

Inter-ministerial meet today to decide SAARC cumulation

STAR BUSINESS REPORT

In a bid to take a crucial decision on SAARC cumulation offer, an inter-ministerial meeting will be held at the Prime Minister's Office today.

After the European Union offered the SAARC cumulation, the government could not take the decision to implement it as textile entrepreneurs and garment exporters took opposite stances.

The textile entrepreneurs are strongly opposing the implementation of the regional cumulation, saying it will not only discourage further investment in primary textile industry but also threaten the existing local backward linkage factories.

On the other hand, garment exporters argue if the regional

cumulation is allowed, it will further push the export up and ultimately the economy will be strengthened.

Secretaries of the finance, foreign, industries, commerce and textile ministries will attend today's meeting with Kamal Siddiqui, principal secretary to the prime minister, in the chair. Besides, leaders of Bangladesh Textile Mills Association (BTMA) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and local experts will also attend the meeting.

"SAARC cumulation is not viable for us. As per rules of origin, local value addition should be above 50 per cent. But we all know that our value addition in case of garment export is around 25 per cent. If the

regional cumulation is allowed, it may encourage malpractice and ultimately damage our image further," MA Awal, chairman of BTMA, said.

Commerce Minister Amir Khosru Mahmud Chowdhury recently told the European Union in Brussels that global cumulation should precede regional cumulation since rules of origin in case of regional cumulation is not contributing to LDC export incomes due to non-fulfilment of value addition requirement.

After the minister's statement, BTMA blamed the Ministry of Commerce for undermining the interest of textile sector, saying it is advocating global cumulation for Bangladesh which will destroy local backward linkage industries.

"There is no growth in garment export for a long time. Garment exports will go up if we are allowed to import fabrics from SAARC countries and get GSP facility," said SM Nurul Hoque, acting president of the BGMEA.

The government has to take the decision, he said, adding that there is no time for further discussion on this issue.

He also said the garment exporters will not import the fabrics that are locally produced.

Presently, local producers can supply only 20 per cent woven fabrics and the rest are imported from different countries.

Prices of essentials up by 5 to 10pc in one year

Govt survey reveals

STAR BUSINESS REPORT

Prices of major essential items have increased by 5 to 10 per cent over the past one year, according to a government survey.

Among the 28 items, prices of only two declined marginally, seven remained unchanged and the rest 19 took upward trend during the period, said the survey, released by the Trading Corporation of Bangladesh (TCB) on Thursday.

The price of eggs increased by 14.81 per cent. The price of four eggs was Tk 13-14 a year ago against Tk 15-16 now, according to the survey.

The survey showed only the prices of garlic and packet powdered milk decreased.

The survey showed that different category garlic were selling at Tk 26 to Tk 44 a kg on Wednesday which hovered from Tk 34 to Tk 45 a year ago on July 30, 2002.

It also showed packet powdered milk of one kg was selling at Tk 220-225 which was Tk 238-242 a year ago.

According to the survey conducted by Market Rate Investigation and Research Cell of the TCB, on Wednesday per kg fine rice was selling at Tk 19-21, up from Tk 18-20 a year ago; coarse rice Tk 14.50-15.50, up from Tk 14-15; flour (coarse) Tk 13-15 which was Tk 12-15; flour (fine) Tk 15-19, up from Tk 14-18, lentil Tk 40-44 which was Tk 36-40; per litre soybean oil (loose) Tk 42-44, up from Tk 39-40 a year ago.

The survey showed on Wednesday the price of per kg onion was Tk 16-21 which was Tk 15-16 a year ago; dried chili Tk 70-75, up from Tk 60-70; turmeric Tk 54-64 which was Tk 42-50; beef Tk 85-95, up from 80-90; chicken (broiler) Tk 70-75, up from Tk 70-72; chicken (local) Tk 120-125 which

was Tk 110-115; sugar Tk 32-33, up from 30-32; iodised salt Tk 10-11 which was Tk 9-10 a year ago.

When contacted, traders said production of eggs in Gazipur and Savar, the hubs of poultry farming, has declined as many small farms in the areas closed down, causing rise in prices. Some traders said wholesalers at Tejaon in Dhaka not farmers who control the market price of eggs.

The price of fish is also high in Dhaka markets. Different sizes of hilsa sell at Tk 200-200 per piece. Local ruhi sells at Tk 120-130 per kg, imported ruhi Tk 80-90 and catfish Tk 250-320.

Traders attributed the price hike to rise in production cost. On government fixed rate, they said government should not control the market, the market price should be determined by demand and supply situation.

BATB, Vanik introduce 'supplier card'

Vanik Bangladesh Limited (VBL) and Agrani Trading Corporation Limited, distributor of British American Tobacco Bangladesh, have signed an agreement on the use of 'supplier card'.

The 'supplier card' is a financial tool jointly developed by the two organisations.

An agreement to this effect was signed between them in Dhaka on Tuesday, says a press release.

Sayed Husain Jamal, managing director of Vanik Bangladesh Limited, and Masudur Rahman, managing director of Agrani Trading Corporation Limited, signed the deal.

Under the arrangement, the organised departmental stores that lift stocks from the BATB distributors would now be able to make their payment through the supplier card.

The card would provide the retailers a maximum of 20 days interest-free credit limit and allow uninterrupted distribution to the trade.

Citigroup wins 3 Euromoney awards

Citigroup, the holding company of Citibank NA, won three awards for its quality services.

Euromoney recently announced the winners of its Awards for Excellence 2003 where Citigroup won awards for Best Debt House, Best Project Finance House, and Best at Cash Management and Payments, says a press release.

For the fourth year running Citigroup has taken the award for Asia's best bank and continues to stand out as the leading bank in Africa.

Citigroup is the winner in cash management fighting off Deutsche Bank, HSBC and Bank of America.

Citigroup's broad network provides a strong advantage over its rivals in cash management. Citigroup is Euromoney's top regional debt house for Asia and for emerging Europe.



Pedestrians walk past a pack of Volkswagen Beetles parked in front of the national museum at Shahbagh in Dhaka yesterday. Volkswagen Club of Bangladesh organised the car rally to drum up support for driving the popular bug-shaped car. After producing 21,529,463 sedans, Mexico's Puebla plant, the last production bastion of the car anywhere in the world, stopped producing the model for good on Wednesday.

PHOTO: STAR

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Larsen to build Lafarge Surma Cement plant

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Lafarge Surma Cement has given green signal to Larsen & Turbo Ltd to start the construction of its cement plant.

The 'notice to proceed' was issued to the Larsen following signing of a turnkey contract yesterday under which a Lafarge plant will be set up to manufacture 1.2 million tons of cement annually.

Lafarge Surma Cement will be the lone integrated dry processing cement plant in Bangladesh, company officials said during a press conference on Thursday.

The officials said the cross border project has its own quarry in Meghalaya, India from which limestone and shale would be transported to the cement plant at Chhatak in Bangladesh.

The transportation would be made through a 17-kilometre conveyor belt.

On July 25, Lafarge had issued clearance to ECC Division of Larsen & Turbo Ltd to start construction of the conveyor and crusher at quarry.

Speaking at the press conference, Lafarge Surma Cement Managing Director Yong Ngai Chan said both the contractors have completed the advance engineering designs and are set for quick progress in construction activities. The cement plant is scheduled to commence production by 2005.

The MD said over the last few years massive site development activities involving huge sand filling

to raise the cement plant site above the highest flood level were carried out and that the site is now ready for construction.

"The phase 1 of the quarry development works started in March 2003 and is expected to be completed in September 2003," the MD said.

He said survey and soil investigation works through out the 17-kilometre track acquired for the construction of the long belt conveyor have also been completed.

The MD said a long-term gas supply agreement was signed with Jalalabad Gas and Transmission Company on January 19, 2003 for supply of natural gas to the project.

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Roundtable on WTO rules in Rajshahi

STAFF CORRESPONDENT, Rajshahi

Speakers at a roundtable meeting here Thursday strongly condemned the 'unequal and rigged rules' of World Trade Organisation (WTO).

They said the rules forced the least developed countries (LDCs) to head for an 'economic disaster' and failure in overcoming poverty.

The roundtable was organised jointly by local daily 'Sonali Sangbad' and the Fair Trade Alliance at Rajshahi Chamber of Commerce and Industries (RCCI) auditorium.

Professor Mohammad Yunus Ali, vice president of Bangladesh Arthoniti Samity chaired the meeting while Moazzem Hossain, executive editor of Daily Sonali Sangbad, moderated it.

Japan budget guidelines murky as election looms

REUTERS, Tokyo

Prime Minister Junichiro Koizumi's cabinet approved the guidelines for next year's budget Friday with promises to cut spending, but details were left murky ahead of general elections widely expected to be held later this year.

Koizumi has vowed to remain prudent, but Japan's fiscal state remains precarious after years of massive pump-priming that has done little to boost the economy while saddling the nation with the largest debt burden among leading industrial powers.

Japan's government debt is set to approach some 140 per cent of gross domestic product, and the government does not have the tax

revenue to allow it to raise budget spending.

On the other hand, big cutbacks are unlikely because of the stagnant economy, giving the impression that Koizumi may be backtracking on his reform agenda.

"This is only the general outline, which gives the impression that Koizumi is maintaining a fiscally tight line. But we need to see how it actually pans out," said Mamoru Yamazaki, chief economist at Barclays Capital in Tokyo.

Analysts said the government's decision to shelve some sticky issues, such as increases in social welfare costs, are largely due to the upcoming political agenda.

Koizumi will seek re-election as

leader of the Liberal Democratic Party (LDP) on September 20.

If he wins, as expected, there is mounting speculation that he will call a general election before the end of the year.

Even under Koizumi, who enjoys a public support rate above 40 per cent, the LDP may face a stronger challenge from the opposition. The main opposition Democrats agreed last week to absorb the smaller, hawkish Liberal party.

"The results of the fall Lower House elections are likely to prove a touchstone for this winter's final deliberations on next year's initial budget," said Yukari Sato, senior economist at JP Morgan Chase in Tokyo.

and family functions," said Rahman.

There is also a boardroom with oval table and high-back chairs for 20 people to hold corporate board meetings, he added.

"Customers have to pay \$10 per hour for Internet use," Rahman said, adding that they can also rent a laptop against a payment of US \$50 per day.

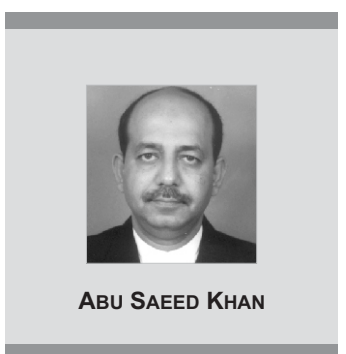
Each of the 82 deluxe rooms and three suites is centrally air-conditioned with 24-hour room services, newspapers, satellite TV, telephone with international calling facility.

"Introductory prices for deluxe rooms and suites have been fixed at US \$65 and US \$90 including breakfast, service charges and taxes. This rate will remain valid till December this year," said the general manager.

He said special rate for long stay as well as corporate and group rates are available at the hotel, which was formally launched on July 17.

The hotel has also a gymnasium, a swimming pool on the 19th floor, two restaurants, 'Risolotto' and 'Summerfields', and a cigar bar, 'Picasso'.

BTTB's mobile: Please try later



ABU SAEED KHAN

mobile phone since 2001. Birds of a feather flock together.

Providing affordable mobile service has been every government's official goal. But the unofficial agenda of engaging the preferred equipment supplier has been repeatedly switching-off such initiatives.

The Awami League government, at its tenure's twilight, asked BTTB to rollout 200,000-line GSM mobile network under supplier's credit

evaluation and award the contract within twenty days, just before the caretaker government's taking over in July 15.

This time, the BTTB authority again engineered an unscrupulous deal. A bidder quoting highest price with highest interest rate wins the contract by marginally stretching the payment period of supplier's credit. Whereas it should have been other way around.

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moral inconsistency of the present government. In the backdrop of such ethical inconsistency, the government revived the public sector cellular mobile project.

Unlike its predecessor this government scrapped the supplier's credit financing provision from the mobile deal. Applause of this good judgement was silenced soon after the fundamental parameters of this project were significantly compromised.

The highly politicised top management of BTTB had customised the entire deal to favour substandard equipment providers. Evidently the authority had doctored the request for proposal to legitimise the submission of fraudulent documents.

These misdeeds are being widely reported by the media but the authority remains mum. Precisely, this bid document of BTTB's third mobile initiative is another official glossary of malpractice.

It allows the obscure vendors dumping their equipment at the exchequer's cost followed by conducting research and development to improvise the delivered hardware and software. BTTB is already facing similar deception in its 92 upazila telecom project.

Therefore, choosing unreliable vendors is bound to make BTTB's proposed mobile infrastructure far inferior to incumbent providers. None of the leading mobile operator has ever engaged any supplier without impeccable global track record.

Therefore, the government's any initiative to close BTTB's mobile phone deal with obscure suppliers will be counterproductive. It may trigger prolonged public interest litigation. It could be also the first chapter of another white paper of corruption when the political opponents of this government resume power.

But none of such act will fulfil the people's long cherished desire for affordable mobile phones. The nexus of middlemen and the BTTB's management should be switched off prior to launching the government's cellular mobile phones.

The writer is a telecom analyst.

Sarina banks on boutique concept



ZAHIDUL HAQUE

With a new concept called 'business boutique', Hotel Sarina has come up with a promise to offer warm and caring services to its customers at reasonable prices in Dhaka's posh Banani area.

"Value for money is the key word for us," Atique Rahman, general manager of the hotel, told The Daily Star.

Speaking on the new idea Rahman said the new hotel banks on boutique concept to serve its clients.

"We have 85 rooms including three suites and we provide swanky services to our customers," he added.

Rahman, a former assistant general manager of the Pan Pacific Sonargaon Hotel in Dhaka, says there is a business centre at the first floor of the hotel to support the concept of business boutique, which is open for 24 hours.

The business centre is equipped with modern telecommunication facilities with high speed Internet connection and a meeting room which has an accommodation facility for 150 people.

"The business centre can facilitate corporate meetings, seminars

and family functions," said Rahman.

There is also a boardroom with oval table and high-back chairs for 20 people to hold corporate board meetings, he added.

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A partial view of Hotel Sarina (L) at Banani in Dhaka.

PHOTO: STAR

The writer is a telecom analyst.