

Incorporating sugar mill workers in wage commission demanded

STAR BUSINESS REPORT

Bangladesh Chinikal Sramik Kormachari Federation demanded immediate implementation of its seven-point demand that includes incorporating the sugar mill workers in the national wage commission.

They also demanded for bringing back working atmosphere in the mills suspending the government's austerity policy of 2002.

Addressing a press conference at the Dhaka Reporters Unity auditorium, the leaders of the federation said the workers became unhappy as the long-standing problems in the sector could not be resolved even after several rounds of negotiations with the high officials of the Bangladesh Sugar and Food Industries Corporation.

They also pointed out that the outstanding problems in the sector would also affect the lives of 16,000 workers and would have a negative impact on the rural economy.

President of the federation Nizamul Karim addressed the conference.

Federation leaders Mozahar Ali, Abdul Jalil Panna, Moslem Uddin, Habibur Rahman Dulal and Selim Reza Ripon were present.

The demands of the federation include implementation of all agreements signed by the authority with the workers, resolving all audit objections, changing the wage fixation policy and ensuring hundred per cent earned leave.

China urged to stay away from rogue states for trade

AFP, London

A committee of British members of parliament has urged China not to do deals with countries that flout international law and commit human rights abuses in an effort to acquire its much-needed natural resources in a wide-ranging report on east Asia.

The lower House of Commons's Foreign Affairs Committee said in a report published this week: "Beijing's attitude to business with states which the international community has condemned for their behaviour damages efforts to uphold international standards in human rights and good governance."

The committee went on to draw particular attention to China's relationship with Sudan and Zimbabwe, saying the Asian giant was not only doing damage to the interests of Western states, it was also doing damage to its own interests because "corrupt, brutal and incompetent regimes make unreliable partners."

In Sunday's report, the committee also condemned Internet firms such as Microsoft, Google and Yahoo! for collaborating with Chinese state censorship of the web, which it described as "morally unacceptable".

It also criticises China's military build-up along the Taiwan Straits, which, it says, "threatens peace and stability in East Asia".

The committee also warned of the emergence of an "authoritarian bloc" with Russia, and raised concerns about the implications of Taiwan's exclusion from the World Health Organisation (WHO).

The Foreign Affairs Committee's report said growing links between China and Russia raised concerns since it could signal "the emergence of an authoritarian bloc opposed to democracy and Western values in Eurasia" and the Shanghai Co-Operation Organisation - a security group aimed at counter-balancing NATO - could "evolve into an alliance of authoritarian powers opposed to the West".

The committee of members of parliament also said that while Britain should not recognise Taiwan as a state, it should increase ties with it, saying its exclusion from the WHO was "unsatisfactory, particularly with the spread of avian influenza".

The report also dubbed missile tests carried out by North Korea last month as "calculatedly provocative and unacceptable", adding that "it would be irresponsible for the government to assume that North Korea had not developed a nuclear weapon or weapons".

It also said that the risk of a nuclear accident in North Korea was "significant".

BORROWING FROM BANKS

BB eases conditions for foreign firms

STAR BUSINESS REPORT

Bangladesh Bank (BB) has relaxed the terms and conditions for borrowing from commercial banks by the foreign companies. This relaxation is also applicable for the joint venture ones.

If the debt-equity ratio of a foreign company does not exceed 50:50, the company can take loan from a commercial bank without any prior approval from the BB.

In case of a joint venture company, it will not need to go for the central bank's prior nod to borrow up to an amount equivalent to its local investment from a commercial bank.

The central bank issued a circular on Tuesday to this effect.

Earlier, the foreign companies were required to seek an approval from the central bank for taking loans from the commercial banks.

BB sources said it has taken the new initiative to get rid of the burden it had to shoulder in addition to its

regular business previously due to such an approval need for the foreign companies. Besides, recent development in expertise of the commercial banks in giving loans to the foreign companies has also prompted the central bank in allowing limited autonomy to the commercial banks to serve the purpose relaxing the terms and conditions.

Sources, however, said the BB would monitor the activities of the commercial banks from time to time to detect any lapses or irregularities in providing loans for the foreign companies.

The foreign companies have to repay every year a huge amount along with interest against external borrowing from foreign banks abroad.

Data show loan repayment of the foreign companies was US\$188 million in 2001 while the figure was \$243 million in 2002, \$229 million in 2003, \$372 million in 2004 and \$208 million in 2005.

The sources said the new initia-

tive would encourage the foreign companies to take loans from the local banks instead of foreign ones. Also, the newly announced relaxation will contribute in bringing about a positive impact on foreign direct investment in Bangladesh, it is hoped.

However, sources in the banking sector opined many a foreign companies are doing their business in Bangladesh, especially in the service sector.

And as they are more profit-oriented enterprises, such as telecom organisations, their contribution in the country's employment and export earning is insignificant, the sources added.

A good number of foreign companies are also in the pipeline to invest here in telecoms sector and the credit facilities, resulted from such easy terms for borrowing, will create an opportunity for repatriating more profits by the foreign companies, they anticipated.

Pakistani fruit exporters arrive in Dhaka

STAR BUSINESS REPORT

An eight-member delegation of fruits and vegetables traders of Baluchistan, a province of Pakistan, arrived in Dhaka yesterday on a three-day visit to explore more business potential.

During the visit, the delegates led by Qamar Anjum, deputy director of Export Promotion Bureau of Pakistan, will meet Bangladesh Cold Storage Association (BCSA) and Dhaka City Fruit Export Import Merchants Association.

The team will also visit two local food processing plants including Danish and ACME plants to explore opportunities to supply fruits to the units.

"Pakistan, a major producer of fruits and vegetables, is keen to increase export of its produces to Bangladesh," Roubina Taufiq Shah, commercial secretary of Pakistan High Commission in Dhaka, told a press conference.

She said Baluchistan is one of the largest provinces in Pakistan producing huge fruits and vegetables. But unfortunately, about 70 per cent of the produces remain utilised.

"So, we are interested to export the fruits and vegetables."

She, however, said Bangladesh can export pineapple to Pakistan as it has huge demand in the country. "Usually, we have to spend Rs 50 to buy a medium size pineapple in Pakistan. So, there is a huge export opportunity for Bangladeshi exporters to export pineapples to Pakistan," she said.

Replying to a question, she said there is a scope for setting up joint venture food processing units.

Qamar Anjum made a presentation on fruits and vegetables from Baluchistan at the press conference.

He said, "We are interested to export watermelon, onion, potato, apple, mango, dates, pine nuts and orange. We also want to export processed meat."

Pakistan exported goods worth \$125.52 million to Bangladesh in July-December period of fiscal 2005-06, while it imported only \$30.95 million goods from Bangladesh during the period.

No fuel subsidy cuts planned in Indonesia for '07

AFP, Jakarta

Indonesia plans to maintain fuel subsidies next year to help economic growth, with no price hikes foreseen, energy minister Purnomo Yusgiantoro said Wednesday.

The government raised fuel prices last October by an average of 126 percent to relieve some of the pressure caused by crippling state fuel subsidies after global oil prices struck historic highs.

Yusgiantoro said no more cuts were planned at least until the end of 2007.

"We realised we needed to stimulate economic growth, so we assumed there will be no fuel price hike," he told a press briefing, after President Susilo Bambang Yudhoyono issued details of the draft 2007 budget to parliament.

The government is planning to allocate fuel subsidies of up to 68.6 trillion rupiah (7.5 billion dollars) next year and power subsidies of 25.8 trillion rupiah, Yudhoyono said.

The proposed subsidy spending is based on an assumption that the Indonesian crude oil price would average around 65 dollars a barrel next year.

High GDP growth linked to better public management

Says law minister

STAR BUSINESS REPORT

Bangladesh can achieve 9-10 per cent GDP (gross domestic product) growth if better management is ensured in administration and other government institutions, Law Minister Moudud Ahmed said yesterday.

"We need efficient human resources for better management and here lies the importance of human resource management, development and training," Moudud told a function participated by national and international human resource management experts.

He was speaking at a five-day "Sixth International Conference on Human Resource Management and Development-2006" in Dhaka.

The minister also emphasised quality education for developing human resources.

Rapport Bangladesh Limited is organising the international con-

ference with the theme 'The role of HR managers in identifying, developing and managing talents'.

M Mosharrif Hossain, chairman and managing director of Rapport Bangladesh, Ahmad bin Ismail, managing director of TM International (Bangladesh) Limited, Peter Alan May, managing director of Karnaphuli Fertilizer Company Limited and Industries Secretary M Nurul Amin spoke at the function.

Sharu S Rangnekar, a management expert and writer from India, spoke on the theme while Prof Khawaja Amjad Saeed, principal of Hailey College of Banking and Finance, Pakistan, delivered the keynote address.

During the five-day conference various sessions will be held at BRAC Centre Inn in the capital that will be participated by experts from both home and abroad.

Asia's dark side threatens economic miracle: ADB

AFP, Manila

Billions of Asia's poor are faring even worse in terms of health and education, a problem that could eventually undermine the region's economic miracle, the Asian Development Bank warned in a report.

The Philippines-based bank called for targeted intervention by governments with programs for the poorest fifth of each country's populations that yield substantial results. Its economists said just throwing money at the problem does not work.

Unless governments act now, "the part of Asia that is shining will come crashing down sooner or later," chief ADB economist Ifzal Ali told a news conference at the launching of its study on the two sectors.

The report, "Measuring Policy Effectiveness in Health and Education", concluded that many Asia-Pacific countries would be unable to meet UN Millennium Development Goal (MDG) targets for universal primary school enrollment and a two-thirds cut in child mortality rates.

The report focuses on the "not-so glamorous part of Asia" where 1.9 billion people live on two dollars a day or less and 623 million who live on a dollar a day or less, Ali said.

The report noted large primary school enrollment deficiencies in Pakistan, Azerbaijan, Mongolia, Nepal and Papua New Guinea.

Even Bangladesh and India, which it said have made significant progress in primary school access, "concerns remain regarding the quality of basic education and inequities in enrollment rates," with poorer children almost three times more likely to drop out than richer ones.

It said child malnutrition levels remained "worryingly high" in the region despite significant declines in child mortality rates in Indonesia, Vietnam, and Sri Lanka.

Cambodia, India, Pakistan, and several former Soviet republics in central Asia "are all in danger of falling short of the target to reduce the under-five child mortality rate to two-thirds of 1990 levels by 2015," the report said.

Child mortality rates for the poor in mortal countries are also two or three times higher than those for the rich.

The report cites slips made by the Philippines, which has had traditionally high literacy and child immunization rates.

The former slipped by three percentage points to 94 percent between 1990 and 2004, and by five percentage points to 80 percent in the same period, respectively, as public health and education spending plummeted as a percentage of the gross domestic product.

"In many countries inequalities are exacerbated by public spending that supports better-off segments of society, such as on tertiary education, but does little to help the poor," said ADB economist Ajay Tandon, the report's principal author.

Ali said "government spending must be smart" because developing Asian nations spent an average of just 200 dollars a year for each of their citizens, compared to 1,400 dollars for developed nations.

The report, which forms part of Manila-based ADB's annual publication "Key Indicators", said northeast Asia with the exception of Mongolia is ahead of the rest of Asia in health and education.

However, it asserted that "economic growth is not a prerequisite" for human development, citing the success of Bangladesh in reducing inequalities as well as the communist-ruled Indian state of Kerala.

It also noted that in Nepal, social inequalities were highest in areas where the Maoist insurgency operates.

British jobless claims highest for over 4 yrs

AFP, London

The number of people claiming jobless benefits in Britain rose for the sixth month in a row in July to reach the highest level since the start of 2002, official data showed on Wednesday.

The claimant count rose by 2,000 from June to 957,000 people -- the highest level since January 2002, when it stood at 958,200 -- according to data published by the Office for National Statistics.

The figure is slowly nearing the politically-sensitive 1.0-million mark, which was last reached in January 2001.

However, the ONS also revealed that the number of people in work rose by 42,000 over the three months to June, to 28.94 million -- the highest figure since comparable records began in 1971.

"The data continue to show both employment and unemployment rising as the recently improved growth in the economy is still not generating enough jobs to meet the expanding labour force," said Global Insight economist Howard Archer.

Britain's unemployment rate stood at 3.0 percent in July, unchanged from the previous month but was 0.3 percentage points higher than a year earlier.

In June, the monthly claimant count rose by 4,300, downwardly revised from the original estimate of 5,600.

Meanwhile, the number of unemployed in Britain, as measured by the International Labour Organisation, rose by 92,000 to 1.677 million in the three months to June.

That marked the highest level since February 2000 when the figure stood at 1.682 million people. Analysts' consensus forecast had been for no change.

China firm to buy Rover brand name from BMW

AFP, Frankfurt

The famous Rover brand name, the former flagship of British car making, is to be sold to Chinese auto maker Shanghai Automotive Industry Corporation (SAIC) for just over 11 million pounds (16 million euros, 21 million dollars), the Financial Times reported Wednesday.

A spokesman for BMW, which owns the rights to the Rover brand name, declined to comment on the report.

"We cannot confirm the information," he said. "We are currently negotiating with a few interested parties, including SAIC, regarding the sale of the rights, but no agreement has yet been reached."

According to the FT, which quoted sources close to the transaction, BMW has agreed to sell the Rover brand name to SAIC at a bargain price.

BMW sold Rover in 2000, but held on to the brand name.

SAIC has already acquired the design rights for a number of Rover cars for 67 million pounds. With the Rover brand name, the Chinese car maker would have everything it wanted of Rover at a fraction of the cost of the 200-million-pound deal it was discussing with MG Rover before the Birmingham-based car maker collapsed last April, the FT said.

The newspaper said that the sale was likely to be completed in September, allowing SAIC to put the Rover badge on Rover-designed cars it will soon start building in China.



PHOTO: EBL

Managing Director and CEO of Eastern Bank Ltd (EBL) K Mahmood Sattar inaugurates an SME (small and medium enterprise) centre of the bank on Sonargaon Road in Dhaka on Monday. Additional Managing Director and Chief Operating Officer Ali Reza Iftekhar, Head of SME Banking Kamal Talukder and Programme Manager of SEDF Andrew McRobert, among others, were present.

Moscow seeks image boost with \$27m makeover

AFP, Moscow

Long known for its rich history and elegant marble-lined metro, Moscow has suddenly discovered that it has a bad rap among foreigners -- and is spending tens of millions of dollars to try and turn it around.

"After all, Mickey Mouse is just a mouse with good publicity," said Veronika Khilchevskaya, a consultant working on the 27-million-dollar (20-million-euro) campaign by the Moscow mayor's office to boost the Russian capital's image.

"We should present Moscow as a confident, comfortable and interest-

ing city," Mayor Yuri Luzhkov said after the city was ranked as the most expensive in the world for expatriates in a recent survey.

Quality-of-life reports frequently slam Moscow for high prices, traffic, and pollution, as well as a dearth of quality hotel space, tourism offices, public toilets and facilities for the disabled.

The mayor, however, likes to point his finger at the media, whom he accuses of focusing on "negative information" about Moscow, such as frequent building collapses and attacks on dark-skinned foreigners.

Though considered a global metropolis, with more than 10

million inhabitants, the Russian capital is still without an English-language Internet site.

City authorities are in negotiations to buy the site moscow.com, bought by a private individual "during the post-Soviet chaos," said Georgy Muradov, head of the new Center for the International Promotion of Moscow.

"It pays to make a good impression," said Grigory Antyufeyev, head of the Moscow Tourism Committee. "Every foreign tourist brings 900 dollars to the city."

Bangladesh ad market offers opportunities

MindShare top official talks to *The Daily Star*

STAR BUSINESS REPORT

MindShare, a UK-based media and management services enterprise, sees opportunities in terms of investing in human resources, research, products and services in Bangladesh market, says Sundar Raman, managing director (north and east) of MindShare.

"If you look at Bangladesh economy, you will see opportunities to use advertising as a strategic tool for marketing a product or service. So, Bangladesh is important for MindShare in Asian context," Raman told *The Daily Star* in a recent interview.

MindShare is a wing of GroupM, the world's leading full service media investment management operations created by WPP Group. The focus of GroupM is the intelli-



Sundar Raman

gent application of volume and scale in trading, innovation and quality of services in order to benefit the clients and companies it operates.

Termining the Bangladesh market

'buoyant', Raman said as the consumer economy booms, advertisements with dramatic interests, great planning and in-depth research will ensure the return of investment.

"We find great talents, we find the eagerness and energy to learn a newer thing in Bangladesh and the people are getting prepared for the big," he said.

"There will be opportunities for good quality people from Bangladesh to work in the other MindShare systems and companies across the world," Raman also said.

Presently, MindShare, which is very happy to work with some of the top-notch companies like Unilever in the world, is operating in 65 countries with 89 branches across the world.

PTI, New Delhi

Indian Prime Minister Manmohan Singh on Tuesday hinted at raising the prices of kerosene and cooking gas in the face of surging global oil prices and made a case for better returns to farmers even at the cost of higher food commodity prices.

"How much more can the government treasury bear this (petro-products subsidy) burden?" the prime minister wondered while delivering his third Independence Day speech from the ramparts of the Mughal-era Red Fort here.

Even though he declared inflation control as a priority, Singh said: "We need to understand that if we want better prices for farmers so that they earn better livelihood, the

prices of what they produce and sell will have to go up."

Clearly moved by the plight of agriculture sector that was driving farmers to suicide and concerned over the effects of globalisation like surging international oil prices, where the government was helpless, Singh said higher growth of the economy was a must for "war against poverty."

Listing out a series of measures for promoting employment and furthering the interests of farmers, including the issue of their indebtedness, Singh sought to assuage the fears of the common man on rising prices, saying: "Our government is committed to ensuring adequate availability of essential commodities at affordable prices to them (poor)."

Singh said that prices of kerosene and LPG (liquefied petroleum gas) not been raised, despite global crude prices more than doubling from USD 30 a barrel to USD 75 a barrel in two years.

"But there is a limit to which we can go on subsidising consumption of petroleum products in the face of rising import costs. At some point, this will affect our ability to spend on other important development programmes," he said while seeking a "political consensus" on the issues of national interest.

But Singh reiterated that India would do whatever is required to keep prices of essentials under check and cited measures to allow import of some products to meet the shortage in the domestic market.

Turning to poverty, the root cause of many ills plaguing India, the Prime Minister said the most effective way to banish poverty was to generate growth, which in turn would create new opportunities for gainful employment.

"Hence, economic growth is of primary importance for us," he said and called for efforts to generate higher employment in the manufacturing and services sectors to reduce the dependence on agriculture for creating jobs.

"We must ensure that more people get employment in manufacturing and services so that the disproportionate burden on agriculture in providing a livelihood to two-thirds of our population gets reduced," the prime ministers said.

India may hike kerosene price