

Set up industrial park in Sylhet to woo investment from UK

Bangladesh-British Chamber urges govt

STAR BUSINESS REPORT

Bangladesh-British Chamber of Commerce (BBCC) yesterday urged the government to establish an industrial park in Sylhet to attract more investment from the UK-based expatriate Bangladeshis.

The BBCC at a meeting with the leaders of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) also urged them to set up a platform that can work to attract more investment from the non-resident Bangladeshis (NRBs).

Speaking at the meeting, Wali Tasar Uddin, chairman of Bangladesh-British Chamber of

Commerce, stressed the need for taking up an action plan for the industrial park.

"We want to bring in more trade delegations in Bangladesh by the end of this year to see the prospect of investment in the country," he said, adding that an initiative has already been taken to set up one of the Asia's best hospitals in the country.

BBCC Director General Aziz Ur Rahman said Bangladesh has been facing a number of problems in attracting investment from the expatriates living worldwide.

"But in last three years, Bangladesh recorded remarkable achievements in various sectors,

including the development of communication systems," he added.

He, however, pointed out that corruption and terrorism are still hampering foreign investment in the country.

The FBCCI leaders urged the BBCC leaders to invest in some technology-based emerging sectors, including ICT and pharmaceuticals.

M A Rouf Chowdhury, director of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) said Bangladesh is now ready to see more foreign investment coming from different parts of the world.

He urged the UK based expatriate

Bangladeshis to invest in some emerging areas of the country.

Speaking at the meeting held at the FBCCI auditorium, Arif Zaman, advisor to the Commonwealth Business Council in South Asia, said investment climate is changing in Bangladesh and ICT and pharmaceuticals are some of the emerging areas. Time has come to look beyond traditional curry business.

BBCC delegation members Kaysor Ahmed, Saad Ghazi, Sukur Ali and FBCCI Vice-President Dewan Sultan Ahmed, among others, also spoke at the meeting.

FBCCI to look for promotion of trade in Turkey

BDNEWS, Dhaka

A seven-member business delegation led by Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Mir Nasir Hossain left Dhaka yesterday for Turkey, accompanying the Prime Minister Khaleda Zia on her state visit.

During the visit, the business delegation will meet the ministers and dignitaries of Turkey. The leader of the FBCCI will also meet the leaders of the Union of Chambers of Commodity Exchange of Turkey.

The Bangladeshi business leaders are expected to discuss the promotion of trade, investment and economic cooperation between the two countries during the meetings.

The FBCCI delegation includes Chairman of Bangladesh Textile Mills Association (BTMA) MA Awal, President of Bangladesh Pharmaceutical Industries Association SM Safiuzzaman, President of Bangladesh Leather Goods and Footwear Exporters Association Tipu Sultan, Managing Director of Bangladesh Agro Growers & Processors Ltd Kazi Monirul Haq and Managing Director of BS Spinners Ltd Mohammad Zahurul Haque Shahjada Miah.



Prof Anowara Begum, vice-chancellor of Atish Dipankar University of Science and Technology, formally inaugurates Lavender Wimpy, a combined department store and super market, at Gulshan in Dhaka on Tuesday. Chinese Ambassador in Dhaka Chai Xi was also present at the inaugural function.

Int'l textile workers' body demands factory safety

BDNEWS, Dhaka

The International Textile, Garment and Leather Workers' Federation (ITGLWF) has expressed concern over the poor working conditions in Bangladesh's textile and clothing

industry and urged Prime Minister Khaleda Zia to take necessary measures.

In a letter to the prime minister, General Secretary of the Brussels-based ITGLWF Neil Kearney expressed concern at Bangladesh's

appalling safety record. "This year, four appalling accidents occurred in the space of only two weeks," he mentioned.

The working conditions in textile industry in Bangladesh came to the surface again as the ITGLWF observed first anniversary of the Spectrum factory collapse Tuesday that killed 64 workers and injured many others.

Working conditions in Bangladesh also became an issue of concern as no less than four accidents took place here between February and March. Many trade union federations have protested against the working conditions leading to frequent accidents.

Neil Kearney in his letter referred to the fire incident at the KTS garments that killed 61 workers and left about 100 injured and the five-storied Phoenix Building collapse that left 22 workers dead and 50 injured, and said: "What made these accidents even more painful was that they were prevented from safe working practices."

Kearney urged Khaleda Zia to ensure structural and fire safety in the textile and clothing sector.

He said a total review of the existing legislation on structural safety, fire safety, health safety and general labour rights is needed urgently to ensure that no more lives are lost.

ITGLWF also said all production units have to hold a certificate on structural soundness by 30 June this year to ensure safety at all factories.

Sources said ITGLWF opened an independent inquiry into the disasters casting a tragic shadow over the textile and clothing industry in Bangladesh.

SUSPICIOUS ACCOUNTS BB alerts banks of pitfalls

STAR BUSINESS REPORT

Alerting different banks of the pitfalls of negligence, the central bank has cited example of the Islami Bank, saying that its callousness in handling suspicious accounts has cost its reputation and money.

Bangladesh Bank's (BB) Deputy Governor Md A Rumi Ali yesterday presided over a meeting of the central taskforce on money laundering prevention where he made the observation.

A meeting source said many banks do not send Suspected Transaction Report (STR) in time. The banks have been asked to be cautious about submitting STR report in time, otherwise they will be in similar trouble the Islami bank faced recently.

The recent finding of Islami Bank's assistance in JMB chief Shaekh Abdur Rahman's money transaction wrecked havoc in the bank's reputation. It not only had to pay penalty, but also spent a lot of money for publishing advertisements on different newspapers.

The top officials of the banks sought more time from BB to send reports about 68 militants, saying that they were not yet provided with detail information about the militants.

BB had earlier asked the banks to employ anti-money laundering compliance officers at the banks' zone and branch level. Sixteen banks informed the meeting that they have already appointed those officers.

DHL announces new rates for products, services

DHL, the world's leading express and logistics company, yesterday announced that its rates for DHL Express in Asia Pacific would increase by an average of 4 percent from May 1.

The increase, which will apply to all express shipments in Asia Pacific, is necessitated by the rising cost of operations, including greater compliance with strict aviation security regimes, as well as investments in technology and systems to achieve greater quality and consistency of services throughout the network, says a press release.

As part of DHL's continuous efforts to provide customers with better products and services, and expanded network infrastructure, DHL has invested over US\$ 1.6 billion in Asia Pacific from 2004 to 2006.

The investments include the recently announced \$ 110 million expansion of the DHL Central Asia Hub in Hong Kong.

DHL has also enhanced its air services to bring new dimensions of capacity and connectivity for customers, offering seamless connections within the world's fastest-growing region and to other parts of the world.

Oil prices ease

AFP, Singapore

Oil prices bounced back above 69 dollars a barrel in Asian trade Wednesday as the market remained jittery over a possible US military strike against Iran's uranium-enrichment facilities, dealers said.

Prices had eased below 69 dollars in the morning on profit-taking, but soon resumed its ascent toward 70 dollars, reflecting the market's volatility due to geopolitical tensions and supply concerns.

At 3:10 pm (0710 GMT), New York's main contract, light sweet crude for delivery in May rose 17 cents to 69.15 dollars a barrel from its close of 68.98 dollars in the United States Tuesday, its highest finish since September 1.

Gold price may break record \$850

AFP, London

Gold prices, which this week hit the highest level for over 25 years, could break the record of 850 dollars per ounce within two years on massive investment demand, metals consultancy GFMS said on Wednesday.

"Levels safely over 600 dollars are now in our sights and further hefty gains over the next year or two are quite possible," said Philip Klapwijk, chairman of the independent metals research group.

"In the right circumstances, the 1980 high of 850 dollars could even be taken out," he added in the

group's annual survey on gold, which had struck the historic high point in January 1980.

In trading on the London Bullion Market on Tuesday, gold prices jumped above 600.0 dollars per ounce for the first time since December 1980, reaching a high point of 604.30 dollars.

"The consultancy feels this bull run would be overwhelmingly driven by investment and the report details what factors sustained this in 2005 and should continue to do so moving forward," the GFMS added.

Ensure power to save potatoes worth Tk 1,450 crore

Demand Cold Storage Association

STAR BUSINESS REPORT

Bangladesh Cold Storage Association (BCSA) has urged the government to ensure uninterrupted power supply in 335 private cold storages across the country to save potatoes worth Tk 1,450 crore.

"If smooth power supply is not ensured in cold storages, all the preserved crops, including a large quantity of potatoes, will perish, said the BCSA leaders at a press conference in Dhaka yesterday.

The association urged the government to address the crisis

immediately.

"A cold storage needs 380 to 440 voltage of power to keep agricultural products fresh, but presently, we get low voltage and face 2-3 hours power outage everyday", M Jasim Uddin, president of the BCSA told the conference.

The BCSA also demanded 15 percent rebate on electricity bill as per the government policy of providing facility for the agriculture-based industries.

"During the load-shedding, we try to keep our units operational

using diesel and petrol run generators. But it is not possible to use generators all the time due to high fuel prices," Jasim said.

Potato seeds worth Tk 720 crore and consumable potatoes worth Tk 1,450 crore are preserved in different cold storages in the country.

Shah Rashidul Hasan Farhad, vice president of the BCSA, and M Nurul Islam and AKM Samsudhoha, former presidents of BCSA, were also present at the press conference.

India cautious about FTAs

PALLAB BHATTACHARYA, New Delhi

India favours a calibrated and cautious approach towards signing Free Trade Agreements (FTAs) with other countries as it cannot afford unbridled liberalisation of imports in sensitive areas like textile and agriculture.

"FTA brings macro benefits for the country but with some micro pains for certain sections which have to be dealt with cautiously", according to Minister of State for Commerce Jairam Ramesh.

What is needed is a balanced approach keeping in mind long-term competitive edge in those sensitive sectors, he added.

Ramesh, however, made it clear that certain decisions cannot be only economic as FTAs are being viewed as an instrument of political influence and as a means of signaling to the world that India has undergone a change.

"We cannot import sensitive items very substantially", he told the Forum of Financial Writers here adding it was regrettable that a country like India imports 45 percent of its edible oil requirement.

Had the technology mission on edible oil, started in 1987-88, been pursued, India would by now have attained self-sufficiency in edible oil, Ramesh said.

Asked about the objections raised by Indian Agriculture Ministry on the India-Asean FTA, he said discussions were on but India would have to be "extraordinarily careful" while negotiating the accord.

The need for a cautious approach by India to FTAs has also been suggested by a study undertaken by the Tariff Commission on Rules of Origin of products while deciding eligibility for concessional tariffs.

The study also suggests setting up of an effective monitoring and control system for Rules of Origin of

goods and the process of consultation and review between India and FTA partner country should be built into the agreement itself or under Rules of Origin.

Official sources said India has decided to undertake a comprehensive review of all such FTAs with individual countries or trading blocs, keeping in mind sensitivities of vulnerable sections like domestic farmers and textile industries. Even those FTAs, which are already on negotiation table would come under scanner, they added.

The decision assumes significance in view of the Agriculture Ministry's strong objections to inclusion of sensitive farm products like pepper, rubber, palm oil, tea and coffee in the trade liberalization programme.

Intervening in the matter, Prime Minister Manmohan Singh has asked Commerce and Agriculture Ministries to hold consultations on Tariff Rate Quota (TRQ) approach for sensitive products in FTA with Asean.

The TRQ is a specific quota offered to a country for exports at a fixed duty which is lower than the importing country's normal duty.

Implementation of India-Asean FTA has already been delayed by more than a year with both sides dropping early harvest scheme and the new date for implementation is January 1, 2007.

According to Indian agriculture ministry, since sensitive products form a part of its list of Special Products in the World Trade Organization, zero tariffs on them are not acceptable.

Rising imports of pepper, rubber and palm oil from Sri Lanka under the India-Sri Lanka FTA has already had its impact on the domestic sector in these areas which comprise small growers and manufacturers, industry sources point out.

At the same time, if these items are not included in FTA, the objective

of such an agreement, which worked on the principle of all trade meaning at least 80 percent of trade, would be defeated, officials said.

The Asean wants India to keep these items out of sensitive list. A country like Malaysia, which is a major exporter of palm oil to India, contends that if these commodities are put on sensitive list, then single product exporting countries like it will not meet the criterion of "all trade".

India has already made concessions with regard to Rules of Origin as far as Asean is concerned by agreeing to 35 percent value addition and change in tariff sub-heading level.

It is estimated that Asean stands gain more from FTA with India with export potential of countries like Malaysia, Indonesia, Thailand, Singapore and the Philippines projected at \$10.2 billion to start with as against benefit potential for India at around \$2.7 billion.

This fact has been brought by a joint study by the Indian Institute of Foreign Trade and Malaysian Institute of Economic Research.

India has FTAs with Thailand, Sri Lanka and a Comprehensive Economic Cooperation Agreement (CECA) with Singapore which is FTA-plus because it includes services. New Delhi is in talks with Mauritius for CECA and with South Korea for Comprehensive Economic Partnership Agreement, which also goes beyond FTA by including services, and liberalised trade with Russia, Gulf Cooperation Council and China.

In South Asia, India has signed Safta, liberalised trade pacts with Nepal, Afghanistan and is negotiating FTA with BIMSTEC countries.



M. Jasim Uddin, president of Bangladesh Cold Storage Association (BCSA), speaks at a press conference in Dhaka yesterday.

Ericsson vows to fight against merger

ABU SAEED KHAN

Ericsson, the world's leading cellular mobile network maker, has ruled out any possibility of merger but remains careful about competition despite being innovative in the market.

It prefers to acquire smaller competitors to gain new technologies rather than buying the large rivals or merging with them, disclosed Carl-Henric Svanberg, Ericsson's chief executive, on Monday in Stockholm during the company's annual general meeting.

"If we had done deals and entered partnerships like the one between our competitors Lucent and Alcatel, we would have had lower growth last year that we had on our own," he told the media.

Carl-Henric brands his company "the single most profitable corporation in the business, holding the largest customer base of the industry," according to a press release.

He doesn't fear serious challenges from the traditional rivals. He

has, however, cautioned about emerging competition from different vendors without mentioning the names of Chinese Huawei and ZTE.

"They have got some orders, they are ambitious, they are investing heavily and they are going to be strong competitors in the future," he said adding, "Ericsson is uniquely positioned to tap the potential of the main trends in telecommunications."

Referring to Ericsson's recent US\$2.2 billion acquisition of Marconi, the CEO said the synergy of "long-standing expertise and product ranges in broadband access and transport networks results in a powerful portfolio for next-generation converged networks." He said it gives Ericsson the conditions to significantly increase its market share on the wire-line broadband market.

Carl-Henric announced his company's recent achievement in evolutionary High Speed Packet Access (HSPA). Circular in the US, Swisscom in Switzerland, Mobilkom in Austria and 3 in Italy along with

other 30 different networks are using Ericsson's HSPA. "It offers up to 14 Mbps downlink and 5.8 Mbps uplink for mobile broadband applications such as mobile TV, video streaming and Internet access," he added.

Carl-Henric Svanberg highlighted another important trend in the industry - telecoms services. "During 2005, our service business grew by 29 percent and services became the main component in the contracts with '3' in the Great Britain and Italy; the largest Ericsson has signed so far," he boasted.

Ericsson's CEO underlined the social and economic impact of mobile telephony. He predicted that there will be three billion mobile phone subscribers before 2010. "Just last year, 800 million mobile phones were sold, making the mobile the most sold consumer product in the world," he informed.