

Star BUSINESS

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MCCI seeks policies for creating jobs in next budget

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) has urged the government to formulate policies in the next budget for creating jobs in the country.

"We strongly urge that policy support must be designed for the sectors, which have been able to create jobs, viz industrial and service sectors," the chamber said.

In an editorial comment in the latest issue of its monthly publication, Chamber News, the MCCI also suggested continuation of fiscal and tariff incentives like tax holiday facility.

"Tariff initiatives like tax holiday, which have proven to be the important incentive for industrial development, ought to be continued," it said.

The chamber recommended withdrawal of supplementary duties like infrastructure development

surcharge and advance income tax in the coming budget.

The chamber has strongly urged the government to stop the recurring losses suffered by state-owned enterprises (SoEs) and also to stop giving subsidies to such companies.

"The economy cannot afford to spare 1.2 percent of the Gross Domestic Product (GDP) or Tk 52 billion every year to meet such losses and subsidy requirements," the chamber said.

The chamber suggested review and withdrawal of the ad hoc changes made in the tax rules/restrictions on the corporate sector. "The process of tax reduction for both corporate and personal assesseees should be continued for better tax compliance," it noted.

Revenue collection during the first seven months of the current fiscal year increased only 9.1 percent as compared to 22 percent in the corresponding period last year.

Foreign funding was also lower during the first seven months amounting to only one-third of the committed funds.

"In this scenario, we feel that it will be advisable to avoid ambitious targets for the next budget and priority should be given to poverty alleviation, rural development, education, health and some of the essential sectors like power and other infrastructures, which have a direct bearing on the performance of the economy," the MCCI said.

Similarly, resources must be spared for solution of some of the crucial problems of the agriculture sector.

The MCCI said under the current budget, 56 percent of the total budgetary outlay is due to be spent on poverty alleviation. These include allocations for various social safety net programmes, special credit programmes for micro-enterprises, construction of roads

and rural infrastructures, cheap loans to farmers for the production of certain selected crops and so on.

"We strongly feel that the outcomes of most of these projects should be reviewed and it is imperative to give priority to line up fiscal and revenue support to the job creating activities," the leading chamber of the country commented.

Similarly, the setback in agriculture production should also be reviewed carefully. Scarcity of agriculture inputs and power crisis are serious threats to agriculture and agriculture-related enterprises.

The chamber further urged the government to totally withdraw the discretionary power given to tax officials.

Citibank NA re-launches life insurance scheme for NRBs in KSA

Citibank NA Bangladesh recently re-launched the pioneering insurance coverage benefits for Bangladeshi nationals living in Saudi Arabia who remit funds to their beneficiaries in Bangladesh through Citibank NA and their overseas correspondent in Saudi Arabia, says a press release.

Under this initiative, Citibank has obtained from American Life Insurance Company (Alico) group life insurance policy, covering customers remitting money from Saudi Arabia to Bangladesh through Citibank.

In case of accidental or natural death of the remitter within 30 days of remitting money to Bangladesh, the beneficiary in Bangladesh of the remittance will receive the insurance benefit.

To make the remitters aware of this insurance scheme, Citibank has been distributing information kits to Saudi Arabia-bound passengers at Zia International Airport.

BEI roundtable on CSR held

The Bangladesh Enterprise Institute (BEI) organised a roundtable on corporate social responsibility (CSR) on Thursday in Dhaka, says a press release.

The 18th roundtable is a part of the dialogue series on CSR in Action that the CSR Centre organises every month to hear the perspectives of key stakeholders and raise awareness of CSR practices. Farooq Sobhan, president of BEI, chaired the roundtable.

Asif U Ahmed, economic empowerment coordinator of CARE Bangladesh, and Sabbir bin Shams, executive director of Advancing Public Interest Trust (APIT), made presentations at the roundtable.

WTO DELHI MEET

Trade players agree to end talks by year-end

PALLAB BHATTACHARYA, New Delhi

Trade ministers from G-4 and G-6 countries, seeking to end the deadlock in global trade talks, wrapped up their two-day meeting here on Thursday night failing to deliver substantial results, but agreed on a new deadline of completing the negotiations by this year-end.

The crucial decisions on reduction of trade-distorting subsidies by developed countries and cuts in tariffs by developing countries for both agriculture and industrial goods remained elusive.

A communiqué issued after the meeting of trade ministers from the US, European Union, India, Brazil, Japan and Australia said "the meeting inaugurates a new phase of our discussions and by intensifying our work, a convergence can be reached which would contribute to conclusion of the round by the end of 2007".

Trade negotiators said it was important to set up the informal deadline so that the 150 WTO (World Trade Organisation) member countries work towards concluding the talks instead of waiting for others to move ahead.

Almost all the trade ministers stuck to their stated positions on agricultural subsidies and industrial goods tariffs, Indian commerce ministry officials said.

The last meeting of G-4 members--US, EU, India and Brazil--ended in July last year without a breakthrough, as they were unable to agree on modalities for liberalising markets for both agriculture and industrial products.

Indian Commerce Minister Kamal Nath said after the meeting

that the Delhi talks were not aimed at a breakthrough but "we wanted to take stock of what is on offer on the table. We have assessed the areas where we have made progress and where we continue to have differences".

There was no official word on the extent of tariff cuts or farm subsidies reduction the developed and developing countries are willing to offer to take forward the negotiations.

The main reason for collapse of the talks in July last year was the US refusal to take on commitments to reduce its domestic farm subsidies from the present level of \$19 billion.

That there has apparently been no change in Washington's stand is clear from what the US Trade Representative Susan Schwab told reporters on Thursday. "No single country can provide a breakthrough in the Doha talks and there needs to be a shared sense of responsibility and urgency", she said.

"The US is more than willing to do its part. It's all about taking collective responsibility", Schwab added.

When the negotiations had broken down last year, the US wanted the EU to take on a 64 percent cut in farm tariffs while the EU was ready to reduce tariffs by 51 percent.

Nath said while speed in wrapping up the negotiations was important, the crucial element was the content of the outcome. "The livelihood of millions of subsistence farmers and other poor in India is the core issue, which guides India's position", he added.

In the area of non-agriculture market access (NAMA) or negotiations on market access for industrial goods, developed countries want developing countries to steeply cut

tariffs. India maintains that it is willing to do so provided it is two-thirds of what developed countries agreed to.

The Delhi meeting was the latest in a series of efforts to revive the Doha round of talks that had begun in the Qatar capital in November 2001 and moved in fits and starts as US and EU declined to cut farm subsidies to their farmers in return for any duty cut by developing countries on import of industrial goods.

Schwab sought to play down the impact of expiry of the trade promotion agreement (TPA) in July this year on WTO talks and said US President George W Bush is doing his best to get it extended.

"We are engaged in dialogue with Democrats and Republicans and are hopeful of a positive outcome", she said adding that the US had factored in the tenure of TPA before a breakthrough is achieved in multilateral talks.

Schwab asked India and Brazil to take on a 'leadership role' and obligations that go with it in a multilateral trade regime.

A deal between the US and EU and the two leading developing countries India and Brazil is seen as holding the key to sustaining the hopes of getting an agreement among the 150 WTO member countries.

The Delhi talks, attended also by EU Trade Commissioner Peter Mandelson, Brazilian Foreign Minister Celso Amorim, marked the first time the leading trade negotiating players had assembled since the collapse of the negotiations in July last year.

Oil nears \$70 in London

AFP, London

The price of Brent North Sea crude hit a seven-month high of 69.59 dollars a barrel Friday on concerns that current oil supplies may be insufficient to meet demand, traders said.

Brent North Sea crude for May delivery later stood at 69.21 dollars per barrel in London electronic trading, up 49 cents from Thursday. The contract expires at the close.

New York's main oil futures contract, light sweet crude for delivery in May, gained 10 cents to 63.95 dollars per barrel in electronic deals before the official open of the US market. Earlier Friday it went as high as 64.58 dollars.



PHOTO: STANDARD BANK

Warid Telecom International Ltd has recently signed a bill collection agreement with Standard Bank Ltd. Under the deal, the bank will collect bills and receivables on behalf of the mobile phone operator through all its branches. Muneer Farooqui, CEO of Warid Telecom International, and Mosharraf Hossain, managing director of the bank, signed the deal while Kazi Akramuddin Ahmed, the bank's chairman, among others, was present.

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