

# Star BUSINESS

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## Deal with Ukraine to boost trade

UNB, Dhaka

Bangladesh has signed an agreement with Ukraine to boost trade and economic relation between the two countries.

The 'Agreement on Trade and Economic Cooperation' was signed on Friday at the Embassy of Ukraine in Moscow, according to a message received here yesterday.

Bangladesh Ambassador to Russia M Amir Hussain Sikder, who is concurrently accredited to Ukraine, and Ambassador of Ukraine to Russia Oleg Alekseevich Demin signed the agreement on behalf of their respective governments.

Before signing the accord, the two ambassadors had an exclusive meeting where they exchanged views on different aspects of bilateral relations, including economic and trade cooperation, between the two countries.

Mentioning the excellent bilateral relations that exist between Bangladesh and Ukraine, Ambassador Demin hoped that the bond of friendly ties would be further strengthened and expanded in other areas as well through increased contacts at different levels for mutual benefit.

Demin said a Ukrainian business delegation will soon visit Bangladesh. The business leaders of the two countries will get the opportunity to have useful interaction on the existing bilateral cooperation, he said.

## Citigroup targets \$50b to address global climate change

Citigroup recently announced that it will direct \$50 billion over the next 10 years to address global climate change, says a press release.

It will tackle the climate change through investments, financings and related activities to support the commercialisation and growth of alternative energy and clean technology among the clients and markets it serves, as well as within its own businesses and operations.

The \$50b target includes nearly \$10 billion in activities Citigroup has already undertaken to address climate change to date, and is the latest example of Citigroup's ongoing efforts in the broader environmental arena.

## MAJOR DEPOTS OVERBURDENED WITH STOCKS

# BPC cannot take delivery of diesel from tankers

## Two oil tankers waiting at Ctg port

ABDULLAH AL MAHMUD, Ctg

Bangladesh Petroleum Corporation (BPC) cannot take the delivery of diesel from two oil tankers that are waiting at the outer anchorage of Chittagong Port since the BPC's major depots are overburdened with stocks.

The major depots have become overburdened, as they could not supply diesel to other depots due to transport problems stemming from heavy rains across the country, official sources said.

Overseas Primer carrying 33,000 tonnes of diesel from India and Al-Deerah with 21,900 tonnes of diesel from Kuwait arrived at the port on Saturday and yesterday afternoon.

The sources also said the demand for diesel was poor because of the incessant downpours.

Non-availability of oil also forced the shutdown of Eastern Refinery Limited (ERL) for four days until it resumed production at around 2:00pm yesterday.

According to the sources, BPC had a total diesel reserve of 2.84 lakh tonnes in its 19 depots across the country till yesterday. Of the amount, stocks at four major depots including the BPC Main Installation (MI) in Chittagong and at ERL stood at 2.58 lakh tonnes.

BPC had a stock of 1,23,599 tonnes of diesel at its MI in

Chittagong while 66,780 tonnes at ERL till yesterday.

Besides, diesel reserve was recorded at 26,600 tonnes at Baghabari, 25,700 tonnes at Dhaka and 15,914 tonnes at the depots in Doulatpur till yesterday.

Padma, Meghna and Jamuna, the three marketing agencies of BPC, got stuck with undelivered fuel oil at different points of water routes in Dhaka following collapse of distribution network due to rains, the sources said.

Meanwhile, MT Al Badia, another oil tanker, is scheduled to arrive in Chittagong Port on June 21 carrying 33,000 tonnes of diesel from Kuwait, the sources added.

## Delhi calls for removing trade barriers among neighbours

PALLAB BHATTACHARYA, New Delhi

India has called for removing trade and transport barriers among contiguous countries of South and South East Asia for robust economic growth and welfare of the people.

Addressing a seminar on India's 'Look East Policy' in Shillong on Saturday, External Affairs Minister Pranab Mukherjee stressed the need for urgently cutting transaction costs through a series of measures including simplification of border trade procedures and further improvement in physical connectivity.

He said multi-modal transport linkage among Saarc countries is key to realising the objective of connectivity within the region and beyond it to other neighbouring regions.

Mukherjee said India's northeastern states can act as a bridge to South East and East Asia. "I am sure that by gradually integrating this region through cross-border market access, the North Eastern states can become the bridge between the Indian economy and what is beyond doubt the fastest growing and dynamic region of the world", he said.

He pointed out that India was involved in a number of cross-border development projects with Myanmar in construction of road, rail links, telecommunications, information technology and power.

Discussions are on to start work on the trilateral highway project which proposes to link Moreh in Manipur to Mae Sot in Thailand via Bagan in Myanmar and efforts are underway to improve infrastructure, particularly road links, at a second India-Myanmar border trade point, the External Affairs Minister said.

## Danone fiasco underlines China business risks

AFP, Beijing

Rogue companies. Secret profits. Legal threats. Allegations of "evil deeds" and "tyranny."

It may sound like an overwrought corporate thriller, but all are elements in a dispute between French firm Danone and its Chinese partner which has underlined the lingering risks of doing business in China.

The case has seen a successful Sino-foreign joint venture devolve into a catfight of charges and recriminations. For many, it's a cautionary tale about getting into bed with a Chinese partner.

"In my mind, there is no reason to have a (Chinese) partner anymore," said Mic Mittasch, an Australian who was involved in joint ventures but now runs a wholly foreign-owned business here creating production lines for manufacturing firms.

"A lot of firms that have them are now looking to cut down on the partner's influence."

The French firm, maker of Danone yogurt and Evian water, is now trying to do just that with its estranged partner Wahaha, China's biggest drinks company.

Since joining forces in 1996, Danone has injected tens of millions of dollars to gain access to Wahaha's China distribution network in a venture run by Zong Qinghou, one of China's most successful businessmen.

But Danone this month filed a suit in the United States accusing Zong of setting up dozens of rogue companies that sold the joint venture's drinks, but with none of those profits going to the French firm.

## Lack of funds, tech obstacle to light engineering growth

## Experts say at seminar

STAR BUSINESS REPORT

Lack of necessary funds and modern technology remains as a major hurdle for development of the light engineering sector, which, according to experts, has all potentials of being a foreign exchange earner next to the ready made garments sector.

They see it a thrust sector that could generate more employments eliminating poverty to a great extent.

The experts and industry people were speaking at a seminar on 'Access to Finance: Roadmap for the Light Engineering Sector' at a city hotel yesterday.

IFC-SEDF (South Asia Enterprise Development Facility), Bangladesh Engineering Industry Owners Association and Business Promotion Council, a project under the Ministry of Commerce, jointly organised the seminar.

The speakers urged the government as well as banks and other financial institutions to come forward to provide soft and easy term loans for the light engineering sector.

Commerce Secretary Firoz Ahmed, EPB (Export Promotion Bureau) Vice Chairman Sahab Ullah, IFC-SEDF Deputy General Manager Deepak P Adhikary spoke on the occasion.

Ghulam Hossain, coordinator, Business Promotion Council, chaired the seminar, while Mohammad A (Rume) Ali, managing director, Brac Enterprises, presented the keynote paper.

Firoz Ahmed expressed his hope that the industrial sector's contribution to the gross domestic product (GDP) would shortly be raised to 30 percent from the present rate of 18 percent due to some measures taken by the government.

He said with a view to giving a boost to the light engineering sector, it has been identified as a thrust sector in the industrial and export policies and the Light Engineering Council is formed.

Sahab Ullah informed the seminar that the amount earned from exports of light engineering products in the first nine months of the current fiscal has exceeded \$173.5 million, which was only US\$12.9 million in the 2002-03 fiscal.

He expressed his high hope about the sector's potentials saying that it could be elevated to a major forex earning sector after the RMG industry.

Deepak P Adhikary said although around 10 lakh workers are engaged in the sector, it has not been given due importance.

In his keynote paper, Mohammad A (Rume) Ali said 80 percent light engineering industries have no access to finance from traditional financial organisations, while more than 60 percent investors do not get loans.

He linked an enhanced employment generation and poverty reduction to availability of soft loan facility for the sector.

# Systematic change sought in preparing budget

STAR BUSINESS REPORT

A systematic change is needed for preparing the national budget for its effective implementation and result-oriented impacts, former adviser to the caretaker government Akbar Ali Khan suggested yesterday.

The budget is not the job of the finance ministry only, Khan said, adding that apart from other ministries, stakeholders should be consulted.

Speaking at a discussion on 'National budget and women context', Khan, also a former finance secretary, said the budget is discussed in the parliament, not in parliamentary standing committees.

Consulting the budget with the ministries, parliamentary standing committees and stakeholders can make it more comprehensive, he told the discussion, organised by Bangladesh Mahila Parishad in Dhaka.

Turning to women's issue in the budget, Khan said it is not possible to solve women's problems through a particular ministry like the ministry of women and children affairs.

Khan suggested preparing a report on the state of women by November-December every year and incorporation of the recommendations in the next budget.

Professor MM Akash of Dhaka University said lump sum allocation for the women is not enough.

"Although the ratio of male and

female students in primary, secondary and higher secondary levels is almost equal, it is 70:30 in the university level. This means the women are really lagging behind," Akash said.

Dr Pratima Pal Majumder, senior research fellow of Bangladesh Institute of Development Studies, proposed arrangement of bigger loans for women instead of only microcredit, saying microcredit can create limited employment opportunities.

Ain O Salish Kendra Executive Director Advocate Sultana Kamal said allocation for the women in the budget is so small that the seriousness of the government over women empowerment can be questioned.

Manusher Jonno Foundation Executive Director Shaheen Anam said women issues are considered sector-wise, ignoring their overall development aspects.

"For total development of the women, we need to prepare a roadmap," she said.

Bangladesh Mahila Parishad General Secretary Ayesha Khanam urged the government to take proper steps to help women.

## India's GDP to touch 10pc

ANN/ THE STATESMAN

The Union finance minister, Mr P Chidambaram on Saturday expressed confidence that the GDP growth will touch 10 per cent in the current fiscal.

"With efforts put in by entrepreneurs, industrialists and all other sections of the society, the country achieved 7.5 per cent growth in the first year of the UPA rule followed by nine per cent the next year and 9.4 per cent in the just concluded financial year and I am confident that GDP growth would touch the 10 per cent mark this fiscal," Chidambaram said.

## DBBL signs ATM sharing deal with NCC Bank

Dutch-Bangla Bank Ltd (DBBL) on Wednesday signed an ATM sharing agreement with National Credit & Commerce Bank Ltd (NCCBL), says a press release.

DBBL Managing Director (MD) Md Yeasin Ali and NCCBL MD Md Nurul Amin signed the deal in Dhaka on behalf of their banks.

Under the accord, NCCBL customers would be able to withdraw cash from DBBL's ATM machines throughout the country. They can also use DBBL POS network for payment at shops and restaurants.

Senior officials of both the banks were present during the signing ceremony.



PHOTO: STAR

President of the Bangladesh Association of Pharmaceutical Industries SM Shafiuzzaman speaks at a discussion on 'Pharmaceutical Industry in Bangladesh' at the National Press Club in Dhaka yesterday, while association adviser and former state minister for health Mizanur Rahman Sinha (left) and others look on.

# Concerted effort for pharma sector uplift stressed

## Strong stance against sub-standard drug makers urged

STAR BUSINESS REPORT

Pharmaceutical industry people yesterday asked for a concerted effort to develop the pharmaceutical sector and to provide consumers

quality medicines at an affordable price.

Contradicting some recent newspaper reports about increase in prices of essential drugs, they denied any such price spiral since 1994.

They were speaking at a discussion on 'Pharmaceutical Industry in Bangladesh' organised by the Bangladesh Association of Pharmaceutical Industries (BAPI) at the National Press Club.

Underlining the need for a concerted effort of the government, pharmaceuticals association, professionals and consumers for the development of the sector, the speakers advocated updating essential drug list and taking strong stance against sub-standard drug manufacturers.

BAPI President SM Shafiuzzaman chaired the discussion.

BAPI General Secretary Nazmul Hassan said despite a rise in production cost, manufacturers have not increased prices of essential drugs following the fixation of prices of government recognised 117 commonly used essential drugs in 1994.

Even some drugs belonging to decontrolled category is now available at reduced price for market competition, he said, adding that the World Trade Organisation (WTO) allowed Bangladesh to manufacture and export patented drugs until 2016 and the total export of drugs now stands at 97 percent.

He claimed that Bangladesh is one of the cheapest sources of

quality medicine in the world and second highest contributor to national ex-chequer and the local companies meet 87 percent of the country's total requirement.

Speaking on the occasion, Mizanur Rahman Sinha, adviser to the association, said prices of medicines remained steady over the years, although many products marked a significant rise in prices.

Abdul Muktaadir, managing director of Incepta Pharmaceuticals Ltd, suggested that the media should play an important role to create awareness among all, especially at policymaking level, about updating essential drug list and sub-standard drugs.

The speakers also stressed promotion of clinical research to ensure production of quality medicines to sustain in the global market.

Five local pharmaceutical companies are expected to export drugs to Europe from next year, the function was also informed.

MA Hasan, BAPI vice president, Kaiser Kabir, BAPI treasurer and managing director of Renata Limited, Naser Shahrier Zahedi, BAPI member, Ashiquel Alam, assistant brand manager of Beximco Pharmaceuticals Ltd, AM Faruque, managing director of Eskayef Bangladesh Ltd, and other members of the association were present at the discussion.



PHOTO: DUTCH-BANGLA BANK

Md Yeasin Ali, managing director of Dutch-Bangla Bank Ltd, and Md Nurul Amin, managing director of National Credit & Commerce Bank Ltd (NCCBL), exchange documents after signing an ATM sharing agreement in Dhaka on Wednesday.