

## DEPZ to have ROK interlining manufacturing industry

UNB, Dhaka

Korea will set up an interlining manufacturing industry at Dhaka Export Processing Zone at a cost of 733,000 lakh US dollars.

The industry, to be named as Swan Interlining Company Ltd, will produce 12,000 yards of interlining and 60,000 sets of quilted bed-sheets and covers, blankets and pillow-covers annually. Some 103 Bangladeshi nationals will get job opportunities in the Korean industry, said a BEPZA press release yesterday.

## Danish to market Gerber products in Bangladesh

Danish Distribution Network Ltd will market Gerber products in Bangladesh, says a press release.

An agreement to this effect was signed between Novartis (Bangladesh) Ltd and Danish Distribution Network Ltd at the head office of Novartis in the city on Thursday.

Danish will be the sole distributor of Gerber products.

Managing Director of Novartis, Gerherd G Doege, and Managing Director of Danish Distribution Network Ltd, Aziz Al-Mahmood, signed the agreement on behalf of their respective companies.

Also present at the signing ceremony were Sector Head of Novartis Consumer Health, Khairul Anam, Brand Executive of Gerber Products, AZM Sharifuddin, Vice-Chairman of Partex Group Aziz Al-Kaiser, Director Marketing M Rahman, and DGM Marketing Tawhid Shams Haque.

## Japan-US talks over steel row likely next week

AFP, Tokyo

Japan's trade minister Takeo Hiranuma is to hold telephone talks with US Trade Representative Robert Zoellick as early as next week over controversial US tariffs on steel imports, an official said Friday.

"We plan to set up their telephone conversation late next week at the earliest in the hope that we can reach a breakthrough in time to beat a deadline for (imposing) our retaliation measures," a ministry official said.

Japan has warned it would impose 100 per cent tariffs worth 4.88 billion dollars a year on certain US steel products from June 18 unless the United States drops its new tariffs on steel imports.

US President George W. Bush announced in March he was applying tariffs of up to 30 per cent on most steel imports to protect the ailing US steel industry, prompting Tokyo and other countries to lodge a complaint with the World Trade Organisation.

## HK economy shrinks 0.9pc in first quarter

AFP, Hong Kong

Hong Kong's economy shrank 0.9 per cent in the first quarter this year from a year earlier but the government pointed Friday to the growth from the previous quarter as proof the territory was emerging from recession.

Hong Kong's gross domestic product (GDP) rose 0.3 per cent in the three months to March compared with the last quarter of last year, the government said.

Financial Secretary Antony Leung told reporters the first quarter GDP decline had been widely expected.

"But on a quarter-to-quarter basis, it actually increased so it shows that economic activity in Hong Kong is actually coming out of recession. We are optimistic that we can achieve our forecast of one per cent (GDP growth) this year," he said.

Leung pointed to improvements in tourism, re-exports, property and the stockmarket to justify his optimistic comments.

The year-on-year 0.9 per cent decline was less than the revised 1.4 per cent fall in gross domestic product (GDP) in the fourth quarter of last year.

For the first quarter, total exports were down 2.1 per cent year-on-year after a fall of 8.8 per cent in the last three months of last year.

Consumer spending was down 0.6 per cent, hurt by Hong Kong's rising jobless rate which hit a record 7.1 per cent in the three months to April.

## Tripura seeks transshipment, transit from Dhaka

### Bangladesh entrepreneurs for removal of tariff, non-tariff barriers

MONJUR MAHMUD from Agartala, trials

When Tripura government has urged Dhaka to allow transit and transshipment facilities for Indian products Bangladeshi entrepreneurs noted that existing tariff and non-tariff barriers should be removed to increase their exports to the next-door neighbour.

Bangladesh may permit India to use Chittagong port and allow multi-modal transportation of Indian goods with Ashuganj as the port of call, said Manik Sarkar, chief minister of Indian state of Tripura, speaking at a seminar yesterday.

Tripura government and Tripura Chamber of Commerce & Industry (TCCI) jointly organised the seminar titled 'Promotion of Trade and Investment between Tripura and Bangladesh'.

Governor of Tripura Lt Gen KM Seth (rtd) inaugurated the daylong seminar. Chief Secretary V Thulasidas, Tripura Industries and Commerce Minister Pabitra Kar, TCCI President ML Debnath, members of Bangladesh business delegation and Trade Consultant of

Bangladesh's Commerce Ministry AKM Fazlur Rahman also spoke at the seminar.

Leader of Bangladesh business team Benajir Ahmed said Bangladesh will be able to increase its exports to India if tariff and non-tariff barriers are removed.

Trade Consultant of Bangladesh's Commerce Ministry AKM Fazlur Rahman said if existing tariff and non-tariff barriers are removed, the trade situation will improve. "There is no alternative but to opening up the economies."

Tripura Chief Minister also said there are opportunities for Bangladesh to produce and supply goods to the north-eastern states of India, which should be much more economical compared to the goods coming from other parts of India in view of geographical proximity.

He said as Tripura is almost surrounded by Bangladesh, there is an urgent need to strengthen trade ties with Bangladesh and get transit facilities, said the chief minister, adding that the tariff and non-tariff barriers between the countries should be removed.

Speaking at the seminar, Lt Gen KM Seth (rtd) said Bangladesh can

consider Tripura a gateway to India's north-eastern region.

"I have no doubt that sooner or later transit by rail, road and waterway through Bangladesh will be opened, immensely benefitting both the countries," he hoped.

Chief Secretary V Thulasidas made a presentation on the seminar topic and said Tripura is a fastest growing economy in the region in the last 7 years.

Official trade between Tripura and Bangladesh started in 1995 and present volume is 11 crore Indian rupees, he said, mentioning that unofficial trade is at least 10 times higher than the official trade.

Tripura Industries and Commerce Minister Pabitra Kar said bus service between Dhaka-Agartala should be launched immediately.

Joint Secretary of the Ministry of External Affairs of India's central government Neelam Deo said the government certainly supports establishment of multi-modal transportation system and transshipment facility with Bangladesh.

Bangladeshi entrepreneur Maj Gen Amjad Khan Chowdhury (rtd) said role of Indian government is

very important for boosting trade between the two countries. Pointing to the present trade situation, he said the ball is now in India's court.

Leader of Confederation of Indian Industries, the oldest business body of India, Indrani Dhar said her organisation will take up the tariff and non-tariff issue with the central government.

Agartala, capital of Tripura, is only 7 km away from Akhaura, an important rail junction of Bangladesh. Sabroom, a commercially important place of Tripura, is 75 km from Chittagong port.

Tripura imports hilsa fish, zamdani saree, processed food and fruit products, mineral water, dry fish, textiles, electronic goods, edible oil, spices, vegetable, fertiliser from Bangladesh while it exports fresh fruit, ginger, vegetables, agri products, bamboo, timber, rubber and rubber products, raw leather, raw spices, coal, fish, cereals, sugar, medicines, textile fabrics, cycle, auto parts and electrical goods to Bangladesh.



PHOTO: STAR

Different varieties of mangoes from the country's northern region have started arriving in the city's market in large quantities. The delicious summer fruit now sells between Tk 15 and Tk 25 per kg in wholesale market.

## Huge job scope in Malaysia for Bangladeshi workers

### Dunham Bush CEO says

STAR BUSINESS REPORT

Huge employment opportunities for Bangladeshi workers exist in Malaysia as the country has been facing serious labour shortage, according to an observation made by a top-ranking official of a Malaysia-based company.

"A lot of manufacturing units in Malaysia have been closed and many others are on the verge of closure because of worker shortage," said SC Yeo, the visiting chief executive officer (CEO) of Dunham Bush Malaysia, a refrigerator and air conditioner manufacturing company.

Talking to newsmen at a press conference held in the city on Thursday, the CEO said labour in Malaysia has been expensive and it is very difficult for the manufacturing units to keep the price of their goods at competitive level.

He said they have no plan to

relocate their factories to Bangladesh at present, but such a proposal cannot be ruled out in future.

Many other companies are thinking of re-location of their manufacturing units to a labour-intensive country, he admitted.

When his attention was drawn to recent retrenchment of many Bangladeshi workers in Malaysia, the chief executive officer of Dunham Bush Malaysia said his company had no option. But the reality is that Malaysia has to hire workers from foreign countries.

Senior General Manager Hew Deng Wai, Director-Engineering Wong Siak Pong and Deputy Director-Engineering Nicholas Adrian Mackenzie of the company and Hamidul Islam, executive director of Alook refrigeration, the sole distribution agent of the Malaysia-based company in Bangladesh, were also present at the press conference.

installed with the cooling equipment of Dunham Bush.

Now, the company is looking for textile and food industries, which would use its equipment for quality air-conditioning system.

The company also held a seminar at a city hotel to apprise some engineers and potential clients of various advantage of its equipment.

Responding to a question, SC Yeo claims that his company's products are environment-friendly.

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PHOTO: NOVARTIS

Managing Director of Novartis (Bangladesh) Ltd Gerherd G Doege and Managing Director of Danish Distribution Network Ltd Aziz Al Mahmood sign an agreement on behalf of their respective companies in the city on Thursday. Under the deal, Danish has been appointed sole distributor for Gerber products in Bangladesh.

## US dangles limited steel tariff exemptions, EU seeks more

REUTERS, Brussels

The United States dangled the prospect of limited exemptions from its disputed steel tariffs Saturday in a bid to avert European Union retaliation, but Brussels said only compensation would stave off sanctions.

US Commerce Under Secretary Grant Aldonas ruled out any prospect of compensating the 15-nation EU with trade concessions on other goods for the duties imposed by President George W. Bush in March to protect uncompetitive US steel producers.

"I don't want to hold out any hope that we're going to be engaging in any negotiations on compensation," Aldonas told a news conference after four hours of talks with the European Commission's director-general for trade, Peter Carl.

However, he pledged that the United States would agree some exceptions for specialty steel imports that did not threaten US producers before the EU's June 18 deadline for deciding on retaliation, and set more exclusions in early July.

The EU executive's trade

spokesman, Anthony Gooch, responded that such partial concessions would not be enough to forestall EU retaliation.

The EU will look at exemptions only as part of a whole compensation package. If the US is not in a position to deliver, the only remaining instrument is counter-measures," he said, stressing June 18 was the deadline to activate sanctions.

"We don't take Mr Aldonas' "no" for an answer," he added.

The commission has prepared a hit-list of countervailing duties worth more than \$300 million to slap on a range of goods, some from politically sensitive states for President George W. Bush's Republican party in a congressional election year.

Diplomats said Washington was trying to break the EU's united front by talking bilaterally to its closest European allies Britain and Germany about exemptions for their steelmakers' high-quality niche products.

"It's the old tactics of divide and rule, but on steel I don't think it will work," one EU diplo-

mat said.

However, others said London and Berlin might argue for extending the deadline when EU foreign ministers hold a crucial meeting on June 17, to give the United States more time to make concessions while retaining the option of sanctions.

"There is a middle way that would keep the possibility of retaliation alive without having to use it," one said.

He said Washington would have to agree to an extension of the deadline, which it does not recognise. There was a precedent for this in a World Trade Organisation dispute over US tax breaks for exporters, the diplomat said.

Britain, Germany and Sweden have voiced public uncertainty about hitting back so soon.

A German Economy Ministry spokesman said Berlin was talking bilaterally with Washington about exceptions to the tariffs for its steelmakers' products and US Trade Representative Robert Zoellick would visit Berlin next Wednesday.

## US seeks WTO talks with EU over Brussels' steel tariffs

AFP, Geneva

The United States has asked for consultations at the World Trade Organisation with the European Union on tariffs by Brussels on imported steel, the WTO said here on Friday.

If the consultations fail to resolve the US complaint within an allotted 60-day period, they could lead to the setting up of an expert panel by the dispute settlement body to examine the dispute.

The notification that Washington wanted talks with the EU over the "safeguard measures" was lodged on Thursday.

The EU adopted the provisional measures on March 28 on 15 steel product categories in a bid to protect EU markets from an influx of steel exports diverted from the US after Washington imposed its own tariffs.

US tariffs of between eight and 30 per cent were imposed on some imported steel on March 20, unleashing a backlash from Europe, Latin America and Asia.

An EU request for a WTO expert panel to examine its own complaint over the US measures is expected to be established on Monday.

## Japan jobless rate still high

AFP, Tokyo

Japan's unemployment rate stood at 5.2 per cent in April unchanged from a month earlier and the situation remained tough as companies slashed payrolls amid a recession, data showed Friday.

"There are some signs that the employment situation was gradually improving. But overall, it remains tough," Labour Minister Chikara Sakaguchi told reporters.

The number of people out of work rose to 3.75 million in April, up 270,000 from a year earlier, increasing for the 13th consecutive month, the Ministry of Public Management, Home Affairs, Posts and Telecommunications said.

"The sharp increase in unemployment among household owners and lay-offs shows the continued severity surrounding the labour market," said a senior official at the public management ministry.

"The severe labour market environment was also evidenced by the sharp decline in full-time workers," the ministry official said.

The number of non-farm full-time workers fell 630,000 year-on-year to 46.04 million, while the number of part-time workers increased 310,000 to 5.68 million.

But economists said they felt the jobs situation would begin to improve as Japan enjoys a cyclical recovery powered by a pick-up in exports.

"We believe in general the Japanese economy hit the bottom in the first quarter of this year. It usually takes three to four quarters for unemployment rate to come down after the overall economy bottoms out," said Junichi Makino, senior economist at Daiwa Institute of Research.

"We believe, by the end of this year, we will start seeing clear signs of the unemployment rate coming down."

## BUDGET QUIPS

"Why does Bangladesh refuse hard loans and welcome soft loans?" "Because, repayment of hard loan demands sacrifice and sweat of our own labour. In the case of soft loan, the sweating is passed on to the next generation."

"Isn't it unfair on our unsuspecting children and grand children?" "Of course it is. The finance minister has already raised his lone voice of protest against this unholy practice by threatening to quit LDCs."

"MMI"

## Unemployment in France falls

AFP, Paris

French jobless figures improved slightly in April but the unemployment rate remained at 9.1 per cent, official figures showed Friday, signalling a still precarious job market as a new conservative government prepares for legislative elections.

## 'Chinese trade irritants niggle EU'

AFP, Beijing

Sino-EU trade relations could be harmed by a growing number of nagging irritants seen in recent months, a senior EU official warned Friday.

"We have to watch it carefully... too many irritants would dampen the enthusiasm for increased trade relations and exchanges," said Klaus Ebermann, heading up a European Commission mission to Beijing.

He said so far there had only been "isolated cases" with "no nasty strategy behind it" since Beijing's entry to the World Trade Organisation last year.

But "if it reaches critical mass we'll have to deal with it," he warned.

The last squabble between the two trading partners flared over the tight safety standards, which Beijing wanted to impose on mobile telephones destined for the China market, especially over radiation emissions.

The proposals raised hackles among European manufacturers Nokia and Ericsson, and US producer Motorola, who argued that the measures -- which would be twice as strict as those currently applied in the EU -- would put the brakes on the growth of China's lucrative mobile telecoms market.

China now has more users of mobile telephones than any other country in the world, with 166 million subscribers at the end of April.

Ebermann said the issues of

radiation emissions would be raised next week during a visit to Beijing by an EU delegation specialised in information technology.

"It is essential to work towards a common standard," he said, while praising Beijing's decision to make safety a top priority.

The cellphone argument was used by the Chinese authorities to impose restrictions on EU animal products in a tit-for-tat move after Brussels in January suspended imports of Chinese animal products allegedly containing a banned antibiotic.

The EU partially lifted the ban at the start of May.

## Australia, Thailand start talks on free trade pact

AFP, Sydney

Australian Trade Minister Mark Vaile began formal negotiations on a free trade agreement with his Thai counterpart Adisai Bodharamik in Mexico on Friday, officials said.

The meeting took place at an Asia-Pacific Economic Cooperation (APEC) trade ministers' conference in Puerto Vallarta after prime ministers of the two countries, John Howard and Thaksin Shinawatra, agreed to begin negotiations in talks here Thursday.

Thaksin outlined Thailand's

hopes for the agreement in an address to the Australia-Thailand Business Council in Sydney on Friday.

Howard said it was envisaged the bilateral economic relationship would cover areas wider than a traditional free-trade agreement.

Speaking from Los Angeles where he was in transit from Mexico, Vaile told Australian Associated Press he and Adisai had agreed officials from both countries should meet before the end of July to advance negotiations.

"We discussed the desirability of

achieving closure of the Closer Economic Relations (CER) trade agreement by the time of the APEC leaders' meeting in Bangkok at the end of 2003," he said.

"We also discussed the importance of achieving the best possible outcome for the Australian and Thai economies.

"The CER trade agreement between Australia and Thailand will seek to comprehensively liberalise trade between our two countries and extend cooperation in a broader range of areas vital to better integrate our two economies."

## Pak, Afghan, Turkmen leaders agree to revive gas plan

REUTERS, Islamabad

Pakistani, Afghan and Turkmen leaders agreed Thursday to resuscitate an ambitious and long-standing dream of a \$2 billion pipeline from gas fields in Turkmenistan through Afghanistan to Pakistan's Arabian Sea coast.

Analysts questioned the viability and security of the project but the three leaders said the end of more than two decades of fighting in Afghanistan meant conditions were finally right.

"Now with the gradual return of peace and normality in Afghanistan, we are confident that this mega

project will be realised in the near future," said Pakistani President Pervez Musharraf, after signing an agreement on the deal with Afghan interim leader Hamid Karzai and Turkmen President Saparmurat Niyazov.

Niyazov, speaking through a translator, said the pipeline to carry 23 billion cubic metres of gas a year -- would bring jobs and \$300 million a year in transit fees to Afghanistan.

It is still early days for the project. A feasibility study conducted by US oil company Unocal in the 1990s has to be updated, the project put out to tender and financial backing secured for the 1,500-km (930-mile)

pipeline.

Analysts questioned whether Afghanistan was stable enough for the project to go ahead.

"Two billion dollars for a 1,500-km line is pretty cheap and means it is either overland or just under the surface. It will be very vulnerable to attack," said one regional gas analyst.

Although security in Afghanistan has improved since Karzai took over in December after the fall of Taliban, warlords still control large parts of the country and tensions remain between the country's diverse tribes.