

Seek WTO help for RMG bailout Junior Chamber seminar urges govt

STAR BUSINESS REPORT

In view of an impending impact on readymade garment (RMG) import after 2004, speakers at a seminar yesterday urged the government to seek WTO help for the bailout of the highest export-earning sector.

Bangladesh should take similar stance what African cotton producing nations have taken to press US and EU for cutting their cotton subsidy, they said, adding that the government should also put forward some bailout proposals to the WTO (World Trade Organisation) to ensure survival of around 3,500 garment factories.

They said after the phase-out of quota regime from the first day of

2005, Bangladesh will face huge competition from China, India, Mexico and Taiwan to retain market in developed countries as there will be no quota system then.

They were speaking at a seminar titled "The prospects of the international trade based on the World Trade Organisation's policy after 2004" organised by Junior Chamber Bangladesh as part of the 3E Summit of the chamber.

Addressing the seminar, Ananya Raihan, research fellow of the Centre for Policy Dialogue (CPD), said Bangladesh has to enhance its negotiation capacity to see its demand endorsed by other countries especially the developed nations.

He said although Cancun talks fail to provide roadmap for future negotiations for trade liberalisation, Bangladesh earns good reputation in the world as it leads the least developed countries in the conference.

He said Bangladesh Commerce Minister Amir Khosru Mahmud Chowdhury, one of the vice-chairmen of the ministerial, presided over three out of nine plenary sessions which shows the leadership skill of the country.

Executive Chairman of the Bangladesh Export Processing Zones Authority (BEPZA) M Mofizur Rahman said Bangladesh should improve quality and competitiveness of its products to retain its

export market after the phase-out of MFA (multi-fibre arrangement).

He said Bangladeshi producers should concentrate on cost of production and also maintain international labour standards to retain and even expand its export market.

Nasiruddin Ahmed, deputy secretary of the Ministry of Commerce who attended the recently concluded Cancun Ministerial in Mexico, said the government had earlier engaged a foreign consultant to find out rescue strategy for RMG sector for post-MFA era.

The government is reviewing the recommendations put forward by the consultant and it will be placed before the WTO within short time,

he said.

He also said the government is fully aware of possible export decline of RMG after the extinction of MFA. He said RMG export fetches \$ 5 billion annually which constitutes 75 per cent of the total export earnings of the country.

As about 15 lakh workers are engaged in the sector, there will be a social impact if RMG export takes a dip after the post-quota period, he said.

Nessar M Khan, vice-president of Junior Chamber International, presided over the seminar attended by members of Junior Chamber Bangladesh and delegates from Junior Chamber International.



Recipients of Junior Chamber Bangladesh (JCB) awards pose with FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) President Abdul Awal Mintoo and JCB National President Syed Almas Kabir at a ceremony at Dhaka Sheraton Hotel on Thursday.

PHOTO: STAR

Janata Bank gets The Banker Award-2003

BSS, Dhaka

The Banker, an international banking magazine of the Financial Times group in London, has selected Janata Bank as the Bank of the Year 2003 among all other banks in Bangladesh.

The Banker's assessment for award was based on a number of criteria. Besides core data and results, the criteria include key growth and performance measures, the use of technology and particular achievement in the past and overall strategy. Janata Bank had achieved the same award in 2001, said a press release.

The release added Janata Bank has been able to acquire a prestigious position with the improvement in operational activities including automation of a large number of branches, internet banking, one stop banking service, website, ready cash card.

Janata Bank is also a member of SWIFT and the pioneer among NCBs to introduce ATM.

Besides, Janata Bank is the leading performer for moving the wheel of banking towards innovation by introducing many differentiated service system line to meet the customers demand side by side to promote the growth of the economy.

Few initiatives, like women entrepreneurs financing scheme, service holders financing scheme, export based product line development and 99 agri-diversified activities have laid the bank to a strong position in the banking sector.



PHOTO: STAR

Nessar M Khan, vice-president of Junior Chamber International, speaks at a seminar on "The prospects of the international trade based on the World Trade Organisation's policy after the year 2004" organised by the Junior Chamber Bangladesh in Dhaka yesterday. Nasiruddin Ahmed, deputy secretary of the Ministry of Commerce (L), and Ananya Raihan, research fellow of the Centre for Policy Dialogue, are also seen.

Korean farmers face uncertain future after Cancun failure

AFP, Seoul

The collapse of world trade liberalization talks in Mexico earlier this month was the best news imaginable for Ahn Jung-Ryol, a South Korean farmer with a furrowed brow and crippling debts.

Ahn and nearly four million South Korean farmers appear to be living on borrowed time in a country that owes its remarkable rise from poverty in a few short decades to its export-driven economy.

The South Korean government

acknowledges that trade liberalization is in the interests of a country whose wealth has been built on supplying the world with cars, ships and computer chips.

For Ahn and his fellow farmers, free trade means the end of a way of life.

World Trade Organization ministerial negotiations broke down in Cancun, Mexico, over differences between rich and poor nations with agriculture the bone of contention.

Ahn 47, works the rice paddies on his farm in Anseong, 70 kilomet-

ters (40 miles) south of Seoul. An 80-kilogram (176-pound) bag of rice from Ahn's paddy field sells for 180,000 won (150 dollars), six times the price of Chinese rice. Despite government subsidies, Ahn is nearly 50,000 dollars in debt.

Prohibitively high tariffs effectively bar foreign rice from the South Korea market. If those tariffs were to fall, cheap Chinese rice would drive domestic rice from the market with the price plunging to a level that would force domestic farmers off the land.

Thailand to raise cap on foreign investment in telecoms

AFP, Bangkok

Thailand will nearly double its cap on foreign investment in the telecommunications sector to 49 per cent to fall in line with WTO commitments and spur growth, Prime Minister Thaksin Shinawatra said Friday.

Foreign stakes in telecoms companies here had been limited to 25 per cent, but the government plans to sponsor an amendment to the telecom business law in order to grant investment reciprocity to countries with whom the kingdom is negotiating free trade agreements.

Bush warns Opec not to hurt US economy

AFP, Washington

President George W. Bush on Thursday warned Opec against taking action that could damage the US economy, in a reaction to production cuts ordered by the oil exporting cartel this week.

Market prices have shot up since the Organisation of Petroleum Exporting Countries said it would lower production by 900,000 barrels per day from November 1.

"My reaction is that I would hope that our friends in Opec don't do things that would hurt our economy," Bush told reporters.

Junior chamber awards outstanding youths

STAR BUSINESS REPORT

Junior Chamber Bangladesh (JCB), a platform of young entrepreneurs aged between 18 and 40, has awarded youths for outstanding performances in business.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Mintoo gave away the prizes on Thursday to winners at a ceremony in Dhaka Sheraton Hotel.

JCB National President Syed Almas Kabir, Junior Chamber International vice-president, past JCB presidents and members attended the ceremony.

Organisers said the awards were aimed at inspiring the talents in the field of business.

"We the young entrepreneurs want to be inspired by awardees' achievements," JCB national president said.

The Young Entrepreneur of the Year prize went to Kaiser Rahman, chairman of Quality Feeds Limited, which is the pioneer in mechanising animal feeds in Bangladesh.

Energypac Engineering Limited bagged the Best Business Entity award.

Energypac, established in 1982, is in the business of producing and supplying power transformers and vacuum circuit packers for electricity distribution.

Business Personality of the Year award went to Abdul Mukhtar, managing director of Ncepta Pharmaceuticals Limited.

The JCB also awarded Sirajul Islam, chief editor and project director of Banglapedia, a ten-volume national encyclopedia of Bangladesh, for successfully preparing the encyclopedia.

The junior chamber organised a business plan competition for both

profit and non-profit entities.

A total of twenty proposals were submitted. Syed Reaz Monowar, secretary general of ORNOB, bagged the award in the non-profit category for his plan titled 'Integrated Duck cum Fish Farming Extension Project through Women Organisations'.

Four North South University students -- Shifa Farzana Sharif, Sohana Sabrina Tania, Sonia Hossain and Najme Chowdhury -- received award in profit category for their proposal titled 'Online Statistics of Private Universities of Bangladesh'.

Addressing the function the FBCCI president said young entrepreneurs have lots of creative ideas and so they should come under one umbrella to speed up Bangladesh's economic development.

Indian businesses urged to chart road map to get into developed fold by 2020

AFP, Cochin, India

Indian President A.P.J. Abdul Kalam Friday invited top business leaders to help lay down the road map for the country to become a developed nation by 2020.

Addressing more than 100 senior business heads at a CEO Summit in this southern Indian city, Kalam said the blueprint would require a renewed focus on agriculture, power, education and healthcare and information technology.

"Self-reliance in critical technologies and other areas will also need a (boost). These areas are closely interlinked and lead to food, economic, social security and employment generation."

Kalam, who arrived in Cochin to attend the birthday of Indian mystic Mata Amritanandamayi, known as

Amma (mother) or the "Hugging Saint", said transforming India's predominantly rural areas into a "knowledge society" was the key to rapid growth.

"In such growth our large population will itself turn out to be a competitive advantage for India by generating wealth. Such a process of using one billion people has a multiplier effect," he told the gathering.

He urged the businessmen, among them software leaders such as Hotmail founder Sabeeh Bhatia, to work together as stakeholders in the process.

"Such a societal transformation has to be based on information technologies applied to tele-education, tele-medicine, e-governance and e-commerce. Information and communication technology has to be widely

deployed. "As a matter of fact knowledge-based products are slated to generate 80 billion dollars of wealth by 2010 in India," he said.

Agriculture contributes 25 per cent of India's gross domestic product (GDP) while 48 per cent is accounted by services and the rest by manufacturing.

In contrast, in the United States agriculture accounts for only two per cent of GDP while services count for 71 per cent.

"Our economic growth strategy will be to enhance wealth generation from the services sector and our vision 2020 has set a target for a service sector contribution (to GDP) to be 64 per cent," he said.

Kalam was later Friday due to form a Leadership Advisory Committee to execute the 2020 roadmap.

Asia retains global broadband title: 'Fraudband' mushrooms in Bangladesh

Growing demand for faster Internet speeds is fuelling the sharp increase in broadband markets. Home users are driving the vast majority of broadband demand in these markets.

The ITU report further reveals that South Korea continues to lead the global broadband penetration, with more than 21 subscribers for every 100 inhabitants. Almost 94 per cent of its 10.80 million Internet subscribers use broadband.

Hong Kong ranks second with nearly 15 broadband subscribers per 100 inhabitants. 42.50 per cent of its 2.40 million Internet users are

Using dial-up connections, it would take 7.5 days to download a typical movie in DVD format. Whereas it takes only 20 minutes to download same volume of content using ADSL technology.

The ITU study shows phone network broadband connections, for the first time, outnumbered the cable modems in 2002, by 60 per cent to 40 per cent. In the major markets, cable connections dominate only in the United States. The broadband proponents believe this technology is a key to providing Internet access in developing parts of the world or in rural areas

It also suggests that instead of waiting for wireline services, which is costly to deploy, the third world countries can potentially use wireless broadband to develop an integrated voice, data and video network.

For example, in Bhutan, wireless broadband technologies are being used to provide basic voice telephone service. Broadband technologies have connected villages of this mountainous country that previously were out of range of traditional telephone service.

In Bangladesh, the public and private sectors have been equally

capable of offering ISDN (Integrated Services Digital Network) in Dhaka, Chittagong, Rajshahi, Sylhet and Khulna. It ensures Internet access at 128 kbps speed without keeping the phone line busy. Commencement of ISDN remains uncertain due to the lack of political leadership and BTTB's puritan mindset.

The private sector "stalwarts" in the ICT task force has never questioned such deliberate wastage of national telecom resources. The ICT industry and its associations have been equally mum on BTTB's gross negligence on providing high-speed access to Internet. They have been rather brainstorming on fictitious issues like annually earning 2 billion dollars from ICT-enabled services by 2006. Welcome to our virtual world!

Meanwhile, a section of the industry has been consistently deceiving the customers in the name of providing "Broadband" access to Internet. But their customers generally end up with obnoxiously slow (3 or 4 kbps) speed from such "Fraudband" connections. It is no different than having chewing gum to kill the hunger.

But the telecom watchdog, which is the successor of telecom ministry, has been like a coward bystander while such mugging has been occurring under the broad daylight. Rather the telecom regulator has been, apparently, very happy with issuing Internet service providers licenses without allocating appropriate radio frequencies to connect the customer. The License Raj is dead. God save the License Raj!

The writer is a telecom analyst

PASSWORD

The private sector "stalwarts" in the ICT task force has never questioned such deliberate wastage of national telecom resources. The ICT industry and its associations have been equally mum on BTTB's gross negligence on providing high-speed access to Internet. They have been rather brainstorming on fictitious issues like annually earning 2 billion dollars from ICT-enabled services by 2006. Welcome to our virtual world!

connected with broadband. Canada's position is third with just over 11 broadband subscribers per 100 inhabitants. Little over half of its 5.63 million Internet users are broadband clients.

The ITU defines broadband as a transmission technology, which enables accessing the Internet at 5 times to 2000 times faster, with more than 256 kilobits per second (kbps) speed, than the conventional dial-up method. Generally the broadband connections are provided via cable-television wires or a phone-line technology called DSL.

underserved by cable television or fixed-line phones. But just like mobile telephone, broadband is yet to acquire the critical mass and remains as a luxury. The ITU study said 94 per cent of broadband users are in high-income areas, and commercial access is available in only 81 of 200 economies around the world.

"However, as the cost of the service becomes cheaper, some developing countries may be able to use wireless broadband technology to leapfrog ahead of the traditional wireline infrastructure," says ITU.

ignoring "last mile" which is the first precondition to proliferate telephony and Internet including broadband. Last mile is the industry jargon, which refers to the final segment of connection to the subscriber's premises.

Despite having the provisions of ADSL technology in its telephone exchanges supplied by Alcatel and Ericsson, Bangladesh Telegraph and Telephone Board (BTTB) has been doing nothing to offer high-speed access to Internet.

Even the very recent addition of Nortel exchanges has made BTTB

Oil prices steady after Opec production cut

AFP, New York

Oil prices steadied Thursday following the previous day's big gains as traders digested the impact of a shock decision by industry cartel Opec to trim production ceilings.

New York's reference light sweet crude November contract edged up five cents from a day earlier to 28.29 dollars per barrel in late deals, following the previous day's 1.16 dollar increase.

In London, the price of Brent North Sea crude oil for November delivery rose 32 cents a barrel to 26.99 dollars, having climbed 1.16 dollars Wednesday.

The market appeared to be settling down a day after a surprise move by the Organization of Petroleum Exporting Countries to cut back quotas by 900,000 barrels per day to take account of increased output from Iraq.

"The market should stabilize at this level," said Mike Fitzpatrick, an oil analyst at the trading firm Fimat. "We had gotten a bit underval-

ued, the OEC news sent the market to fair value."

Iraq is a member of the cartel but has not been subject to its production ceilings since United Nations sanctions were imposed on Baghdad following its invasion of Kuwait in 1990.

OPEC said it would lower production by 900,000 barrels per day as of November 1, an amount which exactly matches a planned increase in Iraqi production.

Traders were taken by surprise, because while they had foreseen such a move given the increase in Iraqi crude output following the war to remove Saddam Hussein and the end of UN sanctions, it was not expected for some months.

Barclays Capital analyst Orrin Middleton said the price rally had been caused by traders suddenly having to cover their positions.

"It looks like the funds have gone short too early and these headlines got them scrambling for cover," he said.

Singapore, Chile, New Zealand end first round of free-trade talks

AFP, Singapore

Singapore, Chile and New Zealand on Friday completed the first round of negotiations for a three-way free trade agreement (FTA), Singapore's trade ministry said.

Preliminary discussions for the Pacific Three Free Trade Agreement were held on a wide range of issues, including trade in goods and services, rules of origin, customs procedures, food safety issues, intellectual property and competition policy.

Discussions were also held between labour and environment officials.

The next round of negotiations will be held in Santiago, Chile in the week of November 24.

The Pacific Three group is the latest in a burgeoning web of bilateral and regional free trade accords which analysts say have gained importance after the collapse of the global trade talks in Cancun, Mexico.