

FBCCI not happy with Tata's gas price offer

STAR BUSINESS REPORT

As the Indian industrial heavyweight Tata group has proposed new gas prices in its revised investment proposal, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday opposed the floor price of US\$1.5 per thousand cubic feet (MCF) gas at the initial period of five to six years.

The FBCCI said the price should be on the basis of international prices of the petroleum products.

The FBCCI said compared to the international market tariff, the price offered by Tata in the revised proposal still seems to be much lower. "So, the price should be on the basis of international prices of petroleum products," FBCCI President Mir Nasir Hossain told reporters after a

meeting with high officials of Tata on its revised proposal submitted to the government Sunday.

According to the new proposal, the gas price may vary from \$2 to \$4 per MCF while the floor price will be \$1.5 for per MCF at the initial period of five to six years.

"The floor price of gas at an average of \$ 1.5 per MCF looks very poor compared to the market price," he said.

A two-member delegation led by Manzer Hussain, resident director of Tata, yesterday met the FBCCI leaders to apprise them of their revised proposal. On Sunday, the Tata group proposed higher gas price and some new package benefits in its revised proposal for investment of \$3 billion in Bangladesh.

Mir Nasir also stressed the need

for a proper assessment of the country's gas reserves -- whether it could be able to meet Tata's requirements after meeting the domestic demand.

"The government should go ahead with the Tata's multi-billion investment proposal cautiously so that the country does not lose anything substantially during implementation of the projects," he said.

Development of infrastructure is also vital for implementation of the Tata's investment plan, otherwise the country may have to compensate in some cases, the FBCCI chief noted.

But, there is no clause in the revised proposal on the compensation mechanism in case of government's failure to develop infrastructure facilities, he pointed out.

"It is also very important that how the government will purchase ferti-

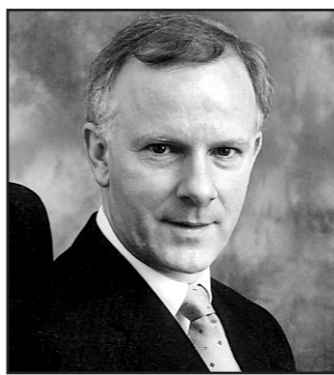
liser and power from Tata," he added.

The FBCCI leaders also sought a full version of the revised proposal instead of the brief version so that they can make comments or recommendations after analysing the proposal.

Manzer Hussain briefed the FBCCI leaders about the revised proposal. According to the proposal, Tata offered \$3.10 per MCF gas for its fertiliser project and \$2.60 per MCF for its proposed steel plant.

Tata proposed a flat price of \$1.10 for per unit gas in its first offer.

The company also proposed a 10 percent equity stake for the Bangladesh government in each of its four projects. Tata will also sell shares on local stock markets.



Etihad's Asia Pacific GM due today

Charles Phelps-Penry, regional general manager (Asia Pacific) of Etihad Airways, arrives in Dhaka today to kick off the inaugural flight of the airline.

Etihad Airways is the national airline of the United Arab Emirates (UAE), says a press release.

Representatives from the Ministry of Civil Aviation and Tourism, Zia International Airport, Biman Bangladesh Airlines and high officials of Etihad Airways are expected to attend the inaugural function.

Charles took over as area manager responsible for launching Etihad's new operation in India, and leading the growth of the business across South Asian region.

In October 2005, he took up the role of regional general manager (Asia Pacific).

Charles has 21 years of experience in aviation business. He spent 16 years with British Airways in different positions and countries, including the Middle East, Africa, Korea and China.

BASIS to hold IT fairs in 5 cities

STAR BUSINESS REPORT

Bangladesh Association of Software and Information Services (BASIS) will hold IT fairs in five cities this year. The first of the series of fairs will be held in Chittagong from May 11 to 13 at Banani Complex.

Other fairs will take place in Sylhet, Khulna, Bogra and Rajshahi. But the timetable of the remaining fairs has not been fixed yet, Fahim Mashroor, convener of the Basis fairs, told a press conference in Dhaka yesterday.

Software and IT services companies, internet services providers, hardware and multimedia companies and telecoms services providers both from Dhaka and Chittagong will participate in the fair.

"40 organisations have already confirmed their participation and we expect a total of 50 organisations will join the fair," Mashroor said.

Free from entry fees, visitors will get free internet browsing facilities at the fairs.

Seminar on security solution to protect brand reputation

STAR BUSINESS REPORT

Speakers at a seminar yesterday stressed the need for use of authentic system to stop counterfeiting of products.

The speakers said product counterfeiting is not only a problem for Bangladesh but also for the world.

They were speaking at seminar on security solution to protect brand reputation in Dhaka.

East Coast Group and 3M Technologies (S) Pte Ltd jointly organised the seminar. Colin Ang, assistant account manager (Security system division) of 3M Technologies (S) Pte Ltd, delivered a presentation on security solution at the seminar. Md Khalilur Rahman Choudhury, executive vice president of East Coast Group, was also present.

East Coast Trading (Pvt) Ltd, a concern of East Coast Group, is the representative of 3M Technologies (S) Pte Ltd in Bangladesh.

Quoting International Anti Counterfeit Commission, the speakers said every year worldwide loss of counterfeiting of retail goods is worth \$200 billion.

Ang said with a sound prevention plan, it is possible to fight against counterfeiting, tempering and illegal distribution. "Authentication labels can help discourage such activities and protect company's brand asset value," he added.

He said 3M offers a wide range of security solution such as overt, covert and temper-indicating feature.

Govt may take steps to up wages for RMG workers

Two-day MFA Forum confce ends in Dhaka

STAR BUSINESS REPORT

The government may soon take necessary steps to increase wages for workers in readymade garment (RMG) sector as foreign buyers are persistently creating pressures for improving the living standard of the labour force.

"As the present wage scale for the garment workers is more than a decade old, we are going to request other ministries concerned to look into the issue and take necessary measures," Ghulam Hussain, joint secretary of commerce ministry, told a press briefing.

The press briefing was convened following a two-day conference on 'Responsible and Competitive Textile and Garment Industry in Bangladesh' jointly organised by the United Nations Development Programme (UNDP) and the MFA Forum at IDB Bhaban in Dhaka yesterday.

Tipu Munshi, president of

Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Alan Roberts, chair of MFA Forum Bangladesh Group, MA Baset, director of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), and Roy Ramesh Chandra, general secretary of Jatio Sramik League, also spoke at the briefing.

Stressing the need to up the living standard of the RMG workers, Alan Roberts said implementation of the local laws regarding garment manufacturing has emerged as one of the main challenges for the government.

Bangladesh's RMG sector would be vulnerable as the tariff measures in the US market will be removed after 2008, he said adding that there has been a serious need to address compliance issues in garment plants.

Tipu Munshi underscored the need for adopting a uniform code of conduct for the garment sector, adding

that around 90 percent compliance requirements match the local laws.

Roy Ramesh Chandra said the national minimum wages should not be less than Tk 3,000 per month.

MA Baset felt all stakeholders in the sector should be responsible for their respective roles.

Ghulam Hussain said compliance issue has become one of the major factors now to survive in the global market.

He, however, said different buyers are asking for separate compliance issues that are a big problem for the industry to implement. "We have laws but we need to monitor the implementation."

The government has plans to set up several garment 'palli' with all facilities and these can be located at suitable places, he mentioned without giving out any time limit of setting up those.

INFRASTRUCTURE

Dhaka gets \$50m credit from WB

STAR BUSINESS REPORT

The World Bank Tuesday approved a US\$50 million credit to help Bangladesh accelerate private sector-led growth by providing finance and building capacity for the private provision of infrastructure.

The Investment Promotion and Financing Facility Project seeks to increase competition and transparency in infrastructure finance through supporting private sector participation and market-based solutions, according to a World Bank release.

It will supplement the resources of Bangladesh's financial markets to provide long-term finance for infrastructure projects beyond the capacity of local financial institutions, the release added.

The WB's 2003 Investment Climate Assessment (ICA) in Bangladesh identified lack of access to finance, cost of finance, and poor infrastructure as primary obstacles to private sector development in Bangladesh. Bangladesh continues to have one of the lowest infrastructure performance indicators in the world. Erratic public sector services are imposing significant costs on the country and power shortages cut industrial output by US\$1 billion per year.



PHOTO: FBCCI

Manzer Hussain (C), resident director of Tata, talks to Mir Nasir Hossain (R), president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), in Dhaka yesterday. They discussed the Indian conglomerate's revised proposal for investment in Bangladesh

FBCCI demands clear concession from Pakistan in FTA

BDNEWS, Dhaka

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday said Pakistan being the developing country between the two, has to make concession to Bangladesh, particularly with the rules of origin and tariff-cut, in the FTA.

"We think the rules of origin (RoO) may be 25 per cent and 20 per cent value addition for general and ready-made garments/woven of Bangladesh respectively, which can be 40 per cent for Pakistan," Mir Nasir Hossain, president of FBCCI, told a dialogue on 'FTA with Pakistan: Reaping benefits for Bangladesh' jointly organised by the FBCCI and Pakistan High Commission in Dhaka.

Hossain said the RoO is 30 per cent value addition for least developed countries, including Bangladesh, in the Safta agreement. "It should be better in the FTA than the Safta," he added.

Manzur Ahmed, adviser of FBCCI, and Roubina Taufiq Shah, commercial councillor of Pakistan High Commission, presented two keynote papers at the dialogue attended by leading businessmen.

The FBCCI president also mentioned several other points such as launching of direct shipping link, identification of negative list, special and differential treatment, resolving non-tariff barriers and harmonisation of laws that are needed to be addressed

to reap benefits from the proposed FTA (free trade agreement) between the two countries.

Participants of both countries agreed that regional trade agreements, such as FTAs, have become a major item on the menu of regional strategies targeting economic development.

They also said many countries in the world have entered into new agreements with various regional and bilateral partners, and are shelving the old agreements and renaming those to better reflect present-day terminology.

Hossain said success of the FTA would depend on the political will of the leaders of the two countries. "The interest for the sustenance of the FTA must be generated from within the parties. Pakistan has to be more accommodative in this case," he noted.

He also opts for formation of committees comprising officials and businessmen to look at the issues for facilitating trade under the FTA.

Regulations, such as licensing, registration, banking and infrastructure facilities need to be addressed properly, he added.

Raffle draw of Navana's 'Guess and Fly Quiz'

STAR BUSINESS REPORT

Navana Ltd, the sole distributor of Toyota brand vehicle in Bangladesh, conducted a raffle draw styled 'Guess and Fly Quiz' on Tuesday in Dhaka to mark the launch of Toyota Yaris car in local market.

The company launched the promotional programme in a bid to make people aware of the new brand car, which was introduced on March 21.

The first prize of the offer is a Dhaka-Bali-Dhaka air ticket along with three-day accommodation for the winner and his or her companion while the second prize is a Dhaka-Kuala Lumpur-Dhaka air ticket and the third one is a Dhaka-Bangkok-Dhaka air ticket with the same facilities. The special prize is a Dhaka-Kathmandu-Dhaka air ticket with the same facilities.

Yaris is the latest brand car of Toyota family, launched in March in Japan. The two categories of the 1,300cc car are sold at Tk 16.5 lakh and Tk 17.5 lakh in Bangladeshi market, officials said.

Sajedul Islam, director of Navana Ltd, JA Naser, senior general manager, and Hamdur Rahman Symon, marketing manager, were present at the programme.