

Dhaka-Islamabad likely to start FTA talks

Pak minister due end March

UNB, Dhaka

Dhaka and Islamabad are likely to start negotiation on bilateral free trade agreement (FTA) soon as Pakistan Commerce Minister Humayun Akhtar Khan visits Bangladesh by the end of this month.

The two countries agreed to go for the FTA during Prime Minister Khaleda Zia's visit to Pakistan last month and to finalise the agreement latest by September 30 this year.

The bilateral talks discussed that a Pakistan delegation led by its commerce minister will visit

Bangladesh soon in order to make a successful FTA deal.

"The visit of Pakistan commerce minister may take place at the latter part of this month," a senior commerce ministry official told the news agency.

He said both the sides are working on the visit following a proposal from the Pakistan minister for a two-day visit to Bangladesh. They are also working out issues of discussion.

The Pak minister's visit is taking place in less than two months after the February 12-14 visit of Bangladesh prime minister to

Pakistan.

The Pak minister's visit would be a follow-up one on the Bangladesh prime minister's visit to Pakistan and to start negotiation on the Bangladesh-Pakistan FTA.

"We've not decided yet," the official told the news agency on Bangladesh's position about the FTA.

"If the government asks for negotiation, we'll be able to do it even tomorrow," he said, apparently indicating that the country has the "basic preparation" for negotiating the deal.

Pakistan is showing increasing

interest for the FTA with Bangladesh, although they openly opposed Bangladesh's interest at the WTO ministerial conference in Hong Kong.

Bangladesh suffered a trade deficit of US\$ 75 million with Pakistan in fiscal 2004-05 with Bangladesh's exports totalling \$ 63 million and imports amounting to \$ 139 million.

Major Bangladesh exports included jute, jute products and tea while its major imports included textile and textile items and vegetables.

Two panels to contest BKMEA polls

BDNEWS, Dhaka

The 'Knit Aikka Parishad' and the 'Shammilita Knit Forum' Thursday submitted their nomination papers for the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) polls scheduled for April 8.

BKMEA sources said the association is holding for the first time the polls in two panels. About 613 members are voters this time.

Thirty-six members of the 'Shammilita Knit Forum' led by the owner of MB Knit Fashion Mohammed Hatem and 39 members of the 'Knit Aikka Parishad' led by the existing President of the association Fazlul Haque submitted the nomination papers.

Twenty-seven directors will be elected and they will elect a president and three vice presidents.

Tata to submit revised investment proposal this month

BDNEWS, Dhaka

The Indian industrial giant Tata Group will submit its revised proposal, including the price of gas, within this month, sources at the Tata office here said.

After the fourth and final round of negotiations that concluded on February 8 without any concrete decision, the government asked Tata to submit a revised package proposal on gas pricing within two weeks. The deadline expired on February 22.

"We did not wrap up. Most of our management officials are busy as the March is the closing month of fiscal year in India," a Tata official in Bangladesh told the news agency.

"We will place the revised offer to the government within this month," he said.

At the negotiations, Tata reportedly offered \$1 per thousand cubic feet (mcf) of gas without any guarantee while \$1.50 per mcf for uninterrupted supplies over 20 years, sources said.

The Tata official, however, denied the reports of offering \$1 per mcf of gas for its projects.

The government, however, reportedly demanded more than \$2 per mcf without supplying security. With security, the asking price was \$3.5 per mcf of gas, the sources said.

Tata in October 2004 signed an expression of interest (EoI) with the government. The Group proposed four ventures with an estimated investment worth nearly \$3 billion.

The company proposed establishing a 2.4 million tonne steel plant either at Ishwardi in Pabna or at

Bheramara in Kushtia that requires about 2,000 acres of land, including residential quarters. The costs involved in the proposed factory were expected to require \$1.2 billion.

A one million tonne urea factory with an estimated investment of \$600 million was also proposed. The Group proposed the site at Banskhalhi in Chittagong.

Tata proposed setting up a 500MW coal-fired power station at the Barapukuria coalmine, and an open pit coalmine. The area for the two projects was expected to be nearly 6000 acres in the mine area. The projects costs were estimated at about \$600 million for power plant and about \$500 million for coalmine.

Single country knit expo in Germany in May

UNB, Dhaka

A single country exposition of Bangladeshi knitwear products will be held in Germany in May, aiming to make the knitwear export base in the European country wider.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) will organise the fair as part of its drive to cross \$ one billion mark in export earning from the single largest destination by the next fiscal year.

The three-day fair will begin on May 30, sources in the BKMEA said. The fair was earlier scheduled for March.

According to the Export Promotion Bureau (EPB), knitwear export from Bangladesh to Germany was 668 million US dollars in 2004-2005 fiscal year. Germany is the single largest knitwear importer from Bangladesh.

GTZ, which is the implementing agency of the German Ministry for Economic Cooperation and Development, will give necessary supports to organise the fair in Germany.

Some 45 Bangladeshi companies, led by the BKMEA, will participate in the fair.

The knitwear growth import by Germany from Bangladesh was 12 percent during the first seven months of the current year, source in the EPB said.

BKMEA President Md Fazlul Hoque told the news agency that Bangladesh can hardly meet 8-10 percent of the total German demand of knitwear products.

"We have already developed a base of our products in Germany... the objective of the fair is to make the base stronger," he said adding, "It's easy to expand a familiar market and we've a lot of scope there."

Joint venture RMG firm to invest \$9.4 lakh in CEPZ

BSS, Dhaka

Britain, France and Bangladesh will set up a joint venture garments manufacturing plant in Chittagong Export Processing Zone (CEPZ).

The company, M/s Thianis Apparels Ltd, will invest US\$ 9.40 lakh and manufacture four million pieces of woven garments annually, a BEPZA press release said yesterday.

It will also create employment opportunities for 500 Bangladeshi and six foreign nationals.

An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (BEPZA) and M/s Thianis Apparels Ltd in Dhaka recently.

Masud Ahmed, member (Finance and Investment Promotion) of BEPZA, and Thierry Jacques Renez Zeisser, chairman of Thianis Apparels Ltd, signed the lease agreement on behalf of their respective organisations.

Among others, Executive Chairman M Zakir Hossain, Member (Engineering) Abu Reza Khan, General Manager (Investment Promotion) AZM Azizur Rahman of BEPZA and Managing Director of Thianis Apparels Anisur Rahman were present at the signing ceremony, the press release said.



PHOTO: STAR

Md Abdul Karim, commerce secretary, speaks at a conference on corporate governance for state-owned enterprises in Dhaka on Thursday. Farooq Sobhan, president of Bangladesh Enterprise Institute (BEI), Michael Gillibrand, co-founder and consultant for Commonwealth Association for Corporate Governance, and YRK Reddy, chairman of Yaga Consulting and founder trustee of the Academy of Corporate Governance in India, among others, were present at the meeting organised by the BEI.

Corporate governance to ensure more profitability

Confce told

STAR BUSINESS REPORT

Speakers at a conference said corporate governance will ensure more profitability for business houses.

Enterprises both in public and private sectors will remain weak unless they ensure corporate governance, the speakers told the closing session and certificate distribution ceremony of a two-day conference titled 'Capacity Building Conference on Corporate Governance for SoEs' in Dhaka on Thursday.

Bangladesh Enterprise Institute (BEI) organised the conference where 42 participants from various

ministries, SoEs (state-owned enterprises), and regulatory bodies took part.

Commerce Secretary Md Abdul Karim attended the programme as the chief guest. BEI President Farooq Sobhan chaired the session.

Abdul Karim said the SoEs have to ensure corporate governance to make profits in a competitive environment.

Farooq Sobhan emphasised the need for extensive training for SoEs executives to ensure corporate governance.

He said Bangladeshi companies especially the SoEs lag far behind when it comes to ensuring corporate

governance compared to the companies in India, Pakistan and Sri Lanka.

The BEI started capacity building programmes in 2002 with a comprehensive study of the corporate governance practices in Bangladesh.

Two international experts -- Michael Gillibrand, co-founder and consultant for Commonwealth Association for Corporate Governance, and YRK Reddy, chairman Yaga Consulting and Founder Trustee of the Academy of Corporate Governance in India, conducted the conference.

India, US to double trade in three years

PTI, New Delhi

India and US will double bilateral trade in three years by reducing trade and investment barriers and expand cooperation in agriculture.

They also agreed to continue efforts to facilitate and promote foreign direct investment and eliminate impediments to it, said a joint statement issued Thursday at the end of nearly two hours of talks between visiting US President George Bush and Prime Minister Manmohan Singh.

New Delhi and Washington, who agreed to work together in completing the WTO Doha Development Agenda before the 2006 end, will increase contact on various issues including tariff and non-tariff barriers to trade in goods and services, and preventing the illicit use of the financial system.

Increasing cooperation in agriculture, US would open up Indian mangoes and initiate talks on current regulations affecting Indian fresh fruits and vegetables, poultry and dairy and almonds entry into the US.

The joint statement also said US would recognise India as having the authority to certify that shipments of Indian products to the United States meet USDA organic

standards."

Agreeing to intensify efforts to develop a bilateral business climate supportive of trade and investment, India and US agreed to advance mutually beneficial bilateral trade and investment flows by holding a high-level public-private investment summit this year.

The two sides agreed to launch a knowledge Initiative on Agriculture with a three-year financial commitment to link their universities, technical institutions, and businesses to support agriculture education, joint research, and capacity building projects including in the area of biotechnology.

The joint statement said Prime Minister Manmohan Singh and US President George Bush "agreed to India's participation in FutureGen, an international public-private partnership to develop new, commercially viable technology for a clean coal near-zero emission power project. India will contribute funding to the project and participate in the Government steering Committee of this initiative."

The two sides also welcomed creation of the Asia Pacific Partnership on Clean Development and Climate, which would enable India and US to work together with other countries in the region to

pursue sustainable development and meet increased energy needs while addressing concerns of energy security and climate change.

"The Partnership will collaborate to promote the development, diffusion, deployment and transfer of cleaner, cost-effective and more efficient technologies and practices," the statement said.

Noting the positive cooperation under the Indo-US Energy Dialogue, the two sides highlighted plans to hold joint conferences on topics such as energy efficiency and natural gas and would conduct study missions on renewable energy. They would establish a clearing house in India for coal-bed methane/coal mine methane and exchange energy market information.

Emphasising the importance of knowledge partnerships, New Delhi and Washington announced the establishment of a Bi-National Science and Technology Commission which the two countries would co-fund. It would generate collaborative partnerships in science and technology and promote industrial research and development.

Int'l confce on innovative sources of financing ends in Paris

A two-day international ministerial conference on innovative sources of financing (ISF) for development ended in Paris Wednesday with a call for a need for such innovative mechanisms, says a French embassy press release issued on Thursday.

The French government organised the conference on the basis of the declaration on innovative sources of financing for development adopted by the United Nations on September 14, 2005 and supported by Bangladesh and other 79 countries across the world.

Health Minister Khandaker Mosharruf Hossain and Finance Ministry Additional Secretary Abdul Majid attended the conference on behalf Bangladesh government.

The conference put special emphasis on the need for innovative source of financing as it is feared that Millennium Development Goals (MDGs) will simply not be achieved in many countries at the present levels of the traditional aid flows.

In order to generate the significant amounts needed to reach the MDGs, France, together with its partners, is trying to introduce automatic and reliable new sources of financing for development and for fighting against pandemics.

For a start, France will introduce air-ticket contributions on July 1, 2006 on the basis of levies ranging from 1 euro to 40 euros, depending upon travel class and the destination. This is expected to generate revenue of up to 200 million euros per year from France alone.

Emerging nations to overtake G7 by 2050

AFP, Frankfurt

China and other emerging economies will soon catch up or even overtake the leading western industrialised nations as the world's biggest economies by 2050, a study showed on Friday.

While the United States was likely to hold on to the number one position by the middle of the 21st century, China was likely to follow closely as the world's second biggest economy, a study published by PricewaterhouseCoopers (PwC) here showed.

The current number two and Australian trade deficit surges 135pc in Jan

AFP, Sydney

Australia's monthly trade deficit surged 135 percent in January as exports slumped and imports continued to grow, according to data released Friday.

The Australian Bureau of Statistics said the January trade deficit was 2.7 billion dollars (2.0 billion US), up from 1.15 billion in December and more than double the figure expected by financial markets.

BGMEA to take footage of noncompliant factories

UNB, Dhaka

Stung by the Chittagong factory fire, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has decided to shoot video footages of the noncompliant garment units across the country to take punitive action.

International buyers have also been asking the BGMEA, the apex body in the apparel sector, to go tough against the factories being run with poor fire safety measures, industry insiders said.

Following the KTS Garment inferno in Chittagong that left at least 55 workers dead, a dozen of foreign buyers as well as local stakeholders, including some NGOs again raised the compliance issues with the BGMEA.

They have sent a number of e-mails to the BGMEA and advised it to take immediate action against the noncompliant factories.

The apparel industry leaders, taking lessons from the factory fire in Chittagong and prompted by the buyers' pressure, formed at least 10 monitoring teams to take video footage of some 2,500 garment factories in Dhaka, Narayanganj, Savar and Gazipur districts.

A BGMEA director will lead each of these monitoring teams that will work dividing into separate zonal groups, sources in the BGMEA said. Two other BGMEA officials have been made members of each monitoring team.

A BGMEA leader said the teams will start their work from next week. Similar teams would be constituted for Chittagong and other areas of the country very soon to inspect the factories, he said.

When contacted, BGMEA Vice President (Finance) Shahadat Hossain Chowdhury Arun told the

news agency that the teams will visit all the factories across the country in phases.

"They will collect the video footages of the factories and then the footages will be examined by the BGMEA authorities," he said adding that the teams will submit their day-to-day reports to the BGMEA headquarter.

The apparel sector leader also said no factory would be spared if any gate is found locked and if the factory lacks adequate fire extinguishing equipment.

"If the BGMEA vigilance team found any gate of a factory closed, they would fine that factory Tk 10,000 for first time while Tk 50,000 for second time, and cancel the BGMEA membership for the third time offence," he said.

Earlier, the BGMEA on Tuesday

asked the owners of garment factories to keep all the gates of their factories open during working hours or face punitive actions.

For violation of the fire-safety precautions by their existing and potential new members, the owners would have to pay the penalty that includes fines up to Tk 50,000 and expulsion from the association as an extreme action.

The BGMEA also decided to visit their member factories regularly to ensure that proper fire-safety measures are in place at the factories across the country.

In a board meeting, the apparel sector body decided that each factory would have to construct two stairs and keep open the gates of their premises during working hours.