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EC's dy DG for Asia, Latin America due today

Herve Jouanjean, deputy director general for Asia and Latin America, DG External Relations of the European Commission, will head a high-level delegation to Bangladesh from the EC Headquarters in Brussels from March 13 to 16.

Philippe Meyer, head of Unit for the Mediterranean, South-East Asia and South Asia in DG Trade, Helen Campbell, head of Unit for Bangladesh, Pakistan, Afghanistan, Sri Lanka and the Maldives, Beatriz Martins, desk officer for Bangladesh in DG External Relations, and Samuel Cantell, desk officer for Bangladesh in Europe AID, will accompany Jouanjean, says a press release.

During his visit to Dhaka, Jouanjean will co-chair the third session of the EC-Bangladesh Joint Commission, which will convene on March 14 and 15, 2006 and which will be co-chaired by Ismail Zabihullah, secretary of the Economic Relations Division of the Ministry of Finance.

With the EU constituting the largest trading partner of Bangladesh and the largest furnisher of development aid (EU and EU Member States combined), the meeting will provide a valuable opportunity to take stock of progress in all areas of EC-Bangladesh co-operation and map out areas for future engagement. Trade and trade-related assistance, human rights and governance feature on the agenda.

Emirates opens hospitality management division

Expanding its quality ethos across the international leisure management sector, Emirates has launched 'Emirates Hotels & Resorts, a new premier hospitality management division.

The division contains a portfolio of luxury conservation resorts, spas and fully-serviced upmarket apartment accommodation, says a press release.

Emirates Hotels & Resorts, part of Emirates' 'Destination and Leisure Management Division', holds as its central vision the provision of exceptional service, the best possible location in any destination, and luxurious facilities.

EXPORT POLICY FOR 2006-09

Exporters seek bank for export-import to ease procedures

MD. HASAN

Exporters have recommended setting up a specialised export-import bank to ease existing cumbersome banking procedures in export.

They also said funds can be sought from multilateral donor agencies including Islamic Development Bank (IDB) and Asian Development Bank (ADB) to establish the proposed specialised bank.

The country's leading exporters yesterday placed the recommendations before Export Promotion Bureau (EPB) at a meeting, which was organised as part of exchange of views ahead of forming fresh export policy for 2006-09.

The existing export policy for 2003-06 will expire in June this year. With the new policy taking effect in July 2006, the government is collecting recommendations from stakeholders.

The exporters said high interest rate, hefty service charges, cumbersome LC (letter of credit) opening procedures and some existing laws of central bank are hindering export growth.

They said specialised export-import banks are operating in many countries, which are main competitors of Bangladesh in the world market.

"If the government sets up an export-import bank in the country, exporters will get one-stop services," a leading exporter said yesterday.

The exporters said they are giving 7-8 percent service charges to private banks to get export-related documents processed. The rate is very much high compared to charges in other countries.

The exporters also demand low-interest rate loan facilities for the export- oriented industries.

"We are trying to make an effective policy for the next three years, as our export performance has been improving significantly over the last few years," said Mir Shahabuddin Mohammad, vice president of the EPB.

He said, "We will incorporate all the suggestions, which are needed to up Bangladesh's exports."

The government asked some 103 stakeholders to give their proposals and suggestions for the upcoming export policy. Out of them, 52 organisations gave their proposals to the EPB.

PHOTO: GRAMEENPHONE

Khaled Hossain, managing director (Jute and Automobile Division) of Anwar Group of Industries, and Mir Rashedul Hossain, deputy head of Corporate Sales of GrameenPhone Ltd, among others, pose for photographs at an agreement signing ceremony recently. Under the deal, GP will provide complete communication facilities under its 'Business Solutions' package for Anwar Group.

Bangladesh gets $1.48 lakh spot orders from Indian trade fair

STAR BUSINESS REPORT

Bangladesh has received spot orders worth US$ 1.48 lakh in the recently concluded 'Guwahati International Trade Fair' in Assam, India.

The country also received potential orders worth $ 1.67 lakh at the fair, organised by Industries Trade Fair Association of Assam (ITFAA), said an Export Promotion Bureau (EPB) press release.

A total of 27 Bangladeshi companies under the management of the EPB participated in the fair, which was held from February 20 to March 6.

Bangladeshi companies showcased melamine, tableware, cosmetics, toiletries, food items, soft drinks, silk and silk products, dry cell battery, sari, handicrafts and medicine at the show.

Vietnam in 'end game' to join WTO

AFP, *Hanoi*

A US trade mission has voiced optimism Vietnam will join the World Trade Organisation (WTO) this year but said the communist country must continue to tackle red tape, copyright piracy and corruption.

Vietnam, a fast-growing economy of more than 82 million people, is now negotiating joining the WTO and establishing full trade relations with its former wartime enemy the United States, a prerequisite for membership.

"Certainly 90 percent of what Vietnam needs to do to join the WTO has been done," Virginia Foote, president of the US-Vietnam Trade Council, said Saturday. "It doesn't mean that the last 10 percent aren't tough issues.

"But a huge amount of work has been done. That's why they're on the fast track to join now. They're in the end game to join now."

A US trade mission of more than 20 corporations who want to set up shop or expand operations in Vietnam has toured the capital Hanoi and business hub Ho Chi Minh City and met top government officials.

Leaders of the trade group -- which included Citigroup, Boeing, Ford Motor, General Electric and TimeWarner -- were hopeful that Vietnam would soon conclude technical discussions and become a WTO member.

Australian firm keen to invest in energy sector

JASIM UDDIN KHAN

Australia's third largest petroleum producing company Santos International Australia yesterday expressed interest to invest in Bangladesh's energy sector, especially in oil refinery and exploration projects.

Two top officials of the company said they are interested to participate in the third round bidding for offshore oil and gas exploration in Bangladesh.

The executives also expressed keenness to takeover onshore oil fields from any international oil company (IOC) unwilling to continue their projects in Bangladesh.

Company's Senior Staff Geologist Dave Bockett and Exploration Manager John Chamber expressed the interest while meeting Energy Ministry Adviser Mahmudur Rahman at the latter's office.

The officials are currently visiting Bangladesh as part of their overseas expansion plan as the company is pursuing new venture opportunities in North Africa, the Middle East, and central and Southeast Asia.

During their three-day stay, the executives will meet government officials and other stakeholders in energy sector to study feasibility.

Santos has interests and operations in every major Australian petroleum province and in the United States, Indonesia, Papua New Guinea, Kyrgyzstan and Egypt.

The $6.9 billion company with about 1,521 employees had an annual sales revenue of $2,463 million and an exploration expenditure of $187 million in 2005.

The company is planning to drill 25 wildcat exploration wells worldwide at a cost of around $225 million.

Chinese RMG quotas breathing life into vulnerable Asian textile

AFP, *Phnom Penh*

Asia's most vulnerable garment sectors have survived -- even flourished -- and proved the naysayers wrong during their first year without the protection of the global quota system.

But industry officials say they have only done so with the help of additional safeguards imposed by the United States and European Union against textile giant China.

The end in December 2004 of the decades-old international quota system known as the Multi-Fibre Arrangement (MFA), which gave developing countries guaranteed access to developed countries' markets, was expected to doom the garment sector in countries like Cambodia, Bangladesh and Vietnam.

But all three recorded post-MFA export gains of between 9.0 and 11 percent during 2005, keeping hundreds of thousands in work in an industry that is a key economic driver.

"We've proved all the doomsayers wrong," said Fazlul Haq, president of the Bangladesh Knitwear Manufacturers and Exporters Association.

In it's first post-MFA foray, Bangladesh, one of the region's poorest countries, posted 11 percent export growth led by knitwear -- T-shirts, sweaters and polo-shirts.

Bangladesh -- where over 4,000 garments factories account for three-quarters of export earnings and some two million jobs -- was singled out for its poor infrastructure, unstable political situation and lack of integration in the textile industry.

But the latest figures have dispelled the dire predictions.

"Last year, we easily beat our main competitor China in these segments. In addition, many of our big factories are so swamped with export orders some had to refuse orders because of supply side constraints," said Haq.

The association's figures showed that more than 150 new knitwear garment factories began production last year while a large number of existing companies ramped up their production capacities.

But Haq acknowledged the country struggled at first against China's massive assault on the sector, only continuing its surge after the United States and European Union imposed more quotas on the east Asian giant.

In May 2005, the United States invoked safeguards contained in China's WTO accession agreement, which allowed it to impose quotas on seven types of textiles from China.

The European Union took similar action in June following a sharp spiral immediately following the end of the MFA -- sector employment plunged about 10 percent to less than 250,000 in Cambodia which also saw a boom following the additional safeguards.

The 1.9-billion-dollar sector provides the kingdom with more than 80 percent of its export earnings and employed 279,000 workers in 236 factories as of November 2005.

Exports rose 9.0 percent last year, according to Van Sou Ieng, chairman of Cambodia's Garment Manufacturers' Association, but he warned that the expiration of the new safeguards at the end of 2007 will force a sector re-think.

"There will be a strong effect on Cambodia ... we have to be more productive, more competitive in price. Everybody has to reduce their prices," he said.

One industry expert also said the smaller countries have to become more creative as market demands for cheaper products gives China an edge.

"The tendency is always to buy cheaper ... we are a consumer market and price is making the difference," he said.

He said China's obvious strength is the availability of labour and materials that allow it to mass produce cheap goods, and "it seems that China should take over most of the job".

But he said the smaller sectors could continue to survive by catering to smaller, high-end markets.

The sectors "still have a chance because China is interested with mass producing. China is not interested in smaller quantities that are more difficult to produce".

"Definitely, there is a high-end market building in some department stores, so there might still be some room for these smaller countries," he said.

EU takes new step towards unified energy policy

AFP, *Brussels*

European ministers will take a new step on Tuesday towards strengthening EU energy policy amid concern over supply security and the trend towards protectionism in some member states.

The energy ministers, meeting in Brussels, will debate a green paper released by the European Commission last week recommending that EU states speak with one voice on natural resources and diversify their supply sources.

They will also draw conclusions about the bloc's sketchy energy policy, whose short-comings were exposed in January when western European natural gas supplies were hit by Russia's supply conflict with the Ukraine.

With their positions in hand, the president of the EU's executive wing Jose Manuel Barroso will travel to Moscow on Friday for talks with President Vladimir Putin on "a new energy partnership with Russia."

Two days earlier, energy ministers from the rich G8 nations -- which include Britain, France, Germany and Italy -- will hold talks in Moscow.

"We want to work with Russia on energy security in a positive and constructive way," Barroso said last week.

"Europe and Russia are energy interdependent, and the message that I will take to Moscow is that on energy, as in many other areas where we have common interests, we must maximise our cooperation," he said.

Russia supplies around 20 percent of the natural gas needs of Europe -- the world's second largest energy market -- and the commission fears that the EU could become increasingly reliant on imports.

"If no measures are taken, in the next 20 to 30 years around 70 percent of the Union's energy requirements, compared to 50 percent today, will be covered by imported products," the executive argues in its green paper.

The dispute between Russia and Ukraine, through which pipelines cross to supply some EU states, also highlighted the value of energy as a foreign policy tool, as the gas cuts brought Kiev to its knees in a particularly cold winter.

"We are now moving toward considering whether it would be a good idea to have higher levels of gas stocks," since the crisis, said a senior official with the Austrian EU presidency.

"This is very expensive to do and it is not always straight forward," he said, confirming that the Union could move ahead despite tall obstacles.

On the domestic front, the energy ministers will also take note of the commission's warning to interpret gas and electricity regulations "according to their spirit and not just their letter."

It has come amid soaring energy prices and a wave of energy sector takeovers, as some countries try to protect domestic firms even though Europe is preparing to fully liberalise its market by July next year.

Spain may change its laws to make it more difficult for German energy giant E.ON to take over Spanish group Endesa, while France announced the merger of state-controlled Gaz de France with Suez, in a move that Italy complains was to thwart a bid by Italian group Enel for Suez.

The green paper maintains that it is time to open up rather than consolidate if energy consumers are to be given real non-discriminatory access to gas and electricity supplies from different national networks.

Indian exporters eyeing Russian market

PTI, *Ludhiana*

Eyeing Russia as a potential market for products like tobacco, leather, tea, coffee, meat, fruits and auto parts, Indian traders will organise exhibitions there to capitalise on the tremendous scope for exports.

The Federation of Indian Export Organization (FIEO) will organise multi-product exhibitions at Moscow and St Petersburg during May-June '06 to reach out to the Russian market for selling alcoholic beverages, wheat, fish, perfume, toiletries and cosmetics, automobiles, drugs and pharmaceutical products, chemical, beet sugar, electrical appliances, transmission equipment for radio telephony etc.

"There is a tremendous scope for Indian exporters to capitalise on the growing market of Russia. That is why we are holding exhibition in Russia," FIEO Chairman (Northern Region) R K Dhawan said here.

India's trade with Russia has been far below its trade with other countries. Out of Russia's total imports worth USD 75.6 billion, goods worth only USD 597 million were from India in 2004-05.

PHOTO: HOLCIM

Niaz Uddin Mahmood, general manager (Customer Care) of Holcim (Bangladesh) Ltd, a cement manufacturing company, and Gao Xiang, material engineer of China Technical Team for sixth Bangladesh-China Friendship Bridge (Mukterpur Bridge), sign an agreement recently. Under the deal, Holcim will exclusively supply cement for the construction of the bridge. PN Iyer, managing director of Holcim, among others, is seen.