

# Star BUSINESS

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## Govt to study impact of free trade deals with neighbours

JASIM UDDIN KHAN

The caretaker government has initiated a study on the impact of striking free trade agreements (FTAs) with India, Pakistan and Sri Lanka.

Sources said the commerce ministry has asked Bangladesh Tariff Commission to assess the benefits and disadvantages of inking FTAs with the three South Asian nations.

Talking to The Daily Star, Tariff Commission Chairman Md Shafiqul Islam said the report is expected to complete in the next few days.

Before finalising such a report,

the commission is now examining the study reports prepared by World Bank and two other reports from experts, and also ascertaining merits and demerits of some recently accords on free trade.

A senior official of the Ministry of Commerce said soon after the receiving the assessment report, a dialogue with the trade bodies concerned, think tanks, economists and researchers will be organised.

The official expects that this dialogue would help adopt a strategy by the year-end in line with the national interest.

A government expert on interna-

tional trade negotiation however cautioned that the free trade deals could pose some threats to smaller countries.

Many organisations associated with free trade also have reservations about individual FTA.

A recent World Bank report said, "There was no compelling case for India and Bangladesh to pursue a bilateral free trade agreement."

"A broader based liberalisation would be more beneficial for both the countries," the report remarked.

However a tariff commission member pointed to the positive impact of the three-year-old FTA

between India and Sri Lanka, from which the latter has gained substantially.

He said as the South Asian Free Trade Area had so far been largely ineffective in the wake of increasing intra-regional trade, utilisation of individual FTA could be a way forward.

Intra-regional trade among the South Asian nations is only around five percent of the overall trade of the member countries.

Experts say trade within the region is hit not only by tariff barriers but also by bureaucratic bottlenecks, political mistrust and weak transportation links.

## BIWTC earns Tk 20cr in 6 months of last fiscal

BSS, Barisal

Bangladesh Inland Water Transport Corporation (BIWTC) has earned Tk 20 crore during the last six months of last fiscal year surpassing all previous records since its inception.

According to BIWTC official sources, the amount was two-and-half times higher than the earnings in the first six months of the fiscal. The earnings during the first six months were Taka eight crore.

While contacted, Chairman of the BIWTC ASM Ali Kabir told BSS that the corporation might earn a good amount of revenue in the current fiscal as multidimensional programmes have already been taken.

Apart from this, the BIWTC chairman said new sea-trucks, ships and steamers on different routes were introduced to increase the revenue.

## Pakistan eyes FTA with EU

APP, Islamabad

The government plans to hold the first round of talks on a Free Trade Agreement (FTA) with the European Free Trade Association (EFTA) next month to increase the level of trade between the two sides.

The global imports of EFTA are hovering around US\$180.36 billion and its imports from Pakistan are only \$98.45 million, CNRC reported.

An official said that a high level official delegation will leave next month for Switzerland to initiate formal talks on the draft text to the agreement with the bloc.

Pakistan had formally requested for having a treaty with EFTA in a meeting with Swiss Under Secretary of State during her visit to Pakistan in February this year.

The Swiss government's help was also sought in the initiation of talks on free trade area.

The two sides will discuss in detail the products for duty reduction, rules of origin besides reaching an agreement on the draft text of the treaty.

Islamabad's current level of trade balance is heavily in favour of EFTA countries, and within EFTA, Switzerland is the largest trading partner for Pakistan.

The proposed free trade agreement with EFTA will provide increased market access to Pakistani goods and services and, similarly, import of machinery will be made at concessionary rates.

## Hotels Int'l declares 10pc stock dividend

Hotels International Ltd, the owning company of Pan Pacific Sonargaon Hotel, has declared a 10 percent stock dividend for its shareholders for the year 2006.

The dividend was announced at the 29th annual general meeting (AGM) of the company held on Thursday in Dhaka, says a press release.

Chairman of Hotels International Shaikh Altaf Ali presided over the AGM, while senior officials were present among others.

## First-ever cement clinker plant in private sector starts operation

STAR BUSINESS REPORT

The first ever private sector plant producing cement clinker, a key ingredient in cement, started operation in Jessore yesterday, marking an important step for private investment in the building materials sector.

The Niloy Cement Clinkerization plant has cost Tk20 crore to set up and will have a capacity of 70,000 tonnes a year.

Clinker is a blend of the basic raw materials used in cement, and at a later stage is ground and mixed with additional ingredients to form a powder. At present clinker is mainly imported from Indonesia, China and Thailand.

Industries Adviser Geeteara Safiya Choudhury inaugurated the Niloy Cement Clinkerization Industries Ltd. at Bashudia in Jessore as chief guest.

In her opening remark, the adviser hoped that through bold steps entrepreneurs would be able to rejuvenate other parts of the cement sector where several

plants had been closed.

She said prices of clinker have gone up in the international market recently and some domestic cement plants had stopped production due to a shortage of clinker.

Nilot-Niloy Group Chairman Abdul Matlub Ahmed said the country would be able to satisfy the main part of its clinker needs domestically if the government opened its vast limestone reserve at Sunamgonj and coal reserve across the northern region.

He said the prices of clinker as well as freight charges are going up day-by-day, a trend that encouraged him to set up a clinker industry in the country. "Establishing the basic industry for cement will make the industry self-sufficient and will add more value," he added.

Matlub urged the government to allow entrepreneurs to import clinker raw materials under a bond facility to take advantage of the opportunity offered Bangladesh to export cement to the Indian market duty free.

Sudhakar Dalela, Counselor

(Economic & Commercial), Indian High Commission gave the assurance that India would continue the duty free facility to Bangladeshi cement industries.

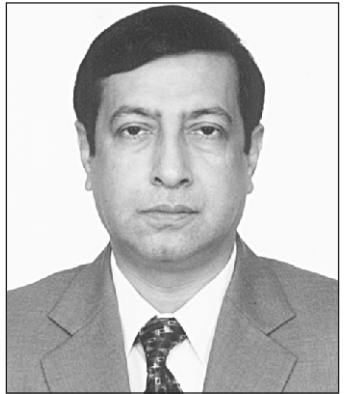
Faridul Hasan, director general, Export Promotion Bureau (EPB), Abual Hossain, deputy commissioner, Jessore, Lt. Col. Shamimur Rahman, Md. Shahidul Islam Milan, president, Jessore Chamber of Commerce and Industry, also spoke on the occasion.

The country has 68 cement industries that have a total production capacity of around 20 million tonnes annually. Annual demand is only 8 million tonnes, with large amounts of capacity not utilised.

Entrepreneurs established the industries eying the huge Indian market, mainly in north-east India's seven states where demand for cement is on the rise.

Bangladesh earned US \$3.6 million exporting cement in the last fiscal year but industry experts projected that the country will be able to earn a lot more in the near future.

## New secy gen of Int'l Jute Study Group



Sudripta Roy joined the International Jute Study Group (IJSJ) as its secretary general on Thursday, says a press release.

Prior to joining IJSJ, which is headquartered in Dhaka, he was working as the joint secretary to the Government of India in the Ministry of Textiles. As an Indian national, Sudripta has put in some 29 years in his country's civil service.

Sudripta's active role in creating 'The Jute Board' in India has contributed tremendously in the revival of that country's jute sector, the release adds.

He will be serving this new office for the next three years.

## Nepal posts 3.4pc growth in 5 years

XINHUA, Kathmandu

The tenth five-year plan of Nepal ending in mid-July witnessed annual economic growth at 3.4 percent, according to local newspaper The Rising Nepal Sunday.

A report issued by Nepal Rastra Bank, the central bank, said the tenth five-year plan failed in terms of attaining the set economic growth.

The report released on Friday said that average economic growth rate remained at 3.4 percent during the plan period, contrary to the plan's target of 6.2 percent.

The central bank has attributed this to the escalation of conflict, sharp deterioration of security situation, lower growth of private sector investment, hindrance in supply of goods due to the strikes, a low level of capital expenditure and weather condition for the pessimistic economic growth rate.

The report, in optimistic tone, stressed that the situation could reverse to good if peace materialised and things remained normal in the days ahead.

## 13 Indian firms join WEF Global Growth Companies

PTI, Dalian

Thirteen fast-growing Indian firms have joined as Founding Members of the 125-strong Community of Global Growth Companies, a new initiative of the World Economic Forum (WEF).

Announcing the new initiative at the inaugural annual meeting of the New Champions, which concluded here in the northeast Chinese port city Saturday, Founder and Executive Chairman of WEF, Klaus Schwab, said he was elated with the creation of a new community of fast-growing companies who are destined to join the ranks of global multinationals in the next 5 to 10 years.

"These are a very special group of companies that have not really been understood," he said on list, which is dominated by 22 fast-growing Chinese companies.

The 13 Indian companies are: Amalgamated Bean Coffee Trading Co. Ltd, Apollo International Ltd, CMS Computers Ltd, Crompton Greaves Ltd, Financial Technologies (India) Ltd, iGATE Global Solutions Ltd, Moser Baer India Ltd, Praj Industries Ltd, Rajshree Sugar and Chemicals Ltd, Rupa & Co. Ltd, UTV Software Communications Ltd, Wockhardt Ltd and YES BANK Ltd.

Forty percent of the members of the Community of Global Growth Companies are from Asia; 26 percent hail from Europe; 20 percent are based in the Americas; and 14 percent come from Africa and the Middle East.

"This is a truly global community," Schwab said. Meanwhile, the second annual meeting of the New Champions will be held in the northern Chinese port city of Tianjin from September 25 to 27 next year, the WEF said.



PHOTO: RANKSTEL

Manzurul Alam (L), chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), hands over RanksTel's licence to operate fixed phone services nationwide, including Dhaka, to Zakia Rouf Chowdhury (2-R), executive vice chairperson of Rangs Group, at a function in the capital yesterday. RanksTel Director Amanullah Chowdhury was also present. (Story on page 16)

## No more time extension for legalising undisclosed money

Says NBR chief

UNB, Dhaka

Clearing his stance against further extension of time of amnesty for legalising undisclosed money earned honest

way, the NBR chairman said they knew how to collect income tax.

"If the undisclosed money holders do not disclose their money by September 30, we will put our all strength to dig them out and my organisation is very much capable to do that," NBR chairman Badiur Rahman told the news agency.

About his next action towards the undisclosed money holders he said that he has lot of information about the undisclosed money holders.

"Address of house, number of cars, bank account - we have all the information. That is not the end, my intelligence cell working closely to identify the undisclosed money holders for a long time," he said.

Badiur said NBR would not only dig out the undisclosed money but also walk the legal path.

"We have already filed more than 25 cases under the income tax law that is very much new after the independence and we did not spare the big-shots. This is just a message to others that no one is above the law," he said.

The NBR chief said that they would hold another board meeting today when couple of names would be included.

"We are just waiting to finish the period of amnesty," he said.

On allegation of corruption and inefficiency of a section of NBR officials, he said, "We have already punished some of them. Action against some others is in the process."

Describing various measures taken for the current fiscal year, the NBR chief said that if the response from the tax-payers is positive, the ceiling of tax exemption will be raised further. The ceiling was raised to Tk 1.50 lakh from 1.20 lakh last year.

Meanwhile, the visiting IMF team met with the NBR chairman last morning.

"We discussed the revenue policy, tax reforms and GDP-tax ratio, Badiur Rahman said.

## Local firm builds 4 big cargo ships

OUR CORRESPONDENT, Ctg

The local ship building company, Western Marine Shipyard Limited, has completed construction of four cargo ships.

The ships having carrying capacity of 2040 tonnes each as against the usual capacity ranging from 1000 tonnes to 2000 tonnes of locally made ones would be delivered to the buyer, Brave Royal Shipping Limited, through a ceremony today.

Chittagong Port Authority (CPA) Chairman Commodore Muhammad Farooque is expected to attend the ceremony at the Chittagong Old Airport, adjacent to Boat Club, as the chief guest.

Sources said Western Marine Shipyard Limited, a sister concern of reputed Western Marine Group, built the four ships at its own shipyard near Shikalbaha

Power Plant at Kolagaoin in Patiya, applying local technology.

The ships MV Royal Crown, Royal Star, Royal Seagull and Royal Bay are equipped with latest navigation equipment. The construction work was started in November in 2005.

Brave Royal has purchased the ships at a cost of Tk 30 crore, sources said.

Managing Director of Western Marine Shipping Ltd Md Sakawat Hossain said Germanischer Lloyd, an international classification society, and Bangladesh Inland Waterways and Transportation Authorities (BIWTA) have certified the ships built at the world-class shipyard.

"We have also received order from a European company to supply five container ships having capacity of 4,100 tonnes each," he disclosed.

## Wastewater treatment tech show begins tomorrow

A trade show of water and wastewater treatment technologies will begin in Dhaka from tomorrow.

SouthAsia Enterprise Development Facility (SEDF) IFC (International Finance Corporation) Advisory Services for South Asia, in partnership with the Department of Environment (DoE) will organise the 3-day show at the Bangladesh-China Friendship Conference Center, according to a press release.

The show aims to help mitigate challenges in Bangladesh's ready-made garment (RMG) supply chain and raise awareness about relevant clean technologies and solutions available to them.

Organisers expect that many international and local effluent treatment plants and relevant environment management systems solution providers will showcase different technology options relevant to the garments industry. During the trade fair, five workshops and seminars are planned to address the key concerns of the target garments sub-sectors.

A key challenge for small and medium enterprises (SMEs) in this sector is acquiring and operating sustainable treatment plants. Many of the factories do not meet environmental standards.

Effluents are discharged into the environment, causing long-term environmental damage, particularly to low arable lands and fisheries. This affects millions of people by negatively impacting agricultural output, fish population and human health.

The trade show is also important in the context of a government announcement in March this year stating that they will start enforcing environmental standards from October 31, 2007. Many washing and dyeing factories are now scrambling to add effluent treatment plants to reduce the adverse effects of untreated wastewater.

Recent industry estimates show that approximately 1,200 factories (80 percent of the relevant industry) are currently run without wastewater treatment plants and therefore face the risk of being shut down.

STAR BUSINESS REPORT

Shrimp exports from Bangladesh are forecast to double by 2015 to \$1 billion, but the industry still faces health challenges if it wishes to ensure access to its largest single market, the EU, a workshop was told yesterday.

Total shrimp exports rose by 13 percent to \$457 million in the twelve months to June 30 and are the country's second largest export item after garments.

According to Syed Mahmudul Huq, chairman of the Bangladesh Shrimp and Fish Foundation, shrimp exports are expected to exceed \$1 billion in 2015, with fish exports predicted to reach \$100 million compared to \$58 million in the 12 months to June 30.

Although the industry has improved its food safety record in recent years, Brian Forey, charge d'affaires and acting chief of the EC Delegation to Bangladesh, warned that shrimps had to continue to meet high standards in terms of hygiene and consumer safety.

"Bangladesh has certainly come a long way since 1997 when shrimp exports to the EU were temporarily banned. However, the sector faces new challenges such as the rejection of shrimp consignments to the EU on grounds of contamination, especially as regards the detection of nitrofurans," he said.

"You want to export shrimp from Bangladesh to our shores, and we want to buy it, with full assurances of the health and safety of your products for our consumers."

Huq and Foley made their comments at a workshop entitled 'Significance of Compliance with EU Non-Tariff Trade Rules for Shrimp and Fish Export' organised by the BSFF, a non-profit private research organisation, and in association with the Department of Fisheries (DoF) and Bangladesh Frozen Foods Exporters Association (BFFEA).

Kazi Belayet Hossain, president of BFFEA, said; "There is a huge demand for the shrimps of this country in EU but to capture the market we have to comply with the non-tariff trade rules of the union."

Secretary to the Ministry of Fisheries and Livestock Syed Ataur Rahman urged the press to publish reports revealing the problems of the ministry so that steps could be undertaken in line with the constructive suggestions.

The workshop was told that by using more scientific methods

throughout the processing and production stages, farmers could not only increase the volume of exports but their price as well.

"The average production of the Bagda variety of shrimp in every hectare is between 265-280 kilogram, while it is possible to produce more than 1,000 kg shrimp from the same land using scientific techniques," said Abdur Rashid, district fisheries officer of the DoF.

He said this had been the result this year in a private farm that had recently introduced more scientific methods.

The speakers identified the high mortality rate of shrimp fries as the main cause of low production as almost 80 per cent of shrimp fry die in the beginning of cultivation.

"But this year in Sathkhira district we could save 70 percent of fries in the farms due to the development of the nursing system for fries," he said.

The improved techniques included the better preparation of the water in which the fries are placed, he added.

Shrimp is the second most important source of foreign exchange and contributes five percent of the total national export earning, the workshop was told.

## Tea producers told to warm up their global image

AFP, Colombo

Faced with falling prices and competition from coffee growers, global tea producers are being stirred into action to boost their image in order to regain consumers in the cut-throat beverage market.

Tea, the world's most consumed drink behind water, is seen as an "old ladies' drink" and is being abandoned by youngsters who pay top dollar for trendy coffees such as mochas and frothy cappuccinos, industry officials say.

"Producing countries need to make tea more fashionable, by highlighting its health benefits, put

out products like tea-laced biscuits, cakes, (also) perhaps a line of merchandise," said US Tea Association president Joe Simrany.

Big producers such as Sri Lanka, Kenya and India have failed to add more value to the brew, leaving tea trailing behind coffee in the 70-billion-dollar global hot drinks market, according to a recent industry meeting here.

Simrany said 85 percent of the tea annually sold in America is consumed as iced tea.

"Iced tea drinks are bringing vitality to the drink, showing youngsters the world over that tea isn't

your grandma's beverage anymore," said Pearl Dexter, editor of the US-based Tea Magazine.

Americans still prefer coffee, but attitudes are changing with convenience stores stocking up on a range of ready-to-drink and premium gourmet teas.

But more needs to be done in terms of branding and raising quality standards, Simrany said.

Tea barons in India, the world's second biggest producer behind China, have begun to replace their ageing tea gardens with high-yielding clones to boost production and improve quality.



PHOTO: HOTELS INTERNATIONAL

The 29th annual general meeting (AGM) of Hotels International Ltd, the owning company of Pan Pacific Sonargaon Hotel, was held on Thursday in Dhaka. Chairman of Hotels International Shaikh Altaf Ali presided over the AGM, while senior officials, among others, were present.