UAE sets trade limits amid US pressure

AP, *Washington*

The United Arab Emirates announced a new law Friday permitting it to ban or restrict shipments for national security or foreign policy reasons.

The Bush administration had pressured it to crack down on companies believed to be smuggling equipment to Iran to build explosive devices killing American soldiers in Iraq and Afghanistan.

U.S. pressure for tougher trade laws is part of the Bush administration's broader campaign to contain Iran amid tensions over its alleged pursuit of nuclear weapons and support of the Iraqi insurgency. Just this week, President Bush said: "Iran's actions threaten the security of nations everywhere."

The new law permits authorities to ban or restrict imports, exports or passthrough shipments for reasons of health, safety, environmental concerns, national security or foreign affairs. It creates a new commission for setting these rules, and membership will include federal ministries and executives from private companies.

The passage of the law was announced by the country's president, H.H. Sheikh Khalifa bin Zayed Al Nahyan.

The White House had expressed concerns publicly and through diplomatic channels in Washington about troubling shipments to Iranian front companies operating in Dubai.

The UAE is among the world's largest shipping hubs for international commerce, and is located just across the narrow Strait of Hormuz from Iran. The countries have been trading partners for centuries. Much of Iran's trade flows through Dubai, which also ranked as the top export destination in the Middle East last year for American companies with $12 billion worth of goods.

Dubai business executives had protested the U.S. pressure.

"The regulation of re-exports should be established by the UAE without the threat from the U.S.," Hamad Buamim, the director general of the Dubai Chamber of Commerce and Industry, wrote in a letter to the Bush administration obtained by the AP. "Only the UAE is able to judge the balance of concerns for re-export relative to national security against the risk of the trade moving to another re-export location."

US intelligence agencies have collected evidence that at least 11 individuals and companies operating in the United Arab Emirates are smuggling electronic components and devices sometimes through Iran to build explosive devices used to ambush American soldiers in Iraq and Afghanistan. The U.S. government effectively banned trade with them. The White House said its proof was based on "specific and articulable facts," which it did not describe publicly.

The companies include microelectronics manufacturers and industrial suppliers.

Partly to pressure the United Arab Emirates, the U.S. has proposed new restrictions on companies doing business in countries the White House would designate as "destinations of diversion concern." Those countries, not identified in the proposal, would include prominent shipping hubs with lax export laws. Companies shipping products through such countries would face tougher reviews for export licenses.

The Dubai chamber, which represents 88,000 companies, has bristled at the idea. It said it would be ineffective and inappropriate.

It was not immediately clear what effect the UAE's new trade law would have on the administration proposal.

Buamim urged the U.S. months ago to withdraw the proposal "while we continue to quietly negotiate in this area." Buamim said the chamber does not believe the UAE would be included under the U.S. proposal, although he complained the criteria was too vague. "Any country could be put into any category at any time," Buamim said.

The dispute highlighted the conflicted relationship between the United States and the UAE. The administration considers the emirates a close ally, especially on military matters in the Middle East. But Dubai was forced last year to abandon plans for Dubai-based DP World to take over significant operations at six major US seaports amid intense national criticism.

1.5m child workers exploited in Cambodia

AFP, *Phnom Penh*

Some 1.5 million Cambodians under the age of 14 are being forced to work, often in hazardous conditions, a prominent rights group said Thursday at the start of a campaign to combat child labour.

"The reality of poverty is that it is indiscriminate and affects not only adults but also children," the group Licadho said in a statement.

"This sadly forces many young children to engage in domestic and manual labour to support their families, with a large proportion working under severe conditions."

Nearly 90 percent of child labourers in Cambodia, one of the world's poorest countries, work as unpaid help for their families, according to the World Bank.

About 250,000 of them work in seven of the 16 sectors nationally recognised as hazardous, which include begging, waste scavenging, factory work or mining, the bank says.

Both the World Bank and rights groups have urged tougher legislation that would curb such practices.

Following years of civil unrest and government mismanagement, Cambodia remains mired in poverty, with 35 percent of its 14 million people living on less than 50 US cents per day.

Education often becomes the first victim in the daily struggle to survive, with a majority of child labourers being forced out of school at an early age.

"These children do not have an opportunity to receive an education and most of them face exploitation and physical and verbal abuse, every day," Licadho said.

The group this month launched a two-year awareness-raising campaign that hopes to expose employers and government officials to the dangers faced by child labourers.

"Governmental authorities, civil society and the private sector must work together to rescue child labourers and provide them with physical and mental rehabilitation services," the group said.

PHOTO: MUTUAL TRUST BANK

Kazi Md Shafiqur Rahman, managing director of Mutual Trust Bank Ltd, speaks at the inaugural session of a training programme on 'Banker's Advance' organised by the bank recently in Dhaka. Other senior officials are also seen.

Controversy heats up as two vie to lead IMF

AFP, *Washington*

In a race mired in controversy, two Europeans are vying to become the new head of the International Monetary Fund and lead the battle in introducing wide-ranging reforms.

For weeks the European Union's candidate Dominique Strauss-Kahn, a former French finance minister, had been the sole candidate to replace Spain's Rodrigo Rato at the head of the 63-year-old global financial institution.

But on August 22, Russia threw a spanner into the works by putting up Josef Tosovsky, a former Czech prime minister and central bank chief, as its candidate, with the deadline for nominations closing at midnight Friday (0400 GMT Saturday).

Russia said it was acting in part to contest the unwritten rule that Europe traditionally chooses the managing director of the IMF and the United States gets to pick the head of the World Bank.

"Not everyone agrees with this," Foreign Minister Alexei Kudrin said. "It's unfair to leading countries in the world."

With the deadline nearing, the likelihood of a third candidate emerging appears nil.

But both the Europeans have hit potholes in recent days: Strauss-Kahn on his merits, Tosovsky on his communist past and Russian sponsorship.

In a scathing editorial Tuesday, the Financial Times condemned the EU's "carve-up" in selecting Strauss-Kahn, describing him as "a man who is neither qualified nor legitimate."

The influential British business newspaper said only those who wanted the IMF "to be irrelevant" could applaud the 27-nation bloc's decision.

The IMF, in announcing the search for Rato's successor, stressed the winning candidate could be a national of "any" of its 185 member countries and pledged a transparent process based on merit.

Developing countries in particular had called for an open selection for the head of the IMF and its sister institution the World Bank and have pushed for greater weight at the Washington-based bodies.

On Wednesday, African Union chief Alpha Omar Konare criticized the selection process as "not reflecting the balance of powers in the world today."

Luxembourg's prime minister, Jean-Claude Juncker, who also heads the Eurogroup finance ministers, offered an olive branch the next day, saying developing countries could choose the next IMF head if they accept Strauss-Kahn.

"Within the Eurogroup and among the EU's finance ministers, everybody agrees that Strauss-Kahn will probably be the last European to lead the IMF in the foreseeable future," he said in a newspaper interview.

But Russia's executive director at the IMF, Aleksei Mozhin, said Strauss-Kahn was a "career politician" unqualified to head the institution.

"There is nothing in Mr. Strauss-Kahn's curriculum vitae which could make it clear he has the necessary technical skills to do the job," Mozhin told the Financial Times.

Rato's exit comes at a sensitive moment as the Fund struggles to find its bearings amid internal reform launched by Rato himself in 2005 and as a rising number of countries opt not to borrow from it.

The bruising controversy over the selection of his successor also further erodes the shrinking stature of the fund, whose resources are now dwarfed by global currency reserves.

Increasingly, the Financial Times observed, the IMF's "only assets are political legitimacy and intellectual authority."

The candidates will be interviewed in early September and there is no timetable for the final selection, an IMF spokesman told AFP.

He noted that Rato, who is stepping down nearly two years before his term ends, would not be leaving office until after the annual meetings in late October.

The United States, the biggest stakeholder, has declined to take sides publicly in the race.

PHOTO: BLUEBERRY PUBLICATIONS

Blueberry stationery products were launched at a function in Dhaka recently. Senior officials of Blueberry Publications Ltd were present at the launching ceremony.

PHOTO: GRAMEENPHONE

Md Aftabuddin Khan, registrar of Southeast University, and Khandaker Omar Farhan, deputy general manager (Commercial Division) of Grameenphone Ltd, among others, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, the mobile phone operator will provide complete telecommunication facilities under its 'Business Solutions' package for the private university.