

High oil prices, power crisis may hurt growth

Says Prof Wahiduddin Mahmud

STAR BUSINESS REPORT

High oil prices and power crisis may affect the country's growth prospects as well as hamper new employment opportunities, Professor Wahiduddin Mahmud said yesterday.

The economist was speaking at a seminar titled 'Bangladesh in Next Five Years: Economic Growth and Employment' hosted by Bangladesh Institute of Development Studies (BIDS) in Dhaka.

Mahmud said it is possible to

attain 6.3 percent growth, but cautioned there are risks involved that may affect growth rate. The number one risk is power crisis as far as increasing production is concerned, he added.

It seems that the power situation will not improve even in the coming 2 to 3 years, he observed.

Consequently many of the industrial units are being forced to use power generators for maintaining regular production, which will naturally increase the demand for oil, leading to higher production cost and pressure on the

balance of payment, the economist said.

Rushidan Islam, research director of BIDS, in her keynote paper, said some 7 lakh to 8 lakh educated youths enter job market every year. "But there is nothing to get panicked. We need to turn them into skilled manpower. Besides, we should increase investment in labour intensive sectors".

Siddiqur R Osmani, a professor of University of Ulster, Ireland, said the growth will have to be sustainable and it needs to be ensured that the poor also get

their share. And to attain the objective, small and medium enterprises need to be given more attention and the workers need to be better trained, he added.

Rokia A Rahman, former adviser to the caretaker government, said women are joining the working force these days. More and more women are getting educated and in future the country will get a large educated women work force.

Micro-credit can play a big role in creating employment opportunities for women, she added.

Gillette, P&G start combined operations in Bangladesh

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As part of the integration between the world's top two consumer goods companies, Gillette and Procter and Gamble (P&G) formally started their combined operations in Bangladesh yesterday.

Ram Kumar, director of P&G, and Anis Ahmed, managing director of International Brands Limited, an enterprise of MGH Group, jointly inaugurated the integrated sales operations at a function in Dhaka.

Among others, K Parthasarthy, business manager, and Shrirang, marketing manager of P&G, and KM Dube, country manager of Gillette, were present at the function.

Officials said from now on Gillette is a brand under P&G and all products under the brand name of Gillette and P&G will be distributed and marketed by International Brands Limited, the local distribution partner.

China urges US to drop 'Cold War thinking' on high-tech exports

AFP, Beijing

China urged the United States Tuesday to abandon its "Cold War thinking" and loosen curbs on the export of high-technology products.

Foreign Ministry spokesman Liu Jianchao made the remark in response to a report that the US aims to adjust its rules on the export of "dual-use technologies" that can be used both for civilian and military purposes.

"We hope the United States will abandon its Cold War thinking and continuously loosen restrictions on high-tech exports to China, taking as the point of departure the overall relationship," Liu told a regular briefing.

Liu was speaking after the Wall Street Journal reported that the US would soon propose changes to its controls on exports of high-technology products to China.

BA announces £620m pre-tax profit

British Airways (BA) has announced a £620 million pre-tax profit for the year to March 31, 2006 (2005: £513 million profit). The pre-tax profit for the fourth quarter was £91 million (2005: £6 million loss), says a press release.

The operating profit for the year was £705 million (2005: £556 million profit) and £93 million for the quarter (2005: £46 million profit). The operating margin was 8.3 percent (2005: 7.2 percent) and 4.4 percent in the quarter (2005: 2.5 percent).

Net debt at £1.6 billion fell by £1.3 billion during the year, a £5 billion reduction since December 2001 peak. Operating cashflow was £1.3 billion, an increase of £334 million.

Willie Walsh, British Airways chief executive, said: "These are good results with revenue performance driven by improvements in seat factors and yield."

Indian shares end three-day losing streak

AFP, Mumbai

After three days of heavy losses, Indian shares closed more than three percent higher Tuesday as domestic mutual funds bought leading shares.

Analysts said there were signs the correction which drove the market down 1,736 points or 14.2 percent in the previous three trading sessions could be coming to an end.

The benchmark 30-share Mumbai stock exchange Sensex index closed up 3.25 percent or 341.01 points at 10,822.8, having lost as much as 2.83 percent earlier in the day.

The gain came after a bruising day Monday in which the Sensex plunged by 10 percent to below the key 10,000-point level, triggering an automatic one-hour trading halt, before recovering to close down 4.18 percent.



Members of Commercial Officers' Welfare Association chant slogans calling for amicable relations between employees and employers in front of BGMEA (Bangladesh Garment Manufacturers and Exporters Association) office in Dhaka yesterday. The association also condemned the violence and arson in garment factories.

Germans keen to invest more in Bangladesh

UNB, Dhaka

German trade team yesterday showed keen interest to invest in different sectors in Bangladesh.

"We want to invest in Bangladesh more as the country is an ideal place for production in Saarc and Bimstec regions," said Peter Clasen, who is leading a high-profile German trade delegation to Bangladesh.

Speaking at a meeting with the Dhaka Chamber of Commerce and Industry (DCCI) at the DCCI auditorium, Clasen, the leader of Association for East Asia and Pacific (OAV), termed Bangladesh an emerging tiger in terms of international trade.

He hoped the bilateral ties between Germany and Bangladesh would become closer.

He urged the local business community to take measures to reduce the trade gap between the two countries.

Commenting on the investment proposal of the Indian industrial giant Tata, Clasen said Bangladesh would benefit if the negotiation ends successfully.

DCCI President MA Momen said being the second largest export destination of Bangladesh products, Germany has been playing an important role in fighting poverty in Bangladesh.

He said Bangladesh offers an unparalleled congenial investment climate compared to the other South Asian countries.

The DCCI president urged the German investors to invest in agro-based sectors like food and fruit processing and in gas-based indus-

tries, leather and leather goods, ceramics, light engineering, steel, infrastructure development, tourism, education and telecommunication sectors.

He also sought technical and managerial assistance from Germany for the development of entrepreneurship in Bangladesh as well as diversifying its export basket.

In fiscal 2004-05, Bangladesh's exports to Germany reached US\$ 135.80 million against the imports worth US\$ 266.65 million.

German Ambassador in Dhaka Frank Meyke, DCCI Senior Vice President Hossain Khaled, Vice President Hossain A Shikder and directors Abdus Salam and Shakil Chowdhury were, among others, present in the meeting.

Asian oil producers, consumers aim to boost cooperation

AFP, Doha

Officials from 28 Asian countries meeting in Qatar Tuesday will discuss boosting energy cooperation and hear a call for oil producers to invest their petrodollars in the economies of the Asian consumers.

Foreign ministers or their deputies gathering for the fifth ministerial meeting of the Asia Cooperation Dialogue (ACD) will examine a recommendation to invest profits from oil exports in Asia rather than in the West, said the meeting's Thai coordinator.

The idea is part of a proposal hammered out by six members of the ACD, a grouping born in Thailand in 2002 and which now includes such major oil producers as Russia, Saudi Arabia and Iran alongside energy-thirsty giants like China, India and Japan. Under the proposal, an ACD "energy forum," which already met in Indonesia last September and will reconvene in

Pakistan in November, would be endorsed as "the sole platform for energy cooperation in the ACD framework," according to Vitavas Srivihok, an ambassador attached to the Thai foreign ministry.

The forum would "advance cooperation in four areas," including "research and assessment, investment in energy infrastructure development and contingency plans for the security of energy supplies," he said.

It would also "encourage" producers to "invest the profits gained from the oil trade... which they (now) put in the European and American markets... in the Asian continent," Srivihok said.

He said that in the future, such investments could be channeled into an Asian bond market, which ACD member states have been discussing for three years.

Implementation of the proposal would need to be studied in detail, "but right now we need an agree-

ment in principle first, because it is a really complicated issue... If the (oil producing) countries of the Middle East reinvest their profits in the Asian region... it will change a lot of things," he added.

Experts from the ACD, which prides itself on bringing together countries from all sub-regions of Asia and aspires to attract all Asian nations, met in Doha on the eve of the two-day ministerial gathering that opens Tuesday evening.

The issue of energy has been discussed within the ACD from several angles, including energy security and investment, Qatari assistant foreign minister Mohammad al-Rumaihi told reporters.

"The Asian group needs energy for development, particularly so developing Asian societies which are relying on energy to bring their economies up to the global standard," he said.

US hopes to sign Vietnam trade pact at Apec meet

AFP, Washington

The United States hopes to sign a groundbreaking trade deal with Vietnam next week despite strong objections from some American manufacturers, a senior US official said Monday.

Deputy US Trade Representative Karan Bhatia said that once the accord is signed, Congress should move quickly to grant Vietnam permanent normal trade relations status and so enable it to join the World Trade Organization this year.

Bhatia acknowledged deep concerns felt by US textile manufacturers at the prospect of a flood of cheap Vietnamese imports, but said the market access accord provided them with "every reasonable protection".

The official was due to leave Tuesday for Taiwan and India, before

heading for a three-day stop in Vietnam next week that will take in a June 1-2 meeting of trade ministers from the Asia Pacific Economic Cooperation (Apec) forum.

"If we're able to take care of all the necessary nuts and bolts before June... it would be a possibility to sign it in Ho Chi Minh City," Bhatia told reporters in reference to the trade pact clinched last week.

"But we've got to make sure that we've got all those nuts and bolts nailed down. That's what we're trying very hard to do right now."

Bhatia said also that Washington hopes the Apec meeting will issue a "strong statement of support in favour of an ambitious outcome to the (WTO's) Doha round this year", and also endorse strong protection of trade copyright.

He said it was possible that his fellow deputy trade representative, Susan Schwab, would attend the

Apec meeting in Ho Chi Minh City if she is confirmed in time to succeed outgoing US Trade Representative Rob Portman, who has been named the new White House budget chief.

Portman said last week that the agreement on market access will "substantially lower" Vietnamese barriers to a wide range of US farm produce, services and industrial goods.

It will also take Vietnam a step closer to joining the WTO ahead of the Apec summit in Hanoi in November, to be attended by Asia-Pacific leaders including US President George W. Bush.

Before gaining entry to the WTO, however, Vietnam must first be granted permanent normal trade relations status by the US Congress, where the communist government's human rights record is likely to come under close scrutiny.

S'pore moves to gain market share in Asia's growing cruise industry

AFP, Singapore

Singapore said Tuesday it has set up a 10 million Singapore-dollar (6.3 million US) fund to enable the city-state to capture a bigger share of Asia's growing leisure cruise industry.

The fund aims to encourage international cruise shipping lines "to develop their Asian presence and more importantly anchor strategic deployments here in Singapore," the Singapore Tourism Board (STB) said in a statement.

By developing more tour packages combining air travel and leisure cruises aboard luxury ships, as well as supporting marketing initiatives, the fund hopes to encourage travelers to begin and end their journeys in Singapore.

The cruise industry is one of the fastest growing segments of the leisure travel market and the STB hopes to tap into this segment to achieve its target of attracting 17 million visitors and triple tourism receipts to 30 billion dollars by 2015.

"Even though Asia's cruise industry is still relatively small compared to the US and Europe, there is strong growth potential given the growing middle class in Asia and the high propensity to travel," said STB chief executive Lim Neo Chian.

The fund was set up jointly by the STB, the Civil Aviation Authority of Singapore and the Singapore Cruise Centre.

Singapore's record 8.94 million visitors in 2005 generated 10.8 billion Singapore dollars in revenues.

The island-republic has only 4.2 million residents but serves as an important travel hub between Europe and Australia and is considered a gateway to Southeast Asia.

BGCCl arranges meet for German trade team

Bangladesh German Chamber of Commerce and Industry (BGCCI) arranged a meeting for the visiting German trade team at a hotel in Dhaka Sunday, says a press release.

Commerce Minister Hafiz Uddin Ahmed attended the meeting as a chief guest. BGCCI President Ruhul Amin chaired the function.

The minister stressed the need for cooperation between the businesspeople, journalists and politicians in order to become more successful in the coming days utilising the perfect investment climate of the country.

Peter Clasen, head of the delegation, said Bangladeshi jute is used in German manufacturing plants.

"Businesses willing to invest here should not rely on news media," he observed, adding that businesses move on here without interruption despite its negative image.

German Ambassador Frank Meyke, Export Promotion Bureau (EBP) Vice Chairman Mir Shahabuddin Mohammad, BGCCI's Senior Vice President Nasir A Choudhury and Vice President Saiful Islam were also present.



Bangladesh Women Chamber of Commerce and Industry (BWCCI) President Selima Ahmad speaks at a meeting in Dhaka yesterday. BWCCI Vice President Selina Kader is also seen.

Allocate Tk 25cr in budget for women entrepreneurship development

Women entrepreneurs urge govt

STAR BUSINESS REPORT

Bangladesh Women Chamber of Commerce and Industry (BWCCI) yesterday demanded allocation of at least Tk 25 crore in the budget for 2006-07 for women entrepreneurship development.

They also demanded tax holiday facility for up to 10 years for the women entrepreneurs.

The women entrepreneurs placed their demands at a view exchange meeting held at the National Press Club in Dhaka.

They said women entrepreneurs' contribution to the national economy is increasing day by day, but they [women entrepreneurs] are not getting adequate financial support

from the government.

Addressing the meeting, BWCCI President Selima Ahmad said the government, in every annual development programme, allocates funds for women development, but unfortunately, for women entrepreneurship development there has not been any budgetary allocations so far.

She also said in the last budget, government allocation was less than one percent for women development, which is very insufficient.

Selima said, "Women are not getting enough support. We sought an appointment couple of months ago with the finance minister to discuss the upcoming budget, but we are yet to get it."

The entrepreneurs demanded duty free import of raw materials and capital goods as well as 10 to 15 percent cash incentives on export for women entrepreneurs.

They also demanded for income tax rebate of up to Tk 3 lakh and provision of VAT (value added tax) exemption for new women entrepreneurs for minimum five years.

Ruba Rummana, assistant professor of Ahsanullah University of Science and Technology, presented a keynote paper titled 'Budgetary analysis of women entrepreneurship development in Bangladesh'. Selina Kader, vice-president of the chamber, among others, was present at the meeting.



Bangladesh German Chamber of Commerce and Industry (BGCCI) organised a meeting for the visiting German trade team in Dhaka Sunday. Commerce Minister Hafiz Uddin Ahmed attended the meeting as chief guest. BGCCI President Ruhul Amin, head of the delegation Peter Clasen, German Ambassador Frank Meyke, Export Promotion Bureau (EBP) Vice Chairman Mir Shahabuddin Mohammad, BGCCI's Senior Vice President Nasir A Choudhury and Vice President Saiful Islam were also present.