



# Leading US firms against scrapping GSP facilities for Bangladesh

Leading American companies strongly opposed scrapping or modification of trading privileges for Bangladesh under the US Generalised System of Preferences (GSP) programme, saying any such action would harm their investment in the country, reports UNB.

In a presentation to their government, the business community apprehended that denying Bangladesh exports' privileged access to US market would weaken Bangladesh's economy, resulting in fading out of direct US investment in the country.

"The ramifications of even the threat of the loss of GSP treatment for Bangladesh goods pose a serious threat to the economic viability of the country," said the US-Bangladesh Business Council (US-BBC), an affiliate organisation of the US Chamber of Commerce, in a strongly-worded letter to US Trade Representative.

The Council also described

Bangladesh's trade union situation as chaotic and felt that a better understanding of the situation is needed before justifying US sanctions.

The US-BBC concern came amid fears of US sanctions against Bangladesh exports on labour-standard plea in absence of unions in EPZs.

Loss of GSP treatment for Bangladeshi goods will erode the country's competitiveness. The Council favoured a public hearing on the issue to more specifically explain the situation before the Trade Policy Staff Committee. It said TPSC is required to hold public hearings on petitions as part of the annual review process of GSP.

"Should there be a removal or modification of privileges for Bangladesh under the GSP, US direct investment in that country would eventually evaporate," reads the recent letter addressed to Jon Rosenbaum, Chairman of GSP Subcommittee of USTR.

The revocation or modifica-

tion of GSP status of an LDC like Bangladesh is an extremely serious step as the country's economy is desperately dependent on export earnings. "Only in the most extreme circumstances should such a draconian measure be taken. This is not such a case," it said.

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As pressures from the US government, whipped by strong labour lobbyists there, has mounted on Bangladesh for allowing trade unions in export processing zones, Bangladesh government early this month made a submission to the USTR, explaining its position.

The Council also believes that giving exclusive focus on freedom of association and collective bargaining in the EPZs,

without considering Bangladesh's progress in safeguarding worker rights in other areas, is unfair and counterproductive.

The US-BBC is the leading private-sector association of US companies with business and investment interests in Bangladesh.

The Council, citing examples from labour problems in Chittagong Port, close to the Chittagong EPZ, said for less than 28,000 workers and employees of the port, there are at least 36 unions competing with one another for political gains.

Port operations were disrupted for 36 days in 1998, 32 days in 1999 and 20 days so far this year due to labour strikes, hampering overseas trade. Port disruptions fuelled by labour unrest cost the country about US\$ 1.1 billion in foreign exchange earnings a year, it said.

The chamber said the implementation of a US\$ 500 port modernization project awarded to US firm Stevedoring Services of America has been held hostage to labour opposition and unrest.



Enamul Haque Chowdhury, Chairman Bangladesh Foreign Exchange Dealers' Association (BAFEDA) and Managing Director of Sonali Bank, inaugurates a seminar on "Global Economy & Currency Trends" arranged by American Express Bank Limited, Bangladesh at a city hotel on Sunday. Ershad Hossain, Head of AmEx-Bangladesh Treasury; Arjun Mittal, economist, AmEx Bank, London; M Taheruddin, Vice Chairman of BAFEDA and Managing Director, Mercantile Bank Limited; Gerald S Celaya, Senior Technical Analyst, AmEx Bank, London; and AZM Masumur Rahman, Head of Correspondent Banking, AmEx-Bangladesh; were also present in the inaugural session.

— AmEx photo

## US threatens trade sanctions against Japan over whaling

WASHINGTON, Aug 28: The United States yesterday publicly threatened to impose trade sanctions against Japan if it continued with its so-called "scientific whaling," under which hundreds of the mammals are killed each year, says AFP.

"Shortly, I will have to decide whether to ask the president to consider imposing trade measures against Japan," US Commerce Secretary Norman Mineta wrote in The Washington Post newspaper.

Commercial whaling was banned by the International Whaling Commission in 1986.

But Japan, which has a long tradition of whaling, and treats whale meat as a great delicacy, used a loophole in the accord to resume killing minke whales

just one year later, purportedly for "scientific research" purposes.

The Japanese research programme now claims 440 minke whales are killed annually in the waters off Antarctica, according to the US Commerce Department.

Japan has recently announced plans to kill 10 sperm whales and 50 Bryde's whales in the North Pacific, triggering a storm of public protest.

A high-level international whaling discussion is planned with government.

### Tenure of spl committee on tax exemption expires in Dec

The tenure of the Special Committee Regarding Exemption of Interest will expire on December 31 this year, a Bangladesh Bank press release said yesterday, says BSS.

Bangladesh Bank asked the entrepreneurs, who could not yet solve their problems regarding exemption of interests, to report immediately to the Special Committee for resolving their matters.

### Central bank holds T-bill auction

The 103rd auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills were held in the city on Sunday, reports UNB.

Tk 1225 crore, Tk 25 crore, Tk 44.50 crore and Tk 37 crore were offered respectively for the 28-day, 182-day, 364-day and 2-year bills.

Of these, Tk 1195 crore, Tk 36.50 crore and Tk 37 crore of 28-day, 364-day and 2-year bills were accepted respectively, whose range of implicit yields were 6.05-6.15 per cent, 7.55-7.60 per cent and 8.36-8.50 per cent per annum respectively.

The bids offered for the 182-day bill were not accepted and no bids were offered for the 91-day and 5-year bills.

### Weekly Asian Currency



A seminar on "Careers in Information Technology" organised by APTech Narayanganj Centre was held on Thursday at Govt. Haraganga College, Munshiganj. Picture shows (from right to left) Noor Hossain, General Manager (Software) of Flora Systems Ltd, Professor Abul Kashem, Vice Principal of the college, and Monwar Hossain, Centre Head of APTech Narayanganj, at the seminar.

— APTech photo

## Yen rallies on foreign interest in Japan stocks

from 59.34 a week before.

**NEW ZEALAND DOLLAR:** The New Zealand dollar closed worth 43.54 US cents Friday, having bounced back from a record low Thursday when it fell to 42.35 US cents.

**JAPANESE YEN:** The yen gained ground against the dollar in Tokyo as many players took note of a resurgence in foreign investors buying Japanese stocks.

It fetched 107.03 to the dollar late Friday, up from 108.94 to the dollar a week earlier.

"We are seeing steady demand for the yen among foreign investors on prospects for better corporate earnings," said Mitsuhiro Sahara, a foreign exchange executive at Sanwa Bank Ltd. The yen made a flying start Monday on an unfounded rumour that US Treasury Secretary Lawrence Summers had come out in favour of a stronger Japanese currency.

JOBS works with small, medium and micro enterprises to enable their growth and development.

JOBS carries out many support services and focuses on the marketing aspects as well as on the creation of linkages between local entrepreneurs, producers and different international markets.

JOBS clients were assisted to develop new products suitable for the UK market.

The Aussie took a battering over the week, losing 2.13 US cents to close at 57.21 US cents

to the greenback compared with the previous week's 7.7985.

**INDONESIAN RUPIAH:** The rupiah weakened slightly over the week, closing trade Friday at 8.373 to the dollar, after a roller coaster ride which saw the currency touch an intra-day low of 8.520 on Thursday compared to last Friday's close of 8.350 to the dollar.

Dealers said qualms over the new economic team in the cabinet announced Wednesday had hit the currency.

**PHILIPPINE PESO:** The peso fell to 45.040 to the dollar on Friday from 44.985 pesos to the greenback the previous week.

**SOUTH KOREAN WON:** The won marginally strengthened from 1,115.10 per dollar a week earlier to 1,114.10 won Friday.

**TAIWAN DOLLAR:** The Taiwan dollar finished at 31.072 against the US dollar Friday, up from last Saturday's 31.079. The local currency ended at 31.069 on Monday and had further dipped to 31.080 in the following two trading sessions before rising to 31.069 Thursday.

**THAI BAHT:** The baht closed Friday at 40.84-87 to the dollar compared to the previous week's close of 41.02-04. The Thai unit was relatively stable against the dollar, amid a lack of new factors to direct the market, dealers said.

### Aptech seminar on IT held at Munshiganj

A seminar on 'Careers in IT' was held at Govt. Haraganga College in Munshiganj on Thursday, says a press release.

Organised by Aptech Computer Education, Narayanganj Centre, the seminar was presided over by Vice Principal of the college Professor Abul Kashem.

Noor Hossain, General Manager (Software) of Flora Systems Ltd, was the chief guest while Monwar Hossain, Centre Head of Aptech Narayanganj Centre was special guest at the seminar.

Monjurul Alam Mamun and Jayanta Sarkar, faculty members of Aptech Narayanganj Centre, Ahmad Obaidul Sattar, Lecturer of the college, and other teachers and a large number of students attended the seminar.

Speaking on the occasion, the chief guest said: "It is the fastest growing technology of the world. It is necessary that one be computer literate for self establishment".

Foreign exchange dealers of local commercial banks participated in the seminar. BAFEDA Executive Committee members were also present.

### Exchange Rates

Following are yesterday's Standard Chartered Bank foreign exchange rates (indicative) against the major currencies to Taka. Central bank buying and selling rate of USD: BDT 53.85/BDT 54.15

Selling	Currency	Buying
TT/OD	BC	TT Clean OD Sight OD Transfer
54.2500	54.2800	53.8150 53.6464 53.5779
49.5996	49.6868	47.7858 47.6024 47.5258
80.4745	80.5165	78.6482 78.3817 78.3271
32.2467	32.2712	29.2091 29.1166 29.0365
0.5176	0.5177	0.4990 0.4988 0.4978
31.9815	32.0060	31.2652 31.1707 31.0862
5.8620	5.8672	5.7503 5.7427 5.7267
36.8234	36.8479	35.9429 35.8493 35.7661
6.9911	6.9924	6.8676 6.8499 6.8325
32.0693	32.0842	30.8871 30.8433 30.7287
14.8919	14.9095	14.5023 14.5242 14.4838
14.5799	14.5983	14.2402 14.2035 14.1853

Usance export bills

TT Doc	30 Days	60 Days	90 Days	120 Days	180 Days
53.7041	53.3727	52.9304	52.4217	51.8688	50.6303

Exchange rates of some Asian currencies against US dollar

Indian Rupee	Pak Rupee	Thai Baht	Mal. Ringit	Indo. Rupiah	NZ Dollar
45.81/45.91	54.70/54.75	40.80/40.85	3.7969/3.8001	8345/8365	0.4359/0.4369

US Dollar LIBOR

Buying	Selling	Mont hs	1	3	6	12
Cash notes	53.6150	54.2800	USD	6.62	6.68	6.84
TC	53.5650	54.2600	GBP	6.05	6.22	6.33

The local foreign exchange market was active and the demand for dollar was steady. Trading in dollar was rangebound. The money market was stable and the call rate ranged between 5.75 and 6.25 per cent.

### JOBS-assisted firms to attend Birmingham fair

A four-day Autumn Fair will be held in Birmingham from the 3rd of next month.

Four USAID-funded JOBS projects selected firms from Bangladesh-Kumudini, Folk Bangladesh, Aranya and creation will participate in the fair. These will Bangladeshi handloom and handicraft products made from indigenous eco-friendly materials, such as vegetable dyes, hand-made paper, etc. at the fair, says a press release.

The fair in Birmingham is a major opportunity for entrepreneurs from across the world to meet potential buyers and market their products. It is one of the world's leading and most prestigious trade exhibitions. Buyers producers from across the world attend the fair.

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