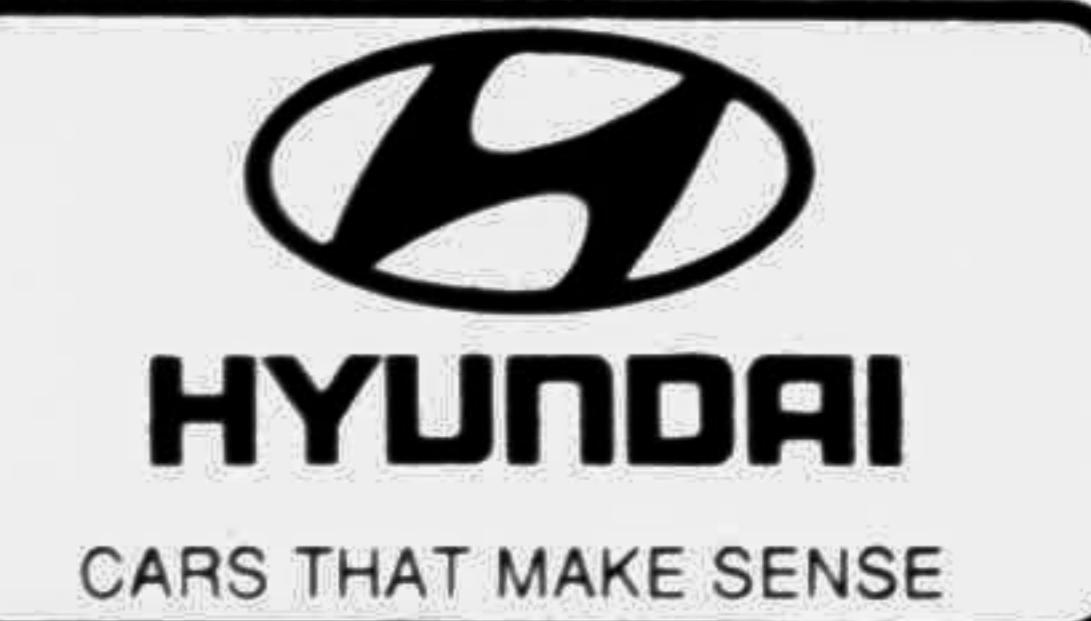




# The Daily Star BUSINESS

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Easing conditionalities in garments export

## Tofael seeks French support to convince EU

French Ambassador to Bangladesh Mme Renee Veyret called on commerce and Industries Minister Tofael Ahmed at his office here Saturday, reports BSS.

The minister apprised the French Ambassador of the problems faced by the garments sector of Bangladesh in exporting ready-made garments (RMG) in European Union (EU).

The minister said EU is the single largest market of ready made garments from Bangladesh contributing 54 per cent of the total export as EU provides generalised system of preferences (GSP) for importing from Bangladesh, resulting about 12.5 per cent duty exemption. But for qualifying GSP, EU

has imposed two-stage transformation, yarn to fabric and fabric to garments, for woven products while three-stage transformation, fibre to yarn to fabric to garments, for knitted items, he added.

Bangladesh in the last fiscal, exported garments to EU worth of 1378 million US dollars of which 943 million dollars from woven and 435 million dollars from knitwear products.

Appreciating the good motive of EU behind these conditionalities, the minister said, the present government, immediately after taking the responsibility, is pursuing for establishing backward linkages industries. As a result, he said, so many textile and weaving in-

dustries are being constructed by the local and foreign entrepreneurs adding that it might require another five years to be self-sufficient in three-stage transformation.

The French Ambassador responded to a "positive" saying that the French government wanted to cooperate and work together more and more with the LDCS, especially Bangladesh. She said, the French government is ensuring modern technical knowhow in textile sector by giving training to technicians of Bangladesh.

Besides, a technical college will be built in Bangladesh soon with the French assistance, she added.

Commerce Secretary Syed Alamgir Farouk Chowdhury was present in the meeting.

### Nepal to apply for WTO membership

KATHMANDU, Jan 5: Nepal will apply to join the World Trade Organisation (WTO) to benefit from concessions available to its least developed member countries, officials said yesterday.

"Unless you become a member you cannot benefit from facilities given under the WTO regime by other countries," Mohan Dev Pant, the highest ranking civil servant in the Commerce Ministry, told Reuters.

Currently Nepal has observer status at the Geneva-based WTO. Pant said the centre-right coalition government had decided to seek membership in WTO, and Nepal would now submit a memorandum on its trade policies to the organisation.

After WTO member nations have reviewed the memorandum, which can take as long as a year, Nepal will submit a formal application, Pant said.

Nepal set up a taskforce in 1995 to study the implications of joining the world trade body, including the impact such a move would have on trading arrangements with neighbouring India.

### S Korean union leaders pledge indefinite strike

SEOUL, Jan 5: South Korean union leaders pledged an indefinite walkout today unless the government repeals an unpopular labour law, leaving little hope the labour crisis would end soon, reports AFP.

"Our protest strikes will continue until President Kim Young-Sam accepts our demands," declared Kwon Young-Kil, head of the Confederation of Trade Unions (KCTU), South Korea's second largest labour group.

Kwon told a news conference that his federation boasting 300,000 members at auto and other key export industries would step up strikes from Monday at 200 work-sites nationwide.

He also ordered striking workers to stage mass rallies across the country this week, urging the largest Federation of Korean Trade Unions (FKTU), South Korea's second largest labour group.

The FKTU, which claims more than one million unionists including many white-collar workers, has vowed to resume a nationwide strike on January 11.

Protest rallies subsided today because of heavy snow in southern provinces, but some 1,000 FKTU members braved freezing weather to stage a boisterous rally in Seoul.

The Kim Young-Sam government should be punished for dictatorship," shouted the protesters, as thousands of riot police, backed by armoured vehicles and tear gas launchers, kept tight vigilance in downtown Seoul.

### Labour Minister inaugurates 3-day workshop

## Jt efforts of govt, unions, NGOs needed to combat child labour

Bangkok, Paul Bailey, Director, ILO Office, Dhaka, Abdul Momin, President of Bangladesh Employers Association and Dr Wazedul Islam Khan, representatives of the trade unions.

M A S Talukder, Director of Labour and Member-Secretary, IPEC national steering committee delivered the welcome address.

The workshop, being participated by about four dozen representatives from three sectors (labour, employer and government), is expected to come out with recommendations for a national plan of action on child labour and give priority to areas of operation under IPEC after holding several working sessions.

According to one estimate, Bangladesh has over 6 million child labourers and majority of whom work in informal sector.

The minister said children are the most precious resource of society and that is why they cannot be exploited just for the sake of their survival. He, however, said one heartening news about child labour in Bangladesh is that they are free from forced and mandatory labour.

The State Minister said the government which criticises child labour has taken some steps outside IPEC to eliminate child labour. He mentioned the MOU signed between BGMEA, ILO and UNICEF to eliminate child from the garments sector.

Primary education has been made compulsory so that child labour can not cause any bad effect on the physical and mental growth of children.

Minto said because of huge size of child labour force, it needed realistic, long-term and short-term measures to tackle it. He said the priority will be to relieve them from hazardous jobs.

The president of the Employers Association said to get the children educated and trained and then employed at proper age will be possible only when the scourge of poverty can be removed and opportunities for employment created. He urged ILO to take initiative so that major donors help create opportunities in Bangladesh leading to the elimination of child labour.

Dr Wazedul Islam Khan urged the authorities to cut expenditure on unproductive sectors and channel those funds for developing the country thereby creating opportunities for children to learn and get employed at proper time.

Mannan, however, noted that in a least developed country like Bangladesh, having population explosion, child labour is very much a reality. He stressed united effort to overcome this practicality gradually.

Mrs Mitsuko Horiechi said years of efforts resulted in realisation among the majority of states of the need to eliminate child labour.

She said to achieve full realisation of the ILO conventions on child labour, united efforts of government, trade unions and NGOs are needed. The ILO top official expressed her happiness at the commitment made by Bangladesh to overcome the problem of child labour.

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### Govt to import 3.5 lakh tonnes of urea

By Staff Correspondent

rive at Mongla Port next

PHED to install

79 new tubewells in Chuadanga

CHUADANGA, Jan 5: The Public Health Engineering Department will install 79 new hand tubewells, 13 tara pumps and repair 118 tubewells in four thanas of the district in the current fiscal year, reports BSS.

An official source said the programme has been taken to ensure supply of pure drinking water in the rural areas of Chuadanga sadar, Almangan, Damurhuda and Jibannagar thanas.

Fifty per cent installation and repairing work has already been completed and the rest will be done by June next.

### More lands brought under mustard seed farming in Narail

NARAIL, Jan 2: About 76,000 hectares of land have been brought under mustard seed cultivation during the current season in 10 districts of Khulna division, reports UNB.

Agriculture Extension Department sources said the production target has been fixed at 56,000 metric tons.

The districtwise breakup of land are: 5,400 hectares in Narail, 12,800 hectares in Jessor, 7,900 hectares in Jhenidah, 7,800 hectares in Magura, 3,200 hectares in Khulna, 2,900 hectares in Bagerhat, 6,400 hectares in Satkhira, 5,400 hectares in Chuadanga and 4,700 hectares in Meherpur districts.

Besides, out of the mill areas about 14,600 hectares of land have been brought under sugarcane cultivation during the current season in 10 districts of Khulna division.

Gross domestic product, according to the survey, should expand two per cent in both halves of 1997, compared with

## Exports from EPZs rise by 40pc

By Govinda Shil

Export from the country's two export processing zones (EPZs) stood at 170 million US dollars (717 crore takal) during the July-November period of the current fiscal year showing a 40 per cent growth over the corresponding period of the previous fiscal year (1995-96), according to Bangladesh Export Processing Zones Authority (BEPZA) sources.

The Chittagong and the Dhaka EPZs fetched 127.70 million US dollars (about 511 crore takal) during July-November period of the last financial year.

During the five months, 31.50 million dollars (Tk 132 crore) were invested in Dhaka and Chittagong EPZs.

Chittagong EPZ, established in 1983, exported goods worth 127.42 million dollars while the Dhaka EPZ, established in 1993 fetched 43.255 million dollars during the period under consideration.

A total of 43,183 local workers and officials are now working in the EPZs factories. Jobs for 1,550 people are generated during the five months, a source said.

Last year, a total of 4,052 people were employed at both the EPZs. The overseas companies have so far invested a total of 228.98 million dollars (Tk 962 crore) in the EPZs in ready-made garments, electronics, camp and game materials, toys and leather and in other sectors.

Another 200 million dollar projects, mainly in textile sector, are in the pipeline now, the source noted. Both the EPZs were developing additional 300 plots to meet the increasing demands for plots by the investors.

The custom-bonded areas enjoyed growth between five and seven per cent in 1996, the bank said.

Mosharraf Hossain, MD, Bangladesh Krishi Bank addressed conference of the bank's Sylhet region branch managers recently.

of equipment and raw materials, GSP facilities for US and Europe and Japan markets, repatriation of investment and profits, off-shore banking facilities etc.

The BEPZA is now acquiring land for the proposed Gazipur EPZ and carrying out feasibility studies for another EPZ in Khulna. Besides, the government is also allowing development of private EPZs in the country to tap the direct foreign investment, the sources mentioned.

### UAE GDP rises

DUBAI, Jan 5: The United Arab Emirates gross domestic product rose to 157 billion dirhams (42.7 billion dollars) in 1996 at current prices from 144 billion in 1995, the Emirates Industrial Bank said yesterday, reports Reuter.

The oil sector's contribution to GDP rose by 15 per cent to 56.5 billion dirhams from 49.2 billion in 1995 due to the rise in world prices witnessed in the year, said the January edition of the journal of the Emirates Industrial Bank published today.

The oil sector accounted for 36 per cent of GDP in 1996, up from 34 per cent in 1995, the bank said.

The non-oil sector's input to GDP rose in 1996 to 101 billion dirhams from 95 billion in 1995, it said.

The manufacturing sector saw growth of 5.6 per cent in 1996, raising its share in GDP to 13.2 billion dirhams in 1996 from 12.5 billion dirhams in 1995.

All other non-oil sectors realised growth between five and seven per cent in 1996, the bank said.



Mosharraf Hossain, MD, Bangladesh Krishi Bank addressed conference of the bank's Sylhet region branch managers recently. — Star photo

## Economists see 2pc US growth this year

WASHINGTON, Jan 5: US economic growth will slow to an annual two per cent this year, with inflation held to 2.9 per cent and corporate profits contracting in the face of weaker consumer spending, the Wall Street Journal said yesterday in its semi-annual survey.

The paper said the 57 private economists taking part in the forecast saw long-term interest rates holding steady. The vast majority, 49, predicted that the Federal Reserve would take no action to raise short-term rates at the February meeting of its open market committee.

"The economy is not likely to crash or take off like a rocket in 1997," said Kurt Karl of the Pennsylvania-based WEFA group.

Gross domestic product, according to the survey, should expand two per cent in both halves of 1997, compared with

annual growth of 2.9 per cent in the first three quarters of 1996.

The consumer price index should rise only 2.9 per cent despite an unemployment rate below 5.5 per cent year-on-year, the index posted a 3.2 per cent rise in November.

Many economists, notably at the Federal Reserve, fear that tight labour markets will ignite a spurt of wage-driven inflation. But under current circumstances, with competition for consumer dollars intense, companies are reluctant to raise their prices, according to John Walter of Dow Corning Corporation.

"It's a jungle there," he said.

A number of economists questioned by the Journal predicted that growth would be restrained by sluggish spending on the part of debt-burdened consumers, a tendency that will cut into corporate profits and capital investment.

Prices stiffened during the first few days of 1997, rising to about 307 dollars per tonne.

The GNI trading house predicted that sugar supplies would remain "tight" and prices high until India begins to export some of its latest bumper harvest.

**VEGETABLE OILS:** Sesasaw A slowdown in the pace of purchases on the US market knocked vegetable oil prices lower at the start of the week. But prices then picked up once again on the back of speculative buying on the part of investment funds.

By the end of the week, prices had settled at the same level as seven days earlier at seven dollars per bushel (of 2.72 kg) on the Chicago board of trade.

**COTTON:** Static. Cotton prices on the cash market hovered around 76.5 cents per pound (0.454 kg). Analysts said that the market remained nervous because of the low level of high-grade cotton stocks available for sales.

**WOOL:** Shrunk. Wool prices fell on the British market due to the nine pence to 393 pence per kg in the face of reduced demand.

### Coming AGMs

Company	Book Closure	AGM/EGM	Date	Venue & Time	Dividend Proposed
Chittagong Cement	01/03/97-20/03/97	AGM	20/03/97	Hotel Agarabat City 10 am	1B2 20
Tripl Ind	16/01/97-30/1/97				1P1 Pre & Tx 125
BD Zipper	16/01/97-30/01/97		30/01/97	Sohag Community Centre, 11am	15
Orion Infusion	27/01/97-31/01/97		03/02/97	Hotel Sonangan, 10 am	