

# Star BUSINESS

DHAKA SUNDAY JULY 28, 2002

## Post-MFA regime holds better scopes: BTMA

UNB, Dhaka

Allaying apparel exporters' concern about setbacks in the post-MFA business regime, Bangladesh Textile Mills Association yesterday held a different view that it might offer better trading opportunities for Bangladesh.

BTMA Chairman A Matin Chowdhury expressed the optimism finding some loopholes of the competitors like China, India, Pakistan, and ASEAN, African and Caribbean countries.

He was addressing a presentation on Post-MFA situation at Hotel Sheraton, attended by government officials, executives of banks and financial institutions and textile and apparel industry leaders.

He also discussed the current position and prospect of the textile industry, certification process for cash incentives and GSP (general-

ised system of preference).

Matin said manufacturing activities in the USA and the European countries would be reduced in 2005, creating a new market for the manufacturing countries to fill up the gap.

Once WTO is in, he said, the quantitative restriction (quota) will be gone leaving duty as lone protection to developed countries that would not be enough to support the expensive manufacturing facilities.

During 1997-2001 period, he pointed out, 215 textile units in USA closed down while their exports to EU were reduced by 27 per cent. Their scale is expected to go down further, opening up more export scopes for countries like Bangladesh.

The BTMA chairman took stock of Chinese competitive strengths on huge capacities and low price offer, but raised their lacking in social, ethical and environmental compliance.

"Non-compliance with the WTO rules may reduce the expansion of the Chinese textile industry on the one hand and with compliance wages will increase and anti-dumping prices would go up on the other," he said.

In cases of India and Pakistan, he said they have capacities and reasonable cost to take up at incremental volumes, but their strengths would be lagging behind Bangladesh even if their strengths doubled by year 2005 from this stage.

ASEAN countries would have better presence in higher-value items, like synthetic apparels, but their high wages may not be competitive in low-value items.

Africa may be area of growth, but the growth would be limited because of goods movement and limited population.

Caribbean countries would continue to grow due to proximity and favourable policy of US TDA 2000, but the market preference recently got curtailed.

As per the recent notification by American Textile Manufacturing Institution, Caribbean countries will have to use fabrics dyed, printed and finished by US manufacturers which would increase the prices of apparel exports from the belt.

"To take the advantage of the loopholes of the competitors, Bangladesh needs to produce quality fabrics and garments at competitive prices as well as increase local fabric capacity," Matin said about a contingency plan.

At present, local textiles can meet only one-third of the total requirement of the country's apparel exports, which must be raised to 50-60 per cent by 2005, he added.

To this end, he urged the government to continue cash incentives at 25 per cent up to 2005 to tackle the post-MFA (multi-fibre agreement) era of quota-free trading.



PHOTO: AL ARAFAH ISLAMI BANK

The 7th annual general meeting of Al-Arafah Islami Bank Ltd was held in the city on Thursday. AZM Shamsul Alam, chairman of the bank, presided over the AGM.

## Bush seeks support for expanded trade powers

AFP, Washington

President George W. Bush urged lawmakers Friday to grant him expanded authority to negotiate international trade deals, making a personal appeal in support of a key priority for his administration.

The US House of Representatives was expected to vote later on a compromise deal reached late Thursday with negotiators from the US Senate.

Senators could vote on the compromise bill as early as next week if it passes the House, although the vote could be delayed until September, Senate Majority Leader Tom Daschle said.

"We're going to get a free trade agreement, which is very important for jobs and workers, very important for our farmers and ranchers, and it's very important for our economy," Bush said after meeting with lawmakers at the US Capitol.

The bill binds lawmakers to a yes-or-no vote on any trade deal Bush signs in the next five years, surrendering their constitutional right to have any role in the negotiations.

The controversial measure passed the House by only one vote in December.

The compromise proposal hammered out by House and Senate negotiators over several days of tough talks includes a Senate-sponsored provision to aid workers who have lost their jobs as a result of trade.

"In today's world where trade is so critical, and the number of dollars we get on the basis of our ability to market overseas, the president does not have the tool to begin negotiations with other countries. That's like beginning a boxing match with one hand tied behind your back. That doesn't make sense," said House Ways and Means Committee Chairman Bill Thomas, a Republican who worked out the bipartisan compromise with Democratic Senator Max Baucus of Montana, chairman of the Senate Finance Committee. Bush has said he needs the expanded authority if he is to succeed in crafting a pan-American free trade deal by its target date of 2005.

## Free-float rates to raise remittances Moneychangers say

STAR BUSINESS REPORT

Moneychangers yesterday welcomed the government plan to introduce free-float exchange rates of foreign currencies, saying it will help increase remittances in banking channels and foreign exchange reserves.

Bangladesh Money Changers' Association (BMCA) leaders were speaking at a press conference at Dhaka Reporters' Unity (DRU) auditorium in the city.

Kefayetullah Masud, president of the BCMA, also urged the government to cancel a central bank circular that stated a money-

changer has to transact US\$ 250,000 annually.

According to the circular, if a moneychanger cannot maintain the limit in the first year, it will commit to maintain the limit next year and if a firm cannot do it for the two consecutive years the central bank will cancel its licence.

Referring to the introduction of renewal fees for the money changing companies, which have been increased to Tk 5,000 from Tk 1,000, Masud said, "Five years back, each licence was issued against non-refundable charge of Tk 10,000 and no other condition was imposed. But now the central

bank is setting new conditions."

The central bank issued 637 moneychangers' licences in 1997 and so far cancelled 134 licences for their alleged involvement in money laundering and not following the foreign exchange rules properly.

Replying to a question, the BMCA president said genuine moneychangers are not involved in hundi business. Rather, some hundi operators have obtained licences from the central bank to run their business.

## AL-Arafah Islami Bank declares 7.5pc dividend

AL-Arafah Islami Bank Ltd has declared a 7.5 per cent dividend for the shareholders for the year 2001.

The dividend was announced at the 7th annual general meeting of the bank held in the city on Thursday.

AZM Shamsul Alam, Chairman of the Board of Directors of the bank, presided over the meeting, says a press release.

AL-haj Khandaker Mesbah Uddin Ahmed and Al-haj Siraj-Ud-Dowla were re-elected directors from public shareholder Group-B at the meeting.

The bank earned a net profit of Tk 39.48 million, the meet was told.

Among the Directors, Ahmed Ali, Kazi Abu Kawsar, Abdul Malek Mollah, Badiur Rahman, Khandokar Mesbah Uddin Ahmed, Kazi Mofizur Rahman, Dr. DM Amanul Haque and Managing Director Md. Yousuf Ali Howlader were present on the occasion.

## CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling		Currency	Buying		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.6000	57.4314	57.3629
58.6212	58.7081	EUR	56.1673	55.9839	55.9073
92.4889	92.5309	GBP	89.4528	89.1863	89.1317
32.1648	32.1893	AUD	30.1059	30.0134	29.9333
0.4956	0.4957	JPY	0.4803	0.4801	0.4791
40.2562	40.2807	CHF	38.9905	38.8960	38.8115
6.2644	6.2696	SEK	6.0511	6.0334	6.0175
37.0612	37.0858	CAD	36.0648	35.9711	35.8879
7.5143	7.5156	HKD	7.3806	7.3629	7.3455
33.360	33.3816	SGD	32.5330	32.4892	32.3745
16.0710	16.0886	AED	15.5465	15.5246	15.5061
15.7369	15.7553	SAR	15.2431	15.2064	15.1882

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.86	60.15	96.05	41.025	7.689	0.46275	0.5382

The local interbank foreign exchange market was subdued on Saturday. Demand for dollar was steady. Demand for BDT for overnight borrowing at call was steady and the call rate ranged between 4.0 and 4.50 per cent for the day.

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## STOCK