

# Star BUSINESS

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Indian port users postpone agitation in Benapole port

A CORRESPONDENT, Benapole

Eight export-import organisations of India yesterday postponed their programme to suspend commercial activities for two hours through Benapole port following a meeting with authorities.

Benapole port users' associations in India postponed the agitation for two months.

After two hours of work abstention, port authorities and local administration had a meeting with the Indian port users' associations and assured them that they would ensure safety of Indian vehicles.

The organisations stopped all the port activities demanding safety of Indian trucks coming to Bangladesh.

The Indians said an Indian truck laden with exportable goods has been missing for the last four months, which unloaded the goods at Benapole port, but never returned.

Customs officials at Benapole however said the truck returned to India and its documents were kept in customs department.

**EC to give Bangladesh \$270m in 4 yrs**

UNB, Dhaka

European Commission (EC) Ambassador to Bangladesh Dr Stefan Frowein Tuesday said trade and economic development would help Bangladesh meet the challenges of globalisation and lift more people out of destitution.

He was addressing the signing ceremony of a memorandum of understanding (MoU) under which the EC will provide Bangladesh with a development cooperation assistance of around US\$ 270 million (205 million euros) in four years.

Of the total, 40 million euros have been allocated for boosting trade and economic development.

ERD Secretary Mohammed Aminul Islam Bhuiyan and Dr Frowein signed the MoU at the NEC conference room, on behalf of their respective sides, setting down the framework for Multi-Annual Indicative Programme (MPI) in this regard.

The EC has allocated the fund for the 2007-10 period with the overall objective of poverty alleviation in line with the Bangladesh Poverty Reduction Strategy Paper (PRSP).

"The focal areas which we've chosen are critical to the fight against poverty," Dr Frowein said at the signing ceremony.

The focal areas of the assistance are human and social development encompassing health and education (70 million euros), and good governance and human rights (55 million euros).

Non-focal areas are environment and disaster management (20 million euros), and food security and nutrition (20 million euros).

"The European Commission will extend substantial development support to Bangladesh during the next four years as part of our commitment to poverty alleviation in this country," Dr Frowein said.

**Telenor to withdraw from Nasdaq**

AFP, Oslo

The Norwegian telecommunications operator Telenor said Tuesday it would withdraw from the US high technology stock market Nasdaq because US regulations were too expensive and burdensome.

"Telenor's American Depository Shares will be delisted from the Nasdaq Stock Exchange in accordance with recent changes passed by the US Securities and Exchange Commission," a statement by the Norwegian company said.

Telenor, which will only be listed on the Oslo exchange, said US stock market reporting requirements "are expensive and burdensome for the company and that such costs outweigh the benefits of maintaining a US listing."

The Norwegian state owns 54 percent of the telecoms operator, the latest foreign company to forgo a US listing since corporate governance laws were tightened following the collapse of the energy trading group Enron in 2001.

## BB for co-ordination of revenue, trade, monetary policies to curb inflation

STAR BUSINESS REPORT

The central bank chief yesterday suggested co-ordination between revenue, trade and monetary policies to keep checking soaring inflation.

He also advocated introduction of income generating schemes and direct communication between local producers and consumers through cooperative society to eliminate the role of middlemen to curb inflation.

Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed was briefing journalists on the present inflation situation at his office in Dhaka.

Anticipating a 7 percent GDP growth by the next fiscal, he said Bangladesh would become a middle-income country at the end of the next decade.

If the role of middlemen is reduced, the income of the growers and the supply of essential goods would mark rise, Dr Salehuddin said, adding that many developing countries have taken such measures and get benefits to keep inflation at a tolerable level.

Md. Allah Malik Kazemi, Md. Nazrul Huda and Ziaul Hassan Siddiqui, BB's three deputy governors, were present at the press conference.

The central bank governor suggested that government can

sign deal with the trade bodies and businessmen of essential commodities to keep inflation at permissive level.

He however said implementation of such a deal should be monitored, as most of the decisions reached at parleys between the two sides have not yet come into effect.

The governor said the average inflation rate at the onset of the current fiscal was 7.54 percent on point to point basis and 7.16 percent on average basis.

The rate came down to 6.72 percent on point to point basis and 5.94 on average basis in January due to oil price reduction in the international market and BB's tight monetary policy.

However, the inflation increased to 6.94 percent on average basis and 7.43 percent on point to point basis in March this fiscal due to surge in oil price and other commodities in the international market, he said.

Many people expressed their deep concern over the 21 percent hike in petroleum price in recent time.

In such context, inflation rate on point-to-point basis can increase slightly, but average inflation rate may stand around 7 percent in the current financial year.

The BB governor said, "High import cost basically results in inflation in Bangladesh, which is not

much higher than that in other neighboring countries."

Laying emphasis on encouraging small importers along with big importers of essential commodities, the BB chief said that the central bank has already taken some measures in this regard.

The BB directed all commercial banks to facilitate the small importers, he told the journalists, adding that it also monitors the big traders who import over 50 thousand tonnes of essentials.

It is the perfect time to increase the production of lentil, edible oil, spices and other agro-products locally, which can help reduce inflation, the BB governor opined.

He said coordination between the policies of revenue, trade and monetary is urgent to contain the inflation.

Citing an example, he said the National Board of Revenue (NBR) has to impose tariff on food items with a target of increased revenue.

On the other hand, the Ministry of Commerce always tries to avoid tax on food items.

Hence, an integrated policy is needed where revenue increases and price of food items does not soar, he said.

He stressed the need for increase in revenue collections, but it should be done in a coordinated way.

## Sugarcane farmers seek policies to up sugar output

STAR BUSINESS REPORT

Sugarcane growers yesterday called for policies to encourage sugarcane farming to increase sugar production.

At a view exchange meeting in Dhaka, the farmers also said the existing rules and regulations are discouraging sugarcane farming, resulting in decrease in sugar production in the country.

Sarmata, a fair trade organisation, organised the programme to highlight the sugar industry's problems and possible solutions at CIRDAP auditorium.

The meeting also advocated integrated policies for sugar and molasses production.

The annual sugar production of 15 state-run mills is decreasing because the farmers are reluctant to supply sugarcane to mills as they do not get fair prices of their crop, said Abdus Sattar, president of Sugarcane Farmers' Union.

He said as per rules the government can control the sales of sugarcane to ensure the supply of the raw material for sugar mills, Sattar said.

"But the sugarcane mills do not give us fair prices against our crop," he said.

"Besides, mill authorities are used to making delayed payments, much to the frustration of the farmers," said Ansar Ali Dulal, general secretary of Bangladesh Sugarcane Farmers' Union.

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