

DUTY-FREE ACCESS TO US MARKET

Bill to be placed in US Congress Wednesday

Commerce minister tells parliament

UNB, Sangsad Bhaban

A bill seeking duty-free market access to the United States will be placed in the lower chamber of Congress on Wednesday (February 16), the commerce minister told Parliament yesterday.

Replying to a supplementary of Fazlul Huq Milon (BNP), Commerce Minister Altaf Hossain Chowdhury also apprised the House of the country's trade position with the Saarc member countries as well as with Canada and USA.

"Bangladesh seeks duty-free access to the American market. A bill to this effect will be introduced in the US Congress on February 16," he told the House, apprising that the country enjoys similar market preference from a number of countries, including Canada, Norway, New Zealand and Australia.

The bill titled "Trade Relief Assistance for Developing

Economies (TRADE)" was introduced in the upper house on January 26 seeking duty-free access of products from Bangladesh and 13 other least developed countries (LDCs) to the US market.

From the upper house, the bill is now being sent to the lower chamber of the Congress. Four senators, both from Democrats and Republicans, supported moving the bill.

Industry insiders believe a lot of customers would come to Bangladesh due to the move -- be it passed or not. They, however, explained that it's a tough task to get the bill through the American parliament.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has appointed lobbyist in the United States to help move the bill. It would try to "execute" the bill within next few months, or by a year

at the latest.

Industry sources expected that the bill seeking full duty waiver, if enacted, could bring about a revolution in the country's apparel industry. The US charges 16 percent import duty on average on the apparel items.

The US authorities have already awarded market preference to 33 sub-Saharan and Caribbean countries out of 49 in the world's poor-country club (the group of LDCs).

The apex trade body of Bangladesh's apparel industry moved the bill for the rest of the countries -- Nepal, Bhutan, Cambodia, Laos, Kiribati, Afghanistan, East Timor, Yemen, Samoa, Solomon Islands, the Maldives, Vanuatu and Tuvalu.

In the draft of the trade-preference law, they have portrayed challenges the poor countries would have to face in the post-MFA trade era as well as their economic

requirements and competitiveness in globalization and international market.

Altaf said Bangladesh's export to Canada increased by 140 percent due to the duty free market access facility, but to the United States exports declined a little.

On Dhaka's trade position with Saarc countries, he admitted that the trade deficit with South Asian nations has increased, but hoped that it would improve with the operation of Safta from January 1 next year.

The commerce minister informed the House that Bangladesh exported goods worth US\$ 65.25 million to Saarc countries as against its import of US\$ 780.56 million up to November of fiscal 2004-2005. The deficit stood at US\$ 715.29 million.



Traders at Islampur in old Dhaka bring out an anti-hartal procession yesterday ahead of the 36-hour countrywide shutdown, called by the main opposition Awami League, left-leaning 11-party combine and Jatiya Samajtantrik Dal (Inu), that begins today.

Withdraw import duty on rice, wheat

CCCI urges finance minister
CU CORRESPONDENT

In the wake of price hike of rice and wheat, Chittagong chamber yesterday urged the finance minister to withdraw the import duty on the food grains and cut L/C (letter of credit) margin.

Chittagong Chamber of Commerce and Industry (CCCI) President Saifuzzaman Chowdhury Javed in a message faxed to the finance minister, said common people now find it very difficult to buy rice and wheat due to high prices.

The CCCI president also called for withdrawal of the persisting 7.5 percent import duty on rice.

The present price index is completely incoherent with the income of the people and it will take at least 3-4 months more for rice and wheat of current season to come to market, he said.

Bangladesh invited to take part in Bangkok leather fair

Thailand has invited Bangladesh to participate in Bangkok International Leather Fair and Bangkok International Fashion Fair to be held in September.

The invitation came yesterday when Thai Ambassador to Bangladesh Suphth Chitrakroh yesterday met Export Promotion Bureau Vice-chairman Mir Shahabuddin Mohammad in Dhaka, says a press release.

During the meeting, the EPB vice-chairman also requested Thailand to provide Bangladeshi goods, such as chemical fertilizer, ready-made garments, footwear, tea and melamine tableware, with duty free access to Thai market.

Minister Counsellor (Commercial) of Thai embassy Panyarat Vongskul was also present at the meeting.

CRISL to carry out credit rating of Shahjalal Islami Bank

Shahjalal Islami Bank Ltd (SJI) has engaged Credit Rating Information and Services Ltd (CRISL) to carry out the credit rating of the bank, says a press release.

A deal to this effect was signed between the two organisations in Dhaka recently. M Kamaluddin Chowdhury, managing director of SJI, and Muzaffar Ahmed, president and CEO of CRISL, signed the agreement.

BR to buy 100 wagons to ease container congestion at Ctg port

STAR BUSINESS REPORT

Bangladesh Railway (BR) will procure some 100 container wagons soon to ease container congestion at Chittagong Port and smoothen functioning of export import activities.

The BR authorities at a meeting yesterday took the decision to float tender in this regard immediately.

The meeting also decided to hold an inter-ministerial meeting involving shipping ministry to conduct a

survey to build internal container terminal at Dhirasram at Tongi on build-operate-transfer basis.

Presided over by Communications Minister Nazmul Huda, the meeting also reviewed the progress of various development projects in BR. The railway is currently implementing various development projects involving around Tk 5,889 crore, the meeting was told.

The communications minister said handsome amount of fund has

been allocated for the development of railway sector. The sector will get a major facelift if the officials work with honesty and sincerity. The minister asked the railway officials to remove all bottlenecks in development work.

Communications Secretary Shafiqul Islam and Director General of BR AFM Mostafizur Rahman were also present at the meeting held at the Rail Bhaban in Dhaka.

WB to extend support for agriculture development

UNB, Dhaka

The World Bank will extend priority-basis supports for the development of a number of important areas including agriculture and irrigation.

In next three years, such supports will be given for the development of the country's agriculture, haor and water bodies and land reclamation, assured a seven-member delegation of the World Bank that called on Water Resources Minister Hafiz Uddin Ahmed at his office yesterday.

Mohinder S Mudahar, advisor of the World Bank's Economic, Agriculture and Rural Development Affairs, led the delegation.

The delegation thanked the government for formulating the national water resources management plan and said the World Bank would support projects, including flood protection, drinking water and sanitation, usage of surface water for agriculture, shipping, and development of Teesta and other irrigation projects.

resources minister urged the World Bank to make more contributions for the development of the country's agriculture sector.

The World Bank delegation included Senior Water Resources Management Expert Karin E Kemper, Senior Water and Sanitation Specialist Khawaja M Minnatullah, and Director General of Water Resources Planning Organisation Mujaddad Farooq, said an official handout.

At the meeting, the water

Cut 20pc electricity bills immediately

Cold storage owners urge govt

STAR BUSINESS REPORT

Cold storage owners yesterday urged the government to implement the decision to cut 20 percent electricity bills of the storage.

They also requested the government to provide the cold storage with all the facilities that agro-based industries are now enjoying.

Speaking at a press conference in Dhaka, AKM Fazlul Haque, chairman of Bangladesh Cold Storage Association (BCSA), said Bangladesh Bank on September 7, 2003 directed the authorities concerned to cut electricity bills of the cold storage.

Following the central bank's directive, the finance ministry at a

meeting on October 13, 2003 decided to reduce the electricity bills by 15 percent, said the BCSA leader, adding that on July 1, 2004 it was finally decided to cut 20 percent bills.

"The government also issued a circular on October 19, 2003," he said. "But, Bangladesh Power Development Board (PDB), Rural Electrification Board (REB) and Dhaka Electric Supply Authority (DESA) took no step to implement the government decision," he continued.

Citing example, the BCSA chairman said per unit electricity bill in India for agro-based industries is more than 50 percent lower than that in Bangladesh.

If the decision to cut electricity

bills is implemented, the prices of potato and potato seeds will decline, said ATM Piarul Islam, vice-chairman of the BCSA.

There is a demand of five-lakh tonnes of potato seeds every year in the country of which BADC preserves only 8,000 to 10,000 tonnes. Besides, 4,000 to 5,000 tonnes of potato seeds are imported from the Netherlands every year. The cold stores supply the rest 98 percent potato seeds, he said.

Presently, there are 335 cold storage in Bangladesh where potato and potato seeds are preserved. Last year, around 20 lakh tonnes of potato and four lakh tonnes of potato seeds were preserved in these cold storage, he added.

Three groups announce candidate list for BGMEA polls

UNB, Dhaka

Three groups of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday jointly announced the list of candidates for the election scheduled for February 17.

The candidates will be formally introduced at noon today at Hotel Sonargaon in Dhaka and Agrabad Hotel in Chittagong.

Following is the list of candidates: Dhaka Zone -- Annisul Huq, Tipu Munshi, SM Fazlul Hoque, Golam Sarwar Milon, Jalaluddin Ahmed, Alhaj Haroon Ar Rashid, Shahadat Hossain Chowdhury (Arun), Mesbhauddin Ali, Khondoker Jamiluddin, M Shahidul Islam, Mahmud Hasan Khan, Siddiqur Rahman, Kazi Zakir Hossain, Ferdous Pervaz Bivon, Shawkat Ali Bhuiyan, Anwar-Ul Alam Chowdhury, Sirajul Islam, Faisal Samad, Shafiqul Islam and SM Mannan (Kochi) and Chittagong Zone -- Mohammed Abdus Salam, SM Abu Tayyab, Asheek Bhuiyan, Nasiruddin Ahmed Chowdhury, Mahub Chowdhury, Mainuddin Ahmed and ANM Saifuddin.

India, S Africa hope for preferential trade pact

AFP, New Delhi

South Africa and four of its neighbours are keen to seal a preferential trade agreement with India in hopes of spurring trade and turning historical ties into economic opportunities, a top South African trade official said.

The Southern African Customs Union trade bloc, comprising Botswana, Lesotho, Swaziland, Namibia and South Africa, hopes tariff barriers can be removed to boost trade, said Iqbal Sharma, chief director of international trade at South Africa's department of trade and industry.

Annual trade between India and South Africa stands at 2.4 billion dollars -- only around five percent of South Africa's total trade with other countries despite historical ties between the two countries.

"We are negotiating with India for a preferential trade agreement that will hopefully remove tariff and non-tariff barriers," Sharma told AFP in an interview.

"India was the main supporter of the anti-apartheid movement but the political relationship has to translate into economic opportunities," he said on the sidelines of New Delhi's International Engineering and Technological Fair.

South Africa is a partner country to the fair, which brings manufacturers from various countries together with Indian firms to show off their wares.

Ties between India and South Africa stretch back almost 150 years when in 1860 some 700 migrant workers and traders arrived in Durban from Madras and Calcutta, mainly to work on newly established sugarcane farms in the eastern KwaZulu-Natal province. Political bonds date to the late

19th century when Mohandas Karamchand Gandhi, later to become known as the father of the Indian nation, spent 20 years in South Africa as a young lawyer fighting the injustices of a racist colonial system.

He later returned to India to spearhead the independence struggle against British colonial rule. During the apartheid era New Delhi cut all diplomatic and economic ties with South Africa, restoring them only after Nelson Mandela was released and first all-race elections held.

For India, South Africa holds the potential of being the springboard for closer economic and political ties with the sub-Saharan region, which also holds a sizeable number of people of Indian origin.

Sharma said negotiations will start around October and an agreement is expected to be in place before the end of the year or the first quarter of next year.

"We will at least be doubling our trade in the next two to three years," he said.

The average custom tariff rates in India are around 30 percent compared with about three to five percent in South Africa. A preferential trade pact will help to lower the levies for export firms from both countries.

"We have to start off by creating an enabling environment. Initially, we will be looking at trade in goods and in the second phase at trade in services," Sharma said.

The business cooperation will focus on civil engineering, tourism, agro processing, automotive components, chemicals, marine and railways.