

## Critical WTO meet begins today amid ominous policy rows, security fears

AFP, Doha

Trade ministers, facing a terrorism-driven plunge in the global economy, open a critical meeting here Friday to boost world trade amid ominous policy disputes and security fears after a man opened fire on a US military base.

Ministers from the 142-member World Trade Organization will spend five days in the sweltering Qatari capital in a fresh bid to forge an agenda for a new round of multilateral talks to lower barriers to global trade.

But security concerns intensified Wednesday when an assailant, a Qatari armed with a Kalashnikov, fired on a US base south of Doha in what Qatari officials said was an isolated incident.

The man was killed when guards at the base returned fire, the interior ministry said.

With two days to go before the opening of the conference, which takes place in a luxury hotel on the shores of the Gulf, Qatari authorities were also scrambling to meet the technological and security challenges of hosting a gathering expected to draw 4,500 official delegates, journalists and representatives of non-governmental organizations.

Qatar came close to losing its chance to stage the conference after the suicide attacks (igWwS)@United States September 11.

WTO members doubted the wisdom of holding the meeting here at a time when the

United States was attacking Afghanistan, which like Qatar is a conservative Muslim state.

But buoyed by security assurances from Qatari authorities and under pressure, according to some press accounts, from US Vice President Dick Cheney, the WTO agreed to stick with Doha.

Nonetheless, some of the key players here -- notably the United States and Japan -- have scaled back their delegations. Security is evident but hardly rigorous, although tougher measures were expected to be in place by Friday.

Many of the delegates gathering in Doha harbor bitter memories of their last bid to agree on a new trade liberalization agenda in December 1999.

Meeting in Seattle, on the US west coast, ministers were rattled by the presence of some 40,000 anti-globalization militants but also failed to overcome deep differences among themselves.

By all accounts those gaps remain as acute as ever, despite the fact that trade is frequently cited as an antidote to an ominous global economic downturn exacerbated by fears of new terrorist strikes on Western targets.

"The circumstances are more dire," Richard Fisher, a former US trade official, told a recent seminar at the Brookings Institution in Washington.

"The need for progress on trade has been emphasized by... these cascading financial markets and the tremendous economic turmoil around the world.

"But the reality of the situation is that we're back to where we were in Seattle in 1999."

Mike Moore, the WTO director general, warned that failure would send a risky signal of division at a time when the world's major economies were sliding into recession.

"At a time when global cooperation is as important as it has ever been, a failure to improve one of the most important pillars of the international architecture would be not only unfortunate but dangerous," he said in an introductory statement obtained by AFP.

Similar warnings have come in recent days from officials in the United States, Japan, the European Union and developing countries.

In the United States, Trade Representative Robert Zoellick has also publicly evoked the possibility that the Doha meeting -- and the campaign to boost trade on global rather than regional levels -- could founder.

"If the WTO falters," he said, "the United States will continue to pursue trade liberalization, turning to regional and country-by-country alternatives."

Just as they were in Seattle, the United

States and the European Union are at loggerheads over government subsidies to help farmers export their output.

Washington and its allies in a bloc known as the Cairns Group insist that the new round lead to the elimination of such assistance, an outcome vigorously rejected by the EU.

The United States for its part is resisting the inclusion in a new round of debate on its anti-dumping policies, under which punitive duties have been slapped on imports deemed to have entered the US market at unfairly low prices.

That practice has been bitterly denounced by Japan and South Korea, both of which want to see the issue on any future trade liberalization agenda.

Developing countries are also approaching Doha dissatisfied with a draft ministerial statement they say falls far short of meeting their needs.

Poor nations in particular resent being pressured to make new free trade commitments when they say they have yet to taste the fruits of previous multilateral accords.

They are pressing for greater access to markets in the industrialized world and -- in opposition to the United States and Switzerland -- are seeking the right to override WTO-approved patent protections to produce cheap generic drugs to combat health crises such as AIDS.

## Rupali Bank cuts rate

AS per government policy, Rupali Bank has reduced the rate of interest by 3 per cent in some priority sectors, including readymade garments, frozen foods and agro-based industrial products, says a press release.

Apart from this, the bank also reduced the interest rate up to highest 2 per cent in some other sectors.

## Holcim now available outside Dhaka

Cement buyers can now buy their most preferred brand Holcim in regions outside Dhaka, says a press release.

The country's number 1 cement producer -- recently stepped into Mymensingh, Tangail, Comilla, and Bhairab.

This distribution drive is aimed at "reaching the best cement to as many consumers as possible." PN Iyer, VP (Marketing & Sales) of Holcim said in one of the retailers meet in Mymensingh.

All these 4 cities were a festive look on the launch day. Holcim introduced the retailer programme in each region to ensure that consumers can get supply of Holcim at their nearest points of sales, together with a quality assurance that is pioneering in the market.

Zeshan Kingshuk Huq, DGM (marketing) of Holcim said "You have a new name a new outlook in front of you, but the same trusted quality inside those packs." Jashim Uddin Khandaker, Manager (Dealer Sales) added, "The new name Holcim is only for the betterment."

Holcim, a Swiss cement conglomerate, is one of the leading cement companies in the world. With over 90 plants in 74 countries, Holcim's key focus areas include Bangladesh. After acquisition of Hyundai Cement and United Cement, the company has introduced many acquisition of Hyundai Cement and United Cement, the company has introduced many pioneering practices and examples in the market, including Premium Dealership, Retailer Program, Value Improvement Program, Awareness Building Campaigns, and Product Innovation.

## GP opens sales centre at Sylhet

GrameenPhone Ltd officially opened its sales centre in Sylhet on Thursday, says a press release.

Ola Ree, Managing Director of GrameenPhone, inaugurated the centre in a colourful ceremony in the presence of eminent citizens and channel partners of GrameenPhone.

This new Sales Centre will be operating as regional sales point for the division.

All the sales and queries in Sylhet will be attended through this Sales Centre solely in the strive to give better service to the people of Sylhet Division.

Mehboob Chowdhury, Director Sales and Marketing, made a presentation on the activities of GrameenPhone in Sylhet.

Khalid Hasan, Director Personnel & Organisation, Thorbjorn, Director Network Operations, Mahboob Hossain, DGM Distribution, Intekhab Mahmud, DGM Marketing, and other high officials of GrameenPhone were present on the occasion.

## Developing countries give WTO meet 50pc chance of success

AFP, Doha

Developing countries give an upcoming WTO conference here only a 50 per cent chance of reaching an accord to launch a new round of global trade talks, a senior Asian official said Wednesday.

"It is 80 per cent for the big guys (in the developed world) but only 50-50 for the little guys," said the official, representing the Association of Southeast Asian Nations (ASEAN).

He was speaking as ministers from the World Trade Organization were gathering here ahead of a five-day meeting starting Friday aimed at drafting an agenda for future talks to lower international trade barriers.

"There are many who believe the situation is as bad as before Seattle, but the presentation is different," he said.

WTO ministers meeting in the west coast US city of Seattle in December 1999 failed to surmount deep differences on what should and should not be included in a new round and their gathering broke down in failure.

The ASEAN official cautioned that the harder line taken by developing countries ahead of the conference had to be seen in perspective, notably as each party is trying to strengthen its position in the

run-up to the actual negotiations.

But it is also true that the gap between rich and poor nations remains wide on links between trade and the environment and trade and investment, as well as WTO-backed rules protecting drug and medical patents and on developing country assertions they have yet to enjoy the benefits of previous trade liberalization agreements.

At the same time developing countries attach great importance to the form that the negotiations will take here, the ASEAN official said, recalling their resentment at having been left out of key sessions in Seattle.

"It is necessary to avoid the mistake committed in Seattle," he stressed. "Participation and transparency are very important."

WTO rules allow for the "green room" option, under which a small group of delegates can convene in a room next to the office of the WTO director general to overcome particularly complex difficulties.

In Doha these gatherings will be open to all who wish to attend, with participants selected to ensure that all regional groups and interests are officially represented.

The debate over trade and investment offers a clear illustration of the differences in approach favored by rich and poor countries.

Wealthy nations argue that direct investment in international businesses, both large and small, is a boon for development and want to negotiate rules that protect such firms from discriminatory treatment.

But developing countries maintain that their companies need time to prepare themselves to compete at home with foreign rivals. A draft ministerial statement prepared by Stuart Harbinson of Hong Kong, head of the WTO general council, proposes that details of such negotiations be debated ahead of the next WTO ministerial meeting two years from now.

"But negotiations are a foregone conclusion and that is not acceptable to some," the ASEAN official said.

Another idea put forward by certain WTO members would allow developing countries to opt out of commitments they feel they are not yet ready to fulfill.

But the official warned that such an initiative could end up isolating developing countries even further.

With some of the more militant of the poorer nations remaining firm in their positions, "advanced countries will have to lower their ambitions" if another failure is to be avoided in Doha, he added.

## Southeast Bank cuts lending rates

The Board of Directors of Southeast Bank Limited has decided to reduce lending rates by one to two per cent on in different categories of loans and advances, says a press release.

The Board also decided to cut the lending rates on export credits from 10 per cent to 7 per cent per annum.

This decision has been made in line with the government policy to lower the lending rates.

## Sony-Rangs opens 51st showroom at Laksam

Rangs Electronics Ltd, popularly known as Sony-Rangs, opened its 51st showroom on Bypass Road at Laksam Paurasava on Tuesday under its expansion and better customer service programme of 2001-2002, says a press release.

Director of Rangs Electronics Ltd, Miss Beanus Hussain inaugurated the showroom. Rangs Electronics' Area Sales Manager-Chittagong, Musa Kamal Mahmood, Marketing & Distribution In-charge Tanvir Hossain, other officers of Rangs Electronics Ltd, and the local elite of Laksam Paurasava were present on the occasion.

The Director of Rangs Electronics renewed the company's pledge to make Sony, Rangs, Aiwa products and services more easily available to the customers.

Apart from 51 sales and service centres of its own, the Rangs Electronics Ltd has a network of more than 150 authorised dealers throughout the country.

## Coats Bangladesh enters market

Coats Bangladesh Ltd., a subsidiary of Coats plc of the United Kingdom, has started marketing their products specially designed for local consumers, says a press release.

The Managing Director of Coats Bangladesh Ltd, Anil Dias, inaugurated the launching of the ceremony at their distributor's premises in the city recently.

Among others, Marketing Director Zahedur Rahman, Finance Director Nasiruddin Ahmed and Manager Consumer Business Nazir Ahmed were present on the occasion.

The 'TIGER' brand product comes with an unprecedented colour range to provide a product of superior quality to the general consumer in Bangladesh.

For the first time in Bangladesh, local consumers of sewing thread will have access products manufactured by a multinational thread manufacturer.

Coats Bangladesh Ltd. (formerly Tootal Thread Bangladesh) is the undisputed market leader in the export garment industrial thread sector of the country and has been in operation for the last 11 years with its own local production unit.

Coats plc is the only truly Global thread manufacturer, with manufacturing operations in 63 countries marketing its products in 78 countries of the world.

## SAARC cumulation irks BTMA

### BGMEA sees \$ 250m in value addition a year

SHAHRIAR KARIM

The country's textile and readymade garment (RMG) manufacturers are once again on a collision course over the European Union's (EU) regional cumulation benefit in the textile and apparel sectors.

The commerce ministry's decision to include apparel products in SAARC regional cumulation benefit irked the country's textile entrepreneurs as they think it would have a negative impact on the growth of backward linkage (textile) of RMG.

Perturbed by the decision, a delegation of the Bangladesh Textile Mills Association (BTMA) late last month met the textile minister and requested him to have a review of the decision.

The BTMA delegation told the minister that the SAARC cumulation "will not give any major boost to the garment industry, but will cripple the spinning and the weaving industry and would reduce value addition or foreign exchange earnings retention."

Against the BTMA's logic that SAARC cumulation would reduce value addition in RMG sector, the BGMEA said once implemented RMG export would be increased at least by US\$500 million and the country could earn not less than US\$ 250 million in value addition each year.

The tussle between the two strong industrial sectors earlier had led to deferment of implementation of the EU's regional cumulation or SAARC regional cumulation during the immediate

past government's tenure, although the government applied to the EU for the benefit.

However, the commerce ministry decided to utilise the SAARC regional cumulation benefit only for five categories of apparels that include boys short pants, boys long pants, boys jackets, boys basic shirts and men's and ladies' shorts. "So far, according to our calculation, these are the items where the country can add more value to get the benefit under SAARC cumulation," said a commerce ministry source.

According to EU's regional cumulation rule, a country in a regional group can avail duty benefit by exporting a product made from raw materials of other countries of the group if that country's value addition is greater than that of others. For example, if Bangladesh exports any finished product to EU with components from India (34 per cent) and Pakistan (30 per cent) it is eligible to receive GSP with a value addition of 36 per cent.

The commerce ministry in a letter on October 22 to the SAARC secretariat communicated its decision and asked it to communicate the same to the European Commission (EC).

The ministry also told the SAARC secretariat that it would extend all necessary administrative cooperation in order to ensure the issuance of the genuine certificates of origin, verification of the certificates of origin and invoice declarations.

However, as the textile entrepreneurs opposed the SAARC cumulation, the commerce and

textile ministries decided to form an inter-ministerial committee to review the process after every three months, according to official sources.

To ward off the textile industry's fear the government might also co-opt the BTMA members on a committee that would oversee the whole process, the commerce ministry sources said.

However, the textile entrepreneurs are not still happy and apprehending that there might be some sort of misappropriation of the benefit.

But, the BGMEA has a different point to make. "The country's RMG is probably going through the worst time. The export is falling like anything, there are hardly any fresh orders. In this context shouldn't we go for utilising all sorts of trade benefits that are on the table," Kutubuddin Ahmed, President of the BGMEA, raised the point.

He also said the country's textile sector can feed only 20 per cent of the fabric demand for the export-oriented woven RMG. However, in case of knit garment, the country's textile mills can meet almost the whole demand.

"We have suggested to utilise SAARC cumulation only on woven RMG items and also where we can add more value. If anybody goes through the list prescribed by the commerce ministry he or she can understand it won't harm the local textile industry," Kutubuddin claimed.

He also said if the RMG industry can't survive, the backward linkage textile industry would also suffer.



Miss Beanus Hussain, Director of Rangs Electronics Limited, opens the 51st showroom of the company at Laksam on Tuesday.

## BOE slashes rates to 4 pc

AFP, London

The Bank of England slashed interest rates by 0.5 per cent points to 4.00 per cent on Thursday, its seventh -- and deepest -- reduction in borrowing costs this year.

In a surprise move prompted by growing concern over a global economic slowdown and fragile business confidence, the bank chopped rates to their lowest level for almost 40 years.

The move comes as central banks around the world ratchet down borrowing costs to help economies withstand the shockwaves still rippling out from the terrorist attacks on the United States.

The Bank of England's move came two days after the US Federal Reserve cut rates by a half-point. Forty-five minutes after the cut here, the European Central Bank axed its rate by a similar amount to 3.25 per cent.

Bank of England policymakers

said in a statement that in recent weeks "world economic activity had weakened further, and evidence on the outlook now suggests that the global slowdown may be somewhat deeper and longer than previously thought."

It said it could afford to take radical action because inflation was low, and although the British economy has remained reasonably healthy, recent business surveys have been gloomy.

"In the United Kingdom, growth has so far remained close to trend," the bank said. "But reflecting the changed world outlook, the latest surveys of confidence and business activity have weakened. Meanwhile, cost and price pressures are somewhat more subdued."

In a rare pronouncement on interest rate policy -- which the Labour government surrendered to the Bank of England in 1997 -- Chancellor Gordon Brown hailed the move as pre-emptive and proactive.

"That is a pre-emptive policy that has been adopted by the Bank of England," Brown told parliament.

"In exactly the same way as the Bank of England adopted a pre-emptive approach in 1998 when there was a slowdown in the economy, they are doing exactly the same now and I believe that that will be warmly welcomed by people throughout the country," he said.

But economists expressed surprise at the move. The bank has not cut rates so sharply since the last global financial crisis of 1998-99, and many City analysts had been confidently predicting a quarter-point rate cut.

"It could well be that the Fed has been in contact with other central banks saying look, we have seen the situation is a lot worse than first anticipated, we've cut by 50, and we are looking for a global response," said Royal Bank of Scotland economist Neil Parker.



Ola Ree, Managing Director of GrameenPhone, opens the company's sales centre in Sylhet yesterday.

## EU stands firm on labour rights

AFP, Doha

The European Union vowed on Thursday to stand firm on its insistence that any new round of multilateral trade liberalization talks include discussion on protection of workers' rights.

The EU wants any new round, the subject of a WTO ministerial meeting starting here Friday, to make clear the relationship between the World Trade Organization and the International Labor Organization, a specialized agency of the United Nations.

The ultimate goal is to ensure that any future trade pact contains provisions that would prevent countries from exploiting workers in order to gain market advantage.

A draft statement to be debated by ministers meeting here merely says that the ILO "provides the appropriate forum for a substantive dialogue on various aspects of this issue."

EU Trade Commissioner Pascal Lamy, addressing a press conference in Doha on Thursday, said: "The present text, as far as the WTO-ILO relationship is concerned, is too weak."

"We want that on the occasion of the launching of this program of negotiations this relationship between the WTO and the ILO will be created," he added.

He stressed that while the European Union did not want to impose its position on labor rights on the rest of the world, the issue is "very important for our people."

Developing countries have resisted linkages between workers' rights and trade, fearing the industrialized world will use alleged labor abuses as a pretext for keeping out goods from poorer nations.



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