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Businesses for immediate Bangla-Pak FTA deal

Apex bodies to persuade governments

STAR BUSINESS REPORT

Businesses of both Bangladesh and Pakistan yesterday agreed to persuade their governments to go for FTA deal as soon as possible to raise bilateral trade to US$ one billion by 2007.

The apex trade bodies of Bangladesh and Pakistan at their first Joint Business Council (JBC) meeting also stressed the need for signing the FTA deal in a bid to reduce the huge trade gap between the two countries.

The Federation of Bangladesh Chambers and Commerce and Industry (FBCCI) organised the meeting held at its conference room in Dhaka.

The JBC meeting also unanimously agreed to remove tariff and non-tariff barriers for augmenting imports and exports between the two countries.

The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Chaudhry Muhammad Saeed led the 49-member Pak business delegation.

Earlier, Foreign Affairs Adviser Reaz Rahman formally opened the meeting in the morning.

After the daylong JBC meet,

PHOTO: STAR

Mir Nasir Hossain, FBCCI president, presents a crest to Chaudhry Muhammad Saeed, president of the Federation of Pakistan Chambers of Commerce and Industry, during a meeting in Dhaka yesterday.

FBCCI President Mir Nasir Hossain in a press conference officially announced a 15-point charter agreed upon by both the sides.

The charter also decided to persuade the governments to encourage private sector entities to come forward in establishing direct shipping link between the two countries for smooth transportation of goods. The meeting underscored the need for expanding the air link as well.

The JBC meeting also identified the exportable products of the two countries and potential sectors for investment.

Mir Nasir Hossain in the press conference said although Pakistan offers duty-free access of up to 15,000 tonnes of tea and unlimited quantity of raw jute, Bangladesh faces huge trade deficit.

He also said the target to raise bilateral trade to $1billion is ambitious but not impossible.

Mir Nasir said Bangladesh is currently privatising state-owned jute mills, textile mills and engineering enterprises. So, entrepreneurs of Pakistan can seize the opportunities, he added.

Speaking at the press conference, FPCCI President Chaudhry Muhammad Saeed said presently there is no direct shipping link between Pakistan and Bangladesh, which hampers the bilateral trade seriously.

He said the private sector shipping company can come forward to establish a direct shipping link.

"Pakistan is very keen to invest in Bangladesh and I can say that around 85 investors are now ready to come up with specific investment proposals," he said.

Meanwhile, the JBC meeting also formed a committee headed by FBCCI Vice President Dewan Sultan Ahmed for peaceful settlement of trade disputes.

The committee has been asked to submit a report within six months evolving a dispute settlement mechanism.

GP launches privilege service Thankyou Crown

GrameenPhone has launched a new privilege membership service "Thankyou CROWN" with effect from yesterday, says a press release.

The service will specially cater to the needs of the privileged subscribers of GrameenPhone.

The service includes three types of membership-- Platinum, Gold and Silver. Based upon the average monthly usage over the previous six months, subscribers will be assigned to any of the above three types of membership.

Subscribers with an average monthly usage of above Tk. 6,500 during the previous six months will be offered Platinum membership, from Tk 6,500-Tk 4,500 will be offered Gold membership and from Tk 4,500-Tk 2,500 will be offered Silver membership. Based on average monthly usage, membership will be reassigned after every three months from last status change.

The various memberships present a wide variety of special privileges to the subscribers. Members will also enjoy discounts at various international Thankyou partners. International partners include Bangkok Medical Centre, Thailand and Raffles Hospital, Singapore with many more to come. Members will have to register at local offices of these hospitals to receive discount.

Special personal service and care will be offered to the members at the GrameenPhone Centers and other customer centers. Initially, home service will be offered to Platinum members in selected divisional cities.

In addition, as a launch special, Thankyou Crown is offering a special connection "GP Dear" for the members and available only until August 31 with limited stocks. It allows subscribers to stay connected to 5 predefined GP numbers and vise versa, so that members can always remain will stay in touch with their family members. The connection can be collected from selected GrameenPhone Centers at the special price of Tk 199 only.

DROUGHT-LIKE SITUATION

Tea production may fall short of target by 25pc

IQBAL SIDDIQUEE, *Sylhet*

The country's tea production this year may miss the target by 25 per cent due to drought-like situation, industry people said.

Inadequate rainfalls in the last three months in Sylhet region, the country's major tea producing area, have also hampered fertilization in most tea gardens, they added.

The region experienced light rains in the first week of May and there had been no rains in the last few days. The country's tea production target has been fixed at 65 million kgs for the current season, which runs between March and October.

A senior manager of a state-run tea garden at Balisera valley in Moulvibazar district said poor rainfalls and unusual fluctuation in temperature are set to play havoc with the harvest.

This season has experienced at least 30 per cent less rainfalls over the corresponding period of the last season, added the manager.

Salman Haider Chowdhury, general manager of Khadim Tea Estate in Sylhet, said if the drought-like situation continues, the production may fall short of target.

The country's tea industry had the highest-ever production of over 59 million kg last year due to favourable weather condition.

An official of Bangladesh Tea Research Institute (BTRI) said the annual target of tea production may not be achieved this year.

Usually, tea producing region experiences 400mm to 450mm rainfalls until mid-August while in this season the region has experienced below 200mm rainfalls.

Bangladesh has 160 tea estates having the production capacity of about 50 million-60 million kg.

PHOTO: FICCI

Italian Ambassador to Bangladesh Pietro Ballero (2-L) speaks at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce & Industry (Ficci) yesterday in Dhaka. Ficci Vice President Peter A May (2-R), among others, is seen.

Energy tops agenda as Japan PM heads to central Asia

AFP, *Tokyo*

Prime Minister Junichiro Koizumi heads to central Asia this week on his first trip to the region as Japan steps up its rivalry with China and Russia to gain influence over the energy-rich region.

Koizumi, who leaves office next month, will hold summit meetings with Presidents Islam Karimov of Uzbekistan and Nursultan Nazarbayev of Kazakhstan during his four-day trip to the two countries starting Monday.

The visit, the first by any Japanese prime minister to the region, comes as Tokyo looks to bolster cooperation with the oil- and gas-rich nations to compete with the booming Chinese economy for regional energy resources.

Japan relies heavily on foreign energy and imports nearly all of its oil, mostly from members of the Organisation of Petroleum Exporting Countries (OPEC) in the volatile Middle East, such as Iran.

"Non-OPEC, non-Middle East oil producers are important for Japan's energy security," a senior government official said on condition of anonymity.

"In addition, deterring terrorism from spreading northwards to central Asia from Afghanistan is essential for the security of Japan and the world," he added.

In Kazakhstan, Koizumi and Nazarbayev will announce an agreement to send Japanese experts to help develop Kazakh nuclear power plants, Nobutaka Takeo, an official at the Ministry of Economy, Trade and Industry, told AFP.

Beyond the energy issue, talks in Uzbekistan will focus on the need for democratization and respect of human rights, another senior official at Japan's foreign ministry said on condition of anonymity.

Positive image key to luring tourists, investment

Speakers say at Branding Bangladesh Conclave

STAR BUSINESS REPORT

Speakers at a discussion yesterday underscored the need for building a positive image of Bangladesh by improving governance and bringing corruption at a tolerable level besides presenting local culture and heritage in the interest of luring tourists and foreign investment in the country.

Bengal Foundation and its sister concerns organised 'ICE Today Branding Bangladesh Conclave 2006' at Radisson Water Garden Hotel in Dhaka. Kaiser Haq, member of the ICE Today editorial board moderated the discussion.

Making a presentation on the topic, Dr Debapriya Bhattacharya, executive director of the Centre for Policy Dialogue (CPD), said the fundamental prerequisite for changing perceptions about Bangladesh would be a change in the unfavourable realities prevailing in the country.

However, the improvement of the reality needs to be supplemented by an effective communication strategy, which will adequately project the primary strengths of the country to the world at large, he observed.

Indeed, the concept of branding may be effectively utilised to address both the reality and perception challenges, which Bangladesh is currently confronting, he noted.

If a country opts not to have a branding strategy, it does not mean that others will leave it alone, Debapriya said, adding that rather disadvantaged countries like Bangladesh will be left to the discretion of others and get branded based on limited and partial or biased information.

Despite negative image some Bangladeshi organisations like Grameen Bank, Brac have helped improve the country's image globally, he pointed out.

Prof Anisuzzaman, chairman of Jamini editorial board, underlining the need for organising cultural events in different countries said: "I don't think that we have done enough to present our culture abroad."

Farooq Sobhan, president of Bangladesh Enterprise Institute, noted that image is a key factor in attracting tourists and investment in the country.

"Perception about Bangladesh in our immediate neighbouring countries is not good which is very important," he said, adding that most of the regional countries like Nepal, Sri Lanka or Myanmar were able to attract tourists despite hostile political environment but it was not possible for Bangladesh.

Bibi Russell, a fashion designer, emphasised improving rural economy and said: "It is essential to present our art, culture and people at the national level positively and then we can think about presenting ourselves in a positive way globally."

Annisul Huq, former president of Bangladesh Garment Manufacturers and Exporters Association, said local exporters are forced to sell their products at prices lower than those offered by other competitors in the global market due to a bad image of the country.

Wali Bhuiyan, former president of Foreign Investors Chamber of Commerce and Industry (Ficci), said Bangladesh has huge potential and it is essential to highlight positive things instead of presenting the country in a negative way all along.

Mahfuz Anam, editor and publisher of The Daily Star, said in spite of bad image Grameen Bank and Brac had been successful in building a positive image of the country with their performances.

"We need to acquire self-confidence based on our strength," he said, explaining that Bangladesh is known as a country of excellent disaster management and its participation in the UN peacekeeping operation is highlighted in a very positive way.

Economist Atiur Rahman said there are lots of positive stories and it is essential to project local culture and heritage to build a positive image.

On branding Bangladesh as a number one corrupt country, he said a section of political elites may be corrupt but the common people are not corrupt. In this context, he stressed the need for differentiating these two aspects.

Ramendu Majumder, managing director of Expressions Ltd, said it is possible to build a positive image of the country by presenting local culture and heritage. "We should have good governance and keep corruption at a tolerable level to build positive image of Bangaldesh."

Nasser Shahrear Zahedee, adviser of Roche, lamented that different organisations have already branded the country in a very negative way. Without improving overall governance, branding the country's positive image might be difficult on the private sector's part.

Luva N Choudhury, editor of ICE Today, said a country's image plays a crucial role in its international dealings.

To put things in a frankly pragmatic perspective, the better a country's image, the better the deal it gets in the global marketplace, she noted.

PHOTO: STAR

Kaiser Haq (3rd from left), a member of the ICE Today editorial board, speaks at the ICE Today Branding Bangladesh Conclave 2006' at Radisson Water Garden Hotel in Dhaka yesterday. Luva N Choudhury, editor of ICE Today (extreme right), is also seen.

Chad orders Chevron, Petronas to leave

AP, *Chad*

Chad's president on Saturday ordered oil companies Chevron Corp. and Petronas to leave the country, saying neither has paid taxes and his country will take responsibility for the oil fields they have overseen.

In remarks on state-run radio, President Idriss Deby gave the companies part of the African country's oil production consortium that is led by Exxon Mobil a deadline of just 24 hours to start making plans to leave.

"Chad has decided that as of tomorrow (Sunday), Chevron and Petronas must leave Chad because they have refused to pay their taxes," Deby said in a message broadcast on state-run radio.

Deby said Chad, which is one of Africa's newest oil producers and is setting up a national oil company, would take over the oil fields that have been overseen by the American and Malaysian companies and account for some 60 percent of its oil production.

Sabri Syed, a spokesman for Kuala Lumpur-based Petroliam Nasional Berhad, said he could not comment on Deby's announcement.

Chevron said in a statement it had not been behind on any tax payments and had not been told it must leave Chad.

"Chevron has not received any official notification from the Republic of Chad government asking Chevron to leave the country over tax issues," the statement said. "However, Chevron has been in full compliance with all of our tax obligations.

Bangladesh's politics obstacle to FDI

Italian envoy tells Ficci

STAR BUSINESS REPORT

Bangladesh's politics is an obstacle to attracting foreign investment in Bangladesh, Italian Ambassador in Dhaka Pietro Ballero said yesterday at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (Ficci).

However, he lauded the country's steady GDP growth and said Bangladesh has achieved a lot in terms of economic activities since its independence in 1971.

About the law and order situation in Bangladesh, he said that the law and order situation here is not so bad as it is being projected in media.

"The situation is also similar in Italy where media projection is a bit more exaggerated than the reality," Pietro Ballero pointed out.

On Italian investment in Bangladesh, Ballero said probability of Italian investment here is grim because only big companies invest in overseas countries and the number of such companies in Italy is very insignificant.

Although Bangladesh does not get significant financial help from Italy, Italy provides a huge amount of money to international organisations like European Union, Ballero said, adding that Bangladesh is thus benefited through these international organisations and Italy also.

He said at present nearly 80 thousand to one lakh Bangladeshi expatriates are living in Italy, both legally and illegally.

Peter May, vice president of Ficci and managing director of Kafco, Rafi Omar, executive member of the foreign investors' chamber, were present at the monthly meeting, among others.

PHOTO: BRAC BANK

Chairman of Brac Bank Ltd Fazle Hasan Abed inaugurates the 22nd branch of the bank at Rampura in Dhaka on Saturday. The bank's Director Aminul Alam, Executive Director of Brac Abdul Muyeed Chowdhury and Managing Director and CEO of the bank Imran Rahman, among others, were present at the function.

Merger to create Italy's largest bank

AP, *Rome*

Banca Intesa SpA and Sanpaolo IMI SpA said Saturday they agreed to merge, creating Italy's biggest bank in what one official hailed as a sign of vitality in the economy.

The banks said the new group would have about $650 billion in combined assets and a market capitalization of more than $76.6 billion. The banks said they expect the new group will have a 20 percent market share and show annual net growth of about 13 percent in the period up to 2009.

The merger was expected to be completed by early 2007 and the new group will be based in Turin in northern Italy.

The boards of the two lenders approved the deal in separate meetings.

Banca Intesa Chairman Giovanni Bazoli called the merger a sign of vitality for Italy.

The new bank "will be a point of strength for our country's economy, and will be able to act as a protagonist on the European scene," he said in a statement.

Under terms of the deal, which will be presented to shareholders for approval in December, 3.115 Intesa shares will be offered for every Sanpaolo share.

KSA to raise crude oil supply to Japan

XINHUA, *Kuwait City*

Saudi Aramco, the national oil company of Saudi Arabia, will increase its supply of crude oil to Japan by at least 300,000 barrels per day (bpd), the Saudi Press Agency (SPA) reported Saturday.

Saudi Aramco, currently supplying nearly 1 million bpd to Japan has recently signed an oil supply accord with the country and will accordingly become Japan's top crude oil supplier.

Meanwhile, Saudi Aramco would acquire 9.96 percent of shares of Showa Shell, a Japanese refining and marketing company, SPA reported.

Under terms of the accord, the transfer of shares is to be completed in August this year.

Saudi Aramco has also agreed in principle to acquire an additional 4.99 percent of Showa Shell's shares from the Royal Dutch/Shell Group, said the report.

Showa Shell is one of the largest refiners in Japan, with access to refining capacity of 515,000 bpd through three affiliated refining companies.

Inter-Korean trade up 14.7pc

XINHUA, *Seoul*

Trade value between South Korea and the Democratic People's Republic of Korea (DPRK) reached 668 million US dollars in Jan-July this year, up 14.7 percent year-on-year, the Korea International Trade Association (KITA) said Saturday.

South Korea's exports to the DPRK came to 446.6 million US dollars down 2.2 percent from the year-ago period, and its imports from the DPRK totaled 263.2 million US dollars, up 56.8 percent.

The corporate-related trade, including the trading related to inter-Korean industrial complex in Kaesong, increased 31.9 percent to 489 million US dollars, and non-corporate trade such as the trading with government and private aids fell 15.3 percent to 178.5 million US dollars.

Carlson Wagonlit Travel acquires TQ3Navigant

Carlson Wagonlit Travel (CWT), the world's second-largest travel management company, recently has acquired TQ3Navigant and through this acquisition the two organisations have officially become one company.

In addition, the acquisition of Accor's 50-per cent share in CWT by Carlson Companies and One Equity Partners (OEP) has been finalized, says press release.

Through this acquisition and transactions CWT has emerged as a stronger leader in the travel management industry. Together, the team will leverage the strengths inherited from both Navigant and legacy CWT.

China enacts new bankruptcy law

AFP, *Beijing*

China's legislature adopted a new bankruptcy law on Sunday which for the first time includes private companies, not only state-owned firms, and is aimed at boosting investor confidence.

The "Corporate Bankruptcy Law" will apply to foreign companies as well as Chinese firms and protect the rights of both creditors and workers, according to officials from the standing committee of the National People's Congress.

The law, which will come into effect on June 1 next year, allows creditors or financial supervision agencies to initiate bankruptcy proceedings against companies whose management are unwilling to do so, officials said.

Some unprofitable Chinese companies, including state-owned firms, have fallen into such a financial mess that they have been unable to pay workers' wages or bills.

Unlike the old bankruptcy law, which was promulgated in 1986 and only applied to state-owned companies, there were no clear guidelines on how the companies could be dissolved and the assets split among employees and creditors.