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INDIAN BAN ON PULSES EXPORT

Section of importers creates crisis to raise prices

STAR BUSINESS REPORT

Taking Indian government's ban on pulses export to their advantage, a syndicate of importers is trying to make an artificial crisis of the essential item in domestic market, increasing the prices.

Prices of pulses have shot up by around 10 per cent in the domestic markets following the Indian decision on June 22, traders said.

They said although India is not a significant supplier of pulses to Bangladesh, the prices have soared.

Bangladeshi officials and traders said India suspended the item's export to contain rising prices at home.

In wholesale market, superior grade Indian red lentils, consumed by both the rich and poor, were selling at Tk 63 per kg yesterday against Tk 58 a kg a week ago, while

ordinary Canadian and Australian red lentils were selling at Tk 56, which was Tk 51 last week.

In retail market, Indian lentils were selling between Tk 64 and Tk 65 a kg yesterday against Tk 56 and Tk 57 a week ago, while the Canadian and Australian varieties were selling at Tk 52 against Tk 50.

"Bangladesh imports pulses mainly from Australia, Canada and Turkey and the amount of its import from India is much insignificant. So, the Indian ban on pulses export should not affect our local market usually," said Abu Taher, a trader in city's New Market.

"But, we are worried that a syndicate is creating an artificial crisis that lead to rise in the prices," he said.

"If the price of lentils rises continuously, it will be difficult for the middle-income group people to afford the costs of living," said

Mahbuba Haque, a housewife.

According to the commerce ministry, Bangladesh's total annual consumption of pulses is around 12 lakh tonnes, including 4 lakh tonnes of lentil.

Meanwhile, the government on Tuesday relaxed rules for import of pulses and sugar through Trading Corporation of Bangladesh (TCB) in a bid to cool down the market prices of the two essential commodities.

With the revision to the import rules, an importer is now entitled to importing sugar and pulses via TCB by depositing only two per cent of earnest money against the total import value, which was 10 per cent earlier.

The TCB has already invited tenders for importing two lakh tonnes of sugar and 30,000 tonnes of lentils, a high official of the corporation said.

The traders also suggested that the government should increase lentil stocks immediately by increasing imports.

SIKRI'S CLARIFICATION
Clarifying the ban on export of sugar, pulses and wheat, Indian High Commissioner to Dhaka Veena Sikri yesterday said the ban has been imposed not only for Bangladesh, rather globally.

"The finance minister of India has declared the ban to make check and balance of sugar, pulse and wheat in the domestic market of India until the next harvest," she said at a roundtable at Bangladesh Enterprise Institute (BEI) in the city responding to a question of a participant.

BEI organised the roundtable on Indo-Bangla Relations where a book 'Bangladesh India Dialogue: Vision of Young Leaders' edited by Farooq Sobhan, a former foreign secretary, was also launched.

Ctg customs to sell goods of 500 consignments

STAFF CORRESPONDENT, Ctg

Chittagong customs authorities under the second phase of its largest-ever auction here yesterday put imported goods of 500 consignments on sale.

Forty bidders dropped tenders quoting price for goods worth TK 5 crore.

In the first phase of the auction, the authorities on June 20 put goods worth TK 1500 crore of some 1100 consignments on auction.

The goods have been occupying spaces of Chittagong Port yards for about a month, creating a huge container congestion.

The process of putting imported goods on sale in auction is prompting the consignees to take delivery of consignments and helping ease the container congestion, port sources said.

The customs has fixed July 11 for holding the auction in the third phase.

National Housing Finance approves 20pc dividend

National Housing Finance And Investments Ltd has approved a 20 per cent dividend, including a 10 per cent interim dividend already paid for the year 2005.

The dividend was approved at the seventh annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

Chairman of the company M Haider Chowdhury presided over the AGM.

The meeting was attended by the representatives of all 20 corporate shareholders of the company namely AB Bank, IFIC Bank, National Bank, United Commercial Bank, the IPDC, Eastern Insurance, Eastland Insurance, Jiban Bima Corporation, National Life Insurance, Pragati Insurance, Reliance Insurance, Sadharan Bima Corporation, Bangladesh Lamps, Borak Travels, the HRC, Shaw Wallace, Square Pharmaceuticals, Unicorn Equities, Investors Forum from the UK and Zambia.

Square Pharma gets Bankers' Forum Award 2005

Square Pharmaceuticals Limited has received the Bankers' Forum Award 2005 in recognition of the company's ethical and socially-responsible business practices and smooth operation with their bankers.

Noted economist Wahiduddin Mahmud handed over the award to Kabir Reza, director of Accounts and Finance of Square Group, at a ceremony arranged by the Bankers' Forum at CIRDP auditorium in Dhaka recently, says a press release.

M A Khaleque, president of the Bankers' Forum, presided over the ceremony.

Square Pharmaceuticals Limited has never been a bank defaulter and over 13,000 people are working in the company at present.

Nokia sues Chinese rivals for copying phone design

AFP, Helsinki

Mobile phone maker Nokia said Wednesday it was suing two Chinese rivals for copying the design of its 7260 mobile phone model.

The Finnish company said it had initiated a civil litigation in Beijing against Shenzhen Telsda Mobile Communication Industry Developing Co. Ltd and Song Xun Da Zhong Ke Electronic (Shenzhen) Co. Ltd, both of which are Chinese phone manufacturers based in Shenzhen.

Nokia accused the companies in a statement of "manufacturing and selling mobile phones that copy the proprietary and legally protected industrial designs of the Nokia 7260 mobile phone model."

It also named the distributors of the mobile phones as co-defendants in the case.

The Nokia 7260 is a GSM/GPRS triple band phone with camera.

The company has asked the Beijing court to order the defendants to cease manufacturing and selling the mobile phones and pay monetary damages and costs.

Knitwear export to Germany grows 51pc in July-April

BDNEWS, Dhaka

Bangladesh's export of knitwear to Germany, a major knitwear export destination, continued to maintain a robust growth without any restriction against a competitive country like China during the post-MFA period.

The country's knitwear export to Germany reached \$ 805.33 million with a 51 percent growth during the July-April of the current fiscal compared to the same period of the previous fiscal, Export Promotion Bureau (EPB) sources said yesterday.

While talking to the news agency President of Bangladesh Knitwear Manufacturers and Exports Association (BKMEA) Fazlul Haque said, "As the World Cup Football is being held in

Germany, it has created an opportunity to boost up knitwear export with this type of higher growth."

"We will organise a three-day long single country knitwear fair, first of its kind, in Germany to maintain this higher growth for the next fiscal," he informed.

The fair is scheduled to be held at Hilton Dusseldorf hotel on September 5 to 7 with the financial support of Germany's developing agencies, GTZ, according to the association sources.

Knitwear exports overtook woven exports as major export earner in April this year for the first time in the country's history.

With a 32.86 percent rise, knitwear products export stood at \$3007 million during the July-April period of the current fiscal, EPB

statistics said.

The BKMEA president is optimistic that knitwear sector would become a major export earner from the next fiscal.

One of the biggest Germany-based knitwear exporters said, "We can achieve more market share, especially in the knitwear sector in Germany, if we can build up close contact with the German buyers."

"The scheduled knitwear fair in Germany will provide an opportunity for our exporters to establish direct link with the German market," he hoped.

According to the EPB statistics, knitwear export to Germany continued to maintain a robust growth in the last three years and increased to \$ 669 million in FY 2004-05 from \$328 million in FY 2002-03.

Roundtable on enhancing leather industry's competitiveness

Paying greater attention to the process of skinning of animals and ensuring maximum value for hides are key to enhancing competitiveness of leather industry in the country, Gopal Bhattacharya, director of ILO Dhaka, said at a roundtable in the capital yesterday.

Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICC-B), presided over the roundtable on enhancing competitiveness of leather industry in Bangladesh, which was organised by ILO Dhaka, according to a press release issued by ILO Office in Bangladesh.

Country's leather industry, which involves nearly 80,000 people in formal and informal sectors, is estimated to lose nearly Tk 300 crore annually due to flay cuts, the roundtable was told.

This can be substantially reduced if skinning is done properly, Bhattacharya said.

Mahbubur Rahman said although the decision to shift the tanneries to Savar was taken some time back, there has been no concrete action yet in this regard. He urged the entrepreneurs of the sector to take initiative of this effect.

Senior representatives from commerce ministry, labour and employment ministry, education ministry, Planning Commission, Bangladesh Employers Federation and trade union organisations were present at the roundtable where the findings of an ILO study on value addition of supply chain from raw hides and skins to finished leather were presented.

Speed Life corporate office opens tomorrow

Speed Life Export Import Limited will open its corporate office at Bara Moghbazar in Dhaka tomorrow.

Alamgir Mati, chairman and managing director of Modern Herbal Group, will be the chief guest at the function, says a press release.

Abu Sayeed Khan, general manager of Bangladesh T&T Board, and Mahmudun Nabi, managing director and CEO of Desh General Insurance Company Ltd, will be present as special guest and guest of honour.

Hyundai Motor chairman freed on bail

AFP, Seoul

Chung Mong-Koo, the head of South Korea's top automaker Hyundai Motor, was freed on bail of one million dollars Wednesday, two months after he was jailed on corruption charges, his lawyer said.

Chairman Chung was released and is now in hospital for treatment and recuperation from illness. He is very exhausted," said lawyer Kim Jae-jin.



Mahbubur Rahman (C), president of International Chamber of Commerce-Bangladesh (ICC-B), presides over a roundtable on enhancing competitiveness in leather industry in Bangladesh, organised by ILO Dhaka office, in the capital yesterday. Gopal Bhattacharya, director of ILO Dhaka, Golam Hossain, joint secretary of commerce ministry, and Nurun Nabi, joint secretary of labour and employment ministry, are also seen.

Farmers' unions reject WTO market access proposals

AFP, Geneva

Farmers' leaders warned on Wednesday that they could not accept that cuts in agricultural tariffs proposed by the G20 group of developing countries should form the basis of a global trade agreement.

"This is completely unacceptable to European farmers," said Rudolf Schwarzenboeck, president of COPA, an alliance of major EU farmers' unions, ahead of a crucial ministerial meeting at the World Trade Organisation this week.

Farm union representatives from Europe, Japan, South Korea, and Canada said they had the support from counterparts in about 30 other countries, including developing nations such as Bolivia, Indonesia and Sri Lanka.

The head of the agricultural section of the WTO talks, Crawford Falconer, last week released a tentative draft accord which envisaged tariff cuts rang-

ing from 20 percent to 90 percent.

Although the loosely-worded draft incorporated a range of alternative proposals on market access, Falconer -- who is also New Zealand's ambassador to the WTO -- indicated that the G20 proposal of cuts of about 54 percent might represent the middle ground.

However, Schwarzenboeck said on Wednesday that the G20 proposals would slash farmer's revenues in the European Union by one quarter, and the proportion would rise to nearly three quarters for some products such as beef.

"The future of European agriculture would be seriously jeopardised. Millions of jobs would be lost," he told journalists.

Representatives of Japanese, South Korean, Swiss, Norwegian and Icelandic farmers' organisations also voiced similar fears, warning that the proposals would favour large scale farming multinationals.

"If the G20 proposals were to

be put into modalities it would be a disaster for South Korean farmers," said Jae-Bok Kim, vice executive president of the National Agricultural Cooperative Federation (NACF).

About 60 ministers are due to join diplomats representing the 149 WTO members Friday for talks aimed at settling the modalities of a global trade agreement, or the mathematical formulas guiding cuts in trade barriers.

Ministers will include those from WTO heavyweights the United States, the EU, and G20 leaders Brazil and India.

"Failure of the current talks would be better than an agreement on the basis that has been proposed," said Serge Lefebvre of Canada's farm producers' union (UPA).

This week's meeting is regarded as a key building block if an agreement is to be reached by the end of the year on a broader trade deal to liberalise new areas of commerce.

China taking market share of other exporters

Says US textile group

AFP, Washington

China has taken control of half of the US apparel market in areas where quotas have been removed, gaining much of it from other developing countries, a US textile group said Monday.

The National Council of Textile Organizations, citing official US government data, said the developing world has lost three billion dollars in exports while China has gained almost eight billion dollars in textile sales during the past four years.

The NCTO said the situation "highlights the need for a textile sectoral solution" in World Trade Organization talks.

A global accord on textile trade quotas expired at the end of 2005, allowing China to increase its

market share. But deals limiting Chinese exports were negotiated by the United States and European Union.

The NCTO said however that failure to reach a deal under the WTO Doha Round would "lead to millions of job losses around the globe," with industries hard hit in Africa, Central America, Mexico and Andean countries as well as big Asian producers such as Sri Lanka, Bangladesh, the Philippines and Thailand.

"One and half million jobs would be lost in Mexico, Central America and the Andean region alone with hundreds of thousands of additional textile job losses in the United States," NCTO said.

The NCTO, citing US Commerce Department data

from April, said every major supplier except India and Vietnam has lost large amounts of market share in the United States to China since 2002, and that the situation is similar in other major markets.

"China's share of the Japanese and Australian apparel markets is now over 75 percent," it said. "In the EU, in apparel categories where quotas have been removed since 2002, China's share is now 74 percent."

Cass Johnson, President of NCTO, said a special WTO accord on textiles "will be sending a message that it will defend textile and apparel jobs worldwide from China's predatory pricing, currency manipulation and vast government subsidies."

Call for quality in business

Quality Fair 2006 concludes

STAR BUSINESS REPORT

Quality Fair 2006 concluded yesterday amid a call for ensuring quality in all strata of business, commerce and economic activities.

The aim of the first-ever quality fair in Bangladesh, participated by seven international management standards certification bodies and other organisations, was to create awareness among business people about the importance of maintaining quality in their sectors.

"We have worked to this end during the last three days of the fair. A good number of business figures visited it and expressed their interest in gaining quality management certificates (QMS)," said Ahmad H Kabir, president of the newly formed Bangladesh Association of QMS Professionals (BAQP). This professional group organised the fair in association with Katalyst and Strategia Limited.

The BAQP president, also the

country head of RdeR Bangladesh (Pvt.) Ltd, told journalists that he came across three customers who placed orders for some items of their choice.

According to the participants in the fair, had a weekend fallen in the timeframe of the event, it would have received more response from the business people.

"There is a huge lack of quality in every sector of the country and we need to overcome such shortcomings in order to enhance the nation's image abroad," Kabir added.

He said from now on BAQP would hold various programmes, including seminars, to make people aware of ISO certification, as the businessmen are not well aware of the importance of this certification.

A total of 25 companies showcased their services at 25 stalls at the fair. The Daily Star, Channel i and Wega Zone were the media partners of the fair.

Small business to cut Indonesia poverty: WB

AFP, Jakarta

Small businesses, which employ millions of Indonesians, could become major engines of economic growth in this cash-strapped country and help reduce poverty, the World Bank said Wednesday.

Indonesia's 15.7 million small enterprises make up more than 90 percent of all businesses and employ up to 60 percent of the workforce, outside agriculture, but their growth is hindered by access to credit and poor infrastructure, the World Bank's Indonesia director said in a report released Wednesday.

"Lack of access to credit, poor roads and unreliable electricity top the list of concerns faced by micro and small enterprises," Andrew Steer said in a press release accompanying the report.

The World Bank argues in its study that outside major cities, small enterprises "could become important engines of pro-poor growth if the right policies are in place."

Whilst large firms, such as those in manufacturing absorb up to 40 percent of the available workforce in the urban areas, in rural areas the largest employers are small enterprises, says the Bank.

"Moreover, micro and small enterprises tend to employ poorer people, so stimulating growth in

such firms tends to boost the incomes of the poor directly," the report said.

"And large firms are heavily concentrated in the major metropolitan areas and their surroundings. By contrast micro and small enterprises are dispersed throughout the country, so promoting the growth of these firms can also help to reduce inequality between regions."

The Bank, which surveyed 2,500 businesses in six districts, says that more than 85 percent of enterprises complained that hiring skilled labour and labour from outside their region, was a problem.

The Bank urged regional governments not to enact laws preventing companies hiring employees from outside their districts, and also called on them to improve the quality of education.

"The single most important factor determining the ability of the poor to obtain decent jobs is the level and quality of their education," said the report.

Officially 10.8 million of Indonesia's 106 million-strong workforce in 2005 were unemployed. But another 29.6 million are under-employed, working less than 40 hours a week, and half the population lives on less than two dollars a day.

New chairman of SMC



Syed Shamim Ahsan has been elected chairman of Social Marketing Company (SMC).

A former secretary, Ahsan joined the Civil Service of Pakistan in 1961 and held many important positions, says a press release.

At present, he is the executive chairman of Bangladesh Centre for Communications Programme and chairman of ENT Cancer Foundation.

New MD of BASF Bangladesh



Saria Sadique has been appointed the new managing director (MD) of BASF Bangladesh Ltd, a subsidiary of German chemical conglomerate BASF Aktiengesellschaft, Ludwigshafen, effective from May 29, 2006.

A graduate from Institute of Business Administration (IBA) at Dhaka University, Sadique joined this company in 1990, says a press release.

Prior to joining the BASF he worked for Pfizer Laboratories and Rhone-Poulenc (now sanofi-aventis).

Indo-Bangla trade fair to begin in Sept

A 10-day Indo-Bangla trade fair styled 'Sharadiya Meila' is going to be organised in India from September 1 to display and sell household products.

The exposition, to be organised on the occasion of 'Sharadiya Utsab', will showcase sari, handloom products and handicrafts, crockery, ceramic ware, melamine products, food items, jewellery and books, says a press release.

Verdant Marketing in collaboration with ExhiCon Update, Mumbai and Gonoshasthyay Kendra, Dhaka will arrange the show at three venues.



The seventh annual general meeting (AGM) of National Housing Finance And Investments Ltd was held recently in Dhaka. Chairman of the company M Haider Chowdhury presided over the AGM.