

# Embargo may be clamped on some Bangladesh garments

Masud Hasan Khan

American consumers are now spending more for better looks and as such demand for clothes have shot up significantly than the previous years in the United States.

As a result of meeting the increased US demand for clothes, with quota allocation for different categories remaining intact, some of the major apparel exporting countries including Bangladesh are now facing a potential embargo on some of their important quota categories, possibly with effect from October.

The shadow of the potential embargo has grown large because within six months of the current quota year, these countries have exported a major part of their allocated quota almost exhausted their present quota level. The US importers will not allow any increase in quotas for these countries.

The current quota year started from February, 1992 and will remain in effect till January next year.

Besides Bangladesh, other exporters like China, Korea, Taiwan, Thailand, the Philippines, Malaysia, India, Pakistan and Nepal are also facing the embargo situation on one or more quota categories.

During the first six months of the present quota year, Bangladesh exported more than 70 per cent of its quota level in categories 340/640 (shirts, not knit, both men and boys) and 847 (trousers, shorts and slacks).

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) sources pointed out that exports in these categories filled only 45 per cent of the quota allocation during the same period last year.

The US imports more than 50 per cent of Bangladesh's total garment products worth over 500 million US dollar.

Out of the total 84 categories of US garment imports, Bangladesh supplies 28 categories under quota system.

**Backdrop of the embargo situation**

The Export Promotion Bureau (EPB) is entrusted with the responsibility of allocating quota to the garments manufacturers on the basis of their performance.

According to the National Quota Allocation Policy (QAP), these are allocated at 120 per cent of the year's quota level for efficient utilisation of the valuable quotas.

In case of overshoot in any category there are provisions in the USA-Bangladesh bilateral quota agreement for appropriate flexibility and carry-forward for adjustment of the overshoot figure, that is the reason for fixing quota at 120 per cent level and not at 100 per cent, according to BGMEA.

Last year, there were over-

shipment in the categories and though it was stated in the QAP that overshoot should be reduced from the next year's allocation, EPB did not consider the overshoot figures while allocating quota for the present year, sources in BGMEA said.

Due to the stronger demand in the USA and over-allocation in these categories Bangladesh consumed 70 per cent of its present quota level within six months, only to face an embargo situation.

**What now to be done?**

An embargo on quota categories will harm not only the garment exporters but also the country's total export trading, which would suffer a serious set back in the coming years.

Quotas are very valuable and sensitive for the apparel manufacturers and exporters as each manufacturer earns his quota by past years performance.

Talking to the Daily Star on the impending embargo situ-

ation, BGMEA President Mohammad Mosharrar Hossain said that the two categories remained the high risk situation.

Once the embargo was clamped, the apparel in the two categories, both under shipment and manufacturing, would face serious problems, he said.

Hossain said that the government had already been requested to contact US government for discussing the situation.

BGMEA President suggested diplomatic efforts to arrange special carry-forward facilities from the US importers to face the embargo and save the country's sensitive export from a possible jeopardy.

He recommended several measures to avert the situation. Hussain said besides the six per cent annual growth in the garment sector, seven per cent to eight per cent of quota from other categories could be switched over to be exhausted categories to avert the em-

bargo situation.

EPB has already issued a circular inviting switching of quota categories between 347/348 and 847, and 338/339 and 638/639 to meet the crisis, according to the latest BGMEA Newsletter.

As of August 10, Bangladesh readjusted 32,444 dozens of trouser, shorts and slacks to the category 847, the Newsletter said.

The base level of the category in the current year was four lakh 63 thousand and 485 units (dozens) it said.

In the category 340/640, the base level was fixed at 19 lakh 54 thousand and 654 units. The adjusted level was 20 lakh 91 thousand and 480 units.

The garment exporting and manufacturing community suggest that as a responsible exporter of apparel, the country should immediately take steps to arrange efficient distribution of quota, so that similar situation does not arise in future.



A woman is busy with garment making.

## Reception to Malaysian FM

Multimode Transport Consultants Limited, a leading business house and distributor of prestigious Malaysian national car "Proton Saga" in Bangladesh accorded a warm reception to the visiting Malaysian Foreign Minister Datuk Abdullah Bin Haji Ahmad Badawi at Panda Garden Tuesday, says a press release.

Abdul Awal Mintoo, Managing Director of Multimode Transport Consultants Limited welcomed the Malaysian FM.

It was attended among others by Ambassadors of ASEAN and SAARC countries, MPs, presidents of FBCCI, DCCI and MCCI, leading bankers, businessmen and elite of the city.

The Malaysian Foreign Minister in his speech stressed on more skilled manpower export to his country. Bangladesh has lot of population which could be turned into asset and can be sent to Malaysia and other Middle East countries, the Foreign Minister said.

Abdul Awal Mintoo who is also the Chairman of Bangladesh Ocean Going Ship Owners' Association in his speech lauded the impressive economic growth of Malaysia over the last 20 years.

## Uplift projects reviewed

MYMENSINGH, Aug 25: A meeting of the District Test Relief (food for work) Coordination Committee held here today with Jute Minister ASM Hannan Shah in the chair, reports BSS.

The meeting reviewed the progress of the implementation of its last year (1991-92) activities.

A total of 1,116 metric tons of wheat has been allocated to undertake development project in 12 thanas

# Kuala Lumpur to strengthen economic ties with Dhaka

Malaysia will undertake more joint venture projects and strengthen economic cooperation with Bangladesh, reports BSS.

The visiting Malaysian Foreign Minister Datuk Abdullah Bin Haji Ahmad Badawi said this when he called on President Abdur Rahman Biswas at Bangabhaban on Tuesday.

The Malaysian Minister termed the relationship between Bangladesh and his country as 'excellent' and said his country always stressed on continuous economic and trade relationship with Bangladesh.

He said that his government would provide all possible cooperation to the development pursuits instituted by the present democratic government and of Bangladesh was expected to sign agreements in this regard during his current visit.

The Minister apprised the President about the satisfactory progress of the Bangladesh-Malaysia Joint Economic Commission and hoped that more mutually beneficial projects would be undertaken by this commission.

He said that more Malaysian students would come to study in different educational institutions in Bangladesh.

He conveyed the best wishes from King of Malaysia to the President.

While talking to the Minister, President Biswas highly appreciated the existing relations between the two countries since the liberation of Bangladesh.

The President expressed his gratitude to the Government of Malaysia for the cooperation and assistance in solving the Rohingya Muslim

refugees problem of Myanmar. He stressed the need for more joint economic ventures and recruiting both skilled and unskilled Bangladeshi manpower for Malaysian development projects.

President Biswas also stressed the need for reducing trade gap between the two brotherly countries and expanding bilateral relations in all fields with due emphasis on

frequent visits of delegations. He conveyed his warm greetings to the King and the Prime Minister of Malaysia.

Foreign Minister A S M Mostafizur Rahman, Secretary to the President, Ataul Huq and Malaysian High Commissioner in Bangladesh Ahmed Fuzi Bin Haji Abdul Razak, were also present on the occasion.

## Raw Jute Prices

As of August 24

| Katcha Bales FOB           | White | Tossa | Meshta |
|----------------------------|-------|-------|--------|
| Naryanganj/Daulatpur       |       |       |        |
| Varieties (TK. per 100 Kg) |       |       |        |
| Mid.                       | 1058  | 1099  | 871    |
| Bot. (B)                   | 978   | 1018  | 804    |
| Bot. (C)                   | 871   | 938   | 737    |
| Bot. (D)                   | 790   | 857   | 670    |

| Pucca Bales | White | Tossa | Meshta |
|-------------|-------|-------|--------|
| Variety     |       |       |        |
| Special     | 2900  | 450   |        |
| A           | 2700  | 415   |        |
| B           | 2500  | 375   |        |
| C           | 2250  | 345   |        |
| D           | 2050  | 310   |        |
| E           | 1850  | 290   |        |

| White (BT) | White | Tossa | Meshta |
|------------|-------|-------|--------|
| Special    | 2950  | 460   |        |
| A          | 2750  | 425   |        |
| B          | 2550  | 380   |        |
| C          | 2300  | 360   |        |
| D          | 2100  | 315   |        |
| E          | 1900  | 295   |        |

| Rejection | White | Tossa | Meshta |
|-----------|-------|-------|--------|
| Special   | 1450  | 230   |        |

## Shipping Intelligence

### CHITTAGONG PORT

Berth position and performance of vessels as on 25.08.92

| Berth No. | Name of vessels     | Cargo   | L. Port | Local Agent | Date of Arrival | Date of Leaving |
|-----------|---------------------|---------|---------|-------------|-----------------|-----------------|
| J/2       | Banglar Shobha      | GI      | Para    | BSC         | 23/8            | 4/9             |
| J/4       | Mizoram             | GI/CL   | Cal     | SSL         | 21/8            | 26/8            |
| J/5       | Hafez               | GL      | Cal     | SSL         | 22/8            | 31/8            |
| J/7       | Banglar Gournab     | Urea    | Mong    | BSC         | 10/8            | 1/9             |
| J/8       | Qing He Cheng       | GI      | S.Hai   | BDSHP       | 20/8            | 25/8            |
| J/9       | I.Yamburenlo        | Cont    | Strng   | CT          | 24/8            | 27/8            |
| J/11      | Al Mohammad         | Urea    | Mong    | KSL         | 10/8            | 27/8            |
| J/12      | Nen Jiang           | GI(SPL) | Chtra   | BDSHP       | 18/8            | 25/8            |
| J/13      | New Genlord         | Cont    | Strng   | BDSHP       | 22/8            | 26/8            |
| MPB/1     | Optima              | Cont    | Strng   | RSL         | 22/8            | 25/8            |
| MPB/2     | A. Megacarrrier Two | Cont    | Strng   | BDSHP       | 22/8            | 25/8            |
| RM/3      | Jamac               | CDSO    | Para    | Seacom      | 19/8            | 26/8            |
| RM/6      | Artemis-1           | Cement  | Alada   | Bright      | 10/8            | 26/8            |
| DDJ       | Banglar Jyoti       | C.Oil   | -       | BSC         | R/A             | 25/8            |
| DDJ/1     | Endurance Sea       | Repair  | Aqaba   | EOSSL       | 25/1            | 30/8            |
| DDJ/2     | Banglar Baant       | Repair  | -       | BSC         | R/A             | 28/8            |
| RM/9      | Banglar Sampad      | Repair  | -       | BSC         | R/A             | 26/8            |

### VESSELS DUE AT OUTER ANCHORAGE:

| Name of Vessels    | Date of Arrival | Last Port | Local Agent | Cargo       | Loading Port |
|--------------------|-----------------|-----------|-------------|-------------|--------------|
| Oryx               | 25/8            | Mong      | Aqan        | GL          | Doula        |
| Green Island       | 25/8            | -         | Karna       | GI          | New York     |
| Shalamar           | 26/8            | -         | PSAL        | Cement      | -            |
| Georgiso-M         | 26/8            | -         | Paragon     | Cement      | -            |
| Iyeverett          | 26/8            | Cal       | EBPL        | GI          | -            |
| Fong Shin15/8      | 26/8            | Strng     | BDSHP       | Cont        | Strng        |
| Ever Cheer 8/8     | 26/8            | Strng     | BDSHP       | Cont        | Cal. Hald    |
| Kota Buana16/8     | 27/8            | Strng     | CTS         | Cont        | Strng        |
| Mehedintl          | 27/8            | Col       | BSL         | GI          | -            |
| Miramar            | 28/8            | Mong      | KSL         | GL          | Sudan        |
| Andromache16/8     | 28/8            | Col       | RSL         | Cont        | Mong         |
| Bervalla23/8       | 28/8            | Mong      | RSL         | Cont        | Strng        |
| Petr Starostin16/8 | 28/8            | Strng     | CT          | Cont        | Strng        |
| Swan Glory         | 28/8            | -         | Seacom      | GI          | -            |
| Fong Yun 18/8      | 29/8            | Strng     | BDSHP       | Cont        | Strng        |
| Caravos Explorer   | 30/8            | Stork     | Alamin      | Wheat       | -            |
| Diamond Star       | 30/8            | Strng     | BSC         | Steel Cargo | -            |
| Safina-E-Hatder    | 2/9             | Kan       | ASLL        | GI/CL       | Karachi      |
| NGS Ranger 22/8    | 2/9             | Strng     | BDSHP       | Cont        | Strng        |
| Horn               | 2/9             | -         | Prog        | GI          | -            |

### TANKER DUE

|           |      |      |     |
|-----------|------|------|-----|
| Encounter | 25/8 | Para | CPO |
|-----------|------|------|-----|

### VESSELS AT KUTUBDIA

| Name of Vessels  | Cargo | Last Port | Local Agent | Date of Arrival |
|------------------|-------|-----------|-------------|-----------------|
| T.T energy       | C.Oil | Col       | NNL         | 27/4            |
| Kashae           | C.Oil | Jebal     | DSLL        | 19/8            |
| Banglar Shourabh | C.Oil | -         | BSC         | R/A(24/8)       |
| Ultra Sea        | Wheat | New Orle  | Lams        | 22/8            |
| Solbulk          | Wheat | Para      | Lams        | 22/8            |

### VESSELS AT OUTER ANCHORAGE:

READY ON:

|               |        |      |      |      |
|---------------|--------|------|------|------|
| Flying Dragon | Repair | Sing | USTC | 23/8 |
| Vishva Pallav | GL     | Mong | SSL  | 25/8 |

### VESSELS NOT READY:

|             |        |         |        |      |
|-------------|--------|---------|--------|------|
| Yao Sheng   | Cement | Sing    | Bright | 17/8 |
| AL Tabith   | R.Sulp | Al Juba | BSL    | 18/8 |
| Tanary Star | Cement | Sing    | PSAL   | 24/8 |

### VESSELS AWAITING INSTRUCTION:

|              |   |   |     |           |
|--------------|---|---|-----|-----------|
| Banglar Asha | - | - | BSC | R/A(24/8) |
| Samudra Raj  | - | - | SSL | R/A(24/8) |

### VESSELS NOT ENTERING:

|                        |          |      |        |           |
|------------------------|----------|------|--------|-----------|
| Alyn                   | Cement   | Sing | Alamin | R/A(18/9) |
| Nehaj                  | Scraping | Col  | UMAL   | 10/6      |
| Samudra Samrat         | -        | -    | SSL    | R/A(21/8) |
| Brynskyf Mashnostrotel | -        | -    | TSSL   | R/A(14/8) |

The above were the Tuesday's shipping position and performance of vessels of Chittagong Port as per berthing sheet of CPA supplied by HRC Group, Dhaka.

## Price Index

August 25

### Essentials

|                            |               |  |
|----------------------------|---------------|--|
| RICE                       | (Taka per kg) |  |
| Aman(11ne)                 | 16.00-17.00   |  |
| Pajam                      | 13.00-14.50   |  |
| VEGETABLES                 | (Taka per kg) |  |
| Potato (local)             | 11.00-12.00   |  |
| Brijraj                    | 9.00-10.00    |  |
| Kavola                     | 10.00-12.00   |  |
| Latahak                    | 5.00-6.00     |  |
| Pappa                      | 6.00-7.00     |  |
| Green Banana (Four Pieces) | 4.00-6.00     |  |

### OTHER FOODGRAN

|             |               |  |
|-------------|---------------|--|
| Flour       | (Taka per kg) |  |
| Atta        | 11.00-11.50   |  |
| FISH        | (Taka per kg) |  |
| Kata(big)   | 170.00-180    |  |
| Kata(smg)   | 120.00-130    |  |
| Hibba       | 50.00-55.00   |  |
| Pungas      | 130.00-140.00 |  |
| Shrimp(big) | 90.00-100.00  |  |
| Sing        | 110.00-120.00 |  |
| Koi         | 120.00-130.00 |  |

### MEAT

|        |             |
|--------|-------------|
| Beef   | 55.00-60.00 |
| Mutton | 55.00-60.00 |

### CHICKEN

|          |             |
|----------|-------------|
| Large    | 60.00-62.00 |
| Moderate | 64.00-66.00 |
| Small    | 68.00-70.00 |

### TEA

|              |             |
|--------------|-------------|
| Dust (Plain) | 70.00-80.00 |
| EGG          | (4 per kg)  |
| Hen          | 11.50-12.00 |
| Duck         | 11.50-12.00 |
| Firm         | 12.00-12.50 |

### PULSES

|         |             |
|---------|-------------|
| Matar   | 28.00-30.00 |
| Mooch   | 30.00-32.00 |
| Chola   | 22.00-23.00 |
| Kharari | 15.00-15.50 |

### MILK

|         |               |
|---------|---------------|
| Dawa    | 306.00-307.00 |
| Red-Cow | 314.00-315.00 |

### MISCELLANEOUS

|              |               |
|--------------|---------------|
| S.T.M. (ORD) | (Taka per kg) |
| Salt         | 230.00-240.00 |
| Sugar        | 27.00-28.00   |

### Gold & Silver

|               |                        |
|---------------|------------------------|
| Gold (Gutina) | (Taka for 11.66 grams) |
| Silver        | 6200.00                |

Source: Department of Agriculture marketing

## Exchange Rates

The following are the Commercial Bank's BC selling and TT (C), OD transfer buying rates for some selected foreign currencies effective on August 26. (Figures in Taka)

### Currency

| Currency         | Selling B.C. | T. T. (C) | Buying O.D. Transfer |
|------------------|--------------|-----------|----------------------|
| US Dollar        | 39.1325      | 38.9087   | 36.6339              |
| Poundsterling    | 77.5378      | 77.6055   | 77.6936              |
| DM               | 27.9319      | 27.7523   | 27.5563              |
| FF.              | 8.1842       | 8.1922    | 8.0748               |
| S Riyal          | 10.4841      | 10.4042   | 10.3307              |
| D Guilders       | 24.7737      | 24.6164   | 24.4425              |
| S Kroner         | 7.5423       | 7.5912    | 7.6376               |
| Singapore Dollar | 24.4426      | 24.3027   | 24.1311              |
| UA# Dirham       | 10.6911      | 10.6299   |                      |