Dumping dogs local industries

Entrepreneurs seek anti-dumping measures

FTA with India to boost

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 antidumping measures from the government as they are heavily hurt by dumping from other countries,

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

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A free trade deal with India may

boost foreign direct investment in

Bangladesh and push the exports

up, said leading chambers and

Lanka and a bilateral trade deal with

Nepal should be examined carefully

before negotiating the issue with

for higher export to India, a free

trade agreement (FTA) can trigger a

surge in foreign direct investment in

Bangladesh, says Metropolitan

Chamber of Commerce and

Industry (MCCI) in an analysis on

whose free access to Indian market

under the Indo-Nepal trade treaty

led to an increase in investment, the

chamber said it also resulted in a

significant expansion of the

Himalayan kingdom's export bas-

India-Sri Lanka Free Trade

Agreement (ILFTA), there are

indications that a large increase in

Indian investments might take place

in various resource-based indus-

tries in Sri Lanka during the next few

"Likewise, after the signing of the

Citing the example of Nepal

Apart from enhancing prospects

India, they observed.

Delhi's FTA accord with Sri

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

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

investment, export

As India maintains that ILFTA

can be a model for a possible India-

Bangladesh FTA, the MCCI said it

can be examined with appropriate

modifications, considering the least

developed country status of

separate product lists. One is for the

'fast-tract' items, on which both

countries withdrew all trade barriers

with immediate effect. "In case of

Bangladesh, the 'fast-track' list has

to be finalised carefully," MCCI

grains, industrial inputs, capital

goods and machinery from India

should be considered 'fast-track'.

but India should give similar treat-

ment to all Bangladeshi products, it

products which have been given

duty preferences. In case of an

Indo-Bangla FTA, tariff barriers on

such products are to be phased out

over an agreed timeframe -- a short

period in case of India and a longer

fixed at two years for India and 10

years for India, the Metropolitan

The phasing out period can be

period for Bangladesh.

The second list of ILFTA contains

The ILFTA is based on three

Chambers, trade bodies hope

Bangladesh

suggested.

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

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

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.

chamber proposed in its analysis.

The third list under ILFTA is the

negative list of products. If

Bangladesh makes an FTA deal

India must be asked not to press for

a negative list of Bangladeshi prod-

ucts though Dhaka should have

exporters think non-tariff barriers

should be removed as they might

hurt local industries despite having

stantial amount of FDI by signing an

FTA but we should not forget the

issue of non-tariff barriers," Niaz

Accumulator and Battery

Manufacturers Association

on Bangladesh lead acid battery

export last year ignoring repeated

requests from Dhaka to consider the

should not be encouraged in the

areas where Bangladeshi entrepre-

encouraged in the areas where we

really need foreign investment. The

government should consult these

issues with local trade bodies and

neurs are performing well.

Rahim said Indian investment

"Indian investment should be

India imposed anti-dumping duty

(BABMA) told The Daily Star.

issue, he recalled.

Battery manufacturers and

"Bangladesh may attract sub-

president of Bangladesh

such list from India, MCCI said.

a free trade pact with India.

"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 dump-

carefully address them," he felt.

SM Nurul Hoque, acting presi-

dent of Bangladesh Garment

Manufacturers & Exporters

Association (BGMEA) think

Bangladesh's apparel exports may

go up substantially if it gets duty free

access to the Indian market under

able to use their cheap raw materi-

als and export apparels there," he

said, adding Bangladesh need huge

investment in the backward linkage

industries and signing an FTA may

Bangladesh Textile Mills

Association (BTMA) said FTA may

benefit Bangladesh but we should

negotiate with India carefully so that

facing different non-tariff and para-

tariff barriers to enter into the Indian

market. Delhi should show a posi-

tive attitude in allowing Bangladeshi

products before FTA deal, said MA

Bangladeshi products to India. We

have a number of quality products

and these are competitive in prices.

So, we can be benefited from FTA

"It is possible to export many

Awal, chairman of BTMA

with India," he said.

Bangladeshi products are now

local industries are not affected.

encourage Indian investors here.

"India is a big market. We will be

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

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

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

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 or 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

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

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

confidence rebounds

rebounded in October, sparked by hope for new jobs, a survey showed

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

ship with the EU is a relationship between two huge democracies. We have a civil society dialogue that "A more favorable job market they (the EU) could never hope to was a major factor in the turnhave with China.'

Sinha acknowledged that China had enjoyed a two-decade-long head-start over India, which only began serious economic reforms in the early 1990s.

"But in the last decade, we have made faster progress than anyone else who has launched similar reforms," he said. "We are making very good progress, not only with the EU but with everyone else.

with China: FM proved its growing trading influence in the region by doubling its exports

> 500 million dollars over its giant But he acknowledged India had

to do more to attract greater foreign investment from the West.

"Some of the old impressions inger, and we have to work on changing them," he said.

Sinha was in Brussels for talks with EU External Relations Commissioner Chris Patten and foreign policy envoy Javier Solana before a fourth annual EU-India summit on November 29 in New Delhi, where they are expected to sign a customs cooperation accord

business links. The EU is holding a summit meeting with China on Thursday in Beijing, with booming trade ties

and pledge to boost business-to-

firmly to the fore of the agenda. Sinha said he also discussed last month's failure of the WTO ministerial talks in Cancun with Patten and Solana, noting "a certain disappoint-

liberalisation drive had stalled. "We are also interested in a satisfactory outcome of the negotiations, but there are concerns that India has along with other developing countries," he said.

ment" from the EU officials that the

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 Global cotton production 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

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, Svria and US

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

Yarn prices rise as

cotton costs go up

combed local yarn jumps to \$3.65-

said yarn prices largely depend on

cotton prices. He said 65 per cent

decreased by 20 per cent in 2002-

2003, thanks to adverse weather

condition, said Sarkar while describ-

ing the reason behind the cotton

At the same time, China, the

largest readymade garment export-

ers 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 chair-

varn. Bangladesh Knitwear

Manufacturers and Exporters

Association (BKMEA), in a recent

In view of recent price hike of

The BTMA acting chairman also

\$3.80 a kg from \$3.20-\$3.25.

raw material of yarn is cotton.

Textile mills association says

STAR BUSINESS REPORT

As yarn prices rose sharply local

producers yesterday said rise in

cotton prices in global market have

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 plat-

form of local yarn manufacturers, at

According to Sarkar, price of a

pound of varn 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

local varn 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

The current price of 30/1carded

a press conference in Dhaka.

"The cotton prices have marked

compelled them to up yarn prices.

Abdul Hye Sarkar, acting chairman of Bangladesh Textile Mills Association (BTMA), speaks at a press confer-

July trade deficit doubles

STAR BUSINESS REPORT

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

China may be grabbing the lion's

share of European trade in Asia but

India is well placed to transform

itself into a rival investment destina-

tion, Indian Foreign Minister

Brussels, Sinha also said attempts

to revive the World Trade

Organisation (WTO)'s liberalisation

agenda, following the failure of talks

in Mexico last month, would have to

take greater account of the needs of

the part of the EU in India. Trade is

flourishing," he told reporters,

evoking "shared values" between

the two democratic partners in

in Brussels, added: "Our relation-

P.K. Singh, India's ambassador

contrast to communist-run China.

"There is tremendous interest on

developing countries.

Speaking during a visit to

Yashwant Sinha said Tuesday.

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

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 vicepresident 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



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

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

The European Union could mpose 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 measures approved by the

committees, and then they must iron out differences in the two versions. package that would provide other

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

The change is part of a larger tax tax breaks to US manufacturers and

reduced export taxes.

US consumer

AFP, Washington

US consumer confidence

around," said Conference Board consumer research center director Lvnn 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.

India can compete **BRAC University** seminar on e-commerce BRAC University organised a

Commerce in the Contexts of Bangladesh' recently. to China in the first half of this year, and now enjoyed a trade surplus of

Mridul Chowdhury, research affiliate at Harvard University's Information Technology Group (ITG), a research group at Harvard Law School's Berkman Center for Internet and Society, presented the keynote paper at the seminar, says a press release.

seminar on 'Understanding e-

Japan industrial output rises 3pc in September

AFP, Tokyo

Japan's industrial output in September rose a better-thanexpected 3.0 per cent from the previous month with production showing signs of "upward movement", the trade ministry said in a preliminary report Wednesday.

It was the first rise in two months, and overshot a government survey of some manufacturers' forecasts for a 2.7 per cent gain in September the Ministry of Economy, Trade and Industry said.

"Production shows signs of upward movement," it said in a statement. But it warned; "close attention should be paid to the trend, in part because the behavior of the final demands remains uncertain.