

Gradual decline in exports to US raises alarm

STAR BUSINESS REPORT

The gradual decline in exports to the United States over the last three years has raised alarm as exporters apprehend a further dip in the quota-free trade regime after 2004.

According to the US Census Bureau, exports from Bangladesh decreased by 3.28 percent in January-October period of 2003 over the same period of 2002.

The falling trend in exports to the US had begun after year 2000.

The exports largely depend on the US quota facilities, specially for ready made garment (RMG), the largest foreign exchange earning sector. The US is a major buyer of Bangladesh's RMG products.

Moreover, with only 11 months left for the start of the quota-free regime, Bangladesh is losing its

competitiveness and facing stiff competition with countries like China, India and Thailand in retaining the market in the US.

Dundas C McCullough, political, economic and communications officer of US embassy in Dhaka, has explained the reasons behind the declining exports.

"In the changing global economic order, US businesses are shifting investment to the most competitive destinations. The investment pullout also contributes to the export decline," he told a press conference on US Trade Show 2004 in Dhaka yesterday.

China, India and Thailand have emerged as the most competitive countries in the region in terms of cost of business and infrastructure facility, which prompts US businesses to move there, he said.

"High scale of corruption, weak

enforcement of intellectual property rights and dillydallying in taking policy decision also lead to the situation," he said.

The US is the biggest export destination of Bangladeshi products with exports peaking at \$2,417 million in 2000. But the following year it dipped to \$2,358 million and marked a further decline to reach \$2,134 million in 2002.

In the first 10 months of 2003, Bangladesh exported goods worth \$1845 million compared to \$1907 million in the corresponding period of the previous year.

A leading garment exporter said the US importers are now preferring the countries, which have signed or are negotiating for free trade agreements (FTAs) with the US, to take the duty exemption facility under such deals.

Annisul Huq, who will take over

as president of Bangladesh Garment Manufacturers & Exporters Association (BGMEA) in March this year, said exports from Bangladesh will further plunge when the quota facility will end on December 31, 2004.

"The government should seriously bargain with the US for preferential trade arrangements after the phasout of quota regime to overcome the challenges," he told the Daily Star urging the government to wake up.

President of American Chamber of Commerce in Bangladesh Aftab ul Islam said infrastructure dearth in ports is causing additional cost to trade which discourage US importers to place order in Bangladesh.

"The government is not upgrading and modernising the port capacity and also discouraging private sector ports," he said.

FM seeks more Japanese investment

UNB, Dhaka

As investors envisage bigger market in Bangladesh following the signing of the Safta pact, Foreign Minister Morshed Khan yesterday sought more Japanese investment in the country.

The foreign minister spoke of the potential of the newly endorsed South Asian Free Trade Area while talking to Governor of Japan Bank for International Co-operation (JBIC) Kyosuke Shinozawa who made a courtesy call on the minister at his office.

During the meeting, the foreign minister stressed the need for having annual consultation at the ministerial level for strategic planning to further develop the economic relations between the two countries.

"Japan is one of the most important friends of Bangladesh," he said and expressed gratitude to Japan for its outstanding contribution to infrastructure development, especially in big bridges, road communications, telecommunications, power and agriculture sectors.

He also recalled a commendable help of Japan to Bangladesh particularly during natural calamity.

Morshed Khan also sought cooperation of Japan in constructing the Karnaphuli Bridge in Chittagong, which is a natural economic hub of the country. They also discussed Japanese-funded projects in Dhaka and agreed to work together for the mutual benefit of the two peoples.

The JBIC Governor thanked the government of Bangladesh for warmly receiving him in Dhaka and reaffirmed continued economic cooperation between Bangladesh and the JBIC.

Japanese Ambassador to Dhaka Matsushiro Horiguchi was also present.

BCI wants more Danish investment

UNB, Dhaka

Bangladesh Chamber of Industries (BCI) invited Danish entrepreneurs to come forward with more investment in the potential sectors here to avail of the attractive incentive package and export-market opportunities.

BCI president AK Azad extended this invitation during a meeting with a three-member business delegation led by Jorgen K Hansen, deputy director general of Confederation of Danish Industries (DI), yesterday.

Investment from Denmark totalled about \$67 million in 8 projects up to June 2002. Under the Danish Private Sector Development (PSD) programme, Danish investment is increasing. During the last 4 years of operation, PSD programme has committed grants of DKK58 million to Bangladesh resulting in 22 commercial partnerships.

"Interaction and close cooperation may increase this investment figure," the BCI president said.

Bangladesh enjoys a trade surplus with Denmark only because of readymade garment exports. In 2001-2002, exports from Bangladesh figured about \$60 million and imports from Denmark were worth \$29 million.

Prime Bank, Siemens sign MoU

Siemens Bangladesh Limited signed a memorandum of understanding (MoU) with Prime Bank Limited to provide credit facilities under the bank's customer credit scheme.

Peter E Albrich, managing director of Siemens Bangladesh Limited, and Shah Md Nurul Alam, managing director of Prime Bank Limited, signed the MoU on behalf of their organisations on Thursday in Dhaka.

Under the deal, Prime Bank will provide credit facilities to the customers to buy fridge, TV and other electronics goods of Siemens, says a press release.

Repo auction

UNB, Dhaka

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

Three bids of 1-day tenor amounting to total of Tk 142 crore were received and that were accepted.

The rate of interest against the accepted bids was 4.50 percent per annum, said a BB press release.



PHOTO: STAR

Visitors browse through household items at a stall at the 10th Dhaka International Trade Fair. The month long extravaganza witnesses huge turnout everyday ahead of Eid.

Malaysian investors eye gas, tourism sectors

STAFF CORRESPONDENT, Ctg

Mansur, also the chairman of International Chamber of Commerce-Malaysia, assured of all out support of his country in the formation of proposed South East Asian Co-operation (Seaco) comprising five OIC countries including Bangladesh and Malaysia.

He called for allowing duty-free access of Bangladeshi products to the Malaysian market.

About the proposed sub-regional organisation styled as Seaco, Chowdhury said such an organisation would act as a bridge between the Saarc and ASEAN.

Speaking at the meeting, Salahuddin Kasem Khan, president of Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI) said BMCCI will help boost business ties between the private sectors of the two countries.

CCCI Senior Vice-president Ershad Ullah, Vice-president Monjur-Ul-Amin Chowdhury and other directors of the chamber also spoke at the meeting.

Lamy expects framework for restarting WTO by April

APP, New Delhi

European Union Trade Commissioner Pascal Lamy said Monday a framework for restarting stalled World Trade Organisation (WTO) talks should be in place by April with a ministerial meeting possible later this year.

"We hope to get the basic framework of modalities by end-March, April," Lamy, on a whistle-stop visit to India, told a news conference.

He added that India and the EU had "converged" on the idea of pushing forward negotiations.

"Perhaps we are now in the pre-Hong Kong era, the site of the next WTO ministerial (meeting) I hope later this year," said Lamy, who was on the second leg of a three-nation Asian swing.

Bangladesh enjoys a trade surplus with Denmark only because of readymade garment exports. In 2001-2002, exports from Bangladesh figured about \$60 million and imports from Denmark were worth \$29 million.

Bangladesh is the first since the collapse of WTO talks in Cancun, Mexico, in September over the elimination of agricultural export subsidies in rich nations and proposals to extend the WTO mandate to cross-border investment.

The minister, however, sounded a note of caution, saying the developed world "must be sensitive to the fact India has 600 million people for whom agriculture is a matter of food security."

Lamy said in a speech earlier to business leaders he hoped Europeans had "sufficiently demonstrated our willingness to move forward on agriculture" through proposals such as slashing import tariffs by more than a third.

Lamy added also the Europeans were concerned about access to the Indian market for services, calling an Indian offer "frankly a disappointment".

No details were immediately available about what the Indian offer had contained.

Lamy's visit came after he attended an international conference in the Bangladeshi capital, Dhaka, attended by representatives from 37 nations including India, China and France but not the United States.

Three-day US trade show begins tomorrow

STAR BUSINESS REPORT

The annual US trade show begins in Dhaka tomorrow to showcase American products and services available in Bangladesh.

Foreign Minister M Morshed Khan will inaugurate the three-day exposition at Dhaka Sheraton Hotel. The American Chamber of Commerce in Bangladesh (AmCham) and US Embassy in Dhaka are organising the 13th version of the show.

A US Ambassador to Bangladesh Harry K Thomas will also be present at the inaugural function.

On the eve of the show President of AmCham Aftab ul Islam told a press briefing yesterday that the trade show would

contribute to opening new opportunity for trade expansion for both the countries.

The US trade show is getting popular as consumers get chance to see all US products and services under one roof, he said.

A total of 75 companies are taking part in the fair in 116 booths.

Addressing the press conference, Mark Tesone, economic officer of US Embassy in Dhaka, Karl Fritz, public affairs officer of the embassy, and A Gafur, executive director of AmCham, were also present at the press conference.

"Bangladesh should improve its port, communications facility to woo US investors back," he said.

The show will be open to the public from 10am to 8pm during January 21-23. The entry fee is Tk 10 a person.



PHOTO: STAR

American Chamber of Commerce in Bangladesh (AmCham) President Aftab ul Islam speaks at a press conference in Dhaka yesterday on the eve of US Trade Show 2004, which begins tomorrow. (From left) Mark Tesone, economic officer of US Embassy in Dhaka, A Gafur, executive director of AmCham, Dundas C McCullough, political, economic and communications officer, and Karl Fritz, public affairs officer of the embassy, are also seen.

Privatisation move for BPC enterprises sparks protest

STAFF CORRESPONDENT, Ctg

Privatisation Commission's move to privatisate some of the state owned enterprises (SOEs) under Bangladesh Petroleum Corporation (BPC) has triggered huge resentment among the officials and employees of the enterprises.

Meanwhile, Bangladesh Oil, Gas, Road and River Transport Workers and Employees Council announced that they would go for tough movement, including non-stop hartal, in February if the government does not cancel the move.

The Council at a press conference at Chittagong Press Club on Saturday also threatened to paralyse the oil sector. Council's Joint Convenor Jane Alam read out a written statement at the conference also attended by Convenor Hazi Eakub Ali.

As part of their agitation programmes, the Council yesterday started holding protest rallies and bringing out processions at different installations of the oil sector, including oil depots and terminals across the country.

"We will not accept the decision

of the consultant team," said BPC Secretary Taherul Islam when asked about the progress of the privatisation move.

Some top officials of the enterprises concerned also expressed similar sentiment. When asked, they said such enterprises should remain under the control of the government to ensure quality of petroleum products and check price fluctuation.

State owned enterprises never compromised the quality of petroleum products, which should not be expected from private companies, an official said.

Besides, due to the privatisation of BPC enterprises, the price of petroleum products might go beyond the control resulting in frequent price fluctuations like that now taking place in the edible oil sector, he said.

"We will not accept the decision

of the privatisation Commission would take decision in this regard after reviewing the recommenda-

New president of Khulna chamber

STAFF CORRESPONDENT, Khulna

Munir Ahmed has been elected president of Khulna Chamber of Commerce and Industry (KCCI) for a two-year term.

SM Moinuddin and Md Sultan Hossain Khan have also been elected vice-presidents of the chamber.

A total of 21 elected members of the executive committee cast their votes to elect the president and vice-presidents of the chamber held at KCCI mansion yesterday.

Idcol holds ICT seminar

Infrastructure Development Company Limited (Idcol) in collaboration with Bangladesh Computer Somity, Bangladesh Association of Software and Information Services (Basis) and Internet Service Providers Association of Bangladesh (ISPAB) held a seminar on ICT Infrastructure Needs for Bangladesh in Dhaka yesterday.

Brac University Vice-chancellor Jamilur Reza Chowdhury was present as chief guest while Idcol Executive Director Fouzul Kabir Khan presided over the seminar, says a press release.

New chairman, vice-chairman of NCC Bank

Wazhiullah Bhuiyan and Khairul Alam Chakrader have been elected Chairman and Vice-Chairman of National Credit and Commerce Bank Ltd (NCC Bank).

They were elected at a recent meeting of the board of directors, says a press release.

"Privatisation Commission would take decision in this regard after reviewing the recommenda-



Chairman Vice-chairman

Wazhiullah Bhuiyan and Khairul Alam Chakrader have been elected Chairman and Vice-Chairman of National Credit and Commerce Bank Ltd (NCC Bank).