

All-out efforts needed to face challenges in post-MFA era

Speakers suggest at Batexpo 2004 closing ceremony

STAR BUSINESS REPORT

The annual gala apparel exposition ended in Dhaka yesterday with a call to make concerted efforts to address the challenges of Bangladesh's garment export in the quota-free regime.

"Exports from China and India to the US will increase tremendously following the phaseout of multi-fibre agreement (MFA). So, we have to face a major challenge after 31 December 2004 when MFA ends," Toftail Ahmed, president member of the main opposition Awami League (AL), told the concluding ceremony of Bangladesh Apparel & Textile Exposition (Batexpo) 2004 at Sonargaon Hotel.

Chinese exports will rise 50 percent while exports from India will

increase to 16 percent from present four percent to the US in the quota-free regime, Ahmed said. "So, it is not possible to survive without adequate backward linkage industries beyond 2004."

Ahmed said AL does not want to call hartal and for that reason it sponsors alternative agitation programmes such as forming human chain and organising grand rally.

"Hartal is the last resort. As the government makes serious obstruction to normal political activities, we are forced to call hartal," he added.

Leader of the Opposition in Parliament Sheikh Hasina was scheduled to be the chief guest in the closing ceremony but she could not attend the event due to illness. However, Bangladesh Garment

Manufacturers and Exporters Association (BGMEA) President Anisul Huq read out a written speech of the former prime minister.

Hasina urged the government to extend all-out policy and financial support to the garment exporters.

"It is not possible to develop a new sector within shortest possible time. As the garment exporters will face stiff competition in the quota-free regime, the government should stop all sorts of corruption and create a congenial atmosphere for the exporters," she said.

Speaking at the function as special guest, Abdul Jalil, general secretary of AL and former commerce minister, said businesses are seriously affected due to corruption and inefficiency at ports and deteriorating law and order.

Speaking at the function, the BGMEA president said different international organisations have conducted studies on possible impact of the quota-free regime.

Quoting them, Huq said some 25 to 40 percent units may face closure gradually in the open market regime and it will leave an adverse impact on the society as thousands of workers may lose jobs.

"It is true that we are behind in terms of preparing ourselves to face the challenges in the open market," he said.

Alamgir MZ Rahman, second vice-president, and Anwar-Ul-Alam Chowdhury, vice-president of BGMEA, also spoke at the closing ceremony.

Bangladesh urges greater regional trade at Nepal fair

AFP, Kathmandu

Bangladesh called for greater trade with Nepal and other South Asian nations Friday as it opened a three-day fair in the Nepalese capital showcasing its goods.

"Bangladesh and Nepal are old trading partners...yet trade volumes have not reached desired levels," Bangladesh Commerce Minister Altaf Hossain Choudhury said as he inaugurated the event in Kathmandu.

"Intra-regional trade in South Asia has not reached even five percent, investment is likewise insignificant," he added.

Choudhury's Nepalese counterpart, Ishwor Pokhrel, also called for increased "economic integration at regional and bilateral levels".

Nepal's exports to Bangladesh for the year 2002-03 totalled a scant 5.51 million dollars while imports stood at 4.49 million dollars.



PHOTO: STAR
Visitors crowd a stall at the second international medical and health care services exhibition, Medexpo-2004, at Dhaka Sheraton Hotel yesterday. The three-day exposition ends today.

Green Delta Ins approves right share

Green Delta Insurance Company Limited has approved rights share for its shareholders.

The approval was made at the company's extra-ordinary general meeting held in Dhaka on Thursday.

The right share will be given in the proportion of 1:2 i.e. one rights share against two shares with a premium of Tk 200 each share. In other words, Tk 300 should be deposited against each share.

AQM Nurul Absar, chairman of the company, presided over the meeting while Nasir A Choudhury, managing director of the company, was also present, says a press release.

The meeting also approved the increase in authorised capital from Tk 10 crore to Tk 50 crore.

Qatar Airways to launch flights to Beijing

Qatar Airways is going to launch its flights to Beijing, the second destination of the airline in China after Shanghai.

From November 25, three non-stop return flights a week will be operated between Doha and Beijing, says a press release.

The flights will depart Doha on Tuesdays, Thursdays and Sundays arriving in Beijing the following days while return flights will depart Beijing on Mondays, Wednesdays and Fridays and will arrive in Doha on the following days.

Singapore joins alliance of top int'l convention bureaux

Singapore has joined the BestCities.net alliance, a global alliance of convention bureaux that has come together to develop global best practices through innovation, knowledge exchange, professional development and client servicing.

The alliance is made up of some of the world's better-known convention cities -- Boston, Cape Town, Copenhagen, Dubai, Edinburgh, Melbourne and Vancouver, says a press release.

Singapore is the first Asian city to join the alliance.

Together with San Juan, Singapore will officially receive membership of the group on January 1, 2005.

US anger at outsourcing exaggerated, says India

AFP, New Delhi

India's finance minister said the American outcry against companies outsourcing business services to India was "highly exaggerated" as the United States stands to gain far more than it loses.

"For every dollar that is outsourced by US business to India, the US insources at least 10 dollars of business from India," Palaniappan Chidambaram told BBC World's Asia Today in a programme broadcast Friday.

"This dispute about outsourcing is highly exaggerated."



PHOTO: STAR
Toftail Ahmed, president member of the main opposition Awami League, speaks yesterday at the closing ceremony of the Bangladesh Apparel and Textile Exposition (Batexpo), organised by Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at Sonargaon Hotel in Dhaka. Among others, Abdul Jalil, Awami League general secretary and former commerce minister, and Anisul Huq, BGMEA president, were present.

160 Maoist groups join ranks to oppose FDI in India

AFP, Kolkata

Some 160 Maoist organisations Friday joined ranks to oppose foreign direct investment (FDI) and the entry of global firms into the Indian markets, sponsors of a left-wing conclave here said.

Frontline Maoist organisations such as the Peoples War Group and the Maoist Communist Centre, which are banned in several Indian states, however stayed away from the conclave held in this eastern Indian city.

"At the convention, a national level body has been formed to launch a nationwide movement against imperialist forces which are active in India," said B.D. Sharma, secretary of the All India Peoples Resistance Forum, the conclave's organisers.

Sharma said the conclave unanimously decided to oppose policies of India's left-leaning government to draw foreign capital into the market as well as offer easy access to international companies.

"All who attended the convention are against foreign direct investment and the entry of multinational companies (MNCs) in the country."

"A nationwide movement will be launched to oppose foreign investment and MNCs but I cannot give a time when our movement will start," he said.

Sharma said the conclave also voted against India's participation in future sessions of the World Trade Organisation.

"A national body will be formed and it will have offices in the cities of New Delhi, Mumbai, Kolkata and Madras to facilitate the coordination of the different groups," Sharma told reporters.

Prime Minister Manmohan Singh, the architect of India's economic reforms, has vowed to push ahead with his pro-market policies despite some resistance from leftist allies of his Congress-led coalition government.

The United States, India's largest trade partner, has nudged New Delhi to speed up its reforms to ensure a 10-fold growth in annual foreign direct investment to 5-10 billion dollars in the coming years.

Oil holds near \$53 high

REUTERS, London

Oil prices held near record highs on Friday even though oil unions in Opec member Nigeria said a two-day wildcat strike would pass without any impact on exports.

US light crude by 10 a.m. EDT was up 3 cents at \$52.70 a barrel, after touching \$53 on Thursday, the third day in a row prices set new highs.

London Brent struck a new high at \$49.30 a barrel and later traded up 20 cents on the day at \$49.10.

Union officials said a two-day wildcat strike by Nigerian oil workers at Royal Dutch Shell Group would end later on Friday and that exports had not been hit.

Strong demand growth, particularly in China, has helped oil prices 60 percent this year, drawing Opec to pump at a 25-year high and leaving little margin for supply disruptions or refinery outages.

"Demand growth is outstripping supply growth and there's very little prospect for that to change," said

Rus Newton of commodities hedge fund manager GlobalAdvisors.

"Prospects of maintaining supply growth at current levels are extremely limited."

Stretched supplies have been stressed by the lingering loss of US production from the Gulf of Mexico where around 475,000 bpd remains out of commission over three weeks after Hurricane Ivan hit the region.

Oil major BP, which operates nearly half the lost output, said this week that it did not expect to restore full flows until the end of this month.

This outage coupled with last month's refinery closures during the hurricane have hindered efforts to build US heating oil inventories ahead of the winter, when demand for the fuel peaks in the US northeast.

US heating oil prices have already hit record highs on concern that supplies will tighten further as temperatures drop.

Tight inventories have magnified concerns over the impact of any disruptions to international supplies.

In Nigeria, a general strike by the

umbrella labor union looms from Monday over rising domestic fuel prices, although officials said they were not trying to hit exports.

Nigeria supplies refiners in Asia, the United States and Europe with the high-quality crude grades prized for their high yield of transportation and heating fuels.

Production is being curtailed in Norway by a rig workers strike that unions say will widen at the weekend to shut in 55,000 bpd of the nation's three million bpd.

Oil dealers are keeping a close eye on the impact of fuel costs on global economic growth.

Despite this year's sustained surge in prices, officials have expressed mixed views on the potential impact on economic growth.

The European Central Bank on Thursday injected a note of caution into hopes for euro zone economic recovery and retreating inflation, saying oil prices were making the outlook less certain.

Dhaka, Colombo eye direct air link to boost trade

UNB, Dhaka

Bangladeshi and Sri Lankan officials are in talks to start direct air service considered a major way to boost bilateral trade between Dhaka and Colombo.

A delegation of Bangladesh Civil Aviation Authority went to Colombo last month and discussed with Lankan officials various options, including opening the air route.

Currently, passengers require around 10 hours to travel to the two capitals via Bangkok where with a direct air link, it would take around three hours only.

Talking to the news agency Bangladesh High Commissioner to Sri Lanka Yakub Ali said Sri Lankan traders are interested in importing goods from Bangladesh, but they

feel discouraged in absence of direct air flight between the two Saarc countries.

"Establishment of a direct airlines might open a door for greater cooperation between the two countries," Ali said, expressing the hope that it might start from next year if the aviation authorities of the two countries could reach agreement by removing the differences on the air route.

The Bangladesh envoy also said having excellent political relations, the two Saarc member-states could explore new areas of economic cooperation.

He said the Sri Lankan investors expressed interest in undertaking joint-venture projects in pharmaceuticals and recycling of tyres in Dhaka and Chittagong.

The high commissioner said apart from traditional items, Bangladeshi businesses can export seasonal vegetables to Sri Lanka that imports vegetables from its neighboring countries and Europe.

He said the two countries could also cooperate in development of tourism as Bangladesh has good prospect with tourism industry. Some private companies of Sri Lanka have already visited Chittagong and explored the possibility of their investment in this sector.

Sri Lankan companies have already invested in the export processing zones in Bangladesh. In the last fiscal year, Bangladesh's export to Sri Lanka shot up to USD 10.5 million from USD 3.5 million in FY 2002-03.