

Star BUSINESS

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US ready to ease Cold War-era trade barriers with Russia

AFP, Moscow

US Congressman Tom Lantos will declare here on Wednesday that Congress is ready to cancel a Cold War-era legislative amendment inhibiting US-Russian trade, the Kommersant newspaper said.

Lantos, who recently became chairman of the House Committee on Foreign Affairs, is expected to announce plans to cancel the Jackson-Vanik amendment as he wraps up a three-day charm offensive in Moscow, said the influential daily.

Cancellation of the amendment

would be a crucial step for Moscow as it tries to finalise Russia's entry to the World Trade Organisation.

The legislation was an amendment to the 1974 trade act intended to put pressure on the then Soviet authorities as they took steps to restrict emigration, primarily by Jews, and thus avoid a brain drain.

It denies normal trade relations to targeted countries, requiring reports on those countries to be submitted to Congress twice a year.

"Yesterday he (Lantos) intrigued Russian journalists by promising an

'important announcement having historical significance for Russian-American relations' at today's press conference," Kommersant reported.

The paper said it took this to mean an announcement on "Congress' readiness to cancel the notorious Jackson-Vanik agreement."

Lantos' visit marked a personal transformation, said the paper. He had grown up in Hungary protesting against the Communist regime and more recently had been sharply critical of President Vladimir Putin's Russia.

"By the look of it, Tom Lantos

came to Moscow to dispel, in three days, his image as 'Russia's chief persecutor,'" the paper said.

Russia has long sought cancellation of the amendment and the issue has become more important as it is in the final stages of concluding negotiations to join the WTO.

WTO rules prevent members from imposing restrictions on other members of the sort Jackson-Vanik dictates.

The amendment is named after its sponsors, senator Henry Jackson and congressman Charles Vanik.

Lanka telecom sector soars on new mobile connections

AFP, Colombo

Sri Lanka's telecom sector soared in 2006 to 7.3 million users, led by a 59 percent jump in new mobile phone connections on competition and falling call rates, the telecom watchdog said Tuesday.

Despite a waiting list of around 366,000 for fixed-line phone services, the Sri Lanka Telecommunications Regulatory Commission said mobile phones, including GSM and CDMA systems, had allowed rural residents to get phone services immediately.

Fixed-line subscribers rose to 1.9 million in 2006 from 1.2 million a year ago after the commission gave CDMA (code division multiple access) licences allowing three firms to use the cheaper technology and expand in rural areas.

The number of cellular phone users grew to 5.4 million in 2006 from 3.4 million a year earlier, as operators slashed tariffs by up to 40 percent.

The clear majority of new users buy pre-paid cards, the commission said.

With India's largest private phone company, Bharti Airtel, lined up to be the fifth mobile phone player, analysts expect further price cuts, especially outside the capital,

to tap rural users in the nation of 19 million.

Bharti, which is due to start services by year-end, has promised to invest 100 million dollars within the first year of operation.

However, Sri Lanka's mobile phone market may grow at a slower pace this year as galloping inflation puts the breaks on tariff cuts, industry analysts said Tuesday.

"We are looking at just over seven million customers in 2007 and about 8.9 million in 2008, which is a tad slower than the annual 50 percent growth we have been seeing over the years," equity brokerage Capital Alliance said.

With inflation showing little sign of easing after touching 20.5 percent in January from a year ago, Alliance said cellular operators should not be in a hurry to slash tariffs.

"With Bharti coming in, there is certainly going to be some price pressure, but mobile operators are better off holding their tariffs at current rates because inflation is biting in," the brokerage said.

Sri Lanka, which became one of the few South Asian countries to offer 3G (third generation) services commercially in 2006, was also the first in the region to introduce cellular phones by unveiling an analog network in 1989.



PHOTO: SONALI BANK

Showkat Ali Khan of Sonali Bank and Kaiser Tamij Amin of Brac Bank Ltd sign a draft drawing agreement on behalf of their banks at an agreement signing ceremony on Sunday in Dhaka. Managing Director of Sonali Bank SM Aminur Rahman and Managing Director of Brac Bank Imran Rahman, among other senior officials from both the sides, were also present.



PHOTO: NORTHERN GENERAL INSURANCE CO

The Branch Managers' Conference-2007 of Northern General Insurance Company Ltd was held recently in Dhaka. Chairman of the company Hamidul Haq and other senior officials were present at the meeting.



PHOTO: LEMON COMMUNICATION

Mohammad Habibur Rahman, managing director of Bangladesh Cable Shilpa Ltd, a telephone cable manufacturing company, and Tanvir Ibrahim, head of Corporate Sales of Banglalink, exchange documents after signing a corporate agreement recently. As per the deal, Bangladesh Cable will enjoy special tariff and value added services under the mobile phone operator's 'Enterprise' package.



PHOTO: ICAB

A delegation of the Institute of Chartered Accountants of Bangladesh (ICAB) led by its President M Farhad Hussain (4-R) called on Adviser to the Law, Housing and Public Works Ministry Mainul Hossain (5-R) recently in Dhaka. At the meeting, the delegation drew the attention of the adviser to allocation of a plot for constructing an ICAB academic complex.

Japan's central bank raises key rate

AP, Tokyo

Encouraged by signs of robust economic growth, Japan's central bank raised its benchmark interest rate to 0.5 percent on Wednesday, judging that price stability and consumer spending would withstand slightly tighter credit.

The Bank of Japan's decision, which came at the end of a two-day monetary policy board meeting, highlights confidence in the continuing moderate recovery in the world's second-largest economy. The vote among the nine-member board was 8-1 in favor of the hike, the bank said in a statement.

"The bank thinks that even if prices drop, that won't cripple economic growth, and conditions were ripe for a rate hike," said Takeo Okuhara, bond strategist at Daiwa Institute of Research in Tokyo. "The bank made the right choice."

On the Tokyo stock market, the benchmark Nikkei index rebounded temporarily, as relief set in that the next rate hike will not come for a while but it finished down 0.14 percent.

The U.S. dollar, which had slipped on Japanese media reports of an imminent rate raise, also rebounded after the move, trading at 120.44 yen, as traders locked in profits and decided another rate hike will not happen for months.

Views had been split over what the bank would do amid mixed signals from recent economic indicators.

Tourists back in Britain after troubled times

AFP, Undated

Visitor numbers were up at major British tourist attractions in 2006, following a troubled 2005 when London was attacked by suicide bombers, tourism chiefs announced Wednesday.

The Association of Leading Visitor Attractions (ALVA), which comprises the majority of Britain's biggest and best known attractions, said visitor numbers plunged following the July 7, 2005 bombings, which killed 56 people.

But most London attractions saw visitor numbers increase significantly in 2006, the ALVA figures showed.

Blackpool Pleasure Beach, an amusement park on the northwest English coast, remained Britain's most popular attraction, with 5.7 million visitors in 2006, even though numbers fell by four percent.

The rest of the top 10 were in London, such as the second-placed Tate Modern, the national gallery of

international modern art, and the third-placed British Museum.

ALVA director Robin Broke said: "Despite security alerts and dense fog producing severe airport delays during the summer and December respectively, and the weak US dollar affecting the travel plans of many North American visitors, the industry is vibrant and continues to be a significant contributor to the British economy."

"Support for Britain's attractions industry is still required if this country is to compete globally, not least enhanced funding being urgently needed for VisitBritain (the national tourist board) to market the industry both internally and abroad."

"The figures show a marked increase for several attractions compared to their 2005 performance. This is partly explained by the affect of the July bombings of that year."

NYSE eyes further acquisitions in Europe

AFP, New York

The New York Stock Exchange, currently in the process of merging with pan-European rival Euronext, does not rule out making further acquisitions in Europe, NYSE finance chief Nelson Chai said in a magazine interview released on Wednesday.

In an interview with Boerse Online, Chai suggested that Deutsche Boerse, which operates the Frankfurt stock exchange, and the London Stock Exchange might be interesting targets.

"If the opportunity arose, we'd

look at both," Chai said in comments reproduced in Germany.

In the immediate future, the main priority for the NYSE was to complete its deal with Euronext and integrate the European operator.

"But I wouldn't rule out anything for the future," he said.

Asked whether the NYSE might one day buy Deutsche Boerse, Chai said that Wall Street was "interested in talking about their cash market."

And New York was not considering a hostile takeover, he added.

"In our business, that's difficult," Chai said.