries.

Presided over by Home Secretary Safar Raj Hossain, the meeting was attended, among others, by IGP MA Quayyum, DG-BDR, DG-Rab, top leaders of different district chambers and tannery association.

The meeting sources said some 15,000 members of law enforcement agencies will be deployed in 115 shopping centres and 15 to 16 cattle markets in the capital to protect extortion, mugging and other criminal activities.

District police will escort 20 to 25 cattle trucks at a time to protect illegal toll collection and robbery while highway police will also remain alert to avoid any untoward incident.

Besides, in waterways coast guards and police will ensure safety of trawlers and boats carrying cattle.

"Because of strict vigilance against hide smuggling last year, we made it possible to protect smuggling of hides worth Tk 500 crore and the figure will go up this year," the home secretary said.

The meeting was informed that 11 lakh cattle have been imported so far from India while the figure was 8.5 lakh last year. The government has already earned Tk 55 crore in revenue from cattle import, which is 25 percent higher than that of last year. The government earned Tk 43 crore in revenue from cattle import last year, the meeting was told.

PHOTO: STAR

Children crowd a stall of Japanese coloured pencils at the Dhaka International Trade Fair (DITF) at Sher-e-Bangla Nagar in the capital.

CENTRAL BANK STRENGTHENING PROJECT

Slow pace of execution delays IDA credit disbursement

UNB, *Dhaka*

The disbursement of an IDA credit for the Central Bank Strengthening Project (CBSP) is being delayed due to slow pace of implementation of the US$ 46.13 million scheme meant for better financial sector management, according to financiers.

International Development Agency (IDA) of the World Bank released only US$ 2.62 million as on June 30, 2005 out of the total financing commitment to the project worth US$ 37.0 million by the year 2007, World Bank sources said. The rest of the project cost would be financed by Bangladesh Bank.

"Due to the delay in procuring the IT systems, the largest component of the project, as well as change of both BB governor and project director (PD), a large gap was created between estimated and actual disbursement under the project," said a World Bank release yesterday.

However, it observed that the project was revamped recently, and got momentum for the initiative of the new BB governor and support from the government.

The objective of the Central Bank Strengthening Project (CBSP), effective from September 28, 2003, is to achieve a strong and effective regulatory and supervisory system for the country's banking sector.

It is intended to assist BB in strengthening its legal framework, reorganise and modernise the central bank by focusing on functional reorganisation, automation and human-resource development, and capacity building of research department, strengthening prudential regulations and bank supervision, and strengthening accounting and auditing.

Minister assures BGMEA of solving sewerage problems in Savar, Ashulia

UNB, *Dhaka*

LGRD and Cooperatives Minister Abdul Mannan Bhuiyan yesterday assured BGMEA of solving sewerage problems facing the garment factories in Savar and Ashulia areas, as the association leaders said maintaining clean industrial environment is a part of compliance with foreign buyers' conditions.

He made the assurance as a delegation from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), led by its President Tipu Munshi, called on the minister.

The factories are failing to meet the compliance for lack of sewerage in the areas, the minister was told about the environmental problem posed by industrial waste on the expanding fringes of the city.

Some 107 factories employing 2.5 lakh workers and employees lack industrial waste disposal system, the BGMEA said.

The BGMEA delegation also met State Minister for LGRD and Cooperatives Ziaul Huq Zia.

Hyundai to nudge $99b of sales in 2006

AFP, *Seoul*

South Korean auto giant Hyundai Motor Group said Monday it was aiming to sell over four million vehicles in 2006, boosting sales by nearly 18 percent to around 99 billion dollars.

The group set its sales target at 100 trillion won (98.7 billion dollars) for the year, up from last year's estimated 85 trillion won.

The conglomerate said it expected to sell 4.12 million units in 2006, up 16 percent from estimated sales of 3.55 million in 2005.

The group plans to invest 8.54 trillion won -- 5.24 trillion won for facilities and 3.3 trillion won for research and development -- in 2006, up 29.6 percent from last year.

Course on project finance held

The certificate giving ceremony of the ninth project finance course organised by Infrastructure Development Company Ltd (IDCOL) was held recently.

Professor Wahiduddin Mahmud, former adviser to a caretaker government, distributed certificates among the participants, says a press release.

Mahmud lauded IDCOL for its role in the private sector infrastructure development in Bangladesh, adding that the company is utilising the government and donors' fund efficiently for infrastructure development.

M Fouzul Kabir Khan, executive director and chief executive officer of IDCOL, Prof Mohammad Musa, pro-vice chancellor of East West University, Murshid Kuli Khan, executive director of Bangladesh Bank, and M Ehsanul Haque, managing director of Brac Bank Ltd, among others, were present at the function.

SAFTA ACCORD

Nepal implementing liberalisation of customs duty rate

XINHUA, *Undated*

Nepal, which has already set stride into the South Asian Free Trade Area (Safta), is implementing the liberalisation of rate of customs duty on imported goods from coming August, state-run Radio Nepal reported on Monday.

The report quoted Joint-secretary at the Ministry Naindra Rasa Upadhyaya as saying that other members of the South Asian Association for Regional Cooperation (Saarc) will be bringing down the rate of customs duty from July 2006.

There is no probability that Nepal will have to bear any kind of loss following the enforcement of the Safta, which is believed to play a pivotal role in the promotion of trade and investment in the region, he said.

Previous bilateral relations about trade will remain intact, and the Safta will give additional momentum to the promotion of trade, Upadhyaya added.

Shedding light on positive aspects of the Safta, Upadhyaya emphasised that mutual discussions need to be continued regarding the utilization of Indian territory for strengthening Nepal's trade relations with India and other countries.

Member countries of Saarc entered into the Safta accord beginning Sunday. Saarc groups Bangladesh, India, Pakistan, Bhutan, Maldives, Sri Lanka and Nepal.

According to the state-run Radio Nepal, the Safta now becomes the world's largest free trade area effective in the South Asian region marked by poverty and backwardness.

Accordingly, Nepal, Bangladesh, Bhutan and Maldives will have to maintain the customs duty from zero to five percent within the next 10 years while India, Pakistan and Sri Lanka will have to do the same within seven years.

Delhi must play key role to ensure Safta benefits for all Saarc states

Says Indian apex industry group

PALLAB BHATTACHARYA, *New Delhi*

An apex group of Indian industries has said India should play leadership role to ensure that benefits of South Asian Free Trade Area (Safta) are shared equally by all Saarc member countries.

The Confederation of Indian Industry (CII) said in a statement here on Sunday that the decision by developing countries in Safta to open up their markets faster for the least developed countries (LDCs) in the region can go a long way in improving market access for the LDCs.

India, Pakistan and Sri Lanka are the developing countries while Bangladesh, the Maldives, Bhutan and Nepal comprise the LDCs in the region.

It is the right step towards greater economic integration of the region, it said.

CII estimates that the around seven billion dollar intra-Saarc trade could increase substantially in the next few years if full benefits of Safta accrue to all the seven countries of the economic grouping.

It said trade within Saarc (South Asian Association for Regional Co-operation) can grow from five percent at present to at least ten percent by 2008.

The industrialists' body says there is a need to focus on improving transport links among Saarc countries to ensure greater benefits of tariff cuts under Safta across the region.

The region should be well connected and infrastructure development should be given top priority, it suggested.

Trade and industry circles in India feel while there would be greater market access and more duty concessions for India and other member-countries of Safta, gradual integration of the economies could also result in political stability and faster growth.

Since the applied rate of customs duty applicable on January 1, 2000, would be taken as the base for tariff phase-out, no major duty cuts are necessary as of now. India has already undertaken substantial duty reduction after that date with the average cut at five percentage points per year for most products covered under the peak duty rate, they said.

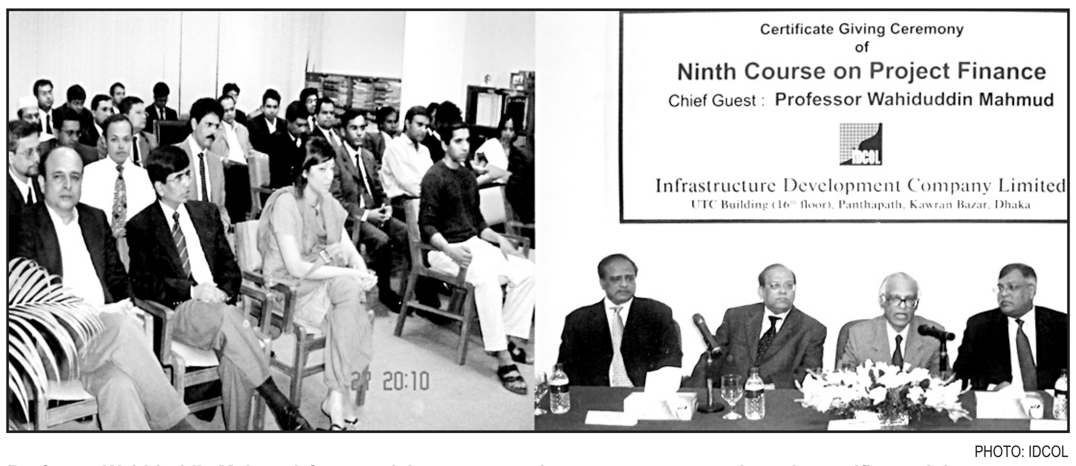

PHOTO: IDCOL

Professor Wahiduddin Mahmud, former adviser to a caretaker government, speaks at the certificate giving ceremony of the 'Ninth Project Finance Course' organised by Infrastructure Development Company Ltd (IDCOL) recently. M Fouzul Kabir Khan, executive director and chief executive officer of IDCOL, is also seen.

China hails US decision on steel pipe trade

REUTERS, *Beijing*

China welcomed on Monday a decision by US President George W. Bush to reject a request by some US manufacturers for curbs on imports of steel pipes.

"The Chinese side believes that the policies the US government has adopted up to now in these special protection cases help the healthy and stable trade relations of the two countries," a spokesman for China's Commerce Ministry said in a notice on its Web site (www.mofcom.gov.cn).

The other cases it referred to were on clothes hangers, chair height adjustment parts and car brake parts, products the statement said the US had decided not to take measures against.

Steel-pipe producers have asked for curbs under a special provision of Beijing's accession in 2000 to the World Trade Organisation that allows countries to restrict imports of manufactured goods from China in response to a surge.

But Bush said that since many other countries also supply steel pipes to the US market, any curbs would likely be replaced by imports from third countries and that restricting Chinese imports would cost US consumers.

China has also pressed the US to reform its anti-dumping procedures, saying they are unfairly slanted against target countries, especially China.

The decision on steel pipes, which was announced on Friday, comes as the Bush administration faces pressure from Congress to take a tough line on trade with China. The US trade deficit with China is estimated at about $200 billion for 2005.

On a visit to Beijing last month, Franklin Lavin, US Under Secretary of Commerce for International Trade, said increasing exports to China rather than protectionist measures against Chinese imports was the most constructive way to address the trade deficit.

He also said he suggested to Chinese officials a mechanism for bilateral dialogue on the steel sector to head off potential trade disputes.