

# BTMA seeks 10-yr textile policy, cash incentive

Texbangla 2004 concludes

**STAR BUSINESS REPORT**

Textile mill owners yesterday urged the government to formulate a 10-year policy for the development of textile sector and ensuring its competitiveness in global market.

They also sought continuation of government support with a 15 percent cash incentive on textile exports, which is going to be phased out next year.

"We need a textile and clothing policy along with a plan conforming to the changes in the global market," said Bangladesh Textile Mills Association (BTMA) Chairman MA Awal at the closing of Texbangla 2004, a three-day textile fair.

The BTMA chairman also

demanded immediate approval and proper implementation of a proposal to set up a \$1.5 billion special fund, which was placed before the prime minister this January for the development of backward linkage industries.

MA Awal also called for maintaining status quo on the current policies on central bonded warehouse, Saarc cumulation and rules of origin.

"If global cumulation with eased rules of origin comes into effect, it will seriously hamper growth of textile industry," the BTMA chairman feared.

On the issue of central bonded warehouse, which is a long drawn demand of ready made garment

exporters, he said there is no need of setting up a central bonded warehouse to reduce lead-time of export.

Speaking at the closing function, Local Government, Rural Development and Co-operatives Minister Abdul Mannan Bhuiyan stressed the need for reaching a consensus on the issue of central bonded warehouse.

A Matin Chowdhury, former chair-

man of BTMA, made a presentation at the function highlighting the prospects and problems of textile industry.

The BTMA organised the Texbangla 2004 at Dhaka Sheraton Hotel to showcase exquisite products made of locally produced yarn and fabrics.

A total of 32 companies displayed cotton and blended yarn for knitting and weaving, cotton and acrylic yarn for sweater, knitted fabrics, dyed yarn of cotton and blend, home textile, dyed and printed cotton and blended fabric.

Of the total RMG export of \$5 billion, the contribution of local textile mills is about \$2 billion, according to BTMA sources. The sector meets 90 percent of total requirements in knit and 40 percent of the total requirements in cotton fabrics.

BTMA has a total of 626 members employing some 1.5 million workers.

## New MD of Sadharan Bima Corporation



Md Sirajul Islam, additional secretary of the Ministry of Commerce, joined Sadharan Bima Corporation as managing director on Monday. This will be his additional responsibility, says a press release.

He served in various capacities in different ministries including civil aviation and tourism, liberation war affairs, food, and fisheries and livestock.

## Rangs, HSBC seal deal on interest free car loan

Rangs Limited, the sole distributor of Mitsubishi Motors in Bangladesh, and The Hongkong and Shanghai Banking Corporation Limited (HSBC), Bangladesh signed a memorandum of understanding (MoU) to provide the customers with car loan at zero percent interest.

Romo Rouf Chowdhury, managing director of Rangs Limited, and Mamoon Mahmood Shah, manager, Personal Financial Services of HSBC in Bangladesh, signed the deal on behalf of their organisations in Dhaka yesterday, says a press release.

David J H Griffith, chief executive officer of HSBC, and other executives of Rangs Limited and HSBC in Bangladesh were also present.

Under the deal, customers can purchase any brand new Mitsubishi vehicle at a down payment of 30 percent to 50 percent and pay the balance amount within one year without any interest.

The primary down payment of a brand new 1300cc Mitsubishi Lancer will be around Tk 3.5 lakh to Tk 4 lakh. Pajero can be purchased with down payment of Tk 22 lakh to Tk 23 lakh while down payment of new Outlander and Nativia would be Tk 13 lakh and Tk 15 lakh respectively.

## Citigroup Q1 net income rises 29pc

The net income of Citigroup, owning company of Citibank NA, recorded a 29 percent increase during the first three months of this year over the first quarter of 2003.

The amount stood at \$5.27 billion during the period ending March 31, 2004, says a press release.

The company's revenue stood at \$21.49 billion, also showing a 16 percent increase.

## First-ever Japan trade fair in Dhaka in June

UNB, Dhaka

The first-ever single country trade fair of Japan will be held in Dhaka on June 8.

Japanese Ambassador in Dhaka Matsushiro Horiguchi said this when he called on Foreign Minister M Morshed Khan at his office yesterday.

The Japanese envoy informed the minister that Japan-Bangladesh Chamber of Commerce would be launched officially the same day.

The foreign minister said such trade fair and formation of chamber are the testimonies of excellent relations that exists between the two countries.

## Prime Bank to extend loan to Otobi customers

Prime Bank Limited will provide credit facilities to the customers of Otobi Limited to buy furniture under the bank's consumer credit scheme.

A memorandum of understanding (MoU) to this effect was signed between the two organisations on Tuesday in Dhaka, says a press release.

Prime Bank Limited Managing Director Shah Md Nurul Alam and Otobi Limited Managing Director Nitun Kundu signed the MoU on behalf of their organisations.

# Textile quota unlikely to stretch beyond 2004

WTO official says

**PALLAB BHATTACHARYA, New Delhi**

The quota regime in global textile trade is unlikely to extend beyond December this year despite efforts by some industries in developed countries to do so, World Trade Organisation (WTO) Deputy Director General Kipkorir Ali Rana has said.

"Beyond December, it is not likely that the quota will exist since it were the governments of the developed countries which are members of WTO and not their industries," he told the Confederation of Indian Industry here on Wednesday.

India and other developing countries want the introduction of the quota-free textile regime to stick to the deadline of January 1 next year.

Rana said many multinational companies stand to benefit from quota-free regime and several international retail chains including the Wal-Mart and JC Penney have indicated that they would outsource more apparels from India once the

quota restriction ends.

A recent meeting of developing countries of International Textiles and Clothing Bureau (ITCB) here heard a call for formulating a policy to survive in non-quota regime and to fight non-tariff barriers set up by developed countries like rules of origin, transhipment norms and ever-new procedural and performance requirements especially under pressure from NGOs in areas of labour and environmental concerns.

ITCB is a forum of countries manufacturing and exporting textiles and clothing like Brazil, China, Hong Kong, India, Pakistan, South Korea, the Philippines, Uruguay and Peru. Many members of the forum however compete against each other in the market.

ITCB Chairman and India's representative at WTO, K M Chandrasekhar, said developing countries have to fight for further liberalisation of textile trade at the next meeting of WTO.

Indian Commerce Secretary

Dipak Chatterjee said there was once a perception that quotas support growth and protect the interests of developing countries but a quota-free textile trade was in their long-term interest.

The global textile trade is worth 350 billion dollars and is expected to grow further after the end of quota regime.

In India, textile export contributes 24 percent of the country's total exports and textile sector contributes eight percent to the central excise revenue.

Meanwhile, India has won a case against European Union at the WTO involving special tariff concessions on textiles given to Pakistan on the ground that it is a beneficiary of a scheme for countries involved in combating drug production and trafficking.

The verdict of WTO will come as a relief to Indian exporters to European Community who were feeling at being at a disadvantage due to special concessions granted to Pakistan, Indian officials say.

# Submarine cable link to boost ICT sector

ICT minister says at internet fair launch

**UNB, Dhaka**

Science and Information and Communication Technology (ICT) Minister Abdul Moyeen Khan yesterday said Bangladesh's joining of submarine cable consortium would boost country's ICT sector.

"Bangladesh will be linked with the submarine cable within a year," Moyeen Khan said while inaugurating the first-ever Internet Fair at the Osmani Memorial Auditorium.

Internet Service Providers' Association of Bangladesh (ISPAB) organised the four-day fair.

Referring to government steps taken for the ICT sector, the minister said it would hand over a 23-acre of land at Kalikoir in Gazipur for setting up a "High Tech Park".

Bangladesh Telecommunication Regulatory Commission Chairman Syed Marghub Morshed, representative of GrameenPhone Kofu HM Moyeed, Managing Director of

Electra Telecom (Bangladesh) Limited Zakiullah Shahid, President of Bangladesh Computer Samity Engineer SM Iqbal and ISPAB President Aktheruzzaman Manju also addressed at the inauguration.

More than 65 internet service provider (ISP) companies are participating in the fair that will remain open from 10 am till 8 pm everyday.



Commercial Bank of Ceylon Limited Country Manager S Renganathan receives deposit from a customer, Zaman, under the bank's latest product 'Bonus Savings Account' at a function held at the bank's booth at Sonargaon Hotel on Sunday. The Bonus Savings Account offers 50 percent bonus on interest earned during a half year if the withdrawals fulfil certain condition.

## Cut import duty on raw materials

Plastic goods manufacturers ask govt

**SARWAR A CHOWDHURY**

Plastic goods manufacturers and exporters have urged the government to reduce import duty on raw materials and impose supplementary duty on the import of finished products in the next financial year's budget.

They also proposed withdrawal of bank guarantee on the import of raw materials and value added tax (VAT) on recycled products.

Bangladesh Plastic Goods Manufacturers and Exporters' Association (BPGMEA) recently submitted the proposal to the government through the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

In the proposal, the association mentioned that 'high' import duty on raw materials is pushing the prices

of locally manufactured plastic goods up.

Besides, the local manufacturers are facing stiff competition with the cheap plastic goods imported from China and India, it said.

The association proposed reduction of import duty on raw materials to 7.5 percent from existing 15 percent and imposition of a 50 percent supplementary duty on imported plastic goods in addition to the existing 30 percent import duty.

The government should abolish the system of showing 25 percent bank guarantee, which is mandatory for raw material importers, in the next national budget, it said.

This bank guarantee increases the cost of production, the local manufacturers argued.

They also urged the government to withdraw the VAT on recycled

plastic products to encourage the recycling process.

The association said these budgetary measures are needed to flourish the industry, which is growing rapidly and contributing to the national economy by earning foreign exchanges through direct and indirect exports.

At present, there are about 3,000 plastic industrial units in Bangladesh of which 30 are engaged in direct export, 300 in indirect export and the rest serve the domestic market of Tk 800 crore, industry sources said.

In the last year, exporters fetched Tk 100 crore from direct export and another Tk 500 crore from indirect export of plastic goods, the manufacturers said.

## Share prices fall on both bourses

**STAR BUSINESS REPORT**

After a bullish streak of seven trading days, share prices fell yesterday on the country's two stock exchanges.

Dhaka Stock Exchange (DSE) General Index lost 11.72 points or 1.11 percent to close at 1038.57 points from Tuesday's 1050.29 points. Of the 181 issues traded yesterday, 30 advanced, 114 declined and 37 remained unchanged.

The general index at the DSE, introduced on November 27, 2001 with the base point at 817.62, crossed the 1000-point mark for the first time on Tuesday. Afterwards the index plunged to 940 points at one stage.

Boosted by corporate disclosures of 20 companies, including eight banks and financial institutions, the DSE general index hit 1050.29 point mark for the first time on Tuesday. The buoyancy in the secondary market started on April 4 when the index again crossed the 1000-point mark. During the buoyant run-up, the transaction was interrupted for four days due to two days of hartals and two holidays.

The market capitalisation stood at Tk 107.00 billion which was Tk 108.12 billion on Tuesday.

At Chittagong Stock Exchange (CSE), all Share Price Index dropped by 12.91 points or 0.69 percent to close at 1743.32 points yesterday from Tuesday's 1755.51 points.

Of the 53 issues traded yesterday at CSE, 10 gained, 31 declined and 12 remained unchanged.

Some 9,36,843 shares and debentures worth Tk 3.64 crore changed hands yesterday as against 10,32,211 shares valued at Tk 4.23 crore on the previous trading day.

Market capitalisation stood at Tk 96.14 billion as against Tk 96.72 billion on Tuesday.

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