

# Jute thrives as synthetic prices go up

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A trend of using natural fibres has surfaced among people on hopes jute will not lose out to synthetics.

With global crude oil prices boiling above 54 dollars a barrel, the prices of synthetics, a by-product of crude oil, are rising leaving scope for jute to improve its position on the international market.

Local raw jute exporters are upbeat about a probable rise in export earning in the years to come despite a huge production loss from floods, as they are getting more orders with higher prices from importers.

According to Bangladesh Jute

Association, international buyers are offering \$100 more on average for one tonne (5.55 bales) jute. Price of Bangla Tossa A variety is now \$420 a tonne, Bangla Tossa B \$320 and Bangla Tossa White \$400 this year, a jump of almost \$100 from last year.

Following the international price trend raw jute price is also on the rise on domestic market, a rare phenomenon in recent days. In retail market, per maund of Faridpur variety of jute price is now Tk 650 to Tk 700 and Jessori Tk 550, an increase of Tk 100 per maund (37.5 kg).

Mahfuzul Hoque, chairman of Bangladesh Jute Association, said rise in jute price has generated new enthusiasm among farmers, who

need over Tk 360 for production of one maund of jute, popularly known as golden fibre.

"The soaring oil price has come as a boon for Bangladesh jute sector. The boiling price is making room for jute," said Hoque.

According to Reuters, oil prices simmered near \$55 a barrel on Friday on rising fears of a winter fuel supply crunch and robust but slowing economic growth in China, the world's number two user.

"Impact of oil on synthetics apart, a movement to avoid artificial fibres is getting steam globally. Australia recently has banned use of synthetics of some categories and many

countries are planning the same," Hoque told The Daily Star.

Bangladesh produces 50 lakh bales (180kg) of jute a year on 11 lakh acres of land. Of which 19 lakh bales are exported, 25 lakh bales are used by local mills and rest consumed by people for domestic needs.

According to Export Promotion Bureau, earning from raw jute export was \$90.74 million in 1995-1996 and \$116.32 million in 1996-1997 and since then earning has been witnessing a dip. In 2002-2003, the earning was \$82 million and in 2003-2004 \$79.69 million.

## Second int'l travel fair in March

The second Bangladesh international travel fair will be held in Dhaka from March 4 to 6 next year.

The Bangladesh Monitor, a travel magazine, will organise the three-day fair titled 'Dhaka Travel Mart-2005' (DTM-2005) at Dhaka Sheraton Hotel, says a press release.

Triune Exhibition & Event Management Services will host the exposition.

The first travel fair was held in February 2002.

## Citigroup's ex-exec may face SEC action

REUTERS, New York

US securities regulators may recommend enforcement action against the former head of Citigroup Global Investment Management for his role in activities under investigation at the company's mutual fund unit, the No. 1 financial services firm said on Friday.

The Securities and Exchange Commission staff told former Citigroup Inc manager Thomas Jones, another former employee and a current employee that enforcement action is being considered in connection with a probe the company disclosed last November.

Citigroup's latest black eye comes as it attempts to recover from other regulatory problems including a run-in with Tokyo regulators who said it misled clients in a series of private bond sales. The company's European operation also had to apologize for a government debt trade that roiled markets.

Other details were not provided in the Friday filing.

Citigroup declined to comment beyond the filing.



PHOTO: MUTUAL TRUST BANK LIMITED

Samson H Chowdhury, sponsor director of Mutual Trust Bank Limited, cuts tape to inaugurate the 15th branch of the bank at Bashundhara City shopping mall on Panthapath in Dhaka on Thursday.

# Indian govt ally opposes higher foreign equity limits

REUTERS, New Delhi

A communist ally of India's government will oppose attempts to allow higher foreign ownership of telecom and insurance firms, but will back higher foreign equity in airlines, a senior leftist leader said Thursday.

The reaction comes from a political party on which the Congress Party-led coalition government depends for its survival.

"In telecoms and insurance, we are strongly opposed to any move to increase foreign investment limits," D Raja, national secretary of the Communist Party of India, said.

"Telecoms is a strategic sector which involves national security. We

cannot have majority foreign investment in this sector."

The government wants to raise the limit on foreign ownership of telecoms firms to 74 percent from 49, offering potential for more foreign investment in the sector.

Bharti Tele-Ventures Ltd., India's largest listed telecom firm, is 28 percent owned by Singapore Telecommunications Ltd., and 18.5 percent owned by private equity firm Warburg Pincus. Singapore Technologies Telemidia Pte Telekom Malaysia Bhd hold a one-third stake in Idea Cellular Ltd, India's fifth largest mobile firm, while Hong Kong's Hutchison Whampoa holds a 49 percent stake in

Hutchison Essar Telecom Ltd.

India threw open its doors to foreign firms in a host of sectors in the early 1990s, but since then attempts to push ahead with reforms have met with stiff resistance from political parties and labour unions fearing job losses.

The new government has been soft-pedalling on increasing foreign equity caps in telecoms and insurance companies, as proposed in the July budget, because of pressure from its communist allies.

Raja said the government should try to strengthen state-run telecoms firms like Bharat Sanchar Nigam Ltd (BSNL) rather than throw open the strategic sector to foreign firms.

## European frozen food buyers due Nov 27

BSS, Dhaka

A 12-member delegation of frozen food buyers from European countries will arrive in Dhaka on November 27 on a three-day visit to Bangladesh.

During the stay in Bangladesh, the team will attend an international conference on November 28-29 and take part in a frozen food fair.

The members of the team will also visit frozen food processing plants in Dhaka and Chittagong to tap business opportunities with Bangladeshi exporters.

Asia Invest-ii Programme of European Commission and the Bangladesh Frozen Foods Exporters Association (BFFEA) will jointly sponsor the visit of the European delegation.

The main objective of the programme is to facilitate suitable business between Bangladeshi exporters and European buyers and to improve the image of Bangladesh's frozen foods.

## India's inflation rate dips as food prices fall

AFP, New Delhi

India's weekly inflation rate fell slightly to 7.10 percent due to a drop in prices of food and manufactured goods, official figures showed Friday.

Inflation for the week to October 9 was down from 7.20 percent the previous week.

India's new coalition government has been desperately trying to keep inflation under control in the face of rising global oil prices, a crucial issue in a country which imports about 70 percent of its energy requirements.

It has eased tariffs on various goods and oil products in an attempt to dampen imported inflation while tightening credit at the banks.

## ROK stock market to see rebound in coming week

AFP, Seoul

South Korea's stock market is expected to see a technical rebound next week after sustained losses over the past two weeks made on the back of disappointing results in the key tech sector, dealers said Friday.

On Friday, the market managed to finish on a positive note, helped by Chinese data showing the economy there growing strongly but perhaps not too fast to prompt the authorities to take further measures to slow it down.

That has to be good news for South Korea, for whom China is a major export market and investment location, and should help offset some of the continued concerns over high oil prices.

# Dhaka handloom fairs wooing Eid shoppers

BSS, Dhaka

Dhaka city has turned into a bustling bazaar for handloom products with three big exhibitions are now going on in full swing to woo Eid shoppers.

The handloom items may also get a boost this week when two more similar fairs will begin ahead of Eid shopping spree.

The month-long fairs began at Shilpakala Academy, Textiles Emporium at Karwan Bazar and T&T ground at Sher-e-Bangla Nagar on October 16. Two other fairs will begin at Shyamoli and Kalabagan ground this week to exhibit a wide variety of handloom products.

Organisers at the Shilpakala Academy fair said after the devastating floods that hit the traditional textiles sector severely, the exhibition may help weavers and factory owners recover the losses.

There are 125 stalls representing different kinds of products in the fair, they said.

"If we can sell the products more, it will help mitigate the losses due to the recent floods," said Golam Mowla, a retailer and exporter of Jamdani sari and proprietor of Shahnaj Jamdani Weaving Factory at Rugganj in Narayanganj.

He said the lowest price of a Jamdani sari is Tk 1,200 and the highest is between Tk 25,000 and 30,000.

Traditional handloom products such as Tangail sari, *khaddar* of Comilla, blanket of Bogra, some items of tribal handloom and Benarasi sari of Mirpur are being sold at the show.

The major items for the male are *punjabi* and *fatua* of Comilla.

Mahbub Alam of Priyanka Benaraasi from the Benarasi hub of Mirpur expects good sale from the show at Shilpakala Academy. "We already have come across a good number of inquisitive and prospective customers," he said.

He said the sales will pick up

from the first week of November when the people will start getting Eid bonus and salaries.

Mahbub appreciated the idea of organising handloom fairs simultaneously at different places in Dhaka, saying the organisers and buyers will benefit from the shows in view of large population in the capital and increasing traffic jam that restricts shoppers to roam around city markets to find best choices.

But Golam Mowla has a different idea. He said the handloom products should be displayed at the annual export fair.

The fairs should be arranged in spacious areas and the organisers have to give the buyers a wide range of choices by presenting all kinds of handloom items in a single fair.

Sabiha, a buyer, said she would buy a *fatua* and a Jamdani sari for her parents after getting her salary at the end of October.

# China's free trade pact with Asean in sight

ANN/ CHINA DAILY

The foundations of the world's largest free trade area may be laid next month.

China and members of the Association of Southeast Asian Nations (Asean) may ink a free trade pact for goods in November, said a senior trade official.

"China and Asean members are expected to sign deals on goods trade and a dispute resolution mechanism," said An Min, Chinese vice-minister of commerce.

China and leaders of Asean countries are scheduled to meet in Vientiane, capital of Laos, in November.

Both sides agreed in principle on the two items under the free trade pact when economic and trade ministers met in Jakarta, Indonesia on September 4, An said.

China and Asean members have set up three working groups governing rules of origin, trade of goods and trade of services.

An said China and Asean members may begin to set up the free trade area next year as scheduled.

By 2010, it could become the world's largest FTA, and include 1.7 billion consumers with a combined gross domestic product of US\$2 trillion.

An said the recognition of China's market economy status by all Asean members cleared the way to reach the deal on trade of goods.

Asean member countries recognized China's market economy status on September 4 after the ministerial trade meeting.

An believed the China- Asean FTA will offer great prospects as the early harvest programme has proved.

The programme was launched January 1 this year and offered preferential tariffs on more than 500 items, mostly agricultural products.

Agricultural trade between China and Asean members got a boost this year as China imported a total of US\$330 million worth of fruits and vegetables from Asean countries in the first half of the year, an increase of 38.7 per cent year on year. During the same period, China's exports stood at US\$270 million, jumping by 33.9 per cent.

An said China and Asean will be closer trade partners once the work to build FTA is started.

Trade volume between Asean nations and China accounts for 11 per cent of China's overall external trade.

Asean's exports to and imports from China reached US\$47.3 billion and US\$30.9 billion in 2003. These numbers represent an increase of 51.7 per cent and 31.2 per cent, respectively from the previous year.

In the first three quarters of this year, foreign trade volume between China and Asean reached US\$75.4 billion, rising 35.6 per cent year on year.

During a summit in Bali last October, a decision was made to hold the first China- Asean Expo from November 3 to 6 in Nanning, capital of the Guangxi Zhuang Autonomous Region.

Booths have proven popular, An said. By the end of August, 4,261 enterprises had filed applications to fill the 1,763 booths available.

# US 'City of Looms' fears for future

REUTERS, North Carolina

After a more than a century of Churning out towels, sheets and bedspreads for American homes, there's no future for textiles in this self-proclaimed "city of looms" and many other North Carolina towns fear the same fate.

As part of a 1994 world trade agreement, decades of US quota restrictions on clothing and apparel imports come to an end on Dec 31.

The US Labour Department forecasts the US apparel industry will shrink by 69 percent -- or some 245,000 jobs -- between 2002 and 2012 due largely to increased competition from China when the quota system expires. US textile industry employment will fall by 31 percent -- or about 152,000 jobs.

Those numbers are probably conservative unless the federal government takes steps to keep the Chinese from taking over the US market, said Steve Dobbins, president of Carolina Mills, which is based in Maiden, North Carolina.

"We're not anti-international trade," Dobbins said. "We just don't want to get killed."

When Pillowtex Corp. shut its doors on July 30, 2003, many people in Kannapolis felt as if they'd been struck by a natural disaster. The town had been built around Cannon Mills, which began business in 1887 and became part of Pillowtex in 1997.

In the largest layoff in state history, about 4,800 workers in Kannapolis and surrounding countries lost their

jobs. Their average age was 46. Almost half had no high school diploma. Nearly 60 percent were female. Many did not know how they would make their next rent or mortgage payment.

"It knocked this city to its knees," said Kannapolis Mayor Ray Moss. "When a hurricane hits, it takes away homes. What happened here is a catastrophe that took away jobs and left houses. They own homes they can't pay for because they have no jobs."

The closure also left a nearly 6 million square feet (557,400 square metres) facility comprised of about 20 different buildings sitting on 145 acres (58 hectares) in the middle of town.

Harris Raynor, southern regional director of the UNITE HERE textile and hotel workers union, said no one was interested in buying the company to keep it running.

"The answer we got back is how we can invest in this industry knowing what's going to happen in 2005," Raynor said.

Instead, the plant has been hulled out and its equipment sold to other textile producers around the world.

"There's no future for textiles in Kannapolis," Moss said, noting it is luckier than many other communities because the rapid growth of the nearby city of Charlotte has helped many former Pillowtex workers find new jobs.