

# Plastic industry zone to get govt funding

Commerce minister tells Plastic Fair 2003 inauguration

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday assured the plastic goods manufacturers and exporters of providing financial support from the government in setting up a separate zone for plastic industry.

He suggested Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) select a plot of 100-200 acres for the exclusive industrial city.

"The government will provide financial help to you," the minister said while inaugurating the first ever international plastic goods exposition -- Plastic Fair 2003 -- at the Bangladesh-China Friendship Conference Centre in Dhaka.

BPGMEA organised the four-day fair with a view to expanding export market for Bangladeshi plastic goods which the industry sources said earned Tk 600 crore in foreign exchange in the last fiscal year through direct and indirect exports.

The commerce minister said a meeting will be held next week between the ministry and the plastic goods manufacturers and exporters to resolve the existing problems with the promising export earning sector. "Bangladesh has duty and quota free access to many countries. So, you can take the opportunity to export your products to these markets," he told the plastic goods exporters.

Speaking at the function Deputy Minister for Industries Abdus Salam Pintu also stressed the need for setting up an industrial park for the plastic sector saying that it would boost export of Bangladeshi plastic products.

Acting President of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Kamal Uddin



PHOTO: STAR  
Commerce Minister Amir Khosru Mahmud Chowdhury visits a stall after inaugurating the plastic fair at Bangladesh-China Friendship Conference Centre yesterday in Dhaka.

Ahmed said the entrepreneurs should manufacture new and high quality products for export in the quota-free regime after 2004.

BPGMEA President Yusuf Ashraf

urged the government to slash import duty on raw materials of plastic industry from 15 per cent to 7.5 per cent to help them cut production cost and become competitive.

He also urged the government to withdraw the condition of showing 25 per cent bank guarantee to the customs department for importing raw materials which increases production cost of plastic goods.

Criticising the ban on polypropylene products measuring below 100 micron, the BPGMEA president said all types of plastic materials used for wrapping or packaging export items came under the purview of the law.

"As a result, many garment accessories manufacturing industry are being shut down," he said. "But there is no restriction on wrapping materials that are imported or coming from abroad as usual with imported goods," he alleged.

Ashraf appealed to the government to withdraw the restriction especially for the plastic products manufactured for export or used for packing export items. "We also need a testing laboratory to maintain quality of our products."

The inaugural function was also attended by Commerce Ministry Advisor Barkatullah Bulu and BPGMEA General Secretary KM Iqbal Hossain.

A total of 68 companies, including three foreign firms from India and Singapore, and 15 local distributors of foreign companies are taking part at the fair showcasing a wide range of plastic goods.

Plastic furniture, toys, garment accessories, crockery and household items, sanitary fittings, spare parts of textile and jute mills, water tanks and packaging items are being displayed at 92 stalls at the show.

The fair will remain open for visitors from 10am to 9pm everyday till Saturday. Visitors will have to pay Tk 10 as entry fee.



PHOTO: STAR  
Rokia Afzal Rahman (2nd from left), recipient of AmCham Business Executive of the Year Award 2002, and Trevor MacDonald (2nd from right), winner of Outstanding American Company of the Year Award 2002 on behalf of Dhaka Sheraton Hotel, pose for a photograph with chief guest US Ambassador Harry K Thomas Jr (C). Aftab ul Islam (3rd from right), president of AmCham, Mamun Rashid (3rd from left), CEO of Citibank NA Bangladesh, sponsor of the event, and A Gafur (extreme right), executive director of the chamber, are also seen at the award presentation ceremony yesterday at Dhaka Sheraton Hotel.

## LC margin relaxed by 50pc on 56 categories of items

STAR BUSINESS REPORT

Bangladesh Bank yesterday relaxed letter of credit (LC) margin by 50 per cent on 56 categories of essential and consumer items.

The central bank took the decision on LC margin reduction from 100 per cent to 50 per cent to fulfil a condition set by the International Monetary Fund (IMF) in disbursing loans under the Poverty Reduction Growth Facility (PRGF).

As the IMF suggested with withdrawal of LC margin on all products by November this year, the government has decided to withdraw the margin in phases, according to sources in the Ministry of Finance.

In November 2001, the central bank had imposed 100 per cent LC margin on all consumer and essential items to ease pressure on foreign exchange reserves amidst a surge in import of non-essential items.

The forex reserves at that time declined to about \$1 billion whereas it rose to over \$2.5 billion this week.

However, the BB relaxed the LC margin by 25 per cent on rice and wheat imports over the past few months. Besides, duties on onion and sugar were cut to 50 per cent while duty on industrial raw materials was withdrawn.

According to the latest decision, LC margin was slashed to 50 per cent from 100 per cent on items including biscuit, chocolate, imitation jewelry, television, refrigerator (above 8cft), vehicles (1800cc), electronic fan, two-in-one, plastic goods, gas and electric burner (cooking), air-conditioner, washing machine, cement, footwear, news papers, magazines and cosmetics.

## New Product Grameen milk

STAR BUSINESS REPORT

Grameen Dugdha, pasteurised milk produced by a sister concern of Grameen Bank, was formally launched yesterday as a further expansion of the bank's poverty alleviation programme in the rural areas.

Grameen Fisheries and Livestock Foundation (GMFP) provided loans to the bank's village group members for purchasing livestock under a project titled Community Livestock and Dairy Development Project.

Collecting from the group members, the GMFP manufactures the pasteurised milk. BioWares Limited, a local marketing company, started marketing the Grameen Dugdha initially in Dhaka's market.

The prices for 250ml, 500ml and one litre packs of Grameen milk have been fixed at Tk 7, Tk 13 and Tk 25 respectively.

"We provide Tk 24,000 loan to each group member for purchasing livestock, building a pucca shed and buying feed," said Muhammad Muzaffar Hussain, general manager of GMFP, at the launching ceremony held at a local hotel.

Hussain said under the project, a total of 3,294 livestock packages were provided till August 2003. "GMFP is expected to extend the loan to a total of 10,482 members to produce 20.87 million litres of milk per day," he said.

Abdullah Mohibuddin, managing director of BioWares Limited, said the daily demand for milk is estimated at 10.5 million-ton while at present the volume of total production and import is only 1.91 million-ton a day.

The GMFP general manager said Bogra, Sirajganj, Dinajpur and Nilphamari areas have so far been brought under the coverage of Community Livestock and Dairy Development Project, sponsored by the Ministry of Finance.

The United Nations Development Programme (UNDP) is funding the project while Food and Agriculture Organisation (FAO) and a German credit institution are providing technical assistance to it.

Peter E Albrich, president of Bangladesh-German Chamber of Commerce and Industry, Ehsanul Bari, deputy general manager of GMFP, and Sanaul Mostafa, chairman of BioWares Limited, also spoke at the function.

## Regional trade needs policy support

Indo-Bangla trade promotion seminar at Sylhet ends

STAFF CORRESPONDENT, Sylhet

Businesspeople from Bangladesh and north-eastern India have stressed the need for policy support, improved infrastructures and removal of tariff and non tariff barriers to boost regional trade between Bangladesh and north-east India.

They expressed their views while taking part in different sessions of the two-day seminar on 'Trade & Investment between Bangladesh and North-eastern States of India' that concluded at a local hotel yesterday.

Indian trade officials from the north-eastern region who also attended the seminar assured the business community of all out support to promoting the regional trade with Bangladesh.

RC Agarwal, president of the Northeast Federation of International Trade, Guwahati, and SCII president Mohiuddin Ahmed chaired the concluding session.

RR Dash, minister (E&C) of the Indian High Commission in Dhaka said the Indian authority would

extend support to Bangladesh business community to develop trade relations with the seven landlocked Indian states.

He stressed the need for exchange of trade delegations and holding of Bangladeshi products fair in the Indian states of Meghalaya, Assam and Tripura.

Former president of SCII, MA Salam Chowdhury called for easing the PSI (pre-shipment inspection) related problems in border trade with seven sisters as the PSI officials are based in Kolkata.

MS Sekil Chowdhury, president, Investors Forum, Bangladesh suggested formation of a joint task force on development of tourism in the north-eastern India and Sylhet.

Senior Vice President of SCII, Faruque Mahmud Chowdhury, Vice President Haji Md Dilwar Hossain, Engr. Mohiuddin Ahmed, Selim Adamjee and Muhibur Rahman also spoke at the session.

ML Debnath, president of Tripura Chamber of Commerce & Industry emphasised immediate develop-

## Pharmaco Int'l, Glen Copel sign agreements

Pharmaco International Limited signed agreements with Glen Copel Pharmaceuticals Inc USA, recently in Dhaka.

The agreements include exclusive agency contract, manufacturing agreement and research and development liaison agreement, says a press release.

Ricky W McCollough, president of Glen Copel Pharmaceuticals, and AKMA Matin, chairman and managing director of Pharmaco International, signed the agreements.

The patented products of Glen Pharmaceutical are expected to be produced in Bangladesh in early 2004, the release added.

## Repo auction

UNB, Dhaka

The reverse Repo auction of Bangladesh Bank (BB) for commercial banks and financial institutions was held here yesterday.

Two bids of one-day tenor amounting to Tk 85.00 crore were received but were not accepted, a BB press release said.

## US mulls free trade deal with Sri Lanka

AFP, Colombo

The United States is impressed with Sri Lanka's commitment to economic reform and Washington will consider the island's request for a free trade agreement, a visiting top US trade official said here Wednesday.

Deputy US Trade Representative Josefa Sheiner said the United States will begin the process of examining Sri Lanka's formal request for a trade agreement made during her talks with Prime Minister Ranil Wickremesinghe Tuesday.

"We leave here understanding the interest of Sri Lanka in pursuing this free trade agreement," Sheiner told reporters. "We will begin a process of consultations to ensure that this is a win-win agreement for both sides."

She said current bilateral trade

## China FDI up by 11.85pc in first nine months

AFP, Beijing

China said Wednesday that foreign direct investment (FDI) totalled 40.2 billion dollars in the first nine months of the year, an increase of 11.85 per cent from the same period in 2002.

Contracted FDI, a measure of future investment inflows, was up 36 per cent to 79.2 billion dollars in the same period, the Ministry of Commerce said on its website.

For the first eight months of the year, actual FDI rose 18.4 per cent to 36.7 billion dollars while contracted FDI investment was up 34.3 per cent to 67.5 billion dollars.

The report provided no details for the month of September alone.

The ministry said it approved the setting up of 29,539 firms with foreign direct investments, up 18.6 per cent over the same period last year.

Government analysts have predicted that China's full-year FDI could hit 60 billion dollars, 10 billion more than last year, overtaking the US as world's most attractive investment location.

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Peter E Albrich, president of Bangladesh-German Chamber of Commerce and Industry, speaks at the launching ceremony of a new milk product --Grameen Dugdha-- at a hotel in Dhaka yesterday.

## Bush to take up currency issue with Japan, China

AFP, Washington

US President George W. Bush stuck by his "strong dollar" policy Tuesday and upbraided Japan and China, saying market forces and the strength of national economies and policies should decide currency values.

Bush, who leaves Washington Wednesday bound for Asia and Australia, vowed to raise the issue when he meets Japanese Prime Minister Junichiro Koizumi in Japan and Chinese President Hu Jintao in Thailand.

"I'm for a strong dollar policy. We've had a strong dollar policy in this administration," the president told a group interview with Asian and Australian reporters to set the stage for the October 16-23 voyage.