

Infrastructural hurdles push garment sector into sickness

15-day BGMEA ultimatum to govt for resolving problems

Manufacturers and exporters said chronic fiscal and infrastructural hurdles were pushing fast the country's garments sector into sickness, reports UNB.

At least 40 per cent units of the 2,000 unit sector have been rendered sick, BGMEA president Redwan Ahmed told a press conference yesterday blaming dozen factors, including 'irrational' tax burden, erratic power supply and bureaucratic hassles that delay delivery for the downturn.

On September 20, BGMEA appealed to the Prime Minister with a 15-day ultimatum for resolving the staggering problems facing the once-blooming garments sector that employs nearly a million workers.

As the deadline is over with no response from the authorities, BGMEA said it would announce action programme

from a rally on October 25 in front of the National Press Club, unless the demands are met by then.

"Garments will soon have the fate of the jute sector if the authorities continue to ignore our legitimate demands," cautioned Ahmed, a ruling party MP.

Earnings from readymade garments fell 22 per cent short of the target in last fiscal year (1993-94) although some 700 factories sprang up into the business last year.

BGMEA attributed the slump to the problems it mentioned to the Prime Minister. It also said the sector was losing profitability with the gradual rise in the price of fabrics in the International market and a static price of clothings. Pinpointing the major hur-

dles, the BGMEA president cited advance income tax of 0.5 per cent at source "as a 'serious disincentive' for the garment sector. "This is absolutely irrational, completely contrary to industrial policy which has exempted 100 per cent export oriented industries from income tax."

Referring to delays in customs clearance for imported fabrics, Ahmed said the factor forced the exporters to take about 140 days for shipment, driving away the annoyed buyers to other countries offering supply in 60 days.

Some big US buyers, including K Mart and May Department, according to BGMEA, have quit Bangladesh.

"The clearance can easily be given within hours while it now takes seven to ten days," Ahmed said.

The BGMEA chief also pointed out delays in shipment, caused by lack of adequate handling equipment and scarcity of cargo vessels, as other major hurdles that often lead to cancellation of orders by buyers.

Demanding "free sky" arrangement for garments export, he said the cargo agents should be given the unconditional authority to charter cargo planes.

Citing erratic power supply as a crippling factor, Redwan Ahmed sought permission to import duty free generators for the garments exporters and fuel at prices similar to PDB.

BGMEA also demanded withdrawal of the mandatory Value Added liability, that ranges between 25 and 30 per cent which, it claimed, bars the sector from going for high value items.

FBCCI polls Independent Panel announces programme

A likeminded group of businessmen, vying for executive committee members of FBCCI, yesterday pledged to rebuild the apex trade body into an effective and dynamic one, reports UNB.

The Independent Election Panel at a press conference announced a 28-point programme for restructuring the Federation of Bangladesh Chambers of Commerce and Industry.

The next two-year is a critical period for the Federation, the focal point of the country's economic activity. Future of national economy depends on its proper functioning," Yussuf Abdullah Harun, convenor of the group, told newsmen at a local hotel.

He said the eight-man group, comprising representatives of different associations, would extend their support to a presidential candidate who will express solidarity with their election manifesto.

Harun said they had already discussed with different presidential candidates their manifesto and hinted that they might extend support to Kazi Shaiful Islam, Vice-president of the outgoing committee, who is in the run for presidency without full panel.

The executive committee candidates in the group are: Khurshed Ali Mollah — Bangladesh Electronics Manufacturers Association, Abul Hossain Talukder: Bangladesh Tanners Association, Syed M Shamsul Kawann: Bangladesh Thikadar Samity, Muhammad Fariduddin Ahmed: Bangladesh Food, Vegetables and Allied Products Exporters Association, Moslem Uddin Ahmed: Bangladesh Sugar Merchants Association, KM Mahmud Rahman: Bangladesh Lumber Owners Association, Afza Hossain: Bangladesh Textile Mills Owners Association, and Yussuf Abdullah Harun: Bangladesh Vegetable Oil Refiners and Banspati Manufacturers Association.

He felt that the FBCCI, as an apex business body of the country, should represent the private sector in various government organisations involved in developing the private sector like the Board of Investment, Export Promotion Bureau, Export Processing Zone and the Privatisation Board.

Kashem also welcomed the recent changes in the charter of FBCCI allowing for direct voting for the elective posts. "The recent changes are in the right direction but we would like to facilitate more changes in streamlining the organisation to make it more active."

He felt that campaigning for the FBCCI elections should have been more open and 'above board' and that the federation should have organised a debate among the candidates.

The post of FBCCI president is an important one and the person elected would have to provide his full attention to the position he said. "Whoever is elected as president has to give considerable amount of time as he will be the guiding force behind making the federation more active. It will be more than a full-time job."

Today's stabbing was in a series of such incidents of violence in the town. On September 19, another businessman, Abu Sayeed, was stabbed by the miscreants.



M A Kashem, presidential candidate in the October 17 elections of the Federation of Bangladesh Chambers of Commerce and Industry, addressed a projection meeting at the Sonargaon Hotel yesterday, organised by the Jute Spinners Association. —Star photo

US stock market investors have to worry about WTO fate

NEW YORK, Oct 8: As if stock market investors weren't already spooked about the possibility of higher interest rates, now they have to worry about the fate of world trade, according to AP.

A trade agreement with Japan reached last weekend should help the nation's trade imbalance. But US companies need Congress to ratify the General Agreement on Tariffs and Trade if they are going to efficiently sell their products in other overseas markets and import foreign products at reasonable prices, analysts say.

Bowing to intense pressure from Republicans and some Democrats, Congress has shelved its GATT ratification vote until late November, after midterm elections on November 8.

For the time being, investors seemed not to care too much. They were preoccupied this past week with economic figures that were deemed po-

tentially inflationary and likely to prompt the Federal Reserve to increase short-term interest rates.

The Dow Jones industrial average ended Friday's session at 3,797.43, up 21.87 in sympathy with gains in the dollar and bond prices, but down 45.76 for the week.

But the GATT vote is a crucial variable in many investors' minds as they plot winter strategy. "If the vote fails, the stock market will go down big," said David Shulman, equity strategist at Salomon Brothers.

The GATT agreement basically is a real positive for long-term growth in the second half of the '90s," Shulman said. "If you don't have it, investors will start to mark down their growth estimates and companies will start to show lower earnings per share."

The 123-nation agreement would reduce tariffs and busi-

ness subsidies worldwide. But on the down side, the United States would lose 12 billion dollars in tariffs over the first five years that the agreement is in effect, according to the Congressional Budget Office.

And Sen Ernest Hollings, D-S C, one of the treaty's most vocal critics, says GATT will hurt some US industries by opening American markets to cheaper foreign-made goods.

The treaty's proponents, including most stock market analysts, say it will lift the global economy by cutting worldwide tariffs an estimated 740 billion dollars. They claim the accord could create 300,000 to 700,000 jobs in the United States alone.

Big beneficiaries of a GATT agreement are large companies that already have a presence overseas. The treaty would open doors of international trade to medium-sized and smaller companies as well.

Kashem vows to make FBCCI more dynamic

By Staff Correspondent

[Preceding the elections to the office of the Federation of Bangladesh Chambers of Commerce & Industries (FBCCI), scheduled for October 17, The Daily Star is going to serialise interviews with the presidential candidates from today. This is the first time that FBCCI elections are going to be held under direct voting system which has generated a considerable enthusiasm among the country's business community. FBCCI, the apex trade body, represents 65 chambers of commerce and 132 trade associations.]

The role of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has to be made more dynamic in serving the interest of the business community, said Muhammad Abul Kashem, an industrialist of the country, who is one of the nine candidates vying for the post of president of FBCCI.

"The existing weakness of the Federation's role has to be removed by providing increased services to its constituent business communities and this cannot be done by just paying lip service," he said. "The catalytic role of the FBCCI has become much more important in the context of a free market economy."

In an interview with The Daily Star, Kashem, a former president of FBCCI, outlined the priorities he would follow if elected the president of the Federation.

He emphasised a more active role for FBCCI in the policy-making process with increased dialogue with the gov-

ernment.

"If elected, I will try to establish a more effective dialogue on an urgent basis with the government policy-makers to resolve the overriding impediments in private sector development."

He proposed to re-introduce separate sub-committees for different trade groups with the participation of the general members and to set up a specialised cell for the small industries.

"An action plan will be formulated incorporating sectoral and regional recommendations to suggest short and medium-term measures for industrialisation, export development, trade expansion and improvement of the overall business environment."

Kashem also talked about the urgent need to strengthen the federation's secretariat to enhance its role in reacting to the policy-making process, formulating policy recommendations, monitoring the economic and business situation and to follow-up the pending issues of the community it represents.

With wide-ranging business interest involving manufacturing, import, export and local trading, Kashem, over the years, has been involved in various business and other organisations.

In addition to being a president of the FBCCI for two consecutive terms in 1985-86, he also led the Bangladesh Jute Spinners Association for two years in the early 80s and the Bangladesh Hardware and Machinery Merchants Association

in 1978-79.

He also held executive committee membership at FBCCI, the Shippers Council of Bangladesh and Bangladesh Employers Association. A past president of the Rotary Club of Dhaka West, Kashem is a life member of the Bangladesh Red Crescent Society and has also organised the formation of the North-South University Endowment.



M A Kashem

Married with two daughters and a son, he is the Managing Director of the Mutual Jute Spinners, the Mutual Trading Company, the Mutual Food Products and Monorom Limited.

Kashem was less than enthusiastic about the prevailing business climate in the country. Investors are feeling "very shaky" he noted, and they are not coming forward to invest because of the deteriorating law and order situation and the existing political instability.

Inadequate infrastructure facilities and bureaucratic bottlenecks are also hampering

the investment climate, he said.

Kashem welcomed the recent market liberalisation initiatives of the government but advocated for a more 'check and balance' approach. "The domestic manufacturers have to be protected and, at the same time, the local producers also have to make their products more competitive."

He felt that the FBCCI, as an apex business body of the country, should represent the private sector in various government organisations involved in developing the private sector like the Board of Investment, Export Promotion Bureau, Export Processing Zone and the Privatisation Board.

Kashem also welcomed the recent changes in the charter of FBCCI allowing for direct voting for the elective posts. "The recent changes are in the right direction but we would like to facilitate more changes in streamlining the organisation to make it more active."

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Businessmen gherao Pabna DC's office

PABNA, Oct 8: Businessmen, outraged by the stabbing of their two colleagues today, gheraoed the Deputy Commissioner's office to protest the growing tyranny of extortionists in the town, reports UNB.

Afzal Hossain (30) and Sabur (25) were stabbed as they refused to give money to a group of toll collectors.

Afzal was admitted to sadar hospital in critical condition, hospital sources said. Today's stabbing was in a series of such incidents of violence in the town. On September 19, another businessman, Abu Sayeed, was stabbed by the miscreants.

OMS extended up to thana level in 6 S-districts

BARISAL, Oct 8: Open Market Sale (OMS) programme has been extended up to thana level in six southern districts of Barisal Division from the beginning of October, reports BSS.

According to regional food controller office sources, 38 sale centres were opened in 38 thanas of Barisal, Jhalakati, Bhola, Pirojpur, Patuakhali and Barguna districts of the division for selling rice and wheat among the people. Forty sale centres were opened in the headquarters of these districts in September.

A total of 977 metric tons of foodgrains including rice and wheat have already been sold among the people of the districts in the month of September, the source added.

About 3,186 metric tons of rice and wheat have been sanctioned under OMS programme in this division during the current month.

Tk 4,55,500 loan for unemployed youths

Another report says: Loan worth Tk 4,55,500 was disbursed through the unemployed youths of Barisal district for self-employment programme in 13 months till August 31 last.

The Barisal District Juba Unnayan Department trained up 7,027 unemployed youths from 1979 to 1994.

Sonali Bank cuts interest rates on agri loans again

Sonali Bank has once again lowered interest rates on agricultural loans since October 1 to help increase crop and other agricultural production and boost the country's agro based economy, reports BSS.

A Sonali Bank press release said yesterday that the refixed rate for crop loan will be 11 per cent and for other agricultural loans it will be 12.50 per cent.

Besides, crop loanes repaying regular instalments will enjoy one per cent rebate, the bank said.

Government of Bangladesh
Office of the Executive Engineer, RHD
Pabna Road Division, Pabna

Notice Inviting Tenders

- Tender Notice No.: 9 P.R.D of 1994-95.
- Name of work: Repairing & seal coat work at km-1 (P) & 5 (P) of Pabna-Ishurdi Road under Road Division, Pabna, during 1994-95.
- Chargeable head: 168 R.B.F.
- Estimated cost: Tk. 3,95,015/-
- Earnest money: Tk. 7,910/-
- Time allowed for completion of work: 20 (Twenty) days.
- Eligibility of bidders: Enlisted contractors under general category of RHD according to financial limits.
- Name of offices where tender documents will be sold: i) Office of the Executive Engineer, RHD, Road Division, Pabna/Sirajganj/Natore. ii) Office of the Sub-Divisional Engineer, RHD, Road Sub-Division-I/II, Pabna/Ishurdi/1st Line Workshop Sub-Division, Pabna.
- Name of offices where tender will be received: i) Office of the Superintending Engineer, RHD, Pabna Road Circle, Pabna. ii) Office of the Executive Engineer, RHD, Road Division, Pabna/Natore/Sirajganj.
- Last date for selling tender documents: Up to 19-10-94 Eng./4-7-1401 Beng. during office hours.
- Date and time for receiving tenders: 20-10-94 Eng./5-7-1401 Beng at 12-30 P.M.
- Date and time for opening tender: 20-10-94 Eng./5-7-1401 Beng at 12-45 P.M.

Md. Abdul Wadud
Executive Engineer, RHD
Pabna Road Division,
Pabna.

DFP-6267-3/10
G-1549

Bangladesh-Japan training course on industrial sewing maintenance tech opens

Human resource development can help achieve uplift: Mannan

State Minister for Textiles Abdul Mannan yesterday stressed the need for appropriate human resources development, particularly in the garments sector to expedite economic uplift of the country, reports BSS.

"Bangladesh will be very powerful and dominant in textile export in near future by developing its huge manpower and maintaining quality of exportables. For this, we need more technically skilled people in this rapidly burgeoning garments industry," he said.

The State Minister for Textiles was inaugurating an eight-day Bangladesh-Japan training course on "Industrial sewing machine maintenance technology" at Dhaka Sheraton Hotel. The Association for Overseas Technical Scholarship (AOTS) of Japan organised the training course in joint collaboration with Juki Corporation of Japan. Dhaka office of the Japan External Trade Organisation (JETRO), Zakaria Enterprises Limited and Bangladesh AOTS Alumni Association (BAAS).



The Princess of Wales attends a reception for top British fashion designers to promote London Fashion Week at Lancaster House late Friday. — AFP photo

He called upon the Juki Corporation to set up its manufacturing plant in Bangladesh taking the advantage of the country's liberal industrial policy as well as cheap labour, low price of land, friendly people and congenial climate.

Mannan also urged the local entrepreneurs to set up institutes to train more people in this sector. The Textile Institute at Tejgaon, set up in 1951, is now admitting only 300 students every year which, he said, was quite inadequate to meet the demands of the garments industry.

He appreciated AOTS, JETRO, Juki and Zakaria Enterprises for organising this training course. He said machine is the number one factor of production but the man behind it should know how efficiently he would handle it.

Takeo Kitamura said Juki, a corporate philosophy of "total quality management" would make further drive towards the 21st century in providing the apparel industry and the people involved in it with both the latest technology and information.

By maintaining quality, price and delivery, Kitamura said, Bangladesh can compete with the countries around it. K Hara, in his speech, said JETRO had been making strenuous efforts to maintain and develop harmonious relationship in international trade and economy through import promotion activity and encouraging foreign investment.

Directorate General Defence Purchase
Ministry of Defence
New Airport Road, Tejgaon, Dhaka-1215

Re-Tender Notice

- Sealed Re-tenders in Local Currency are invited from bonafide Producers/Dealers/Suppliers/Indentors (Not necessarily be enlisted with this Directorate General) for supply of 115 Metric Tons Dal Varieties for Defence Services.
- Tender schedule with detailed specifications will be available on payment of Tk. 100.00 (Not refundable) from 10-10-94 to 25-10-94 on any working day between 0800 hours to 1200 hours. The tender will be opened on 26-10-94 at 1000 hours in presence of tenderers (if any).

ISPR/Misc/94/1811
DFP-6142-2/10
G-1548

Deputy Director Purchase (Army)
for Director General I

Civil Aviation Authority of Bangladesh
Kurmitola, Dhaka.

Tender Notice

গাছ লাগান বাছের পরিচর্যা করণ এবং পরিবেশ বাচান - প্রধানমন্ত্রী।
বিমান বন্দরকে পরিষ্কার রাখুন।

Name of work: Construction of Holding Lounge and connecting corridor for installation of Boarding Bridge at ZIA (S.H. Supply of Briefing Counter) at ZIA, Kurmitola, Dhaka.

Sealed tenders are hereby invited for the above noted work from CAAB enlisted Unlimited contractor (Civil), 'A'-Special contractor, 'A', 'B' & 'C'-Class contractor (Civil) having experience of similar nature of work by the undersigned on 16/10/1994 up to 12.00 Noon and shall be opened at 12.30 PM on the same day. Tender papers & other terms & conditions may be available in the Office of the Superintending Engineer, Civil Circle, Cash Section, CAAB, HQ, and office of the undersigned during the office hours on due date and time. No tender paper will be sold on the date for opening of the tender. The authority reserves the right to accept or reject any tender or part without assigning any reason thereof.

Executive Engineer
Civil Division-I
CAAB, Kurmitola, Dhaka.

DFP-6290-3/10
G-1551