

Non-tariff barriers hurt multilateral trade

GM Quader speaks on Asia-Pacific Trade Agreement

STAR BUSINESS REPORT

Multilateral trade agreements with export destinations are not yielding desired results due to non-tariff barriers, said Commerce Minister GM Quader yesterday.

Although trade among the member countries of Asia-Pacific Trade Agreement (APTA), formally the Bangkok Agreement, has increased, Bangladesh's gain from the pact is not clear-cut.

However, the ministry is looking at ways to maximise the benefits from such agreements, Quader said at a seminar on APTA business implications for Bangladesh.

The economic and political relations will develop if multilateral trade with neighbours increases, said Quader.

He added that the least developed countries should work together to achieve win-win outcomes from multilateral



GM Quader, commerce minister, speaks at a seminar on Asia-Pacific Trade Agreement: Business Implications for Bangladesh, co-organised by the commerce ministry, UNESCAP and ICC Bangladesh yesterday. Mahbubur Rahman, president of ICCB; ATM Murtozza Reza Chowdhury, additional secretary of the commerce ministry; and Ravi Ratnayake, director of UNESCAP, were also present.

trade agreements.

ICC President Mahbubur Rahman said Bangladesh's trade data with D-8 and BIMSTEC, SAFTA and APTA countries show

that there has not been any gain; in fact the total deficit is increasing.

While APTA has the potential to promote regional integration, it has yet to bear any fruit for

small countries such as Bangladesh, he added.

He said the export share of Bangladesh of the total APTA members is only 3.2 percent, with the

import share being 32.2 percent.

Considering the situation, he urged the minister to reassess the purpose of such multilateral agreements.

"The least developed countries are affected by the global recession. So we should strengthen our trade relations with fastest growing countries," said Ravi Ratnayake, director of UNESCAP's trade and investment division.

He observed that there is a lack of awareness about the benefits of APTA among the relevant stakeholders, particularly, the business sector.

To address the issue, APTA Business Network was launched last July to educate people on the benefits of the treaty, Ratnayake said.

He emphasised the need to diversify the export products, reduce dependency on USA and EU, and take full advantage of the APTA member states regarding concession.



CITYCELL

Mahboob Hossain, chief customer care officer of Citycell, inaugurates the Grahok Sheba Utshob at the company's Mohakhali Customer Care Centre on Tuesday. The customer care festival will continue until June 25.

Budget more inclusive: analysts

STAR BUSINESS REPORT

The national budget is gradually becoming more inclusive and empowering, speakers said at a national consultation seminar in Dhaka yesterday.

For the first time in the national budget, the government gave importance to the wellbeing of the hermaphrodite community, Dr Muhammad Abdus Samad of Social Work and Research Institute of Dhaka University said in his keynote speech on 'Mitigating Deprivation'.

"Inclusion of the deprived communities is not enough. Their participation in economic development has to be ensured too," said Prof Salma Akhter who teaches sociology at Dhaka University.

Market facilities and need-based economy, followed by strong support of institutions, are a must for any

Akhaura land port resumes activity

STAR BUSINESS REPORT

The shipment through Akhaura land port resumed yesterday after a three-day suspension due to conflict between the truck workers and port authorities.

Losses upwards of Tk 50 lakh were incurred each day since Sunday when the suspension came into effect. As many as 300 trucks loaded for Agartala were stranded at the port.

Md Abdul Mannan, deputy commissioner of Brahmanbaria, promptly intervened and successfully mediated between the two parties.

Economists doubt 7.2pc GDP growth next year

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But gas and power shortages still remain as significant impediments to rapid growth, he said. Poor investment climate stymied new investments, he added.

"If the investment rate is not rising, because domestic and foreign investments are both constrained, it is time to accept reality and reconcile with a lower GDP growth until the logjam of 24-25 percent investment rate is broken," he said.

Prof MA Taslim of the economics department at Dhaka University said the proposed budget is basically a budget driven by the conditionality of the International Monetary Fund.

Nihad Kabir, vice president of the MCCI, said the proposed budget is challenging and ambitious not in terms of allocation but in terms of the government's implementation capacity.

Noting the tight monetary policy, she urged the government not to control inflation in such a way that brings down investment and affects economic growth in future.

Anis A Khan, chairman of the Tariff & Taxation Sub-committee of the MCCI, said the economy is facing a number of challenges, which are likely to stunt growth and bring disorder in the macroeconomic management, if not addressed.

He urged the government to limit bank borrowing within the projected amount of Tk 23,000 crore to avoid crowding out effects on the private sector.

"We suggest boosting revenue collection and using foreign resources more efficiently to finance the budget deficit," he said.

The chamber also recommended proper staffing and training for capacity building of ministries and agencies for effective and transparent implementation of the projects under the annual development programme, said Khan.

He urged the government to waive interest on the incomes of life insurance policyholders, reduce advance income tax on exports and corporate income tax.

The MCCI is 'disappointed' over the government's plan to legalise undisclosed income in the next fiscal year budget, he said.

"The chamber feels that the concession, if allowed, must be limited to the incomes from legal sources and their investment should be restricted to productive sectors only," said Khan, who is also the managing director of Mutual Trust Bank.

Muhammad Abdul Mazid, former chairman of the National Board of Revenue, also spoke.



WORLD FISH

William J Collis, director of the WorldFish Centre-Bangladesh and South Asia office, and MA (Rumee) Ali, managing director of BRAC Enterprises and Investments, shake hands on the occasion of an MOU signed between WorldFish Centre and BRAC Fisheries Enterprise recently.



STANDARD CHARTERED

Sanjeeb Chaudhuri, regional head of South Asia and chief marketing officer (consumer banking) of Standard Chartered Bank; Sandeep Bose, the bank's head of consumer banking in Bangladesh, Nepal and Sri Lanka, attend the inauguration of a financial kiosk in Basundhara Residential Area in Dhaka recently.

BB pledges to reach the unbanked

The central bank to adopt a 'people-centric' model

STAR BUSINESS REPORT

The Bangladesh Bank will adopt a "people-centric" growth and empowerment model to provide economically deprived people with financial services to ensure overall economic development, Governor Atiur Rahman said yesterday.

The central bank will do the job under its Bangladesh Bank financial inclusion initiatives with the thematic outline "Including Excluded People".

The initiatives were presented at the inaugural session of the national consultations in preparation for the international conference on people's empowerment model, organised by the foreign ministry, in the capital.

Rahman defined the financially excluded people as those who are dwelling in remote, sparsely populated locations and deprived of financial and social services and the financially excluded institutions are those micro and small scale farm and non-farm organisations which are excluded from financial services.

As an example of an initiative, for the first time, savings accounts of more than 9.6 million farmers have been opened -- each with a deposit of Tk 10 only -- and are being used for government transfers such as diesel subsidy.

Until June 10, Bangladesh Bank has provided Tk 490 crore to BRAC's refinancing scheme with which the development organisation provided loans to 4.15 lakh sharecroppers in 250 upazilas of 48 districts.

Asked how effectively the initiative is being implemented, the BB chief told The Daily Star: "I personally call farmers' mobiles randomly to find out whether they received the money."

Under the BB's directive, student loans are also given out to poor students living on the outskirts of the city, which Rahman described as a "high-return investment".

When the people living on the outskirts are brought under the initiative, every worker working in the capital will be able to send money with their mobile phones to their remote village in Kurigram also, he said.

Court hearing legality of SEC law to impose conditions on stocks

STAR BUSINESS REPORT

The High Court yesterday started a hearing on the rule issued over the legality of a section of the Securities and Exchange Commission (SEC) law, which empowers the regulator to impose conditions on the stockmarket.

The court issued the rule early this month, asking the SEC to explain why Section 2CC of Securities and Exchange Ordinance, 1969 that empowers the commission to impose conditions should not be declared illegal.

It issued the rule after five separate writ petitions were filed by 24 sponsors and directors of five listed firms, challenging the legality of Section 2CC of the ordinance.

After concluding the proceedings, the HC bench of justice Hasan Foez Siddique and justice Md Jahangir Hossain yesterday adjourned the hearing until today.

Dr Kamal Hossain, one of the counsels for the petitioners, told the court that the SEC has been given unfettered powers

through the Section 2CC of the SEC ordinance, which has paved the way for the owners of black money to become directors of the firms.

The senior counsel is set to place argument further today.

Using the Section 2CC, the SEC in a circular on November 22 last year made it compulsory for the sponsors, directors and promoters of listed firms to acquire at least 2 percent stake individually and 30 percent stake jointly in their firms for all time.

On May 22, the 24 sponsors and directors of NCC Bank, Mercantile Bank, Southeast Bank, National Life Insurance and Prime Finance and Investment filed the petitions.

The five writ petitions were filed after the HC on May 21 upheld the SEC directive on the minimum shareholding. The court delivered the verdict after rejecting petitions filed by some directors and aspirant directors of three listed firms. The petitioners had challenged the legality of the SEC circular on minimum shareholding.



BENCHMARK

The TWBA/Benchmark team holds the gold and silver crests that they won in Adclub Creative Award in fast food outlets, restaurants and retail shops category at "Adfest Dhaka 2012- Living Ideas", in Dhaka recently.



CITY BANK

Firoz Alam, managing director of Bengal Poly and Paper Sack, and Ershad Hossain, managing director of City Bank Capital Resources, attend a programme where the companies signed a deal in the capital recently. City Bank Capital will be the issue manager for Bengal Poly to raise capital.



IBBL

Toufic Ahmad Choudhury, director general of Bangladesh Institute of Bank Management, speaks at a discussion on human resources development, organised by Islami Bank Bangladesh Ltd (IBBL), in the capital on Tuesday. Mohammad Abdul Mannan, managing director of IBBL, was also present.