

Dumping dogs local industries

Entrepreneurs seek anti-dumping measures

STAR BUSINESS REPORT

Several hundred small and medium industries may face closure amidst stiff competition after 2004 if the government fails to protect them from dumping by foreign companies, local entrepreneurs said.

Local yarn, pharmaceutical, blade, sandpaper and some other companies are seeking anti-dumping measures from the government as they are heavily hurt by dumping from other countries, mostly from India.

According to Bangladesh Tariff Commission (BTC), some of these industries applied to the commission for such measures. "But the BTC is not prepared to initiate any

anti-dumping steps," said a source in the commission.

Non-availability of expert lawyers on anti-dumping law is a major problem the BTC is now facing to handle the dumping issue, he added.

Affected entrepreneurs said Tariff Commission is the appropriate authority to handle this issue but there is not a single example that a case has been lodged to protect local industries from dumping.

"Tariff imposition on imported items is an way by which the government can protect the local industries but the tariff rates are being reduced gradually due to a WTO obligation," said a top-ranking official of the BTC.

According to dumping law, goods exported from any country to Bangladesh at less than their normal value are considered as being dumped. Locally produced goods can not compete with these dumped products.

Tariff Commission yesterday exchanged views with local industry people to find ways to handle the dumping problem they are facing now.

International Chamber of Commerce-Bangladesh (ICC-B) Vice-president ASM Quasem told the meeting that Bangladesh remains as a potential market for dumping as no legal measures have so far been taken against dumping by other countries.

"Let's file some anti-dumping cases first," he suggested.

A top official of a leading pharmaceutical company said his company set up a plant for producing raw materials of medicine but could not start production in last three years as an Indian exporter offered the item at lower price.

"Unless we take anti-dumping measures, we would be marginalised. We need to learn from India how they are doing this," said Feroz Rahim, chief executive officer of Rahimafrooz (Bangladesh) Ltd.

Responding to the entrepreneurs, Professor MA Taslim, chairman of BTC, said they lack expertise to take measures against dumping.

Thai Airways offers special package tour to Chiang Mai

Thai Airways International recently launched its Royal Orchid Holidays tour packages to Chiang Mai.

The airline has introduced three new packages aiming at promoting its new route from Chittagong to Chiang Mai.

The three packages include 'Discover Chiang Mai,' 'Medical Check-up in Chiang Mai,' and 'Golf in Chiang Mai', says a press release.

The packages, valid from November 1, 2003 to March 31, 2004, include return economy class airfare from Chittagong, city tour, transfer, and choice of accommodations with breakfast.

For passengers traveling from Dhaka, Thai Airways can also arrange connecting domestic flights to Chittagong by GMG Airlines for a minimal cost.

Thai Airways operates three flights a week from Chittagong to Chiang Mai and Bangkok every Wednesday, Friday, and Sunday utilizing B737-400 aircraft.

Reverse Repo auction

UNB, Dhaka

The reverse REPO auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Two bids of 1-day tenor amounting to Tk 285.00 crore were received and that were accepted.

The rates of interest against the accepted bids ranged from 2.40 to 2.50 percent per annum.

US Trade Show begins in Dhaka Jan 21

The 13th annual US Trade Show will begin at Dhaka Sheraton Hotel on January 21 next year.

The American Chamber of Commerce and Industry (AmCham) in collaboration with the US embassy in Dhaka will organise the three-day trade show, which will showcase US products and services, says a press release.

Shell Solar launches thin film technology

Shell Solar Industries LP on Tuesday launched the world's largest rooftop thin film photovoltaic array on the roof of its manufacturing building in California.

The system covers more than 31,000 square feet and is constructed in 13 rows containing 6144 solar modules, says a press release.

The 245 kilowatt CIS thin film solar electric array is a showcase for Shell Solar, the U.S. Department of Energy (DOE), the National Renewable Energy Laboratory (NREL), and the California Energy Commission (CEC).

The four organizations have been involved for over 10 years, in close partnership, in developing CIS thin film.

CIS thin film is a new way of making solar modules. Manufacturing CIS thin film cells requires fewer process steps than the current mainstream crystalline silicon solar technology.

US consumer confidence rebounds

AFP, Washington

US consumer confidence rebounded in October, sparked by hope for new jobs, a survey showed Tuesday.

A consumer confidence index, compiled by the Conference Board from a survey of 5,000 households, surged 4.1 points to 81.1 points in October after sliding the previous month.

"A more favorable job market was a major factor in the turnaround," said Conference Board consumer research center director Lynn Franco.

"And the belief that this trend will continue has boosted expectations. With the holiday season around the corner, this improvement in consumers' spirits is a good omen for upcoming retail sales."

Consumer spending is critical because it accounts for two-thirds of US economic activity.

Yarn prices rise as cotton costs go up

Textile mills association says

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As yarn prices rose sharply local producers yesterday said rise in cotton prices in global market have compelled them to up yarn prices.

"The cotton prices have marked a 50 per cent rise in the international market from July to October this year," said Abdul Hye Sarkar, acting chairman of Bangladesh Textile Mills Association (BTMA), a platform of local yarn manufacturers, at a press conference in Dhaka.

According to Sarkar, price of a pound of yarn was \$0.60 in July in the international market while it rose to \$0.90 on Tuesday, the highest in the global market in the last five years.

The current price of 30/1 carded local yarn ranges between \$3.10 and \$3.25 a kg against \$2.50-\$2.60 two weeks back in local market. On the other hand, the price of 30/1

combed local yarn jumps to \$3.65-\$3.80 a kg from \$3.20-\$3.25.

The BTMA acting chairman also said yarn prices largely depend on cotton prices. He said 65 per cent raw material of yarn is cotton.

Global cotton production decreased by 20 per cent in 2002-2003, thanks to adverse weather condition, said Sarkar while describing the reason behind the cotton price hike.

At the same time, China, the largest readymade garment exporters of the world, has decided to increase its garment production by 30 per cent. "Speculating global shortage in cotton, China are buying cottons in huge quantity to meet up their goal," the BTMA acting chairman said.

In view of recent price hike of yarn, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), in a recent

letter to Commerce Minister Amir Khosru Mahmud Chowdhury, urged the government to lift import restriction on yarn through land ports.

About the BKMEA letter, the BTMA acting chairman said if the government lifts ban dishonest traders will try to evade duties.

"Besides, huge import will cast adverse impact on local yarn manufacturing plants," the acting BTMA chairman feared.

According to BTMA, annual production capacity of yarn in Bangladesh is 500 million kg and production capacity of knit yarn is 242 million kg.

Bangladesh imports cotton mainly from West African countries, Uzbekistan, Kazakhstan, Australia, Syria and US.

Two vice-chairmen of BTMA Akram Khan Dulal and Anwarul Haque were also present at the press briefing.



PHOTO: STAR

Abdul Hye Sarkar, acting chairman of Bangladesh Textile Mills Association (BTMA), speaks at a press conference in Dhaka yesterday.

July trade deficit doubles

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With a sharp rise in imports, Bangladesh's trade deficit has doubled in the beginning of the current fiscal year compared to the same period of last year.

In July this year, the trade deficit stood at \$73 million, which was only \$35 million in the same month of last

fiscal year.

The deficit has widened to such a level as imports rose at a higher rate in comparison with export growth. In July, Bangladesh exported products worth \$675 million as against import of commodities worth \$748 million.

The volume of import further increased in August. Letter of credit (L/C) opening rose by 32 per cent in

July-August period. Importers opened L/C worth \$1761 million as against \$1340 million in the corresponding period of last year.

However, a 66 per cent rise in L/C opening for import of capital machinery and 33 per cent for industrial raw materials indicate increased investment in industrial sector.

New info centre for tourists in Singapore

Singapore Visitors Centre (SVC), a new information and service point for tourists, opened at the intersection of Cairnhill and Orchard Road in Singapore.

Run by Singapore Tourism Board (STB), the SVC has replaced the visitor centre at Tourism Court of STB, says a press release.

Visitors can now make tour and hotel bookings as well as purchase tickets of different events and attractions from this centre.

SkyCargo holds worldwide confce in Dubai

Emirates SkyCargo, a venture of Emirates Group, organised a worldwide conference from October 17 to October 20 in Dubai.

Ram Menen, senior vice-president of Cargo Revenue Optimisation of Emirates, presented the best general sales agent (GSA) award to Syed Ali Murad, director operations of ABC-AIR Ltd, GSA for Emirates in Bangladesh, at the conference.

Over 100 managers and senior executives of Emirates SkyCargo attended the conference, says a press release.



PHOTO: MERCANTILE BANK

Abdul Jalil MP, chairman of Mercantile Bank Limited, formally opens the 19th branch of the bank at Motijheel in Dhaka. Among others, Chief Adviser Lutfar Rahman Sarkar and Managing Director M Taheruddin were present at the inauguration.

US panel votes to end tax breaks for exporters

AFP, Washington

A US congressional panel Tuesday voted to strike down tax breaks for US exporters, which have been deemed illegal by the World Trade Organization and which could draw massive European countermeasures if not repealed.

The committee in the House of Representatives voted 24-15 to scrap the Foreign Sales

Corporation-Extraterritorial Income Tax regime.

The European Union could impose a record four billion dollars in countermeasures under a WTO ruling if the United States fails to dismantle the tax scheme by the end of the year.

The vote by the Ways and Means Committee follows a similar vote by a Senate committee on October 2. Both chambers still have to vote on the measures approved by the

committees, and then they must iron out differences in the two versions.

The change is part of a larger tax package that would provide other tax breaks to US manufacturers and businesses.

The WTO ruled in January last year that the Foreign Sales Corporation flouted its rules by allowing thousands of US firms, operating through subsidiaries in offshore tax havens, to benefit from reduced export taxes.