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## Biman pushes govt to ratify int'l treaty to cut borrowing costs

SOHEL PARVEZ

Biman is pushing the government to ratify an international treaty that will cut the cost of international borrowing for the country's airlines at a time when Bangladesh's national carrier prepares to renew its aging fleet.

The Cape Town Convention and Aircraft Protocol is an international rule that allows global lenders to take control of aircraft in case of default by the debtor from a country that has ratified it.

The added security means the lender is prepared to finance the aircraft purchase at a lower interest rate, meaning the buyer will pay less for the plane.

MA Momen, chief executive of Biman Bangladesh Airlines, said Biman favours the ratification because it will enable the national

carrier to get easy financing from lenders.

"We want the government to ratify the convention and the Aircraft Protocol as soon as possible," he said.

According to Biman, the government has formed a committee on the issue with representatives from Biman, the Civil Aviation Authority and other Bangladeshi airlines.

So far the committee has met twice to consider the treaty's ratification.

Unless a country ratifies the convention, international lenders generally impose high interest against the debtor due to the risk associated with lending. The Cape Town Convention and Aircraft Protocol, which came into force in 2003, reduces the risk to such deals by establishing an international

legal framework.

The move comes at a time when Biman is trying to renew its fleet of 12 aircraft. With many of its planes more than 15 years old the national carrier has struggled with high maintenance costs and poor fuel efficiency.

A team of Airbus officials is expected in Bangladesh early February to make a fresh offer to supply aircraft to Biman.

This is not the first time Biman has pushed for the treaty's ratification, however during the previous BNP led government the process stalled.

Biman is currently considering an offer from US-based Boeing to purchase eight aircraft in two phases. Boeing has said Bangladesh needs to ratify the treaty and protocol to have access to a loan guarantee from the US-based Exim Bank.

Imran Asif, an aviation industry consultant, said Bangladesh should ratify the Cape Town Convention and Aircraft Protocol with high priority.

"It will allow Biman to get newer aircraft at lower interest rates and help it be more competitive in the global market resulting from increased operating efficiencies," he said. "It will also enable Biman to take a more commercial approach to its operations motivated by the fact of having to repay the aircraft from its own revenues."

Asif also said it will also enable private airlines to get financing at a lower cost.

Six carriers, including one domestic operator United Airways, entered Bangladesh's market last year while another local carrier Best Air launched its operation on in mid January.

## Poor shipping links, weak deals undermine Bangla-Pak trade

### Seminar told

STAR BUSINESS REPORT

Negative attitudes, poor shipping links and weak trade agreements are undermining trade between Bangladesh and Pakistan, a seminar in Dhaka was told yesterday.

"Traders are simply not interested in going to Pakistan to participate in trade fairs," Abdur Rahman, Director (Trade Policy), Export Promotion Bureau of Bangladesh, said.

The negative attitude is reflected in the low level of exports to Pakistan that reached just \$61.1 million in FY 2006-07. Despite the closeness and shared history Pakistan does not feature among Bangladesh's top 15 export destinations.

Moreover, any increase in trade between the two countries in recent years has been due to rising imports from Pakistan as the Bangladeshi garment sector sources raw materials from its South Asian neighbour, speakers said.

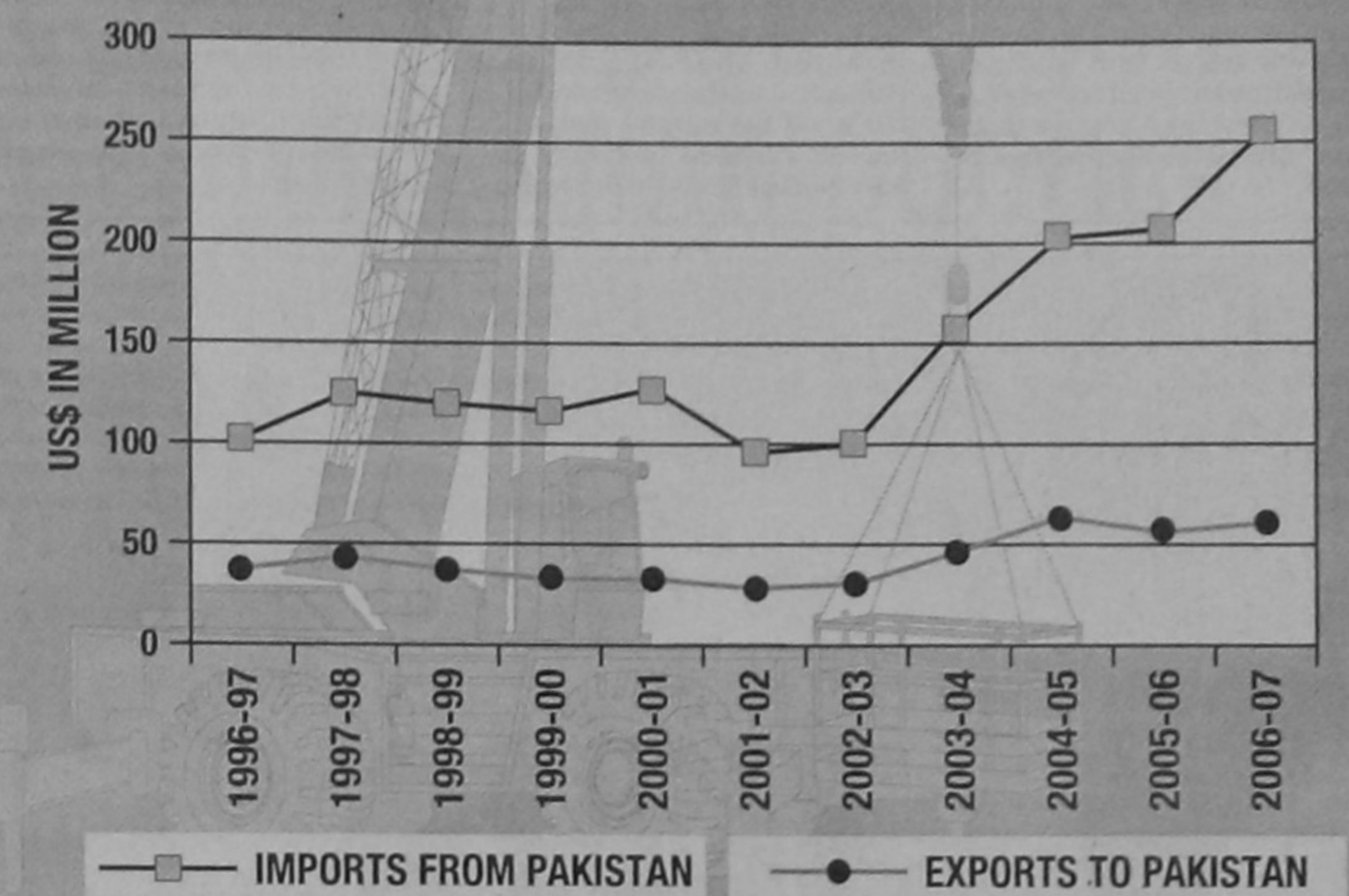
"Ships come to Chittagong from Karachi through Singapore with goods but return empty. This enhances trading costs as well as discouraging businessmen," Roubina Taufiq Shah, Commercial Secretary, Pakistan High Commission in Dhaka, said.

The seminar titled 'Bangladesh-Pakistan Trade Opportunities under Safta' was held at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

The situation is not helped by the protectionist attitudes of both governments who are ready to place potential import items on 'negative lists' under the South Asian Free Trade Agreement, denying them duty free or low tariff access.

Dr Mostafa Abid Khan, joint chief, Bangladesh Tariff Commission, said that potential

### BILATERAL TRADE BETWEEN BANGLADESH AND PAKISTAN DURING FY 1996-97 TO 2006-07



Bangladeshi export products like woven garments, knitwear, tea and jute products are listed in the Pakistani negative list while potential Pakistani exports such as rice, fish, fruits, cotton yarn, readymade garments and bed wear are listed in the Bangladeshi negative list.

"It is not the political will but the bureaucracy which is one of the main reasons that Safta is a failure," Manzoor Ahmed, former director of FBCCI, said. He blamed the lengthy bureaucratic negotiations during the past decade for the failure.

"Businessmen have had little contribution in the important

trade negotiations of the region," Ahmed added.

"The textile sector could be the centre of mutual benefit in signing a bilateral free trade agreement as the product is the major export item of both the country," Dr. Safdar Sohail, director general, Foreign Trade Institute of Pakistan, said.

Bangladesh export products worth only US\$ 61.1 million in the 2006-07 fiscal to Pakistan, while its import products worth \$195.2 million.

The trade deficit was \$134.2 million, which is heavily tilted to

Pakistan.

Raw jute, tea, coil assembly, cut flower, tobacco and woven garments are the major products Bangladesh exports to Pakistan while it imports textile and textile articles, machinery and mechanical appliance, vehicles, plastic articles and raw hide among the major products from Pakistan.

FBCCI Administrator Syed Manzoor Elahi, Pakistan High Commissioner in Dhaka Alamgir Bashir Khan Babar, former secretary of Saarc QAM Rahim participated in the seminar.

## Businesses fail to propose needed reforms

### Says Regulatory Reforms Commission chairman

STAR BUSINESS REPORT

The Regulatory Reforms Commission (RRC) is yet to receive enough specific recommendations from the business community seeking reforms in the government rules and regulations, its Chairman Akbar Ali Khan said yesterday.

"We are not getting specific and sufficient number of proposals for reforms. Let me know your specific problems in the existing laws. If we know your problems specifically, we will be able to place our recommendations," he said. Akbar made the comments at the inauguration of a new conference room and office of Bangladesh

Association of Software & Information Services (BASIS), a national lobby group for software industry that has a market size of about Tk300 crore.

The government in October last year formed the RRC to overhaul outdated administrative rules and regulations with specific focus on removing bottlenecks in economic investment, commerce and trade.

"I don't know if the government will accept my recommendations or not, but I will carry out advocacy in public," he said, mentioning that he will suggest the government take IT as one of the priority sectors.

Akbar said the formation of the RRC has created greater expecta-

tions among people.

But completing all the tasks are difficult given the limited time and resources, he said, adding that the commission will concentrate mainly on employment-intensive sectors.

"Unemployment is a major problem in Bangladesh. If we can ensure employment, we will be able to cut poverty, safeguard democracy and human rights," the RRC chairman said.

Akbar, also a former finance adviser to the caretaker government, said national laws need continued revision in line with the demand of time. "We have some good laws. But the problem is in implementation."

BASIS President Rafiqul Islam Rowly said software makers do not get adequate financing from banks and sought government intervention in this regard.

The BASIS president also urged the government to impart advanced ICT education at educational institutes to create skilled human resources. If the government wants to sustain its reform programmes, it will have to seek assistance from ICT sector, he said.

He expressed dissatisfaction over the tendency to treat the sector on the basis of export earning. "We should look at the sector from a nation-building perspective," he said.

## Bangladesh trade fairs in 3 countries this year

UNB, Dhaka

Three single-country trade fairs will be held in the UK, Ireland and South Africa this year to showcase Bangladeshi goods as part of measures for promoting the country's trade abroad.

London-based British Bangladesh Trade Cooperation and Bangladesh-based Expo Bangla Worldwide will jointly organise the fairs. Of the events, 'Expo Bangladesh 2008 South Africa' will be held in April while 'Expo Bangladesh 2008 Dublin' in June and 'Expo Bangladesh 2008 London' in August.

The organisers said the fair in South Africa would be held in cooperation with Bangladesh High Commission in South Africa and Johannesburg Chamber while in Dublin with the help of Bangladesh High Commission in London.

They said the Bangladesh High Commission in London and Dublin Chamber would extend assistance for holding the Dublin show.

"The objective of holding the trade fairs is to create market of Bangladeshi export-quality goods abroad," said one of the organisers.

The exhibits include readymade garments, leather and leather goods, handicrafts, frozen foods, dry foods, home textiles, IT and traditional goods.

## Ukraine to join WTO

AFP, Geneva

Ukraine has reached an accession agreement with the World Trade Organisation, a WTO source said on Friday.

Ukraine's candidacy will now be put to the WTO's General Council meeting on February 5, followed by a six-month ratification process, a WTO official told AFP.

On joining the world trade body Ukraine will seek a free-trade agreement with the neighbouring European Union, Ukrainian President Viktor Yushchenko said earlier this month.

Ukraine is the biggest country besides Iran and Russia outside the 151-member WTO, which governs global trade rules.

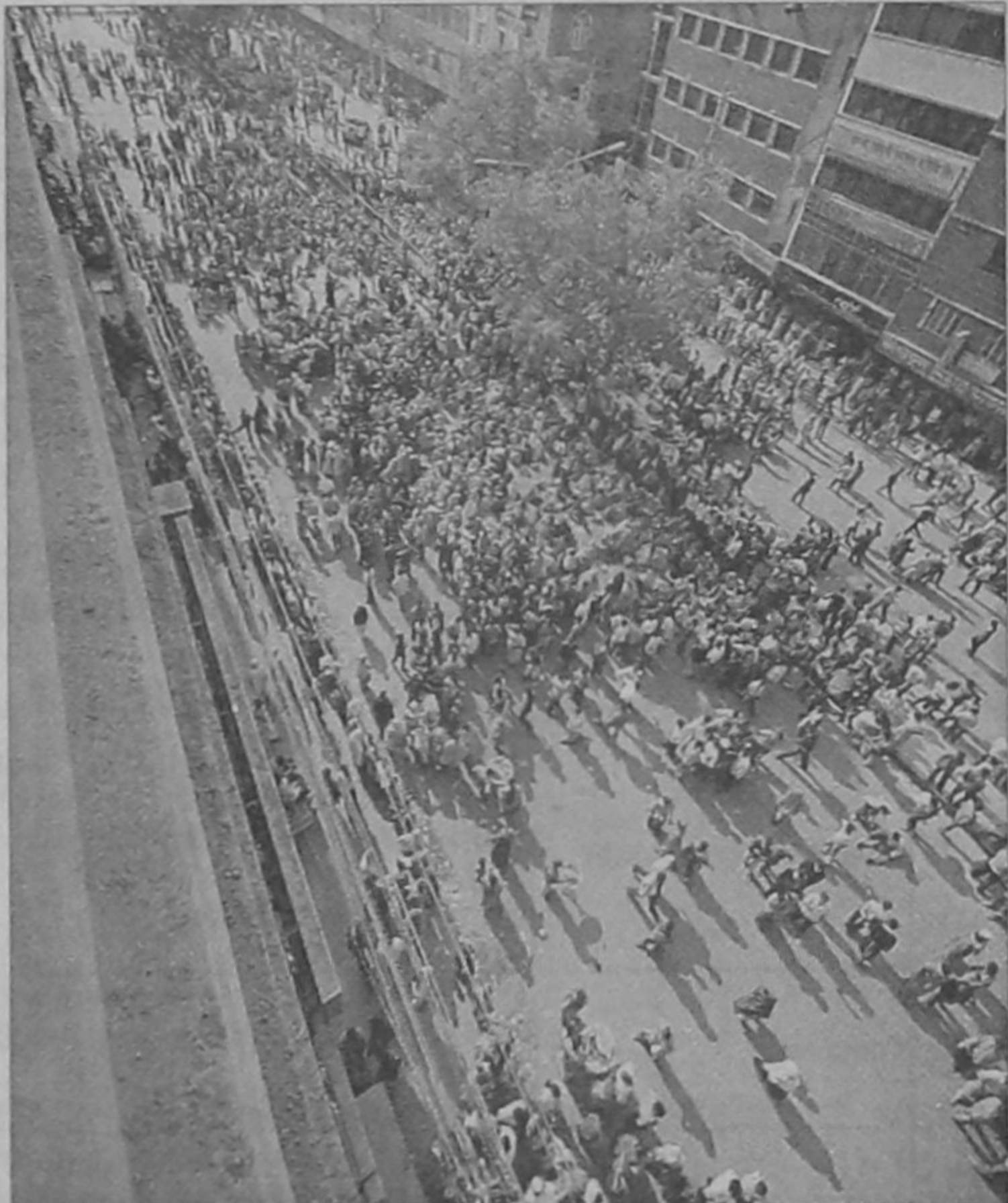


PHOTO: STAR

A file photo shows workers of garment factories blockading Rokeya Sarani at Sheorapara in the capital on January 12 demanding timely wages and overtime allowances. Make Trade Fair Alliance, an international organisation consisting of NGOs, yesterday demanded introduction of food rationing for workers.

## Fix minimum wage for workers in line with prices of essentials

### Demands Make Trade Fair Alliance

STAR BUSINESS REPORT

Make Trade Fair Alliance, an international organisation consisting of several non government organisations supporting workers' rights in Bangladesh, has demanded a minimum wage for the ready-made garment workers in line with the market prices of essentials.

It voiced the demand at a press conference at the Reporters Unity office in Dhaka yesterday marking the observation of the Global Day of Action.

World Social Forum declared January 26 as the Global Day of Action to establish the rights of workers and ensure a better life for all the toiling masses worldwide against the backdrop of an unjust world economic order.

The alliance raised a 4-point demand at the press meet, which include introduction of a rationing of essentials for workers, taking immediate effective measures to contain the soaring prices of essentials and Bangladesh's proper initiatives to protect the interests of net food importing countries at the WTO (World Trade Organisation) negotiations.

The alliance in collaboration with Karmojibi Nari, an NGO working for the cause of RMG workers in Bangladesh, organised the press conference.

Nasimul Hasan Dipu, a keynote speaker from Incident Bangladesh, also an NGO, said "More than 25 lakh workers are facing a hard life as their demand for a minimum wage of Tk1662.50 a month has not yet been appropriately fulfilled."

## BB governor urges banks to help education sector

STAR BUSINESS REPORT

The central bank governor yesterday urged private banking and non-banking financial institutions to contribute to the development of the country's education sector.

The financial institutions can offer scholarships to students and give financial assistance to educational institutions, said Salehuddin Ahmed, governor of Bangladesh Bank.

The governor was addressing a scholarship-giving ceremony organised by Shahjalal Islami Bank Limited in Dhaka.

Shahjalal Islami Bank gave scholarships to 111 poor but meritorious students.

Of the scholarship recipients, 62 students who passed the Secondary School Certificate examinations in 2006 will receive Tk 1000 per month and Tk 2000 per year during their study periods.

The rest 49 students who passed the Higher Secondary School Certificate examinations in 2006 will get Tk 1500 per month and Tk 3000 per year during their study periods.

Education Secretary Momtazul Islam, Shahjalal Islami Bank Founder Chairman Sajjatuj Juma, Executive Committee Chairman Anwar Hossain Khan, Board Audit Committee Chairman Mohammad Solaiman, Board of Directors Chairman Akkas Uddin Mollah, and Managing Director Muhammad Ali also spoke at the ceremony.

## Reconditioned car fair Jan 31

Splash Group is going to organise a three-day reconditioned car fair named 'Barvada Car Expo'.

The fair will begin on the ground of Basundhara Convention Centre from January 31, says a press release.

More than 40 showrooms will sell cars at up to 20 percent discount.

Tanvir Ahamed, CMO of Splash Group, said the fair aims to give customers a clear idea of the reconditioned car market and help them choose their cars. The participatory banks will provide an instant 100 percent car loan at lower interest rate.

Moreover, different CNG conversion centres and engine oil companies will participate in the fair.



## Western Union S Asia MD due tomorrow

Anil Kapur, managing director (South Asia) of Western Union, a global money transfer company, is expected to arrive in Dhaka tomorrow, says a press release.

The company now operates with a network of around 320,000 agent locations in more than 200 countries and territories.

It has over 1400 agent locations in Bangladesh, the release adds.

## China's GDP growth highest in 14 years

ANN/CHINA DAILY

The Chinese economy expanded by 11.4 per cent year on year in 2007--at the fastest clip since 1994. This is the fifth consecutive year China's economy grew by more than 10 per cent, the National Bureau of Statistics (NBS) said.

The ups and downs each year have also been within 1 percentage point in the past five years, which is an "extraordinary" feat, NBS chief Xie Fuzhan told a press conference on Thursday.

The economy will "hopefully maintain stable growth this year and after", but faces challenges, Xie said.

"I'm optimistic about growth this year," he said. "(Even) if the growth dropped moderately, it will be what we want to see."

China has adopted a strategy of balancing economic expansion with energy and resource consumption. A moderate slowdown in growth will augur well for the environment and the country's drive to seek a more efficient growth mode.

Some economists argue that as the tightening policies of recent years start to bite and the US demand for imports decreases, the Chinese economy may be starting to see a slowdown.

## 3 local banks sign remittance deals with Bahrain firms

UNB, Dhaka

For channeling Bangladeshi expatriates' remittances through Bahrain's companies, three Bangladeshi banks have signed agreements with firms in the Gulf country at a fair being held in Manama.

Bangladesh is participating in the "Bahrain Autumn Fair-2008" at Bahrain International Exhibition and Convention Centre in Manama.

Three commercial banks, two life insurance companies and one housing company are showcasing their service-oriented products in the nine-day annual trade show that started on January 22 and would close on January 30, according to a message received here Saturday.

A total of 31 countries are participating in the fair, where "huge market potential of Bangladeshi products and services has been found," it said.

In Bangladesh pavilion, Pubali Bank, Prime Bank, Mutual Trust Bank, Meghna Life Insurance Company, Fareast Islami Life

Insurance Company and Mission Energy and Properties Limited are showcasing their services and financial products.

Till January 24, Pubali Bank has already finalised deals with Zain Exchange and Bahrain Exchange Company and Mutual Trust Bank finalised deal with ICIC Bank for remittance earning through banking channel.

Prime Bank has finalised deal with two leading Bahrain exchange companies. They will sign agreements after arrival of their Deputy Managing Director Ruhul Quddus Md Forkan in Bahrain, said Sk Matiar Rahman, vice president of Prime Bank Limited, at the fair stall.

Charge d' Affaires of Bangladesh Embassy in Bahrain Md Saiful Islam visited the fair and expressed his satisfaction for the participation of Bangladeshi companies in the fair for the first time.

However, Fareast Islami Life Insurance Company is old on Bahrain market. They have already tapped huge business at the ongoing fair.

Executive Vice President of the Fareast Life Insurance Motiur Rahman Shikder said that they fetched Tk 50 lakh as premium from Bahrain in 2007.

Charge d' Affaires Saiful and First Secretary Shamim Al Mamun assured all possible support from the embassy for the betterment of the Bangladeshi expatriates.

Bangladeshi visitors and Bahrainian businessmen expressed their opinion that potential of exporting Bangladeshi manpower and products like readymade garments, handicrafts, food, spices and shrimp to Bahrain has been increasing day by day due to their high quality and competitive price.

Any employer of Bahrain can employ Bangladeshi manpower almost at half of cost than that of India and Pakistan.

Moreover, Bangladeshi workers are more professional and devoted to their employers' job. As a result, thousands of Bangladeshi workers are taking privileges in case of employment.

## Bush urges Congress to adopt economic stimulus package

AFP, West Virginia

President George W. Bush on Friday urged Congress to approve "as soon as possible" an economic stimulus plan of some 150 billion dollars negotiated with congressional leaders aimed at avoiding a recession.

Bush spoke one day after the White House and leaders of the opposition-controlled House of Representatives struck a deal on a series of measures, mainly tax cuts and rebates, to quickly stimulate the sagging economy.

The plan, a rare agreement between the Republican president and the Democratic-controlled Congress, still needs approval in the Senate, where leaders said the plan may be discussed next week.

"This bill is important to the security of the United States of America, and the Congress needs to get a good bill to my desk as soon as possible," said Bush, speaking at a political event in this West Virginian town.

"I understand the desire to add

provisions from both the right and the left," he said, adding: "I strongly believe it would be a mistake to delay or derail this bill," he said.

Some Senate Democrats have criticized Speaker of the House Nancy Pelosi for failing to include an increase in issues such as unemployment benefits and infrastructure investment in the deal.

Any new provisions could delay approval of the passage since an identical bill must win passage in both the House and the Senate.

"It's a sound package," said Bush, addressing Congress in his speech. "It makes a lot of sense. It's needed, and you need to pass it as quickly as possible to get money in the hands of the people who are going to help this economy stay strong."

Congressional officials said tax-rebate checks would be mailed out in the coming weeks to 117 million families under the plan. Most single taxpayers would get up to 600 dollars and married couples up to 1,200 dollars, plus 300 dollars per child.

## BSRS rejoinder

Bangladesh Shilpa Rin Sangstha (BSRS) yesterday claimed that a report published in the daily on January 24 titled "BSRS Board virtually ineffective" is not based on facts and therefore misleading.

It said the board had its first meeting on May 31, 2007. Since the BSRS appointed rating company CRISL covering the period from 1st July 2006 to 30th June 2007, it did not have the scope nor the opportunity to evaluate the current board's performance.

The article was written on the basis of a report prepared by the independent credit rating agency 'CRISL'. In the article The Daily Star quoted extensively from the independent report, citing both its negative and positive findings.

Before publication The Daily Star contacted the Chairman of the BSRS Board Nazem Ahmed Choudhury and BSRS Managing Director FRM Hafiz ul Islam in order to seek their views. They both declined to comment.

The CRISL report mentioning the present board members' names said the BSRS Board mostly consisted of retired officials as well as officers from active services with no professional banking experience. CRISL said the situation made the board virtually ineffective.