

## US set to open trade talks with Thailand

AFP, Washington

President George W. Bush's administration formally notified Congress Thursday it was ready to open trade talks with Thailand, formally launching the quest for a two-way free trade agreement (FTA).

Fresh from wrapping up a similar pact with Australia at the weekend, US Trade Representative Robert Zoellick said US firms had much to gain from an FTA with Thailand.

"Thailand already is our 18th largest trading partner with 19.7 billion in total trade during 2002," he wrote in a letter to Congress.

"The increased access to Thailand's market that an FTA would provide would further boost trade in a wide range of both goods and services, enhancing employment opportunities in both countries," Zoellick said.

"Negotiation of an FTA would level the playing field for US exports. Many of Thailand's products already enter the US market duty free under the Generalized System of Preference."

Under US law, talks on the pact can take place within 90 days of the administration notifying Congress that it intends to press ahead.

US farm producers have been pressing the US government to forge ahead with the FTA, which was first announced last year during Bush's state visit to Thailand.

## Asian rice industry in crisis: IRR

AFP, Manila

Asia's rice industry is in crisis due to inadequate support, driving farmers into penury and spurring mass migration with potential adverse implications on regional security, the International Rice Research Institute said Friday.

"The Asian rice industry is in trouble," an IRR statement quoted its director-general Ronald Cantrell as saying.

"Not only is the rice industry in Asia facing a crisis in the supply of such essential resources as land, labor and water, but -- most importantly -- many nations are finding it difficult to develop sustainable ways to provide decent livelihoods for rice farmers and consumers."

Philippines-based IRR said the stability of Asia, including the "troubled nations of Indonesia and the Philippines, is threatened by the continuing lack of development" in its most important cereal crop.

Rice farming remains a poverty trap in many Asian nations, mainly because of very small farm size and compounded by declining support for public rice research, it added.

## Int'l apparel, knitting machinery fair kicks off

Companies, agents from seven countries taking part

STAR BUSINESS REPORT

An international apparel and knitting machinery fair began in Dhaka yesterday with a call to increase productivity and competitiveness through adoption of modern technology to face the post-quota era challenges.

Commerce Minister Amir Khosru Mahmud Chowdhury inaugurated the four-day exhibition at the Bangladesh-China Friendship Conference Centre.

Zak Trade Fairs and Exhibitions Pvt Ltd of India in association with Zakaria Enterprises Ltd is organising the third edition of the exposition titled "Zak Garmentech Bangladesh 2004" to display wide array of modern accessories and technologies in garment sector.

A total of 57 companies and agents from seven countries including the world's leading technology players are participating in the fair dubbed as largest apparel and knitting machinery exposition in the country. Apart from host Bangladesh, other participating countries are India, Singapore, Italy, Hong Kong, China and Taiwan.

The fair has become an assembly of global technology giants in sewing, knitting, embroidery, laundry, finishing, cutting machines, CAD/CAM and leading companies from fabrics, accessories and support services sector.

Products of world leader companies such as Fukuhara, Fukushima, Fukahama, Brother, Ramsons, Nissin, Jintel, Barudan, Tukatech, Samara, AMF REECE, Gunold, Pegasus, Uzu, Fong's, Bernina, Shima Seiki, Unix, Mentasti are on display at the fair that concludes on February 16.

"Productivity and quality control are major concerns of manufacturing today. The role of technology is very important in developing both backward and forward linkage industries in Bangladesh," said Quazi Moniruzzaman, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"Introduction of new technology in the field of manufacturing ready made garment will increase productivity which would enable us face challenges after the year 2004 when quota system expires," observed the BGMEA chief.

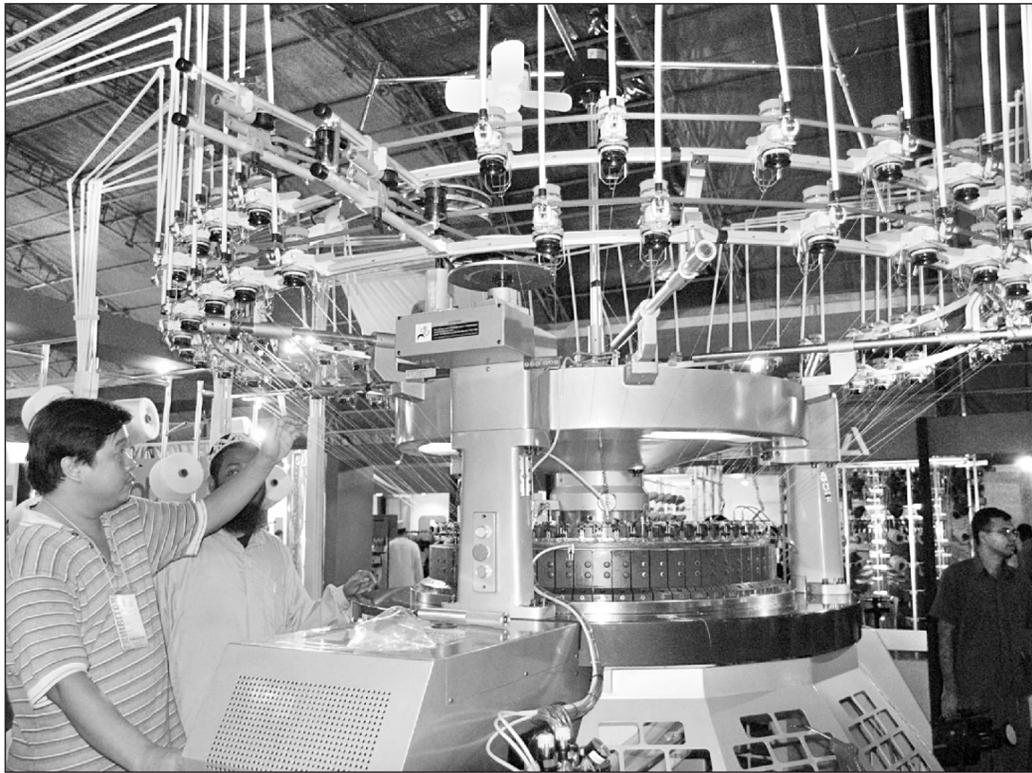
Golam Faruk of AMF REECE, which specialises in embroidery machine, said although Bangladeshi garment factories use high technology, they need regular upgradation to keep abreast with changing development.

Arifur Rahman, manager (marketing and sales) of Pacific Associates Ltd, agent of Brother, Pegasus, Fukuhara and Fong's, said technology can enhance productivity and contribute to competitiveness of products.

As the garment prepares itself for the global challenges, design and layouts of factory building, machinery and lighting system will too take a new turn.

"We are ready to provide technical services to Bangladesh garment industry which will directly help them face future challenges," said Aminda Attanayake of Spectrum Lanka Technology Solutions Ltd, which specialises in management and technical consultancy for garment industry.

Technology solution institutions and publishing houses on apparel are also taking part in the fair, open from 10am to 7pm.



An exhibitor shows a rotating textile machine at the Zak Garmentech Bangladesh 2004 that began at the Bangladesh-China Friendship Conference Centre in Dhaka yesterday. The third edition of the annual international apparel and knitting machinery exposition will continue till February 16.

## Ensure trade union rights in EPZs, garment industry

Garment workers demand

STAR BUSINESS REPORT

Garment workers yesterday iterated their demand to ensure trade union rights in the export processing zones (EPZs) and garment industry.

Addressing a conference in Dhaka, leaders of the Bangladesh Garments Sramik Trade Union Federation (BGSTUF) also demanded implementation of the country's labour laws.

The BGSTUF will launch a month-long campaign on February 15 to press home their demand. The BGSTUF leaders also said they will

hold a rally on March 19 in the capital to observe 'Demand Day'.

Majibur Rahman, president of the BGSTUF, said the readymade garment (RMG) sector earns highest foreign currency in the country but around 20 lakh workers engaged in the industry get minimal wages.

Majibur said workers are leading 'miserable life' in the EPZs as trade union rights are not ensured there.

In a written statement, Shabana Rahman, executive president of the BGSTUF, demanded implementation of the country's existing labour

laws in the EPZs by cancelling the BEPZA (Bangladesh Export Processing Zones Authority) rules.

She called for implementation of equal wages for both male and female workers. She also urged the authorities not to fire women workers because of pregnancy and allow them to take maternity leave.

Among others, Rubi Akther, vice president, Nargis Akther, joint secretary of the BGSTUF, and Mosharaf Hossain, president of Dhaka City Tailors' Organisation, were present.

## EU to help revive trade talks at Africa meet

REUTERS, Brussels

Europe's trade chief will try to help revive stalled global trade talks in Africa next week, officials said yesterday as Brussels backed a plan to help nations dependent on cotton and other commodities.

The aid group Oxfam welcomed the commodity plan but urged the European Union to put pressure on

the United States to end subsidies to US cotton farmers, who compete with African growers.

"I will be there to discuss the WTO (World Trade Organisation) round in general and cotton," European Trade Commissioner Pascal Lamy told a news conference, referring to planned talks with African trade ministers in Mombasa, Kenya.

United States Trade Representatives Robert Zoellick will also go to Mombasa for the February 18-19 meeting, and will meet Lamy again in Paris on February 20.

The WTO talks collapsed last year because of a fight between rich and poor nations over rich countries' farm subsidies and disagreement over the need to extend trade rules into new areas.

## US trade gap widens more than expected

REUTERS, Washington

The US trade deficit widened nearly 11 percent in December, as strong US economic growth sucked in record imports and exports inched lower despite a weaker dollar, a government report showed on Friday.

The monthly trade gap hit a near-record \$42.5 billion, well above a median analyst forecast for \$40.0 billion. The December figures pushed the 2003 trade shortfall to a record \$489.4 billion, up 17 percent from the prior year.

The burgeoning trade deficit has put downward pressure on the US dollar, which has the potential to create inflationary pressures as Americans pay more for imported goods.

A separate Labour Department report on Friday showed the price of imported goods rose sharply in January, a sign the weaker dollar may finally be making itself felt.

US import prices rose 1.3 percent last month, the biggest climb since February 2003, after a revised 0.5 percent advance in December, the Labor Department said. Wall Street had forecast a milder 0.4 percent gain.

## Positive mindset needed to boost Bangladesh economy

Says world president of Junior Chamber International

STAR BUSINESS REPORT

Positive mindset towards development is needed to boost economy in Bangladesh, said a world business leader yesterday.

Fernando Sanchez Arias, world president of Junior Chamber International (JCI), a worldwide federation of young leaders and entrepreneurs based in the USA, said the problems facing Bangladesh are similar to the barriers encountered by other nations. But these countries are heading towards prosperity, he added.

Only positive mindset helped the nations to make respectable positions in the world, JCI area B president told a press conference at Dhaka Sheraton Hotel.

Arias said young people are the future leaders of any country. So, they should be provided with leadership training for better future, he observed.

"Our mission is to contribute to the development of the global community by providing the young people with opportunity to develop leadership skill, social responsibility and entrepreneurship," Arias said while describing his organization's goal.

Arias is now in Dhaka to take part in the three-day Asia-Pacific summit of JCI that ends today.

Junior Chamber Bangladesh (JCB), the country chapter of JCI, has organised the conference to better the country's image in the international arena and to woo investment in Bangladesh.

Sixteen national presidents from the chamber's Asia-Pacific region are attending the conference titled 'Asia Pacific National Presidents Summit' at Dhaka Sheraton Hotel.

Asia Pacific Development Council meeting of the chamber is also taking place at the same venue.

A daylong training on leadership for the participants was also held yesterday at the conference venue. Representatives from the participating countries took part at the training.

Speaking at the press conference Data Magfur, national president of JCI Bangladesh, said the chamber provides leadership training to students of different colleges and universities. "We want to conduct such training for the government officials also in future," he added.

Now, JCI has more than 200,000 members, aged between 18 and 40, in 6000 cities of 110 countries.

Anwar Kashif Mumtaz, executive vice-president of JCI area B, Aftab Mahmud Khurshid, national director of PR-marketing and brand identity of JCI Bangladesh, and Nessar M Khan, chief coordinator of the summit, were also present at the press conference.

## Two years track record of telecoms regulator

BTRC has neither resolved the fixed-to-mobile interconnection disputes, nor has it succeeded to persuade the cost reduction of mobile phone subscription. Rather the regulator had unlawfully disclosed the proposed tariff reduction of GrameenPhone to the press.

Fire of this controversy was further fuelled when the media had exposed the regulatory officials taking undue advantages from the mobile operators. But the BTRC

had proposed a cost-based interconnection with its competitors. But its rivals did not agree.

Then GrameenPhone started overcharging its new customers when they call the rival networks. Moreover, the largest operator also started blocking its competitors' calls to its network. The three mobile operators retaliated with blocking the calls coming from GrameenPhone. It has brought

unspokeable sufferings among the operators.

The regulator has failed even to protect the telecoms users' general interests. Sub-section 4 under Section 59 of the telecoms law mandates BTRC enacting a code of practice on receipt and disposal of consumer's complain.

But the regulator deliberately or inadvertently, is yet to do that simple job. BTTB as well as the mobile operators have been enjoying this undue concession followed by

mittee is composed of controversial outsiders and irrelevant entities. It has significantly diminished the professional profile of BTRC.

Moreover the regulator has been unlawfully sympathetic to BTTB. The state-owned telecom monopoly pays nothing for the radio frequencies it has been using. The regulator defends with the lame excuse of not knowing the frequencies BTTB uses.

It may be noted that three out of five BTRC commissioners are the retired top ranking BTTB officials. If they suffer from concussive amnesia, one should question the state of their mental health to lead such a strategic public office.

Because the BTTB's unlawful non-payment for the radio frequencies has been substantially damaging the regulator's cash flow. But instead of realising the outstanding payments, BTRC has allocated further 5.2 megahertz frequency in 900 megahertz band for BTTB's mobile.

An applicant for radio frequency has to have the operating licence first. Then the licensee applies and obtains the frequency accordingly. But BTRC has not issued any mobile operating licence to BTTB. Rather the regulator has favoured BTTB, the habitual defaulter, with the radio frequency to operate mobile phone.

BTRC has to clarify if it will extend similar privilege for any private entity. If the answer is negative, BTRC becomes liable for damaging the public interest by unlawfully dishing out invaluable radio frequency to BTTB, at no cost. The telecom regulator has no authority to do so. Belated happy birthday to BTRC.

The writer is a telecoms analyst

## Nobel laureates urge WB to stop funding oil, mining

REUTERS, London

A group of Nobel Peace prize winners including South Africa's Archbishop Desmond Tutu Thursday urged the World Bank to stop funding oil and mining projects in developing countries unless proper safeguards are implemented against corruption and environmental degradation.

The campaign asked World Bank President James Wolfensohn to adhere to the recommendations of the Extractive Industries Review (EIR), a body that examined the impact of multilateral lenders' involvement in energy and metals mining in third world countries.

"War, poverty, climate change, greed, corruption and ongoing violations of human rights -- all of these scourges are all too often linked to the oil and mining industries," Tutu and four other Nobel laureates wrote in a letter released in London as part of the campaign. "Your efforts to create a world without poverty need not exacerbate these problems."

The EIR report, presented to the World Bank board of directors at the end of January, recommended that the bank should support extractive industries without putting in place a broad set of conditions outlined by it. It said also that the World Bank should phase out financing for coal and oil and reallocate the funds towards renewable energy.

## Weekly Currency Roundup

February 07-February 12, 2004

Local FX Market

US dollar was steady against Bangladeshi taka throughout the week. There was no major movement in the market. Matched demand and supply allowed the dollar to move only in small range against BDT.

Money Market

Bangladesh Bank borrowed BDT 5,694.00 million by the Treasury bill auction held on Sunday, compared with BDT 2,605.00 million in the previous week's bid. The weighted average yields of t-bill of different tenors were broadly unchanged. Percentage distribution of accepted t-bills is shown in the following graph:

The call money moved in narrow range in the week. At the beginning of the week, the call rate remained between 5.00 and 6.00 percent. But at the end of the week the rate decreased to 4.00-5.00 percent.

International FX Market

The dollar hit a two-week low on the euro and an 11-year trough against sterling at the beginning of the week as the market decided a Group of Seven warning against "excess volatility" in exchange rates did not herald action to support the greenback. The dollar came under broad-based pressure on the view that the US current account deficit was unsustainable and the US administration was happy to see it fall to correct that imbalance and boost economic growth ahead of November's presidential election. Disappointing US jobs data reinforced expectations for lower US interest rates. Against the yen, the dollar was holding at 105.60 yen, just above a three-year low set last week.

In the middle of the week, the dollar rose against the euro from previous session's one-month low before a testimony by US Federal Reserve Alan Greenspan that markets would scrutinize for hints on interest rate hike. Yield-boosting rate rises were likely to end dollar's decline, especially after the Group of Seven nations made no promises at a weekend meeting to support it in the event of the "disorderly movements in the exchange rates" that concern them. Against the sterling, the greenback pulled back from the previous session's 11-year low of \$1.8734 to trade at \$1.8685. Against the euro, dollar also rose by a quarter percent and remained steady against the yen at 105.50 yen.

The dollar hovered near a record low against the euro on Thursday after a sharp sell-off prompted by US Federal Reserve Chairman Alan Greenspan's comment that he was not too concerned by the effect of its weakness on inflation. The market dumped the dollar as it took the powerful central banker's words to mean interest rates in the United States, where the key Federal funds rate is at 1.0 percent, the lowest since 1958 would stay unchanged for the time-being. Euro shot up more than 1 percent on Greenspan's comment. Many traders expect the euro to test its all-time high around \$1.29. Sterling also rose against the dollar above \$1.89. But the dollar appeared glued to the 105.30 yen area on Thursday.

At 1515 hours on Thursday, euro was at 1.2824/27, GBP was at 1.8922/27, yen was at 105.33/38 against US dollar.

-- Standard Chartered Bank

Bangladesh Telecommunication Regulatory Commission (BTRC) celebrated its second birthday on January 30. But this very first utility regulator is yet to protect any public interest in terms of telecoms. The consumers' right has rather been alarmingly marginalised since the establishment of BTRC.

Birth of BTRC coincided with the private mobile networks over taking the public fixed telephone operations. The market welcomed such a paradigm shift with the hope of affordable and better mobile services. The private sector has not fulfilled either of these expectations.

Rather the state-owned BTTB had slashed 46 percent of its connection fees in Dhaka and Chittagong in 2002. Such reduction was 57 percent in other division and district headquarters while it was reduced to 73 percent in the rural market.

The private mobile operators have not reduced the fees of their packages. Launching 'mobile-to-mobile' packages with the low-end handsets must not be compared in this juncture. Because a BTTB subscriber can call in and outside the country. But that is certainly not the case with 'mobile-to-mobile' connections.

## PASSWORD

Customers are often hit by inconsistent billing and appalling quality of networks. Frequent call drop is an epidemic in every mobile network. Erratic disconnection compels the users repeatedly calling the same number to complete the dialogue. It penalises the customers with the extra costs of making multiple calls to conclude the conversation. BTRC has never paid any attention to this gruelling problem. Because it has been morally disable to govern the industry.

remained unmoved despite such assault to its integrity. Rather the regulator had allowed the industry to violate the telecoms law and victimise the consumers.

By virtue of using the railway's nationwide optical fibre network, GrameenPhone has succeeded to spread its coverage much faster and wider than its competitors. It has been the natural outcome of GrameenPhone's strategic investment on the state-owned telecom infrastructure in 1997.

CityCell, AKTEL and Sheba send their calls to the remotely located customers of GrameenPhone. They retain the entire revenue but GrameenPhone gets nothing while transporting the rivals' calls over its own infrastructure. GrameenPhone

mobile users.

The GrameenPhone customers are unable to communicate with the rest of the mobile community and vice versa. The mobile phone users had never felt so helpless. More than 80 percent of them have been denied accessing the state-owned main telecoms network. Last remains of their fundamental right of intra-mobile communication are being revoked by the corporate feud among the mobile industry.

The provisions of financial penalty with imprisonment for such deliberate obstruction are stated in Section 73 of the telecoms law. BTRC is duty-bound to enforce it for the sake of public interest. But the regulator has so far failed to take any measure against the mobile

ignoring the customers' complains.

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The telecom regulator has also failed to protect the national interest while managing the radio frequency. It has contentious methods of allocating this scarce resource. BTRC's spectrum allocation com-