

COMPLIANCE IN RMG SECTOR

Buyers still unhappy with measures

Govt vows to do everything to retain market

STAR BUSINESS REPORT

International experts and buyers of Bangladesh's RMG products in a meeting yesterday in Dhaka expressed that they were yet to be fully satisfied with the official measures taken already to ensure compliance in the garment sector.

On the other hand, the commerce minister, who attended the deliberation, voiced government's determination to do everything in order to retain the sector's strong position in the world market.

"The meeting found that actions that have already been taken are not enough," Arnd Bornemann, manager (Bangladesh operation) of KarstadtQuelle, a buying company, told journalists coming out of the fourth meeting of Social Compliance Forum for RMG held in the Commerce Ministry conference room.

Firoz Ahmed, commerce secretary, Brigadier General Ashraf Abdullah Yussuf, executive chairman of Bangladesh Export Processing Zone Authority (Bepza), Tipu Munshi, president of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and repre-

sentatives from a number of labour organisations also attended the meeting.

The buyers said although the Bangladesh government has taken a considerable number of steps to make different garment units compliant following the recent unrest in some units, most of the factories are not fully compliant yet.

They also put forward some recommendations for capacity building of the garment factories that included training programme for managers, supervisors and workers to raise productivity, country's overall infrastructure development and development of backward linkages with a view to improving the value added within the manufacturing sector and attaining self-sufficiency for long-term sustainability.

National and international experts also felt it urgent that owners of the garment factories should be more serious in future about implementation of issues with regard to compliance as desired by buyers.

A buyer's representative attending the meeting said a little progress with regard to such compliance has been marked following the last two

meetings, although some action plans were spelt out at those meetings.

"Progress is never satisfactory. We find out that we never do enough. That means we have to do more in future to implement the actions," said Jonathan Rose, Bangladesh coordinator of MFA Forum, lamenting that a good number of units remained beyond being fully compliant.

He, however, appreciated the efforts put in by the ministries of home, commerce and labour and employment to resolve the problems faced with the RMG sector.

"We're really concerned now what the ministries as well as stakeholders are doing and what is really happening. So locally and internationally we can say what Bangladesh is doing actually to ensure compliance in the garment units."

The commerce minister assured the buyers that the government is taking steps to make the garment industry fully compliant.

"We already directed the garment owners to take adequate measures to implement compliance issues within a specific timeframe," he said, warning that any lapse in

this regard would be severely dealt with.

The commerce secretary termed the present situation in the garments sector satisfactory.

He said side by side the government efforts, BGMEA and BKMEA have already taken some programmes to ensure compliance in the garment units.

"We have decided that Export Promotion Bureau (EPB) will monitor activities in the RMG units on weekly basis so that the happenings may come into light," Firoz Ahmed said, informing the meeting that another four representatives of buyers will be included in the Social Compliance Forum for RMG for a better representation.

"The new buyers' representatives will be included on regional basis so that every part of the world can deliberate on what we are doing for the RMG sector," he added.

The BGMEA president told the meeting that actions would be taken against the defaulting factory owners who did not comply with the conditions that were determined in a tripartite meeting.

"BGMEA will hold a meeting on July 16 to review the overall situation in the sector," Tipu Munshi said.

360 tonnes of pulses imported from India

A CORRESPONDENT, Benapole

The Indian customs yesterday allowed three Bangladeshi companies to import 360 tonnes of pulses as they opened letters of credit before June 21, 2006.

As per a central government directive, the Indian customs authorities earlier imposed a ban on export of sugar, wheat and pulses from June 22.

In response to a plea of Indian exporters, the central commerce ministry of the country eased the ban for those Bangladeshi companies who opened L/C before June 21, Indian customs sources said.

Three Bangladeshi companies - BSS Trade International and Sohan Trade International of Chittagong and Popular Enterprise of Dhaka - imported a total of 360 tonnes pulses through Benapole land port yesterday.

Indian customs will also release pulses, sugar and wheat of other importers soon who opened L/C before the imposition of the ban.

New office of BGMEA on Panthapath

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday opened its new office on Panthapath Link Road in Dhaka.

Commerce Minister Hafizuddin Ahmad inaugurated the office, says a press release.

President of the BGMEA Tipu Munshi and first Vice President SM Abu Tayyab, among others, were present at the inauguration.

Pak decision on Safta to make deal meaningless: India

PTI, Islamabad

Unhappy over Pakistan's decision of limiting trade, India on Tuesday said such a move would make the agreement meaningless and sought an "urgent" meeting of the Saarc commerce ministers to discuss the issue.

Pakistan's move to limit trade to a few items with India under South Asian Free Trade Area (Safta) contradicted the decision taken at the 13th Saarc summit in Dhaka last year which called for timely implementation of Safta, junior minister for Finance Pawan Kumar Bansal told the first Saarc finance ministers' meet inaugurated by Pakistan Prime Minister Shaoukat Aziz.

The free trade agreement became operational from July 1.

Bansal said India was "surprised" to see Pakistan's notification issued on July one stating that Safta tariff concessions for India would be on 773 items existing in the bilateral "positive list."

"We regard this action as going against the very essence of Safta as it operated on the basis of agreed sensitive lists. Safta has little operational meaning if commitments are not honoured in letter and spirit," he said.

He said Pakistan's decision to introduce conditionalities could undermine the credibility of Saarc members.

"The credibility of the participating member-countries and Safta itself will be seriously questioned if additional conditionalities are introduced that were neither discussed nor agreed when Safta was being negotiated."

Such conditionalities would be a derogation of Safta agreement. It would also contradict the commitment made by leaders of the 13th Saarc (South Asian Association for Regional Cooperation) summit, Bansal said.

"We therefore hope that this issue would be resolved at the earliest so that Safta is implemented in the spirit it was negotiated with all parties living up to the commitments they have solemnly undertaken," Bansal said. "Intra-regional trade will receive a big boost and can become a major engine of growth, development and stability in the region. A successful implementation of Safta will also catalyse other areas of regional economic integration," he said.

He also referred to the need to curb cross-border terrorism to promote peace and security in the region.

Noting the major theme of the Dhaka Saarc summit in which terrorism was condemned in the strong terms, Bansal said there can also be no double standards in tackling this "collective challenge."

Ecneec okays 8 projects involving Tk 3256cr

STAR BUSINESS REPORT

The Executive Committee of National Economic Council (Ecneec) yesterday okayed eight development projects worth Tk 3256 crore, of which Tk 1473 crore will come from the government and the remaining Tk 1783 crore from donors.

The government fund for the projects will come from the block allocation earmarked in the FY07 fiscal budget. Out of the total block allocation in the budget, Tk 3024 crore was meant for sectoral block allocation in the annual development programme.

Prime Minister Khaleda Zia presided over the first Ecneec meeting of the current fiscal year.

After the Ecneec meeting, Finance Minister Saifur Rahman said the block allocation will be used under a budgetary discipline.

Among the projects approved yesterday the government will contribute Tk 60 crore to Tk112 crore Rajshahi Gas Distribution Network Project and Tk 359 crore to Tk685 crore Bheramara-Khulna Gas Transmission Pipeline Installation Project.

A Tk 1,738 crore Rural Infrastructure Development Project (second phase), Tk 287 crore Teesta Barrage Construction (second phase) Project, Sylhet and Barisal City Water Supply, Sanitation and Drainage Project involving Tk 50 crore, Coastal Area Water Supply and Sanitation Project of Tk 98 crore, Hygiene, Sanitation and Water Supply Project in 64 districts costing Tk 265 crore and Gas Supply Project in Chandpur 150 Mega Watt Power Station involving Tk 80 crore projects were also approved in the meeting.

BB to issue new Tk 100 note July 16

UNB, Dhaka

Bangladesh Bank will issue new 100 taka notes with a changed size and security thread on July 16.

The new note will be of 140X62 mm in size instead of its previous size of 152X65 mm and the width of its security thread will be 3 mm instead of previous 4 mm, said a Bangladesh Bank press release yesterday.

However, other features of the new note printed with colour changeable ink and the replica of National Mausoleum will remain the same.

The new note, printed with the signature of Bangladesh Bank Governor Dr Salehuddin Ahmed, will be issued primarily from its Motijheel office and then from other offices.

The other 100-taka notes will also remain in circulation, the release added.

TRAINING FOR WORKERS

Japan keen to invite more Bangladeshis

STAR BUSINESS REPORT

Japanese are keen to invite more Bangladeshi workers for training in Japan, although the locals are yet to seize the opportunity due to lack of initiatives from recruiters, a delegation of Japan International Training Cooperation Organization (Jitco) said yesterday.

The delegation also stressed the need for facilitating the recruiting process so that more workers get training opportunities.

Dhaka signed a memorandum of understanding with Tokyo in July last year for sending Bangladeshi workers for training in Japan. But so far only 12 Bangladeshi workers have received the training opportunities under the MoU.

But other countries under a three-year technical internship programme are sending more people for training to Japan, Kagefumi Ueno, senior vice president of Jitco, told reporters at a meeting in Dhaka. Having agreements with 15 countries, Japan is now hosting about 60,000 trainees.

The three-member Jitco delegation, which came to Bangladesh on a two-day visit Tuesday, said more initiatives are needed from Bangladesh's part to interact with the Japanese companies that sponsor the training.

Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) is assisting expatriate welfare and overseas employment ministry in recruiting Bangladeshi trainees.

Jitco Manager Masaaki Tachikawa, JBCCI President Hideo Ueno and Vice President Abdul Haque were also present at the meeting.

The delegation later met State Minister for Expatriate Welfare and Overseas Employment M Lutfar Rahman Khan Azad at his office.

'Mumbai blasts not a setback for economy'

AFP, New Delhi

Indian Finance Minister Palaniappan Chidambaram said Wednesday that a series of deadly train blasts in Mumbai, the country's economic hub, will not pull down the country's fast growing economy.

"This kind of cowardly and dastardly act will not break our will and resolve to move forward," Chidambaram told reporters in New Delhi, after seven blasts on crowded evening commuter killed at least 183 people Tuesday.

Chidambaram said the country's growth story was intact with industrial and manufacturing growth remaining strong and that investors were confident in the economy which is growing at about 8.0 percent.

US trade deficit widens

AFP, Washington

The US trade deficit widened slightly to 63.8 billion dollars in May as record oil imports offset an improvement in exports, the Commerce Department said Wednesday.

The deficit increased 0.8 percent from April's total of 63.3 billion dollars, but it was not as bad as the average estimate of economists of 65 billion dollars.

Exports rose by 2.7 billion dollars while imports jumped 3.2 billion.

Bangla Tissue launched

Nissho Koeki Tissue Papers Company Ltd, a Japan-Bangladesh joint venture, has launched a new brand of tissues in the local market.

Mominul Islam Patwary, chairman of the executive committee of Islami Bank Bangladesh Ltd, formally launched the brand, 'Bangla Tissue', at a function on Monday in Dhaka, says a press release.

Under the brand name of 'Bangla Tissue', the joint venture company is producing hard tissue, toilet tissue, table napkin, pocket tissue, kitchen towel and facial tissue.

AM Shah Alam Bhuiyan, managing director of the company, among others, was present at the launching ceremony.

Tripartite talks on gas pricing next month

APP, New Delhi

India, Pakistan and Iran will meet in the first week of August to resolve pricing issue of natural gas that Tehran wants to sell to the energy-hungry south Asian countries through a tri-nation pipeline.

"The last meeting of oil secretaries of the three countries in Islamabad on May 22-23 broke off after Iran sought a price linked to international crude oil for the natural gas it wants to sell to India and Pakistan through the over 7 billion dollar Iran-Pakistan-India pipeline," a government source said.

The third meeting of the tripartite working group on the IPI gas pipeline project would be held here on August 3-4, according to a news report here.

Iran had forwarded a gas pricing formula wherein the gas price is linked to Brent crude oil with a fixed escalating cost component (10 percent of Brent crude oil).

Tehran is seeking a price of 7.2 dollars per million British thermal unit (mBtu), with a three percent annual escalation, added the report.

"This price is more than 50 percent the prevailing market determined gas price in India," the source said. New Delhi was not willing to pay anything more than 4.25 dollars per mBtu price of gas delivered at its border.

India wants to import 90 million standard cubic meters of gas per day from Iran through the 2,100 km-long pipeline while Pakistan has indicated a requirement of up to 60 mmscmd.

Besides the Brent linkage, the Iranian formula does not prescribe a floor and ceiling for the gas price, he said.



PHOTO: STAR
Lankan High Commissioner to Bangladesh Vadivel Krishnamoorthy speaks at a press conference in Dhaka yesterday on the eve of a four-day 'Sri Lanka Single Country Trade Show 2006' that begins at Bangladesh-China Friendship Conference Centre in the capital today.

Dhaka-Colombo FTA seen key to boosting trade

4-day Sri Lanka trade show kicks off today

STAR BUSINESS REPORT

As a four-day Sri Lanka trade show kicks off today in Dhaka, Lankan envoy yesterday stressed the need for Dhaka-Colombo bilateral free trade agreement to boost trade and investment between the two countries.

Vadivel Krishnamoorthy, high commissioner of Sri Lanka to Bangladesh, also said his country is in talks with the Bangladesh government on bilateral FTA.

The envoy was speaking at a press conference on the eve of the first-ever 'Sri Lanka Single Country

Trade Show 2006' beginning at Bangladesh-China Friendship Conference Centre.

"After signing a bilateral free trade agreement with India trade volume between the two countries increased by many folds and eventually India has become the third largest export market of us," the envoy added.

In 2005, Bangladesh exported products worth \$ 8.87 million to Sri Lanka while it imported products worth \$ 15.50 from the country, said Thosapala Hewage, secretary of the Lankan Ministry of Enterprise Development and Investment

Promotion.

Export Development Board (EDB) of Sri Lanka in association with Sri Lankan High Commission in Dhaka is organising the show, which will remain open to all from 10am to 8pm everyday. Commerce Minister Hafiz Uddin Ahmed is expected to inaugurate the show.

A total of 35 companies and firms will exhibit their products and services, which include electronic products, garment accessories, agricultural machinery, perfume, herbal products, and construction materials.



PHOTO: GRAMEENPHONE
Ingvald Lyche, director (Sales and Distribution) of mobile phone operator GrameenPhone (GP) Ltd, cuts a cake to mark the inauguration of a GP centre at Motijheel in Dhaka on Sunday. Other senior officials of the company were also present.