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# The Daily Star BUSINESS

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## Govt fails to finalise Industrial Policy in six years

Six years have elapsed into experiments with the draft and policymakers are still far off from finalising the much-cherished Industrial Policy, officials said, reports UNB.

The last gospel guiding the vital sector of economy was the "Industrial Policy '91." Later an amended form of that policy was declared for the year 1992.

Since then, the country's industrial sector has been doing without a policy.

After about one year of the tenure of the amended policy, the then BNP government formed a committee end of 1993 to formulate a draft of another amended industrial policy which was decided to be placed before the parliamentary standing committee on industries.

Although, the FBCCI and other chamber bodies sent their suggestions to the ministry, because of the political turmoil across the country, finalising the draft of the amended industrial policy was jettisoned.

Over one year, the committee has sat 11 times and finally hammered out a draft amendment of the industrial policy.

Later, in mid-June 1995, a meeting presided over by the then Industries Secretary reviewed the draft. But, at the demand of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the meeting decided to give some more time to invite some more suggestions or amendments from the business people.

Till the end of 1997, the new committee to formulate a draft policy had sat several times but failed to come up with a draft accepted by every section of the stakeholders.

In December 1997, a small

committee headed by the Industries Secretary was entrusted to decide incorporating the suggestions of the businessmen.

The committee took four more months to finalise the draft policy.

However, after two years of journey, the ministry finally finalised the draft and sent it for cabinet approval.

But, official sources said, the cabinet again sent it to another committee headed by the Finance Minister about two months back, and the body is yet to complete the vetting.

Sources in the Industries Ministry told UNB that before the committee meets to finalise the policy, the two line ministers would sit together to iron out their differences.

## EU easing demand for labour, environmental norms?

By Ranvir Nayar

BRUSSELS, Jan 5: There seems to be growing convergence in the views of the European Union (EU) and developing nations over the question of uniform global labour standards and environmental norms for companies operating around the world.

This convergence is perhaps almost entirely due to a major shift in the position adopted by the EU on these controversial matters. "We don't believe in imposing work standards under the WTO (World Trade Organisation).

These are rules that are governed by the International Labour Organisation (ILO). As long as all signatory countries follow these standards, we don't have any need to bring any special labour norms under the WTO," Herve Jouanjean, a top official of the European Commission (EC), told IANS here.

This means that the EC has distinctly moved away from the position taken by the United States, which is keen to bring these issues under the WTO in the next round of multilateral negotiations that are expected to begin in the year 2000.

The developing countries see these norms as non-tariff barriers that are being sought by the developed world to curb exports from them. Even during the discussions on the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), which led to the creation of the WTO, developed countries, especially the US and the EU, had been insisting on adoption of standards on labour and environmental fronts that all countries signatory to the WTO agreement would have to abide by.

The developing countries also cite the example of sweatshops opened by Western multinational companies like Nike in the Southeast and South Asian region where the standards adopted by these companies are entirely different from those followed by them in the West.

The sweatshop concept is catching on with the explosion of the computer software industry. Most leading software firms like Microsoft have set up such facilities in developing countries only because they pay a fraction of their typical American salary to Asian software developers. "This is a classic example of doublespeak," points out an Indian bureaucrat involved in negotiations at the WTO.

These leading MNCs have created such cheaper factories where they don't follow even a fraction of the standards that

they have to follow at home. How can then the Western countries demand that the developing countries follow a different standard?

Moreover, the standards set by each country depend on the laws framed by their Parliament and any imposition of standards from outside is not only a challenge to the national legislatures but also an imposition on the sovereignty of each country.

The issue gets even more controversial on the question of imposing uniform environmental standards.

Developing nations also ac-

cuse the West of having first polluted the world and now trying to cleanse it by imposing on developing economies which account for but a fraction of the global pollution problems.

The developing countries also say that the West has to first cut its per capita consumption and then talk of cleansing the world. But the EU relaxing its stand on these issues and no longer making it a central condition in the next round means the developed world will have to rethink its strategy in the new round when it begins in just over a year.

— India Abroad News Service

## Pakistan greets euro with caution

KARACHI, Pakistan, Jan 5: Pakistani banks and traders greeted the launch of the euro with caution on Monday, reports Reuters.

But some bankers said the euro could become a potential substitute currency for Pakistan's dollar-dominated trade.

"Pakistan's annual trade is 80 per cent denominated in US dollars so there may not be a major initial effect from the euro in the domestic interbank market," said Feroz Ansari, treasurer at Emirates Bank.

But he saw the euro as a potential challenger to the dollar because Europe is Pakistan's largest trading partner.

"There will be a significant change in future with seven to eight per cent of the trade

shifting to the euro currency every year," he said.

Around 13 per cent of Pakistan's imports originated from euro zone countries and 21.7 per cent of its exports went to those countries in 1997-98.

Monday was the first day of euro trading in Pakistan with banks cautiously testing the currency in morning trade.

"We are trying to understand the mechanism of the system and are not taking long positions in the currency," a treasury dealer at one state-run bank said.

The rupee was trading at 58.73/59.03 against the euro in the interbank market. The euro was quoted in overseas market at 1.1824/30 against the dollar at 0835 GMT.

— India Abroad News Service

20 Chinese firms

get foreign

trading licences

BEIJING, Jan 5: China's

trade ministry has issued

foreign

trading

licences

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