

Star BUSINESS

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Govt may finalise licensing for freight forwarders today

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The government is likely to finalise a licensing system for freight forwarding agencies today in order to bring discipline to the export-import trade and improve its ability to collect tariffs from the sector.

Sources said due to lack of licensing, freight forwarders are able to operate without any legal obligation or government control. The Bangladeshi Garment Manufacturers and Exporters Association, BGMEA, estimates that the lack of licensing is costing the government hundreds of crore taka every year.

All the concerned agencies including representatives from International Freight Forwarders Association of Bangladesh (IFAB), Association of Cargo Agents Bangladesh (ACAB), Bangladesh Garment Manufacturers and Exporters Association (BGMEA),

Chittagong Port Authority and representatives from Customs will sit at the National Board of Revenue auditorium to reach a decision on such licensing today.

Effective regulation had not been possible previously because of the lack of agreement between forwarders and customs authorities.

The government has asked freight forwarders to provide a Tk 15 lakh bank guarantee, however the freight forwarders say the figure should be at most 5 lakh. The bank guarantee would be forfeited if the freight forwarders violated their licensing conditions.

The government also proposed that the initial cost of a license should be Tk50,000 with a Tk5,000 annual renewal fee. This is much higher than the Tk6,000 and Tk500 proposed respectively by the freight forwarders.

Foreign freight forwarders operating in Bangladesh would have to

set up a Tk 5 crore bank guarantee.

At present the sector is plagued by financial indiscipline making it easy to use as a cover for illegal transactions. Under the new proposals, the government aims to ensure that money earned by freight forwarders abroad is returned to Bangladesh.

"We want to implement the licensing as the tripartite meeting agreed in Chittagong in May this year. If the government wants to raise the charges, we may seek time to reach decision on it," said Rafi Omar, president of the International Freight Forwarders Association of Bangladesh (IFAB).

Local freight forwarders claim overseas firms grab a majority of business without paying the government any revenue.

Around 2000 local and foreign freight forwarders are doing business in Bangladesh of which 600 are the members of IFAB and

ACAB.

The government is not alone in believing it is missing out on a large stream of revenue. In a recent letter to the NBR, the BGMEA said freight forwarders imposed various types of service charges on importers but did not pay any government tariffs.

The BGMEA also complained that the lack of licensing caused unnecessary complications and costs in recovering goods from ports.

The association said the non-licensing of the freight forwarders deprives the country of license fees and value added tax (VAT) on freight charges that could amount to Tk 200 crore every year.

It is also causing loss of huge annual revenue of Tk 300 crore that might come as income tax on commission from principal and tax on freight amounts, they said.

The government has targeted a rice export volume of 4.45 million tons this year to ensure domestic food security. As of the end of July, the country has signed export contracts of 4.5 million tons of rice, including 1.85 million tons which will be delivered early next year, said Vietnam News reported.

Vietnamese rice is now being exported at about 292-312 US dollars per ton, up 30-40 dollars compared to two months ago. The VFA predicts the rice prices to continue climbing as global supply declines.

The Ministry of Agricultural and Rural Development estimates that the output of paddy rice in Vietnam will reach 36 million tons this year, of which 4.9 million tons will be commercial rice for export.

Asia is the main export market of Vietnamese rice, accounting for 76.6 percent of total volume, while Africa and the United States consume about 14.3 percent and 5.9 percent, respectively.

Last year, the country shipped over 4.7 million tons of rice worth 1.3 billion dollars.

REHAB housing fair in Rome in Sept

STAR BUSINESS REPORT

A three-day housing fair of Bangladeshi developers will begin in Rome, Italy on September 1 targeting expatriate Bangladeshis.

Some 40 developers will take part in the fair at Radisson SAS Hotel, which will be organised by Real Estate and Housing Association of Bangladesh (REHAB), organisers told a discussion in Dhaka yesterday.

The discussion titled 'Role of Real Estate Sector as an Investment Opportunity for Non-resident Bangladeshis' was attended by Pietro Ballerio, Italian ambassador in Dhaka, and REHAB board members.

Speaking at the function, Italian ambassador urged the developers to use in modern technologies in building apartments.

He said the political situation in Bangladesh is now favorable for doing business.

Tanveer Haque Probal, general secretary of REHAB, said the main objective of the fair is to promote the products and services of REHAB.

The fair will give the Bangladeshis in Italy an opportunity to buy apartments and plots in their homeland, he said.

Bharti to launch cell phone service in Lanka

AFP, New Delhi

Leading Indian telecom firm Bharti Airtel said Wednesday it will launch mobile phone services in Sri Lanka where it sees the number of cell phone users growing by millions annually.

The firm said in a statement that it will launch second and third generation mobile services on the tropical island by next February, when its financial year ends.

"With mobile penetration of around 30 per cent, which is growing at two million users per annum, we are excited about our entry into this market," Sanjay Kapoor, Bharti Airtel mobile services' president, said in the statement.

The firm said it will invest 200 million dollars in the project over the next five years, adding a major portion of the investment would come within 18 months of the launch of the service under the brand name "Airtel."

Bharti recently won a licence to provide mobile services in Sri Lanka through its subsidiary, Bharti Airtel Lanka Pvt Ltd, and will be the fifth cell phone firm to enter the South Asian nation's mobile market.

Sri Lanka's telecom sector soared in 2006 to 7.3 million fixed-line and cell phone users, led by a 59 percent jump in new mobile phone connections driven by competition and falling call costs.

Sri Lanka became one of the few South Asian countries to offer third generation services commercially in 2006. It was the first in the region to introduce cellular phones when it unveiled an analog network in 1989.



President Iajuddin Ahmed receives a crest from job portal Aminlife CEO M Shoeb Chowdhury at the launch of U21 Global, an e-university, in Dhaka on Tuesday. Foreign Adviser Iftekhar Ahmed Chowdhury is also seen.

WTO forecasts slower economic, trade growth in 2007

XINHUA, Geneva

Global economic and trade growth may slow down this year due to market risks and large trade imbalances, the World Trade Organization (WTO) said in its 2007 annual report Tuesday.

"Risks in financial and property markets and large trade imbalances in goods and services mean increased uncertainty in 2007 and raise the prospect of weaker economic and trade expansion in the coming year," the report said.

"The consensus among forecasters of around 3 percent global economic growth in 2007 could slow merchandise trade growth to about 6 percent compared with 8 percent in 2006," it added.

According to the report, the challenge for the WTO over the next few months is to conclude the Doha Round negotiations, which aim to lower trade barriers to better integrate developing countries into the global trading system while expanding trade opportunities for all WTO members.

The Doha Round was launched in 2001 and has been deadlocked over the cutting of agriculture subsidies as well as tariffs on agriculture and industrial products.

Sharp and complex differences remain among the WTO's 151 members, particularly the United States, the European Union and major developing countries such as Brazil and India.

WTO members have agreed to intensify their negotiations after the summer break, with an aim to conclude the talks by the end of the year.

Earlier, AFP report from Geneva said World Trade Organisation chief Pascal Lamy said in remarks published Tuesday that time was running short in the deadlocked six year-old Doha round of talks on reducing barriers to global commerce.

"These negotiations have been the focus of our work over the past year and the time remaining in which to conclude them runs short," Lamy said in a foreword to the WTO's annual report.

Crucial areas of agriculture subsidies, tariffs on agriculture and industrial products," Lamy said.

The WTO chief added that a successful Doha Round agreement would send a much needed message of confidence to governments, economic agents and the public" and would reinforce the foundations of the country's meteoric economic rise.

"It would show that we remain committed to open markets and multilateral rules, and that the foundations of the global economy are reinforced," he said.

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Chief negotiators put forward compromise proposals to the 150 WTO members last month in two crucial and hard-fought areas in the talks, agriculture and industrial goods, in an attempt to break the deadlock.

They asked trading nations to mull over the proposals during a summer break and to return to Geneva in September for intensive negotiations to seal an agreement.

Lamy said a deal would send "a much needed message of confidence to governments, economic agents and the public" and would reinforce the foundations of the country's meteoric economic rise.

The General Administration of Civil Aviation of China said it had ordered Beijing airport to cut its daily domestic flights by 336 to 1,050 by the end of October, and the number must fall to 1,000 by March next year.

New airline companies will also be restricted from expanding their capacity, according to the administration.

It said the moves aim to "curb the over-rapid growth of the country's aviation market", amid increasing congestion at major airports such as Beijing.

Chinese domestic airlines carried 86.7 million passengers in the first half of 2007, up 16.7 percent from a year earlier.

Malaysia's troubled state-run car manufacturer Proton on Wednesday unveiled its new sedan and projected robust sales to include exports in the region and Europe.

And with the launch, after long delays, the company also said it was waiting for a government go-ahead to press ahead on a possible tie-up with European automobile giant Volkswagen.

Designed to replace its 14-year-old Wira model, the sleek 1,600 cc Persona sedan is designed to appeal to the young professional after the company lost its status as the country's leading car seller to local rival Perodua.

Company chairman Mohammed Azlan Hashim said Proton expects Persona sales to reach between 30,000 and 40,000 units in the next 12 months.

"Already, 2,200 bookings have been made so far, and these bookings have been made by customers who have not even seen the actual car," Mohammed Azlan told reporters, adding that new models were also on the drawing board.

Vietnam mulls more rice exports

XINHUA HANOI

The Vietnamese government is considering allowing additional rice export contracts to be signed next month due to the surging commodity prices in the world, local media reported yesterday.

The government put a halt on rice exports after official targets were met earlier this year, but the rising global commodity prices have driven the Vietnam Food Association (VFA) to ask the government to reconsider the policy, Vietnam News reported.

The government has targeted a rice export volume of 4.45 million tons this year to ensure domestic food security. As of the end of July, the country has signed export contracts of 4.5 million tons of rice, including 1.85 million tons which will be delivered early next year, said Vietnam News reported.

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Last year, the country shipped over 4.7 million tons of rice worth 1.3 billion dollars.

Busy Beijing airport cuts back on flights

AFP, Beijing

The number of daily flights at Beijing airport will be cut by nearly 400 in an effort to deal with the long delays and other problems at the increasingly crowded hub, aviation authorities said Wednesday.

The cut comes a year away from the 2008 Olympic Games in the Chinese capital, as authorities try to cope with a massive boom in transport that has accompanied the country's meteoric economic rise.

The General Administration of Civil Aviation of China said it had ordered Beijing airport to cut its daily domestic flights by 336 to 1,050 by the end of October, and the number must fall to 1,000 by March next year.

New applications for domestic aviation licenses will also not be accepted before 2010, and stricter requirements will be applied to new airlines already awaiting licenses, the administration said in a statement on its website.

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"Global demand for gold jewelry showed the strongest surge, reaching a record 14.5 billion dollars (10.8 billion euros), 37 percent higher than the second quarter of 2006, with particular strength across the key gold markets of Greater China, India, the Middle East and Turkey," it added.

"We are pleased to report a very strong second quarter with demand for gold reaching unprecedented levels in a number of markets," said James Burton, chief executive of the World Gold Council.

"A reduction in price volatility in 2007 has resulted in increased consumer confidence and, coupled with greater industry marketing activity, led to record levels of gold jewellery purchases globally in dollar terms."

"I am pleased to note that the dollar value of gold demand has more than doubled in just four years," he added.

In Wednesday trading on the London Bullion Market, the price of gold fell to 667.35 dollars per ounce at the morning fixing, from 668.35 dollars late on Tuesday.

Overall gold demand rose to 19.8 billion dollars - a 27 percent increase on the second quarter in

BB dy governor to be recruited on competitive basis

STAR BUSINESS REPORT

For the first time the government will recruit a deputy governor on competitive basis aiming to infuse dynamism into the selection process.

However, there are two posts of deputy governors lying vacant in the Bangladesh Bank.

The government has formed a four-member search committee led by former adviser Dr Akbar Ali Khan to recruit a deputy governor on contract basis.

The tenure of the deputy governor will be four years, which is similar to that of the governor.

The committee has already held a meeting early this week and set the qualifications for the post of a deputy governor, according to the central bank sources.

As per the qualifications, an applicant for the post will not be above 60 years in age and he or she should have 25 years working experience in banking or macroeconomic sector. Academically, an applicant should have at least a Master's degree in banking or finance or economic discipline.

An advertisement in this regard will be published very soon in the national daily newspapers, the sources said.

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