

## Polls unity to help RMG face quota-free era

### Leaders of three BGMEA groups tell projection meet

#### STAR BUSINESS REPORT

Leaders of the three BGMEA groups contesting the upcoming election from a common panel yesterday said they become united for the sake of the RMG industry so that it can face quota-free regime.

"We have become united for the greater interest of the BGMEA as we have many challenges in the days to come. It was necessary for the interest of all members of association," said Anisul Huq, the incumbent president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at a joint projection meeting in Dhaka.

Tipu Munshi, leader of a faction of Sammilito Parishad, and SM Fazlul Hoque, leader of another faction of Sammilito Parishad, also spoke at the meeting with M Anissuzzaman, chairman of BGMEA election board, in the chair. Some unfortunate incidents took place in recent times, said Tipu

Munshi in his speech, adding that it will not be possible to face such situation if the BGMEA members are not united.

Winning the polls or becoming the president of the association is a very small thing, rather remaining united in the association will strengthen the organisation more, Munshi observed.

Explaining the consensus, Munshi said, "Focus will not be on the eight-month presidency. In fact, leaders of the common panel will jointly run the BGMEA."

Munshi also urged the government to create a fund for setting up backward linkage industries to extend soft loans to the entrepreneurs.

Hoque also echoed Munshi saying the united stand is not designed to share the presidency rather it is aimed at working together.

There are many factories which fail to be compliant with different

issues and cannot go for marketing on their own, said Hoque.

"We have already started to think about these issues and we will do everything possible to rehabilitate the sick units," he went on.

Regarding the consensus, Hoque said three former presidents of BGMEA played the key role in removing the gap among the groups.

Speaking at the meeting, Anisul Huq said issues such as rules of origin of the European Union and duty-free access to the US market are important not only for the garment industry but also for the country's economy.

Huq urged the BGMEA members to remain vigilant so that no incident occurs in any factory and affect the industry. "If there is any chaos in any factory, it may affect all," he said.

Urging the BGMEA members to vote for the common panel in the election, the BGMEA president said if the turnout seems unsatisfactory,

it will raise questions. "Every BGMEA member should cast vote so that none can raise any question."

Describing his stand, Huq said he did not want to contest but leaders of different chambers and of his panel requested him to lead the Forum. "So I had to change my mind."

Speaking at the meeting, chairman of the election board said BGMEA is a very well known trade body in the global market. So, the BGMEA members should not do anything that can damage the prestige of the association.

Leaders of the three groups also introduced the members of the common panel and urged the BGMEA members to vote for their candidates in the election to be held on February 17.

The polls will start at 8am and continue until 4pm without any break.

## Bangladeshi cos get \$3.5 lakh order from Bahrain fair

Bangladeshi companies that took part at a five-day Islamic trade fair in Bahrain have received US\$3.5 lakh export order.

Under the auspices of Export Promotion Bureau (EPB), eight local companies participated in the 10th Islamic Trade Fair held in Manama from February 5 to 9, says a press release.

Bangladeshi exhibitors displayed products including dry cell battery, tea, melamine tableware, handicrafts, food products, diversified jute products, pharmaceuticals, jute-made shopping and fancy bag, leather products and apparels made by women at the exposition.

A total of 450 participants from 41 countries participated in the exhibition.

## EPB seeks China help to build permanent fair complex

UNB, Dhaka

Export Promotion Bureau (EPB) sought Chinese help to construct a permanent fair complex in old Dhaka Airport area.

The request came when Zhu Jintu, commercial councillor of the Chinese Embassy, met Mir Shahabuddin Mohammad, vice-chairman of EPB, in Dhaka Sunday. The councillor assured that his government will extend all possible help and cooperation in this regard.

He also said China has offered preferential tariff facilities for 179 Bangladeshi items. Besides, zero tariff facility has been given to export of jute and jute goods to China.

The Chinese official further assured that 82 items will be covered under zero tariff very soon. Other new products will also be covered on zero tariffs in phases to boost export to China, he added.

During July-December last year, Bangladesh export to China was US\$ 28.21 million registering 50 percent increase over the corresponding period of previous year. The major export items were raw jute and leather.

## Beximco Infusions, Beximco Pharma hold annual confc

The annual sales conference-2004 of Beximco Pharmaceuticals Ltd (BPL) and Beximco Infusions Ltd (BIL) was held in Cox's Bazar on Friday.

Chief Executive Officer of Beximco Chemical Division Nazmul Hassan inaugurated the daylong conference attended by employees of the two organisations.

Director (Commercial) Afsar Uddin Ahmed, Executive Director (Sales) of BPL Zakaria S Chowdhury, Marketing Manager of BPL Subrata Paul and Manager (Sales & Marketing) of BIL Rizviul Kabir, among others, spoke at the function, says a press release.

## Ganex opens new service centre at Mirpur

Ganex, an herbal product manufacturing company of Malaysia, has opened its service centre at Mirpur in Dhaka recently.

GM Rabbani, Ganex Bangladesh country adviser, inaugurated the centre at the new building of Ganex, says a press release.

Among others, Leong Ting You, Ganex Bangladesh director, was present at the function.

Ganex will distribute herbal materials and conduct beautification training from this new centre, the release added.

## Verizon sets deal to buy MCI

REUTERS, Philadelphia

US local telephone company Verizon Communications Inc. has clinched a deal to buy long-distance carrier MCI Inc. for \$6.8 billion, outflanking rival Qwest Communications International Inc., sources familiar with the situation said on Monday.

The competition over MCI came in the wake of SBC Communications Inc.'s proposed \$16 billion acquisition of long-distance telephone company AT&T Corp. and a wave of mergers among wireless telephone companies.

## US TRADE SHOW 2005 PRESS CONFERENCE



PHOTO: STAR

American Chamber of Commerce in Bangladesh (AmCham) President Aftab ul Islam (2nd L) speaks at a press conference in Dhaka yesterday on the eve of the 14th US trade show that begins tomorrow. Dayle Johns (R), economic officer, Danna Brennan (L), assistant public affairs officer of US Embassy in Dhaka, and A Gafur (2nd R), executive director of AmCham, are also seen.

## US trade fair from tomorrow 75 exhibitors to take part

#### STAR BUSINESS REPORT

With a view to popularising American products and services in Bangladesh the US Trade Show 2005 will kick off tomorrow in Dhaka.

Foreign Minister M Morshed Khan will inaugurate the three-day showcase at Dhaka Sheraton Hotel. US Ambassador to Bangladesh Harry K Thomas will also be present at the inaugural.

US Embassy and American Chamber of Commerce in Bangladesh (AmCham) are jointly organising the 14th edition of the trade show.

Addressing a press conference on the eve of the exposition, AmCham President Aftab ul Islam said this year's exhibition will be the largest US trade show ever held in Bangladesh.

"The number of participants has

increased by 10 percent this year as more American companies are showing interest in Bangladesh market. A total of 75 exhibitors occupying 124 booths will take part in the exhibition," he said.

Speaking at the function, Dayle Johns, economic officer of US Embassy in Dhaka, said the trade show may help boost trade between the two countries, which is now in favour of Bangladesh.

According to the embassy official, US exported products worth \$281 million to Bangladesh while imported \$2.3 billion in 2003-2004 showing America's trade deficit of \$2 billion.

Asked about low-profile US presence in Bangladesh, she said as American products are of high quality, they are expensive in view of economic condition of the country. Besides, as shipping cost is high

here, US companies and service providers are less interested in exploring Bangladesh market.

"When any trade issue comes, it accompanies corruption and weak governance issues in Bangladesh," she said.

But the situation is changing now. American companies are showing interest in the growing consumer market here, she noted. Asked about progress of trade and investment framework agreement (TIFA), she said negotiation is going on to sign the deal.

The show will remain open between 10:00am and 8:00pm from February 16 to February 18. The entry fee is fixed at Tk 10.

Danna Brennan, assistant public affairs officer of US Embassy, A Gafur, executive director of AmCham, were also present at the press conference.

## EC to offer new GSP facilities to help tsunami-hit countries

#### ANN/THE ISLAND

In response to the Tsunami disaster, the European Commission (EC) has proposed to accelerate the entry into force of the new EU preferential trade regime for developing countries. The new Generalized System of Preferences (GSP) will now come into effect on April 1.

The focus of the new regime is on developing countries most in need such as the Maldives, Sri Lanka, Thailand and Indonesia. The EU GSP, already by far the most generous in the world, provides for further tariff concessions, in particular in the clothing and the fishery sectors. Its benefits will extend to all the countries affected by the recent Tsunami.

In parallel, the European Commission is working on simplifying and where appropriate, relaxing the rules of origin to allow countries to take fuller advantage of the benefits of GSP.

European Commissioner for

Trade Peter Mandelson said: "By accelerating this boost to developing countries' ED market access, the European Union has acted quickly to provide relief for countries affected by the recent tsunami. By lowering tariffs for poorer countries, we are extending benefits to all developing countries."

The EU GSP is the preferential trade regime the EU has been granting to developing countries for the last 30 years. It is worth more than Euro 52 billion in trade flows, and is by far the most important preferential trading regime in the world, providing more market access for developing countries than the preferential access schemes of the US, Japan and Canada combined.

Following the Tsunami of December 2004, the European Commission identified the rapid entry into force of the new EU GSP as a way to aid countries affected by the disaster. The Commission is proposing to bring forward its entry

into force by three months, to April 1, 2005. The acceleration has already been welcomed by EU Member States and the European Parliament.

Through tariff concessions the new regime will open about Euro 3 billion worth of new trade flows for countries affected by the tsunami. In the new GSP, all fishery products will benefit from tariff cuts.

In the case of Sri Lanka, which will benefit from the special incentive scheme aimed at encouraging sustainable development and good governance (GSP Plus), this implies that about 90 per cent of exports, including clothing items, will enter the EU at zero duty.

In the case of Thailand, the new concessions will apply to extremely sensitive products such as shrimps. Indonesia and India will benefit from new tariff cuts for their textile and shoes sectors respectively.

## Foreign capital inflow key challenge to India

### Central bank governor says

#### REUTERS, Bombay

Large capital inflows into India are posing a major challenge to exchange rate management and monetary policy, the country's central bank governor was quoted as saying in a newspaper Monday. Yaga Venugopal Reddy was quoted in the Hindu Businessline newspaper as saying in a prepared speech that recent large capital flows had prompted a debate on the need for exchange rate adjustment.

"In such a situation, the monetary authorities should presume that such inflows are temporary till they are firmly established to be permanent in nature," the paper quoted Reddy as saying.

The comments were from a prepared speech the governor was

due to make in Vishakapatnam in the southern Indian state of Andhra Pradesh on Saturday. Businessline said the speech was distributed in his absence after he was unable to attend the event.

"The speech was an outline of monetary policy and explained how monetary policy is formulated," a central bank spokeswoman said.

His comments come just a month after he voiced concern about volatility caused by large foreign institutional investment (FII) in equity markets and said an option to cap it must be kept open.

Reddy also said that price-based measures such as taxes could be examined, although their effectiveness was arguable and therefore might not be desirable. Finance Minister Palaniappan

Chidambaram was quick to clarify at the time that there was no plan to tax foreign fund inflows.

Foreign funds bought a record \$8.5 billion worth of Indian shares in 2004, helping the benchmark Bombay share index to gain 13 percent over the year.

The influx helped the rupee gain nearly five percent in 2004, following a 5.2 percent rise in 2003.

FII's pumped \$281.1 million into local shares in January and \$812 million so far in February, but the rupee has lost nearly 0.6 percent against the dollar since the start of 2005 partly due to increased central bank intervention.



PHOTO: STAR

A group of law-enforcers sit in front of shuttered shops in Gulistan area in Dhaka yesterday during hartal hours. The 36-hour countrywide shutdown, sponsored by the main opposition Awami League, left-leaning 11-party combine and Jatiya Samajtantrik Dal (Inu), ends in the evening today.

## Japan's current account surplus up, exports weak

#### REUTERS, Tokyo

Japan's current account surplus rose sharply in December, helped by surging dividend and interest payments from overseas, but economists expect slack exports to weigh on the economy for a while.

The announcement of a 35.1 percent rise in the surplus in the current account, the broadest measure of trade in goods and services, caused the yen to spike against the dollar.

The December surplus amounted to 1.6160 trillion yen (\$ 15.33 billion), Ministry of Finance data showed yesterday, much better than the median forecast in

a Reuters poll of economists for 1.25 trillion yen or a rise of 4.5 percent year-on-year.

A breakdown showed it grew as the trade surplus expanded for the first time in two months while a services deficit narrowed.

Growth in revenues in the income account, such as profits made by Japanese firms or their subsidiaries operating overseas, also helped boost the current account surplus.

"The main surprise was the rise in the income account inflow returns on securities investment and direct investment abroad," said Takeshi Minami, an economist at Norinchukin Research Institute.

"While the current account surplus was bigger than expected in December, when you average it out with the weak November figures it's not so strong. Although overseas economies are said to be picking up, it's still uncertain they would be so strong as to continue boosting Japan's current account surplus."

On a seasonally adjusted basis, the surplus rose 28.2 percent in December from November.

But both exports and imports declined from a month earlier, and a MOF official said it was unclear if that was a trend or due to seasonal adjustments.



## New MD of NCC Bank

Md Nurul Amin has recently taken over as managing director of National Credit and Commerce (NCC) Bank Ltd.

Prior to his new assignment, he worked as deputy managing director and managing director (current charge) of the bank.

Completing his graduation from Dhaka University, Amin started his banking career in 1977 as a senior officer of Janata Bank, says a press release.

## Dutch-Bangla Bank signs deals with Dutch co

The Netherlands Finance Development Company (FMO) will extend credit facility to Dutch-Bangla Bank Limited (DBBL).

Two agreements to this effect were signed between DBBL and FMO recently in Dhaka, says a press release.

Under one accord, DBBL will get loan of US\$ 8.75 million to finance export oriented industries in the country through procurement of capital machinery. As per the other deal, the bank will get credit of 7.50 million euro for financing primary residential houses.

Md Yeasin Ali, managing director, Abul Hashem Khan, deputy managing director (Operations) of DBBL, WJM Wienk, head of Asia Department and Syndication Department, and APJ De Vette, senior investment officer (Asia Department) of the Netherlands Development Finance Company, signed the deals on behalf of their organisations.

## Emirates lounge opens at Auckland Airport

Emirates, the Dubai-based international airline, has formally opened a passenger lounge at Auckland International Airport in New Zealand.

New Zealand's Minister of Communications David Cunliffe inaugurated the lounge on Tuesday while Gary Chapman, president Dnata and Associated Companies of the Emirates Group, was also present, says a press release.

The lounge facilities include dining room with an extensive menu, TV room with satellite channels and a business centre with broadband and wireless LAN (local area network) system.

The facilities of the lounge are available to Emirates' first and business class passengers as well as Gold members of Skywards, the frequent flyer programme of the airline, the release added.

when it hit a 13 year low.

Beijing decided to promote grain production after looking in alarm at a jump in grain prices that was triggered by depleted stocks following poor crops, big exports and higher consumption.

Chen Xiwen, Beijing's top policy adviser on agriculture, said farmer income rose 6.5 percent or \$36 last year but warned he did not expect further improvements this year, given uncertainties over weather and grain prices. State media has reported that average farmer income was 2,936 yuan, or \$355 last year.

"The main problem I see is that the Chinese government is not putting adequate funding into agricultural research and extension," said Ren Wang, deputy director general for research at International Rice Research Institute in Manila.

programmes to build infrastructure projects such as roads, ports and dams. They are building huge facilities for the 2008 Olympics," said the former USDA official.

While lower cotton prices may lure some farmers temporarily back to wheat or corn production this spring, many would rather grow cash crops or work in cities, if they had a choice. Rural income is still about one third of what they could earn in the cities -- where they also don't have to worry about water shortages and global warming.

Analysts say Beijing needs to invest a lot more in agricultural research to help 800 million peasants adopt the latest technology.

"I don't think there are enough incentives for farmers to stay in grains production. There are options," said Shunli Yao, a researcher at Beijing University.

Helped by ideal weather, China reversed a four-year decline in grain production in 2004 to harvest 469.5 million tonnes of grains, which was up 9 percent from 430.6 million 2003