

Star BUSINESS

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Dhaka, Delhi willing to expand trade

UNB, Kathmandu

Bangladesh and India have expressed their willingness to expand their bilateral trade by utilising the existing potential in both the countries.

Bangladesh Finance Adviser Mirza M Azizul Islam and Indian Commerce Minister Kamal Nath both expressed the willingness during a discussion before Safta Committee meeting in the Nepalese capital Saturday, according to a message received here Monday.

The two sides discussed bilateral issues and matters of mutual interest. "The issue of trade imbalance between the two countries also came for discussion, held in a cordial atmosphere," it said.

The ministers arrived here Saturday to attend the second meeting of the Safta Ministerial Council, which began on Sunday morning. The second meeting of Safta committee of experts concluded on Saturday evening.

Senior members of the delegations of Bangladesh India were present.

Banglalink offers lifetime validity for pre-paid connection

Mobile phone operator Banglalink has offered lifetime validity for pre-paid connections, says a press release.

This offer requires subscribers to recharge their accounts within the limited period by scratch card or I* top up. Previously the balance was limited to a certain timeframe, but this offer breaks all barriers by establishing validity of a lifetime.

This offer is available to all pre-paid packages —desh, ladies first and regular. De-activated connections will also be activated. If a connection does not have any activity (incoming or outgoing voice calls or sms) after getting lifetime validity for three consecutive months it will be permanently disconnected.

One can enjoy the lifetime validity by only recharging one's connection in only Tk 10 of I* top up.

India unveils rail budget, cuts fares

PALLAB BHATTACHARYA, New Delhi

Come April, train fares across India will be cheaper.

Railway Minister Lalu Prasad yesterday presented rail budget for 2007-08 in parliament announcing reduction of three percent in fares for air conditioned trains in busy season and six percent in lean season.

Similarly, for AC two-tier, the busy season reduction is two percent and lean season four percent.

The budget also lowered fares by four percent for AC three-tier and AC chair car in busy season and eight percent in lean season.

In sleeper class, the reduction would be four per cent in all seasons.

The railway minister said discounts for the busy season shall be applicable in popular trains throughout the year.

Super fast charge on second class tickets has been reduced by 20 percent from Rs ten to Rs eight, Prasad said.

He said 6,000 automatic ticket vending machines would be set up in major cities across the country in the next two years and tickets would also be sold through petrol pumps and ATMs of banks to facilitate easy availability of tickets.

The number of seats is proposed to be increased from 72 to 84 in reserved coaches and the charge on e-tickets would be cut.

Prasad said the railways earned a profit of Rs 20,000 crore in financial year 2006-7 and passenger traffic increased by 14 percent while freight traffic by 17 percent.

The budget also proposes to introduce air condition trains in suburban routes in the four metropolitan cities — Delhi, Mumbai, Kolkata and Chennai.

Cushioned seats will replace wooden seats in all ordinary classes of trains, Prasad said.

Trains have been facing competition from low-cost airlines in attracting passengers.

Forex reserves reach record \$4.09b

STAR BUSINESS REPORT

Foreign exchange reserves reached record levels yesterday, exceeding \$4.09billion, boosted by continued export growth and huge inflows of remittances.

Remittances jumped by 29 percent in July-January period compared to a year earlier to reach \$3.32billion. The surge was the result of the increased use of official channels by Bangladeshis abroad to send their money home.

In recent years the country's private banks have made a massive drive to increase their share of the remittance market, creating more official channels. At the same time the government has moved to crackdown on illegal money smuggling.

In the current fiscal year, the country received on average more than \$400million a month in

remittances, while in January of the current fiscal the figure reached \$463million.

Another reason for the record foreign reserves, up from \$3.48 billion in June, has been the strength of the export sector.

Exports fetched \$6.22billion, growing at around 15 percent, during the July-December period of the 2006-07 fiscal year, up from \$4.94billion during the same period a year earlier. Export earnings averaged \$1billion every month of the current fiscal. At the same time imports have declined.

Export Promotion Bureau (EPB) sources said if political situation continues peacefully, exports would increase significantly in the current fiscal year.

However, the reserves will shrink early next month as the central bank will have to pay

around \$300 million to the Asian Clearing Union (ACU).

The value of taka against US dollar in the local money market is also seen as strong due to booming foreign reserve. The dollar price has been steady at Tk69 during the current month, compared with Tk69.70 in June 2006.

However, the central bank took some measures and buy dollar from the money market so that the price of greenback will not fall significantly.

The bank is concerned that if the dollar price drops significantly, exporters and remitters may be discouraged from bringing currency into the country.

Bangladesh Bank sources said reserves will increase further, because a total of \$428million may come to the national exchequer soon, the proceeds from the sale of Rupali

Govt to create atmosphere to facilitate honest business

Geetiara tells BCI team

UNB, Dhaka

Industries Adviser Geetiara Chowdhury yesterday urged the entrepreneurs to play an effective role in creating a situation so that people could feel proud of the nation.

She said the caretaker government (CG) is trying to create an atmosphere to facilitate businessmen for doing business with honesty.

The adviser made the remarks at a meeting with the leaders of Bangladesh Chamber of Industries (BCI) at her ministry office. BCI President AK Azad and Senior Vice President MA Shahin were present at the meeting.

The BCI leaders appreciated the CG for the steps taken in recent weeks.

They particularly thanked the government for its measures on curbing corruption, reforming the Election Commission and separating the judiciary from the administration.

They said there is a huge potential in the country to move the economy forward by exploiting large human and natural resources.

The business leaders demanded lowering the interest rates in industrial credit, installing complaint-boxes to receive complaints on corruption, promoting local products, modernising BSTI, fixing Sunday as weekly holiday and improving the port facilities.

Responding to the demands, the industries adviser said the government has already taken some measures to address the problems at Chittagong Port and modernise the BSTI.

Later, leaders of Bangladesh Textile Mills Association (BTMA) also called on the industries adviser.

During the meeting, the BTMA leaders discussed the problems in Chittagong port and some other issues related with the textile sector.

New website offers access to local, int'l jobs

STAR BUSINESS REPORT

Aiming to link local jobseekers with international companies, JobStreet.com, an internet recruitment website covering several Asia-Pacific countries, formally launched its office in Dhaka yesterday.

Through the web portal, jobseekers will be able to apply and collect information for local and international jobs, said officials of bd.jobstreet.com, the local branch of the website, at the launching programme in the capital.

"Though we are launching our office today, the site started its operation in the country in August last year, merging with jobsbd.com, owned by the Daffodil Group," said Sabur Khan, chairman of Daffodil Group.

"The website visitors can apply for regional jobs through the site. This will create an opportunity for local talents in the international arena," he added.

"There is an unemployment problem in our country and every year around one million people are being added to the labour force. I hope the website will be able to do something to solve the problem," Nazrul Islam, executive chairman of Board of Investment, said.

He launched the new office, located at BSRS Bhaban at Kawnar Bazar, as chief guest, while Hossain Khaled, president of Dhaka Chamber of Commerce and Industry, was also present.

The officials said since its operation in August bd.jobstreet.com has been logging more than 500 job advertisements per month. It has also recruited 600 local companies as clients in the past six months.

JobStreet.com operates in six countries, including India, Malaysia and Singapore, in the region. The website has more than four million job seekers and more than 30,000 corporate customers.

Through this system the job seekers can apply for jobs online, receive email job alerts, track their applications status and receive interview information.

Initially, neither job seekers nor employers will have to pay charges. The employers, however, will pay later for advertising vacancies.

The initiative is a joint venture between Daffodil Computers Ltd and the Malaysia based JobStreet.com.

Safta ministerial decides to remove non-tariff barriers

UNB, Dhaka

The Safta Ministerial Council (SMC) has directed the sub-group on non-tariff measures (NTMs) to submit their recommendations by September this year when the next meeting of the Safta Committee of Experts (CoE) is scheduled to be held.

The Saarc trade ministers at their second meeting in Kathmandu, mainly focussing on Safta implementations, yesterday decided to address the non-tariff and para-tariff measures, and issued the directive, according to a message received here.

Finance and Commerce Adviser Dr Mirza Azizul Islam chaired the

meeting of the ministers of commerce from all the Saarc countries and new entrant Afghanistan.

He led a six-member Bangladesh delegation to the SMC meeting that preceded a two-day meeting of the Safta Committee of Experts (CoE).

The Safta Ministerial Council at their first meeting had formed the sub-group on NTMs to remove the trade barriers through frequent meetings as and when possible.

But, the Safta CoE meeting, which was scheduled for October last year, did not take place for political unrest in Bangladesh while the meetings of the sub-group deferred twice for the same reason.

China wants more housing for poor

AFP, Beijing

China has pledged to make more housing available for poor families, even as it struggles to control soaring property prices, state media said Monday.

"It's the government's responsibility to solve the basic housing problem of the low-income group," the China Daily reported, citing unnamed participants at a recent Cabinet meeting on the property market.

Vice Premier Zeng Peiyan said steps should be taken to build more housing that low-income families can afford, with paper reported.

This is official policy all across China, but so far more than one fifth of the nation's 657 largest

cities have failed to start construction of cheap housing, according to the paper.

Zeng warned that property prices were rising too fast, regardless of the government efforts, which also include strengthened land appreciation tax collection on developers.

"Property prices in some cities are still rising too rapidly due to insufficient supply of medium and low-cost housing," Zeng said, according to the official Xinhua news agency.

Last month, housing prices in 70 large and medium cities rose 5.6 percent year on year, with those in Beijing jumping 9.9 percent, the China Daily said, citing the National Development and Reform Commission.

EU needs to boost free trade in services and farming: WTO

AFP, Geneva

The European Union must break down remaining barriers to trade in services and in agriculture to ensure its economic recovery is durable, the World Trade Organisation said on Monday.

The WTO's regular Trade Policy Review of the EU warned that structural reforms to free up the 27-nation bloc's economy must dig deeper to sustain a recovery driven mainly by private investment and exports since 2004.

The report, which is due to be discussed by the WTO's 150 members until Wednesday, praised the EU's overall attempts to progressively open up international trade but pointed to "substantial" barriers in "a few but important areas."

In farming, controversial changes to the EU's Common Agricultural Policy's regime of subsidy payments to farmers in 2003 have "somewhat augmented the exposure of farmers to world market signals," the report said.

However, "reduction/elimination of export subsidies and tariffs on agricultural imports would benefit EU consumers, improve resource allocation and significantly contribute to the promotion of the world economy," it added.

The WTO rates the EU as the world's biggest agricultural trader.

In services, "significant barriers" remain both within the union and with other countries, even though free internal movement of services is one of the fundamental economic freedoms outlined in the EU's founding treaty, the report said.

Monopolies in the European services industry and differences in regulation between member states are hampering trade, it added.

"Addressing these distortions would boost the overall competitiveness of the economy," the report said.

Attempts to cut trade-distorting farm subsidies in deadlocked global trade talks have met with vocal opposition from some European countries, especially France, amid heavy political pressure from farmers' groups who fear that many farms face ruin without adequate support.

The WTO's trade policy review placed greater emphasis on the

Stocks slide as fire breaks out

STAR BUSINESS REPORT

Share prices on the country's premier bourse slumped yesterday after a devastating fire broke out at the high-rise BSEC building in the capital's Karwan Bazar commercial area.

The news of the fire at BSEC building, which also houses two TV channels and an office of the Chittagong Stock Exchange (CSE), spread through the capital.

Trade on the CSE through its Dhaka office was hampered after its system collapsed.

CSE All Shares Index lost 22.46 points or 0.55 percent to close at 4045.94.

The CSE-30 Index also declined to close at 3385.99.

The DSE General Index lost 27.43 points or 1.55 percent to finish at 1743.98.

The DSE All Share Price Index also shed 26.40 points or 1.78 percent to close at 1449.30.

Islami Bank to issue Tk3000m bond

Islami Bank Bangladesh Limited has decided to issue Mudarabah Perpetual Bond for Tk 3000 million including Tk 1500 million by private placement and Tk 1500 million by public offer, says a press release.

Bangladesh Bank's clearance to this effect has already been obtained to treat the bond as tire-2 capital subject to approval of Securities and Exchange Commission.

The decision to issue the bond was taken unanimously in an extraordinary general meeting of Islami Bank Bangladesh Limited held on Friday.

Prof Abu Nasser Muhammad Abdus Zaher, chairman of the bank, presided over the meeting, which was attended by local and foreign directors and shareholders.

Lanka to raise \$300m to fund deficit

AFP, Colombo

Sri Lanka Monday raised its overseas borrowing target by 50 percent to 300 million dollars to fund a growing budget deficit fuelled by costs related to the island nation's bitter ethnic conflict.

In January, central bank governor Nivard Cabraal said he hoped to raise 200 million dollars this year by selling rupee-denominated government bonds to foreigners.

But with the budget deficit now estimated at 400 million dollars two months into the fiscal year, the target has been raised by 100 million dollars, a finance ministry official said.



PHOTO: ISLAMI BANK

An extra-ordinary general meeting of the Islami Bank Bangladesh Bank Ltd decided to issue Mudarabah Perpetual Bond (MPB) for Tk 300 crore. Presided over by the bank's chairman Prof Abu Nasser Muhammad Abdus Zaher, the meeting was recently held in Dhaka.

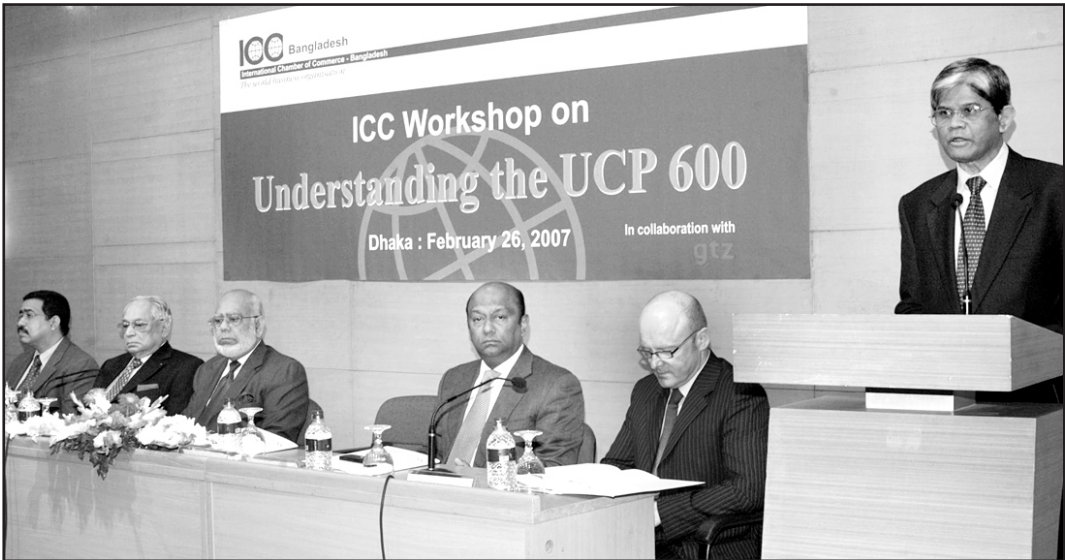


PHOTO: STAR

Bangladesh Bank Governor Salehuddin Ahmed speaks at a workshop on international trade rules for letters of credit in Dhaka yesterday. International Chamber of Commerce-Bangladesh's President Mahbubur Rahman, Vice Presidents Latifur Rahman and Samson H. Chowdhury were also present.

More trade skills needed to speed exports

ICC-B workshop on LC rules suggests

STAR BUSINESS REPORT

A daylong workshop on international trade rules for letters of credit (LC) was held yesterday, aimed at raising the skills of local officials thereby making business easier for the country's exporters.

Salehuddin Ahmed, governor, Bangladesh Bank, inaugurated the workshop, "UCP 600", at the Bangladesh-China Friendship Conference Centre.

The governor hoped that the fresh version of the uniform customs and practice (UCP) would help ease complex international transactions.

A letter of credit is provided by an international buyer and gives the exporter reassurance that he will receive payment for the goods. However, in many cases, the documents involved vary, causing confusion and delays in payment. The lack of skilled staff to resolve these difficulties makes the situation worse.

UCP aims to set standards that all sides can understand, thereby cutting down delays and facilitating international trade.

The governor said a substantial number of equipped and experienced domestic professionals are essential for performance in the export sector. "The

universal acceptance of the UCP by practitioners in countries with widely divergent economic and judicial systems is a testament to the rules' success," he added.

The International Chamber of Commerce (ICC) in association with the German Technical Co-operation organised the daylong workshop.

ICC Bangladesh President Mahbubur Rahman urged the central bank to take appropriate steps to update Bangladesh Foreign Exchange Regulations 1947 and Bangladesh Exchange Control Guideline.

Mahbubur emphasised the need to build the professional skills of officials to deal with international trade. He said that in many industries, ranging from banks and financial institutions to ready made garments (RMG), there was no alternative to training.

To face new challenges of globalisation, the ICC-B president suggested that Bangladesh Bank (BB) and the Bangladesh Institute of Bank Management (BIBM) should develop a regular programme on 'Trade related Human Skill Development'. He said ICC Bangladesh would help both the central bank and BIBM in this respect.

"Another important area is to

provide strategic guidelines to banks and financial institutions and monitor how they are developing their staff. A test or certification arranged by Bangladesh Bank could be introduced to check progress," he said.

Bankers and exporters could also be persuaded by the central bank to take CDCS certification, the benchmark certification project of the ICC for documentary credit professionals all over the world, Mahbubur Rahman added.

ICCB Vice Presidents Latifur Rahman and Samson H. Chowdhury, senior business leaders and CEOs of financial institutions attended the inaugural session of the event. Mamun Rashid, chairman, ICC-B standing committee on banking technique and practice, and Vincent O'Brien, resource person of the workshop, also addressed the opening session.

Since mid-2006 the German Ministry of Economic Development and Cooperation (BMZ) and the German Technical Cooperation (GTZ) through its private sector development programme named 'PROGRESS' has been supporting the ICC Bangladesh to strengthen its information unit.



PHOTO: JOBSTREET.COM

Nazrul Islam, executive chairman of Board of Investment, yesterday inaugurates the Dhaka office of JobStreet.com