

Star BUSINESS

E-mail: business@thedailystar.net

New range of Philips products launched

STAR BUSINESS REPORT

Electronics giant Philips has introduced some new and exclusive products, including a new four-sided Ambilight Flat TV, through its official licensee, Transcom Electronics Limited.

The Extreme Entertainment 2006, an exclusive range of products from Philips, was launched at Bangladesh-China Friendship Conference Centre (BCFCC) in Dhaka yesterday.

The other new arrivals include Philips LCD (liquid crystal display) and Plasma TVs, Home Theatre and Audio Systems.

The price of Ambilight Flat TV is Tk 4.5 lakh while the price of LCD TVs ranges from Tk 1.25 lakh to Tk 4.5 lakh. The price of plasma TVs ranges from Tk 2.99 lakh to Tk 4.5 lakh.

Of the new products, Ambilight Full Surround TV is the latest one. It features a dramatic colour and light effect on all sides of the screen to draw consumers even deeper into the action. And Philips is the first electronic company to launch such a high definition flat television.

Latifur Rahman, chairman and managing director of Transcom Group, Sirtz Meijandert, charge d' affaires of the Embassy of Holland in Dhaka, and Philip Lim, export manager of PCE Singapore Export, jointly launched the four-sided Ambilight Flat TV at the function.

Speaking at the function as chief guest, Latifur Rahman said the high-end and cutting edge of technology products of Philips Consumer Electronics have been introduced by Philips in Bangladesh for the first time.

On the occasion of product launching, Philips has arranged a display of the new products and a spot-booking centre for the probable customers.

The customers will get 20 per cent commission coupon through booking a Philips product at the BCFCC from 4:00pm to around 9:00pm today. The coupon will be valid up to November 15 and a customer can get the commission purchasing the booked product from any showroom of Philips.

Besides, Philips at its outlets is also offering Tk 25,000 discount on LCD and Plasma tv, Home Theatre and Audio Systems.

Obaidur Rahman Khan, executive director, and Arshad Huq, general manager (Sales and Marketing) of Transcom Electronics, also spoke. Transcom Group directors Saifur Rahman Khan and Atiqur Rahman were also present.

US trade show in Feb

The 16th annual 3-day US trade show will be held on February 14-16, 2007 at Dhaka Sheraton Hotel, says a press release.

The event is Bangladesh's premier trade show that exhibits US products and services.

The US Trade Show 2006 attracted 75 participants representing over 150 US companies. The AmCham in cooperation with the US Embassy will organise the US Trade Show 2007.

Graft, politicisation widen rich-poor gap

Experts tell launching of report on Serve the Essentials

STAR BUSINESS REPORT

Corruption and politicisation in basic service delivery processes and mismanagement in development projects have greatly contributed to the widening gap between the rich and the poor, economists and development experts said yesterday in Dhaka.

The inequality widened despite upward economic growth since the subsidies and opportunities were more for the advantageous section of the people, they told the launch of South Asia Report on 'Serve the Essentials: What government and donors must do to improve South Asia's essential services'.

Development initiatives also failed to reach the poor and ethnic minority groups in remote and isolated areas, the economists and experts added.

Department of Geography and Environment of Dhaka University (DU) and Oxfam GB organised the ceremony.

Professor Muzaffer Ahmad,

chairman of Transparency International Bangladesh (TIB), said most school committees in the country have become highly politicised where the MPs or the elected political leaders influence the recruitment of teachers even with inferior qualities.

"Are all the free books meant for students in rural areas distributed?" he posed a question and said lack of books for poor students remained a setback for their education.

"Governments hardly take initiatives to curb corruption," he said.

"People, who enjoy opportunities and options, are basically the advantageous groups, but are not pro-poor," said Professor Muzaffer. Professor Muzaffer said those who get subsidised public education are not pro-poor. Most doctors who graduate from the public institutions are unwilling to work in rural areas, he said, adding that they rather want to be in urban areas.

Reviewing the report Dr AQM Mahbub, chairman of Geography

and Environment Department of DU, said there is a 'gap' when it is said the enrolment in primary education is 100 per cent with 45 per cent dropout rate.

Referring to the report that arsenic in the shallow tube-well water is found in 59 out of the 64 districts, he said, "We must go for immediate solution to this."

DU Professor Mahbuba Nasreen felt Bangladesh can follow the examples of India, which earned success in health and education and Nepal for its success in involving communities in the development initiatives.

Highlighting the success in immunisation in Bangladesh, Dhaka Medical College Principal Dr Syed Mahbubul Alam said lack of nurses and paramedics is a major setback.

Oxfam GB Country Representative Anil P Tambay presented the report, while DU Professor MM Akash and Oxfam GB Programme Coordinator Farid Hasan Ahmed also spoke.



Sirtz Meijandert (L), charge d'affaires of the Netherlands embassy in Dhaka, Latifur Rahman (C), chairman and managing director of Transcom Group, and Philip Lim, export manager of PCE Singapore Export, jointly launch four-sided Ambilight Flat TV at a function in the capital yesterday.

Markets rattled by US polls

AFP, London

Global finance markets wobbled Wednesday on fears that a Democrat victory in the US Congressional elections could prompt less market-friendly policies in the world's biggest economy, dealers said.

Investors watched nervously as jubilant Democrats seized power in the US House of Representatives for the first time since 1994 and edged closer to taking the Senate, pushing European and Asian equi-

ties lower and weighing also on the dollar.

European indices eased off fresh five-year highs struck the previous day, while Japanese shares tumbled by more than one percent, as investors also feared that a split in power in Washington would create legislative gridlock.

The DJ Euro Stoxx 50 index of top eurozone shares lost 0.41 percent to 4,055.98 points.

The US dollar meanwhile staged a slight retreat against the euro and the yen.

However, oil market analysts dampened talk that the vote would have an immediate impact on US foreign policy in the oil-rich Middle East.

In Asia on Wednesday, Tokyo's benchmark Nikkei-225 shares index lost 1.08 percent to close at 16,215.74 points.

A Democratic majority in both houses would have some effect on the Tokyo market but such an outcome has already been priced in, said Hiroyuki Nakai, chief strategist at Tokai Tokyo Research Center.

Swiss Festival kicks off

STAR BUSINESS REPORT

In a bid to increase trade volume between Bangladesh and Switzerland and strengthen bilateral relationship between the two nations, a three-day 'Swiss Festival' started in Dhaka yesterday.

A range of Swiss companies, local NGOs and development organisations funded by the Swiss, participated in the festival at Bangladesh-China Friendship Conference Centre in the capital to showcase textile products, banking services, construction materials, education services, consumer products and many more.

Mahbubul Alam, information adviser to the caretaker government, inaugurated the festival while Dora Rapold, Swiss ambassador to Bangladesh, Ashfaqur Rahman, president of Switzerland-Bangladesh Business Forum (SBBF), and Adrian Schlaepfer, assistant director general of Swiss Agency for Development and Cooperation (SDC), were also present.

Swiss embassy in Dhaka, SDC and SBBF jointly organised the festival, which is open for all from 10am to 8pm everyday. The Daily Star is the media partner of the fair and CEMS, an event management company, is managing the show.

"The festival, which marks the 35th anniversary of friendship between the two countries, will help our people know more about Switzerland, including the whole range of activities of the SDC", Mahbubul Alam said in his inaugural speech.

The SDC is supporting many programmes in social and economic sectors to help Bangladesh achieve the Millennium Development Goals, the adviser said. "We hope the SDC would increase its assistance in covering more areas to help our effort to make poverty a history".

The SDC's support in exploring new and emerging markets in Europe for Bangladesh's export and drawing more Swiss investment will be of particular help for Bangladesh, he added.

The bilateral relation between the two countries is grounded on development assistance, trade and investment and culture, the Swiss ambassador said, adding that the trade volume between the two nations is increasing by 10 per cent per year.

On the sidelines of the festival, seminars on economic development of Bangladesh, its textile sector and technological aspects of Switzerland will also be held.

Rehab fair postponed

Due to unavoidable circumstances, 'Rehab Fair, Dhaka-2006', which was scheduled for November 14-18, has been postponed until further notice, according to a press release issued by Real Estate & Housing Association of Bangladesh (Rehab).



Mahbubul Alam (2-R), information adviser to the caretaker government, inaugurates a three-day 'Swiss Festival' at Bangladesh-China Friendship Conference Centre in Dhaka yesterday. Dora Rapold, Swiss ambassador to Bangladesh, among others, was present.

Home-based workers seek nat'l wage policy

STAR BUSINESS REPORT

Matia Banu is a housewife. She has opted for working as a home-based worker to earn some extra money for her family. Making various types of cakes is her job, a sub-contractual one for which she has been assigned by a city super chain shop. But Matia has been unhappy over the years as she is denied a price fair proportionately with her hard labour and time.

"I work at home during my leisure time, though. Whatever the amount I get as wage is considered as an extra income. But it's not enough because the job is laborious and time-consuming as well," Matia grumbles.

There are thousands of Matias here and there. These home-based workers are often denied fair wages for jobs due to lack of a national wage policy recognising such workers' contribution to the country's economy.

The observation came yesterday at a workshop on Minimum Wages for Home-based Workers at the Swanirbhar Bangladesh auditorium in Dhaka.

Bangladesh Women Home-workers Association (BWHWA) and Homenet Bangladesh in association with United Nations Development Fund for Women organised the workshop.

Speaking on the occasion, Dilruba Anguri, general secretary of BWHWA, quoting the Home Work Convention 1996 of the International Labour Organisation (ILO) said a person who produces different components of a product or a whole product in his own home for money on a contract is regarded as home worker.

Referring to the Clause 3 in the ILO Convention that laid emphasis on formulation and implementation of national policies for development of the home workers, Dilruba lamented that no government paid any heed to the matter in the last 10 years.

"The need for a national wage policy is urgent because it would

help mitigate the deprivation of the home workers, many of whom produce exportable quality goods," she observed.

She demanded the government should ratify the ILO Home Work Convention 1996 to protect the home-based industry.

Touhidur Rahman Rony, president of the Garment Industry Workers Federation, announced at the workshop that a series of programmes would be chalked out to press home a wage security for the home-based workers.

He also made a clarion call to organise dialogues with small entrepreneurs, including Grammen Bank and Aarong, to fix a minimum wage for the home-based workers.

Addressing as the chief guest, Mahmud Hasan Khan Babu, director of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), asked for ensuring social security, healthcare and facilities for the home-based workers.

He also suggested that adequate opportunities be made for the home workers to participate in different exhibitions and fairs, which might directly help them to get fair prices of their products.

Representatives from different organisations in Gazipur, Tangail, Shirajganj, Barisal, Khulna, Chuadanga and other areas of the country took part in the workshop.

They demanded fixing a category of the home-based works at first before raising the issue of minimum wages.

They also called for forming provident fund for the home-based workers immediately as fixing a minimum wage is a long process.

Badruddoza Nizam, general secretary of Garment Tailors Workers League, Selim Reza, coordinator of Homenet Bangladesh, and Abdul Mukit Khan, president of International Free Trade Union Congress, also spoke on the occasion.

JC Penney president in town



Ken Hicks

A top ranking delegation from the leading US retailer JC Penney, headed by Ken Hicks, the president and chief merchandising officer, arrived in Dhaka yesterday, says a press release.

The other members of the delegation include Peter McGrath, executive vice president and director of Product Development & Sourcing, Catherine West, executive vice president and chief operating officer, Lana Cain Krauter, executive vice president and general merchandise manager, Jeff Allison, executive vice president and director of Planning & Allocation, and Ron Schulman, vice president and director of Sourcing.

The team is scheduled to visit Beximco Industrial Park today, where Beximco, the largest private sector business conglomerate in Bangladesh, owns and operates one of South Asia's largest vertically integrated textile operations.

BSS adds: JC Penney, a \$20 billion business conglomerate on RMG concern and one of the largest apparel retailers in North America, is the largest customer of Bangladesh apparel.

Economic programme: CPD's recommendations for caretaker government

DEBAPRIYA BHATTACHARYA

(CONTINUED FROM NOVEMBER 8)

Public Expenditure. For FY06, the GDP-public expenditure ratio was 15.5 per cent. It may be recalled that Bangladesh is distinguished by low public expenditure-GDP ratio among comparable regional countries (where the matching share is about 18-20 per cent). Accordingly, there is a need to enhance the level of public expenditure, but definitely without compromising its quality and the fiscal stability.

Revenue Expenditure. The revenue expenditure for FY06 amounted to 9 per cent of GDP. A total of Tk. 39536 crore has been earmarked as revenue expenditure for FY07. As there is no real time data available for the first quarter of the current fiscal year, it is difficult to analyse the trend. Although revenue expenditures are very rigid in structure, there is apprehension that it has overshoot target particularly in the case of debt servicing due to growing borrowing by the government, and in the case of salaries and allowances since the government had committed to higher payments to teachers and

other government service holders. Constant monitoring of the revenue expenditures and product expenditures decisions (e.g. in the case of Block Allocations) should be the path to be followed by the CTG.

Containing the borrowing by the government should be a singular objective of the CTG. It may be reminded that space of the public expenditure is getting increasingly squeezed as debt servicing payments are eating up an incremental share of revenue allocation.

Annual Development Programme (ADP). The ADP-GDP ratio stood at 5.2 per cent during FY06. The achieved ratio was lower than the PRSP target of 5.9 per cent. Thus, there remains an unmet public investment need in Bangladesh economy. However, this does not take away our concern about inclusion of unviable projects in the ADP arising out of political consideration in a pre-election situation.

The proposed ADP for FY07 was set at a lower target (5.6 per cent of GDP) than the PRSP target (6.2 per cent of GDP). The prospect of having a respectable implementa-

tion level of ADP in FY07 seems to be a remote possibility given the evolving political transition.

A total number of 886 projects amounting to Tk. 26,000 crore are being financed under the ADP in FY07, of which 428 were included without approval and allocation. A total of 66 projects amounting to Tk. 21,059 crore were approved in seven meetings of ECNEC held during the first four months of the current fiscal (July-October of FY07). The CTG needs to take a close look at these projects and reconfirm their economic justification before fund disbursement. The approved amount equals to more than 80 per cent of the total amount earmarked for ADP for FY07. On the other hand, the purchase sub-committee in its six meetings held between July 2006 and October 2006 approved a total number of 29 projects.

Budget Deficit. Net fiscal deficit during the FY06 stood at (-) 3.2 per cent of GDP which was lower than the target set by the PRSP (4.5 per cent of GDP). Domestic financing underwrote about 60 per cent and foreign financing about 40 per cent

of the fiscal deficit. Between the sources of the domestic financing, the banking system contributed double the amount provided by the non-bank system. The domestic financing was substantially higher, at Tk. 8,426.70 crore in FY06, when compared to the matching amount for FY05 (Tk. 6,014.16 crore), registering 40.1 per cent of growth.

During the first two months of FY07, budget deficit experienced a growth of 41.3 per cent over the matching period of the previous fiscal year, i.e. Tk. 2354.27 crore in July-August of FY07 compared to Tk. 1666.58 crore in July-August FY06. The budget deficit was 0.57 per cent as a share of GDP vis-à-vis 0.40 per cent for the same period of FY06. One is surprised by such an extraordinary growth of budget deficit in the early part of FY07. Such a shortfall cannot be explained only by shortfall in revenue collection and by a low off-take of foreign aid (see later). There must have been a high spending spree during the first three months of the current fiscal year which led to such high domestic borrowing.

Domestic financing posted a

robust 111.6 per cent growth. The figure of domestic financing was already higher in the first two months (Tk. 20.51 billion) compared to the PRGF target of Tk. 16 billion for July-September of the current fiscal year.

A more worrying picture is that net borrowing by the government from the banking system experienced a growth of 130.7 per cent, while the non-banking source posted a 88.4 per cent growth over the matched figure of the previous year. On the other hand, net foreign financing experienced a negative growth of (-) 56.55 per cent during July-August of FY07.

Thus, reducing the budget deficit will be one of the most important fiscal objectives of the CTG. CTG will need to pursue this objective by increasing revenue (particularly more customs duty), curbing expenditure, curtailing government borrowing and increasing foreign financing.

(CONCLUDED)

The writer is the executive director of the Centre for Policy Dialogue (CPD).