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BILL SEEKING DUTY-FREE ACCESS TO US US senators, congressmen assure BGMEA of support

STAR BUSINESS REPORT

US senators and congressmen have vowed to extend their support to pass a bill seeking duty-free access of all products from Bangladesh and 13 other least developed countries (LDCs) to the US.

Senator John McCain on Friday formally announced to be the co-sponsor of the bill titled "Tariff Relief Assistance for Developing Economies Act of 2005" (Trade Act of 2005) after a BGMEA delegation met him on Thursday seeking his support to pass the bill.

A delegation of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), accompanied by Grameen Bank Managing Director Dr Muhammad Yunus, is now visiting the US to seek support from influential US senators and congressmen to pass the bill.

The BGMEA also held separate meetings with Senator Hillary Clinton, Senator Richard Durbin, Congressman Joseph Crowley and Congressman Jim Colbe.

In the meetings, Dr Yunus explained two things helped Bangladesh bring about a significant change after its independence - one is micro credit programme and the other is the rise of readymade garment industry that has been helping to empower the poor women.

Bangladesh's RMG sector will face a serious setback and these poor women will become jobless if the bill is not passed, he told the US lawmakers.

BGMEA leaders requested Hillary Clinton to be the co-sponsor of the bill. In her reply, Hillary said she has good sympathy for Bangladesh and will extend her full

support to pass it. Senator Richard Durbin also assured BGMEA leaders of extending full support.

The bill seeking duty-free market access of all products from Bangladesh and 13 other least developed countries (LDCs) to the US market was placed in the lower chamber of Congress on February 17 and it was also introduced in the upper house on January 26.

Four senators, both from Democrats and Republicans, supported moving the Trade Act of 2005.

John McCain, who has a Bangladeshi adopted daughter, told the BGMEA leaders that he would extend his full support to pass the bill.

BGMEA President Anisul Huq is leading the delegation while other members include Second Vice-president Anwar-ul-Alam

Chowdhury and former vice-president M Golam Faruq.

An international seminar was held at the Capitol Hill on April 28. Joseph Crowley and Jim Colbe told the seminar that Bangladesh economy is heavily dependent on the RMG sector and it will be very difficult for the industry to survive in the post-MFA era if the bill is not passed.

Another seminar jointly organised by the BGMEA and US Advisory Council on the same day where envoys from East Timor, Yemen, Afghanistan, Cambodia and Nepal to the US were present.

BGMEA moved the bill for the rest of the countries -- Afghanistan, Bhutan, Cambodia, Kiribati, Laos, the Maldives, Nepal, Samoa, the Solomon Islands, East Timor, Tuvalu, Vanuatu and Yemen.



US Senator Hillary Clinton (C), along with Grameen Bank Managing Director Dr Muhammad Yunus (2L), Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Anisul Huq (2R), former vice-president M Golam Faruq (L) and Second Vice-president Anwar-ul-Alam Chowdhury (R), poses for photographs when the BGMEA delegation, accompanied by Dr Yunus, met her in the US.

Ctg, Karachi chambers sign MoU

STAFF CORRESPONDENT, Ctg

Chittagong Chamber of Commerce and Industry (CCCI) and Karachi Chamber of Commerce and Industry (KCCI) have signed a memorandum of understanding (MoU) in Pakistan with a view to enhancing bilateral trade and economic cooperation between the chambers.

CCCI President Saifuzzaman Chowdhury Javed and KCCI President Khalid Firoze signed the MoU on behalf of their organisations at Karachi on Wednesday.

Under the agreement, the two chambers will jointly hold seminars, symposiums, training courses, conferences and trade fairs, and exchange expertise and information of mutual interests.

Deputy High Commissioner of Bangladesh Abdul Hannan and leaders of both the chambers were also present at the function, said a CCCI press release yesterday.

Earlier, an eight-member CCCI trade delegation led by Saifuzzaman went on a five-day visit to Pakistan from April 23 to April 28 to attend an International Islamic Economic and Cultural Conference at Lahore.

The CCCI team returned to Chittagong on Friday.

Japanese co to invest \$10m in Ctg EPZ

BSS, Dhaka

A Japanese company will set up a plastic car parts manufacturing plant in Chittagong Export Processing Zone.

M/s Daikei Industry, a 100 percent foreign-owned company, will invest US\$10 million for the proposed unit, which will annually manufacture 15000 pieces of aerodynamic parts, 3500 pieces of air-intake boxes and 2500 pieces of other parts, said a press release.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (BEPZA) and Daikei Industry in Dhaka yesterday. AZM Azizur Rahman, general manager (Investment Promotion) of BEPZA, and Sadao Nakane, proprietor of Daikei Industry, signed the lease agreement on behalf of their organisations.

BEPZA members Mohammad Shahjahan (Investment Promotion) and Abu Reza Khan (Engineering), among others, were present at the signing ceremony.

Free car service week of Rahimafrooz CNG held

Rahimafrooz CNG Ltd conducted a "Free Car Service and Check Up Week" recently for compressed natural gas converted vehicles in different locations of Dhaka.

The CNG solution provider company also gave expert opinion to car-owners who intended to convert their vehicles into CNG-run ones, says a press release.

The campaign was also to create awareness among the car-owners that they can easily save more than 75 percent of their fuel costs. The same service will also be offered in other cities of the country as well, the release added.

BID TO CONDUCT IN-DEPTH STUDY FOR POWER PLANT US firm seeks to take coal mine field on lease

STAR BUSINESS REPORT

Global Vulcan Energy International LLC (GVEI), a US-based firm, has proposed the government to lease it a coal mine field for conducting an in-depth study to set up a coal-based mobile power plant.

The firm, which also wants to set up organic fertilizer plant, too urged the government to introduce open tender system in awarding coal mine field.

The proposal came at a meeting on Saturday when GEVI President Ford F Graham and CEO Showkat Kazi met State Minister for Energy and Mineral Resources AKM Mosharraf Hossain at his office.

However, the government has unofficially offered the energy and fund management group to conduct its study at the Baropukuria coal mine under government supervision.

The minister informed the investors that presently there is no open tender system in the country in awarding coal mine and such a system cannot be introduced without bringing a change in the existing mining act.

"It will be an industrial revolution if the firm's study finds feasibility of the projects," Mosharraf told a group of journalists.

The state minister said the GEVI has proposed the government to

send a team of experts and government officials to practically visit similar projects operating in the US.

Earlier the two company officials also met the Industries Minister Matiar Rahman Nizami and State Minister for Power Iqbal Hassan Mahmood at their offices to discuss the plan.

Lauding the decision of the US firm, the industries minister said the government will welcome any investment proposal in the country's power sector.

During the meeting Iqbal Hassan Mahmood told the executives to submit a detailed proposal to the prime minister's office about their investment plan.

Saifur leaves for Istanbul, Washington tomorrow

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman leaves Dhaka tomorrow for Istanbul and Washington on a 11-day tour to attend the annual meeting of the Asian Development Bank and meet high officials of World Bank and International Monetary Fund.

Saifur will attend the 38th annual meeting of the ADB Board of Governors slated for May 2-5 in the Turkish city.

In the second leg of his tour, the finance minister will fly to Washington on May 7. During the four-day stay in the US capital, Saifur will attend different official programmes.

Finance ministry sources said loan and other financial issues will dominate agenda during Saifur's talks with high officials of IMF and WB.

Sources, however, said Saifur will meet WB President James Wolfensson and IMF Managing Director Rodrigo de Rato and other high officials of the two lenders.

Saifur will also meet WB president-elect Paul Wolfowitz who succeeds Wolfensson in June this year.

IMF is yet to disburse the fourth tranche of poverty reduction growth facility (PRGF) loan which was scheduled to be released in January, 2005. The disbursement of WB's Development Support Credit III amounting to \$200 million is also underway.

Sources said WB and IMF may place the loan proposals before their boards in June for approval if Bangladesh government fulfils the tagged conditions by this time.

BUDGET PROPOSALS

Drug makers seek steps to up exports

BDNEWS, Dhaka

Bangladesh Association of Pharmaceutical Industries (BAPI) has sought measures in the next budget to exploit drug export potential in view of a WTO deal on medicine.

In budget proposals, it sought a duty waiver on imported machinery for research and development and equipment for API (active pharmaceutical ingredients) and raising the office transfer money to \$ 300,000 from current \$100,000 for setting up offices abroad.

Other budget proposals of the BAPI include fixing seven percent import duty on PVC (polyvinyl chloride film), used for blister packing of medicine, and two percent on disposable gloves and aprons.

The drug manufacturers sought incentives for pharmaceutical exporters with having "direct financial benefit" and waiver of income tax from export earnings.

Under the World Trade Organisation deal, least developed countries, which also include Bangladesh, are allowed to manufacture drugs without patent rights until 2016.

The BAPI requested the government to allow sending samples worth \$5,000-7,000 abroad in a year and transfer 10 percent of total shipment value as agency commission to overseas partners.

PM's Vietnam visit to focus on trade

UNB, Dhaka

Prime Minister Khaleda Zia undertakes a 3-day official visit to Vietnam on May 17 with promotion of bilateral trade, investment and economic cooperation on top of her agenda.

"This is an important visit in the context of increasing bilateral trade and investment since Bangladesh and Vietnam enjoy excellent political relations and both the countries have potential sectors for cooperation," a foreign ministry official told the news agency yesterday.

He said a business delegation is likely to accompany the prime minister to explore areas of cooperation, including joint venture in prospective sectors of the two countries.

Prime Minister Khaleda makes the return visit to Vietnam following President Tran Duc Luong's tour of Dhaka on March 22-24 last year. During the visit, a number of agreements or MoUs on avoidance of double taxation, cooperation in agriculture and a cultural exchange programme for 2004-07 were signed.

Although the two-way trade accounts for a modest turnover of US\$ 20 million, there is enough scope for enhancing the volume, he said, adding that Bangladesh's medicines and garment accessories

have huge market in Vietnam. Vietnam is interested in tourism and construction sectors in Bangladesh.

Since the Southeast Asian country has expertise in automobiles, the private sectors of the two countries can examine the possibility of joint venture in manufacturing motorbikes and other light-engineering projects, he said.

On agriculture sector, the two countries have exchanged a 2-year draft agreement for cooperation in pisciculture, "sericulture, irrigation and HYV seeds.

During PM's forthcoming tour, an agreement relating to economic cooperation is likely to be signed.

A high-powered business delegation from Bangladesh visited Vietnam last November generating interest among the private-sector entrepreneurs of the two countries.

Bangladesh and Vietnam have so far signed 13 agreements, MoUs and protocols to build strong partnerships in the fields of air services, trade, economy, science and technology, flood control and water-resource development.

Bangladesh initiated the "Look East" policy aiming to reinvigorate its ties with the countries of East and Southeast Asia, in which Vietnam occupies a prominent place, the official said.

China defends against copyright abuse allegations

AFP, Beijing

China said Saturday it has "always worked hard" to protect copyrights, defending itself against a US decision to put it on a blacklist of countries allegedly guilty of "rampant" copyright abuses.

"The Chinese government has all along attached importance to the protection of intellectual property rights," said foreign ministry spokesman Qin Gang.

"I think we've always worked hard to protect intellectual property rights (IPR). This position has been consistent."

The US Trade Representative's office, unveiling an annual report on protection of IPR Friday, said China

was being put on a "Priority Watch List" of 14 countries and warned that WTO action could follow.

The "Special 301" report "concludes that infringement levels remain unacceptably high throughout China, in spite of Beijing's efforts to reduce them," the USTR said in a statement.

Officials said the reference to legal action at the World Trade Organisation was a sign of US exasperation over the issue, following the conclusion of a special USTR review of Chinese IPR protection.

"The language is pretty strong compared to what's been said in the past. This is the first time that the WTO link is being made," one official said on condition of anonymity.

Asian finance chiefs meet at ADB as yuan talk swirls

REUTERS, London

Finance officials from Asia, which has two-thirds of the world's foreign exchange reserves, meet next week as speculation reaches fever pitch about a Chinese currency revaluation that could rock global markets.

Asian finance ministers and central bank officials will attend the annual Asian Development Bank meeting in Istanbul to discuss the economic outlook, the risks they face and ways to prevent a repetition of the 1997/98 Asian financial crisis.

Asian central banks have more than \$2.5 trillion of reserve assets, an arsenal that has grown rapidly in recent years as they intervened in markets to curb the export-damaging rise of their currencies against the falling dollar.

Participants include Japanese Finance Minister Sadakazu

Tanigaki, Bank of Japan governor Toshihiko Fukui, Chinese finance chief Jin Renging and his Indian counterpart Palaniappan Chidambaram. From Europe, Dutch Finance Minister Gerrit Zalm and his Belgian counterpart Didier Reynders join the meeting.

"There will be some discussion on China's peg and the Europeans might bring it up. But so far Japan is less keen to push China, while the US and Europe take a harder stance," said Mansoor Mohi-Uddin, chief currency strategist at UBS.

"If China moves Japan will face the pressure as the market will sell dollar/yen as it has been doing over the past week. The ADB meeting might put further pressure on dollar/Asia but the decision on the peg is ultimately up to (President) Hu Jintao and (Premier) Wen Jiabao.

Speaker calls for setting up of agro-based industries in Rangpur

STAFF CORRESPONDENT, Rangpur

Speaker of Jatiya Sangsad Jamiruddin Sircar has urged entrepreneurs to come up with initiatives for agro-based industries in greater Rangpur district.

Speaking as the chief guest at a meeting with the leaders of Rangpur Chamber of Commerce and Industry (RCCI) at RDRS Begum Rokeya Auditorium on Friday, the speaker said labour and raw materials for agro-based industries are quite cheap and available here.

He also said greater Rangpur and Dinajpur districts will be brought under pipeline gas supply network for the sake of industrialisation.

The entrepreneurs in the region, as he said, only lack courage. RCCI President Mostafa Azad Chowdhury Babu presided over the meeting attended, among others, by State Minister for Housing and Public Works Alamgir Kabir, RCCI Vice President Amrull Islam Khokon.

The speaker inquired about the prospects and setbacks the business leaders are facing in the region.

He assured them of all out supports of the government in this regard.

India's forex reserves up

REUTERS, Bombay

India's foreign exchange reserves rose to \$142.55 billion on April 22, from \$141.55 billion a week earlier, the Reserve Bank of India said in its weekly statistical supplement Saturday.

The central bank said foreign currency assets expressed in US dollar terms included the effect of appreciation or depreciation of other currencies held in its reserves such as the euro, pound sterling and yen.

The foreign exchange reserves include India's Reserve Tranche Position (RTP) in the International Monetary Fund, the central bank said.

Hindustan Lever quarterly profit drops 15pc

AFP, New Delhi

India's biggest consumer goods company, Hindustan Lever Limited (HLL), said Friday first quarter profit fell 15 percent, despite strong sales because of higher raw material costs.

Shares of the company, a unit of Anglo-Dutch Unilever Plc, slid 5.4 percent on the Bombay Stock Exchange to 135.65 rupees on the back of the announcement.

HLL, which makes Surf and Wheel detergents, Lipton tea and Close Up toothpaste, said net profit during the January to March quarter fell to 2.59 billion rupees (60.23 million dollars) from 3.03 billion rupees a year earlier.

Sales for the quarter rose 6.9 percent to 25.06 billion rupees from 23.53 billion rupees a year earlier.

M.S. Banga, chairman of HLL, said the decline was due to "unprecedented crude oil-related input costs."