

Foreign ministry to take steps to get TRADE bill passed

Morshed Khan tells apparel makers

STAR BUSINESS REPORT

The foreign ministry will take necessary steps to get TRADE bill passed in US Congress to gain duty-free access to US market before the next WTO talks to be held in Geneva in April.

The ministry will also take initiatives to strengthen the capacity of Bangladesh embassy in the US as part of lobbying for the passage of the TRADE bill, Foreign Minister M Morshed Khan told RMG makers yesterday.

He was speaking at a meeting with a seven-member delegation of BGMEA in Dhaka.

The leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

met the foreign minister as part of their renewed efforts to get the TRADE (Tariff Relief Assistance for Developing Economies) Bill 2005 passed following the frustrating outcomes of WTO Hong Kong ministerial.

The TRADE bill seeks duty-free access of all products from Bangladesh and 13 other least developed countries (LDCs) of the Asia Pacific region.

The bill is expected to be reviewed in November in the US Congress.

Morshed said, "My ministry will put all diplomatic efforts before the next WTO talks in Geneva."

The minister suggested that the RMG exporters maintain proper

communication with Iftexhar Ahmed Chowdhury, Bangladesh's permanent representative in the United Nations, to keep abreast of the existing position of the bill and find out further strategies.

The bill was tabled in the US Congress on January 26 last year. The bill is currently under discussion at the Trade Committee of the House of Representatives and Finance Committee of the Senate.

Expressing his satisfaction about the meeting, BGMEA President Tipu Munshi said, "If the government helps us, there is a possibility of getting the bill passed."

He said, "We need urgent attention from the government to enter US apparel market."

India on threshold of a new era of higher growth

PTI, New Delhi

Eyeing a "do-able" eight percent economic growth, Indian Prime Minister Manmohan Singh on Wednesday exuded confidence that India was on the "threshold of a new era of higher growth" while committing to a wide range of policy reforms that would help employment oriented development.

Expressing satisfaction that the economy had responded 'hand-

somely' to the difficult decision he had taken in 1990s, Singh said "today we can say with pride that there is no external constraint on India's economic growth."

"Prudent economic management mixed with some well advised risk taking helped. We maintained the growth momentum of the 1980s, but with a healthier macro economic situation," Singh said at the Golden Jubilee function of the Delhi School of Economics.

He said that the country should now move on from the 6 percent growth rate to an era of 8 percent or even more.

"This is entirely possible. It is do-able. But there are things we must do. Each time the economy moved up to a new trajectory of growth, this happened because of a number of reasons," he said emphasising that "past experience suggests that we need policy reforms on a wide range of fronts."

SAFTA

1,183 items on Pakistan sensitive list

STAR BUSINESS REPORT

Pakistan commerce ministry has decided to maintain a sensitive list of Pakistan containing 1,183 items on which it will not allow any tariff concession to other contracting states of Saarc under the South Asia Free Trade Area (Safta) agreement, reported Pakistan's The Daily Times on Wednesday.

However, the ministry has informed the government that the sensitive list of Pakistan could undergo certain changes for the reasons: the list if revised would be resubmitted to the cabinet for approval before July 1, 2006.

According to the Pak paper, the sensitive lists of all the contracting states of Safta will be reviewed after every four years or earlier as may be decided by the Safta Ministerial Council established under Article 10 with a view to reducing the number of items in the sensitive lists.

British trade mission arrives tomorrow

UNB, Dhaka

A high-profile British trade mission will arrive here Saturday on a three-day visit with its eyes on Bangladesh ceramic sector.

The tour of the trade mission, comprising seven companies, is organised by North Staffordshire Chamber of Commerce & Industry, said a British High Commission press release yesterday.

Cairn Energy CEO due Saturday

Sir Bill Gammell, chief executive officer of Cairn Energy, shall be visiting Bangladesh from Saturday, says a press release.

During the January 21-22 visit, Gammell will meet Mahmudur Rahman, advisor to Ministry of Energy, AMM Nasiruddin, secretary of Ministry of Energy, and Musharraf Hossain Bhuiyan, chairman of Petrobangla.

He will also visit Salimpur Gas Processing Plant to recognise the unique achievement of the plant staff and officials who have completed six million man-hour without any lost time injury (LTI).

Gammell studied Economics and Accounting at Stirling University. Before finishing his Chartered Accountancy exams, he had founded Castle Cairn insurance in 1977, subsequently setting up Cairn Energy Management Ltd (CEM) in 1980. Cairn Energy was listed on the London Stock Exchange in 1988.

Local businesses urged to visit India plastic fair

STAR BUSINESS REPORT

Organisers of an international plastic exhibition have urged Bangladeshi industry people to visit the fair to be held from February 9 to 14 in India.

Plastindia Foundation, the apex body of major Indian associations, organisations and institutions relating to plastic industry, is organising the fair styled '6th International Plastic Exhibition and Conference 2006' at Pragati Maidan in New Delhi.

"The exhibition is a chance for industry professionals to gather and exchange ideas on how best to capitalise on future prospect," said Ujjal De, chairman of Saarc Promotion Committee, Plastindia, while addressing a press briefing in Dhaka on Wednesday.

"It also provides a venue for business transactions and opportunity for vendors and investors to meet, interact and profit," he said.

Besides, he added, there will be scope for joint ventures, collaborations, new product developments for global marketing.

More than 1200 exhibitors from over 30 countries will display their products and services including state-of-the-art machinery, raw materials, additives, moulds and ancillary equipment in the exhibition, he said.

Speaking at the function, President of Bangladesh Plastic Goods Manufacturers and Exporters Association Jasim Uddin Khan sought support from the Plastindia Foundation to develop Bangladesh's plastic industry.

Amar Seth, co-chairman of Saarc Promotion Committee, also spoke at the function.

StanChart eyes mass market in Bangladesh

Kai Nargolwala talks to The Daily Star

STAR REPORT

Kai Nargolwala, chairman of Wholesale Bank of Standard Chartered Plc and Group executive director, yesterday said the bank is now focusing on the mass market aiming at the lower segment of the society with small loans of \$100 to \$200.

"We have already introduced that in Hong Kong and India, and we will introduce that in Bangladesh too," said Nargolwala in an exclusive interview with The Daily Star.

However, he did not give any time frame when the new product will hit the market.

He also said Bangladesh is among the top 10 countries in terms of profitability.

"Our challenge is to get bigger from a niche foreign bank to a broader segment of the population. This will need a lot of technologies and investment in physical infrastructure," he expressed.

Explaining his bank's operation in Bangladesh, Nargolwala said Standard Chartered Bank (SCB) did not go into project financing quickly as it was basically a trade financing bank and project financing can be a dangerous area.

"You need to have the right franchise, skills and customers. Last year, we bought ANZ's project financing and we got the team. Now we are strong and if Bangladesh does present good prospects, we will get into project financing," he maintained.

He also pointed out that Standard Chartered is Asia's top syndication bank and is also strong in debt financing.

"Very recently, we have made a \$350 million syndication transaction with GrameenPhone with SCB as the lead bank. It is the largest debt financing deal in Bangladesh," Nargolwala mentioned.



Kai Nargolwala

He took a very positive view about the rise of local banks in Bangladesh over the last few years and termed it as an important new phenomenon posing new challenges to foreign banks. These banks, riding on new technologies, have modern back offices and have broader networks. And the foreign banks who operated in the high-end market now feel their competition is no more among themselves but with the local banks, Nargolwala observed.

About Standard Chartered's global strategy, he said it is a financial institution very much focussed on Asia, Africa and the Middle East.

"We intend to be the leading international

bank focussed on these regions. We have a large US dollar clearing operation for financial institution customers who clear money for trade and Bangladesh is the single largest customer in our New York clearing business," he said.

When Standard Chartered was formed 150 years ago, China and India were two big economies and these two are likely to regain their positions in future, he observed.

"A significant part of global growth will come from Asia. Here we have an abundance of opportunities and we have to prioritise them. In doing that our approach is organic growth as it was in 2004 when we saw 39 percent growth in earning per share," Nargolwala said.

Talking on governance, which is his core area of work, Nargolwala said there has been a general crisis of trust; politicians don't trust the government and businesses. "All of us have to take some responsibilities for the situation. We need to have an introspection," he said. "At Standard Chartered, we don't view governance as something that only concerns the bank board. It has to be pervasive right through the operation."

He said the bank has launched a value system for its employees to be creative, courageous, trustworthy, responsive and international. The bank reviews the individuals every year and gives them ratings for promotions.

"If someone did good in business but did it in a greedy manner by cutting corners then he will not get high value scores and his bonus will not be much. We are a performance organisation but that has to be done in the right way," he stressed.

"Islamic banking is our top priority as we want to tap the 1.2 billion Muslims around the world. But the problem is that the interpretation of the Sharia law in various countries is fragmented. It makes it difficult to design a single product for the segment," he added.

Biggest aviation deal in India

Jet Airways buys Air Sahara for \$500m

PALLAB BHATTACHARYA, New Delhi

India's largest private air carrier Jet Airways has bought over loss-making Air Sahara for about \$500 million in the biggest acquisition deal in the country's civil aviation industry.

The deal was inked by Air Sahara Vice President Alok Sharma and Jet Executive Director Saroj Datta in Lucknow, headquarter of Air Sahara, on Wednesday night after a meeting between promoters of the two private companies Subroto Roy of Sahara and Naresh Goyal of Jet Airways.

The deal, which had been in the air for the last few weeks, marked

the first consolidation in the increasingly competitive Indian civil aviation market as an array of low-cost air carriers have been giving a tough time to full-cost airlines like Jet, Air Sahara and Indian (formerly Indian Airlines).

Industry sources said the \$500 million buyout of Air Sahara is considerably lower than the market valuation of nearly \$750 million estimated by Ernst and Young, which had been assigned by Sahara to work out the price.

It was not immediately clear if the buyout deal includes Air Sahara's liability, which is estimated to be around 6 to 7 million dollars.

The takeover of Air Sahara would make Jet Airways the country's biggest airline and give it over 50 percent of India's civil aviation market share and bring about additional facilities in terms of parking bay, landing rights in different destinations at home and abroad, pilots, ground handling staff and maintenance engineers.

The buyout was a matter of time after liquor baron Vijay Malviya-promoted Kingfisher Airlines had pulled out of the race for Air Sahara, leaving only Jet Airways in the bid.

Only last week, the two air carriers had officially said they had been in negotiations and no deal was reached.

China leads Asia in productivity growth

PTI, New York

China leads Asian productivity with an average rate of 8.7 percent since 2000, more than double than that of India at 4.1 percent, a report by a global business research firm has said.

The report by 'Conference Board', which provides comprehensive worldwide measures of labour productivity, said India's rate stood at 4.4 percent in 2004.

But it clarified that the figures for India should be seen in the perspective of faster employment growth at about 2 percent during recent years, which was double the growth of labour input in China.

"China experienced a similar phase of mo rate productivity growth during the late 1980s and early 1990s," the report said.

Referring to current Chinese productivity growth, it said, "This

Microsoft to invest \$100m a year in China

AFP, Shanghai

Microsoft Corp will invest about 100 million dollars annually over the next three to five years in China, the world's second largest Internet market with 111 million users, state press reported Thursday.

The investment, in response to mounting pressure from rivals Google and Yahoo!, will be channelled into the Internet, research and development in mobile communications, and digital entertainment, the Shanghai Daily reported.

significant acceleration in productivity growth striking as average productivity growth in China was just 3.1 percent from 1995-2000."

This suggests that the dramatic changes in reform policies and the increase in openness prior to China's ascension to the World Trade Organisation showed their major impact during the most recent years, it added.

The report said that the times of high US labour productivity growth rates were over, at least for now, though adding it was still healthy compared to many other developed nations, standing at 1.8 percent in 2005.

Labour productivity measures the amount of output obtained for each hour of work and determines a nation's living standards measured by per capita income.

Beximco Pharma debuts in Lankan drug market

BDNEWS, Dhaka

In a massive business expansion move in Asia, leading drug manufacturer in Bangladesh Beximco Pharmaceuticals Limited has launched exports to Sri Lanka.

The company started its exports with six drugs and launched formal promotion of the drugs in Sri Lanka from January 1 this year, according to a company statement released yesterday.

The drugs of four generics include Azithrocin® (Azithromycin), Decomit® (Beclomethasone dipropionate), Cox® B (celecoxib) and Defflux® (Domperidone).

"In Sri Lanka, we want to introduce technology-driven specialised products such as inhaler, nasal spray, suppository and injectables. In this connection, Beximco Pharma has already applied for the registration of 28 more new products in Sri Lanka," said Beximco Pharma Chief Executive Officer Nazmul Hassan.

Hassan also said Beximco Pharma has a strong track record of transferring 'technical know-how' to some of the leading companies in Asia and if there is any such opportunity in Sri Lanka, the company will transfer 'technical know-how' to Sri Lanka as well.

Emerchemie NB (Ceylon) Limited will be responsible for registration, import, sales and distribution of Beximco Pharma products in Sri Lanka.

Sri Lanka is the fourth Saarc country where Beximco Pharma has launched its operations. Other countries are Pakistan, Nepal and Bhutan.

Three models of Toshiba notebook PC launched

STAR BUSINESS REPORT

Three new models of Toshiba notebook PC were launched in Dhaka.

International Office Machines Limited (IOM), the sole distributor of Toshiba notebook PC in Bangladesh, introduced the new models on Wednesday as part of its consumer promotion campaign titled 'Buy Toshiba Notebook, Win Tk 100,000'.

The new models include Satellite M50-P346, Satellite L20-C430 and TECRA M3-P2301.

Under the campaign, which will continue until March 18, a customer will get a lucky coupon against a purchase of Toshiba notebook.

A lottery of the coupons will be held on March 28. The winner will get Tk 100,000.



PHOTO: BAY LEASING & INVESTMENT

Md Abdus Sattar, additional managing director of Uttara Bank Ltd, and Mahbubur Rashid, managing director of Bay Leasing & Investment Ltd, sign an agreement on behalf of their companies recently in Dhaka. Under the deal, the bank has extended a term loan of Tk 50 million to Bay Leasing.