

## Saifur assures knitwear units of tax holiday

### STAR BUSINESS REPORT

The finance minister has assured the knitwear industry of tax holiday facility.

After a meeting with Finance Minister M Saifur Rahman in Dhaka yesterday, BKMEA President Fazlul Haque told journalists that they appealed to the minister for granting tax holiday facility, to which Saifur responded positively.

The knitwear sector owes Tk 300 crore as cash incentive to the government, a large portion of which, the finance minister said, would be paid off by the first week

of August.

At present the knitwear sector enjoys a five percent cash incentive and the 10-member Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) team urged the minister to raise it to 15 percent.

The BKMEA leaders told the minister that India was trying to create a volatile situation in the world knitwear market and also preparing a blueprint to grab Bangladesh's market abroad.

"India is reportedly giving its exporters an incentive of around 22-23 percent on capital machinery,

drawback and others to defeat us," Haque said.

The finance minister said he cannot entertain the sector with this privilege in the present economic state of the country, but would try in future.

"Our economy is now under pressure due to petroleum price hike and pay hike to the government employees," he added.

However, the finance minister agreed to create a consultant committee, which would work to simplify the export laws.

"China can be our largest knitwear market in the next two years if we are

backed by the government properly," the BKMEA chief said adding, "We are going to export the first consignment of our knitwear products to China next month."

In response to another demand, the finance minister said he would ask the ministry concerned to immediately allot four *kathas* of Rajuk land in Narayanganj to BKMEA.

The knitwear sector fetched US\$2,148.02 million in export earning in FY2003-04 and \$2,535.72 million in July-May of FY2004-05. The average annual export growth of knitwear is estimated at 26.82 percent since 2000.

## Fix minimum monthly wage at Tk 4,500

### Tailors ask factory owners

#### STAR BUSINESS REPORT

The leaders of Dhaka tailors' union yesterday urged the garment industry owners to fix the workers' minimum monthly wage at Tk 4,500.

They said the prices of essentials are increasing day by day, but since 1985 the wages of the tailors did not increase comparatively.

As the flooding of imported readymade garments hampers the local industries, the government should also stop such imports, they urged.

The leaders were speaking at a meeting, which was also attended by some labour federation leaders, at Mukhtangan in Dhaka.

The tailors are contributing to the country's leading export-oriented garments sector, but they do not get their wages properly, said Md Ali Hossain, president of the workers union.

Faruq Hawladar, secretary of the organisation, said the prices of essentials have already gone beyond the workers' affordability. He urged the tailors to come under one umbrella to get their demands met.

Among others, Golam Sattar, president of Bangladesh Labour Federation, and representatives of different garment trade unions also spoke at the rally.

## INDO-BANGLA WORKING GROUP MEET

# Market access, non-tariff issues to figure

#### BDNEWS, Dhaka

Bangladesh will seek duty free access of its products to Indian market and removal of all non-tariff barriers in the next week's joint working group meeting between the two nations, official sources said.

"We have submitted a list of 10 testing laboratories to India as per demands and we do not expect any more non-tariff barrier like this to hamper our exports there," a senior commerce ministry official said after a preparatory inter-ministerial meeting prior to the working group meeting with India.

Officials of the commerce ministry sat yesterday with all stakeholders at the ministry to determine Bangladesh's position at the meeting. Commerce Secretary Siddiqur Rahman Choudhury chaired the meeting, which was attended by

senior officials.

The third meeting of the Bangladesh-India Joint Working Group on Trade is scheduled to be held in Dhaka on August 1-2. The Group earlier had two meetings, the first one in October 2003 in Dhaka and the second one in March 2004 in New Delhi.

"Unless we are given duty free access of our garments to India, the staggering trade deficit (over US\$ one billion), heavily in favour of India, will not be narrowed down," a Bangladeshi negotiator working with the Tariff Commission told the news agency.

Bangladesh is constrained to export Jamdani sari to India due to imposition of a non-tariff barrier, making it mandatory to test 25 percent of a consignment at the port of entry, the official said, adding that it is virtually impossible as there is

no testing laboratory near the border areas.

In the recent past, the Indian Livestock Act that allows import of livestock to India only through four ports -- Kolkata, Mumbai, Delhi and Chennai -- also impeded hilsa fish export. Later, India allowed hilsa export through Benapole land port only.

Bangladesh's exports to India are also hindered by some other factors, such as lack of warehouse in the Indian ports of entry, problem with labelling and problems relating to infrastructure including trans-ports, he said.

The trade gap between the two countries currently stands at about \$1.3 billion with Bangladesh importing goods worth \$1.4 billion from India against exports worth only \$100 million, according to the Export Promotion Bureau.



PHOTO: BCS

President Iajuddin Ahmed poses for photographs along with the recipients of BCS awards yesterday at the annual convention of the Bangladesh Computer Society (BCS) at the Bangladesh-China Friendship Conference Centre in Dhaka. The BCS awarded five persons and five organisations for their contributions to the development of ICT.

## Honda's profit drops

#### AFP, Tokyo

Honda Motor said Wednesday its net profit fell in the first quarter to June as it incurred additional costs but it raised its full-year earning projections with sales holding strong.

The Japanese automaker's net profit slipped 3.1 percent to 110.67 billion yen (one billion dollars) in the June quarter with pretax profit falling 17.1 percent to 144.31 billion yen.

# ICT holds potential to emulate RMG

## BCS convention told

#### BDNEWS, Dhaka

The ICT sector can be turned into another powerful sector like the RMG if harmony is ensured among

IT professionals, private investors, government and educational institutions, speakers at a convention yesterday said.

With the theme "Widen ICT Net, Broaden Knowledge-based Society", Bangladesh Computer Society (BCS) organised the daylong Annual Convention 2005 at the Bangladesh-China Friendship Conference Centre in Dhaka.

President Iajuddin Ahmed inaugurated the convention as chief guest with BCS President Aminul Hoque in the chair.

Focusing on the opportunities of networking and providing further insight into ICT prospect in Bangladesh, the president underscored the need for flourishing the ICT generation as well as knowledge-based society.

An integrated Information Communication Technology (ICT) policy has already been framed and approved in this regard, he added.

Science and ICT Minister Abdul Moyeen Khan, Post and Telecommunications Minister Aminul Haque, Advisor to the Ministry of Energy and Mineral Resources and Executive Chairman of the Board of Investment Mahmudur Rahman and BCS Secretary General Jafrin

Hossain also spoke at the inaugural session.

Aminul Haque said the country is going to be connected with the information super highway through submarine cable by December.

Before increasing software export, said Mahmudur Rahman, the country and the human resources should be made IT literate first.

The use of IT can make the government activities transparent, saving time and expenditure, he added.

The BCS awarded five persons and five organisations for their distinctive contributions towards the development of ICT.

The individual awardees are Dr Muhammad Yunus, Abdul Matin Patwari, Jamilur Reza Chowdhury, Dr M Kaikobad and Dr Jafar Iqbal while the institutions are Board of Investment, Bangladesh Bureau of Statistics, Bangladesh Association of Software Industries and Services, Bangladesh Computer Society and Internet Service Providers Association of Bangladesh.

A programming contest was also organised on the sidelines of the convention and the winners were awarded as well.

## bdjobs.com observes 5th anniversary today

#### BDNEWS, Dhaka

bdjobs.com, the largest job portal in the country, will hold programmes today in observance of its 5th founding anniversary.

With more than 10,000 regular visitors and 140,000 users, www.bdjobs.com is regarded as one of the best internet success stories in the country.

Energy Advisor and Executive Chairman of Board of Investment Mahmudur Rahman is expected to attend the function as chief guest at 7pm at Spectra Convention Centre in Gulshan-1, Dhaka.

More than 1,500 organisational clients have recruited over 20,000 professionals through the online services of www.bdjobs.com, it claimed.

## EU trumpets tobacco ad ban

#### AFP, Brussels

The European Union welcomed on Wednesday a continent-wide ban on tobacco advertising that will come into effect this week, as it prepares to phase out subsidies to growers from next year.

The move will prohibit tobacco advertising in the print media, on radio and over the Internet from July 31. It also bans the sponsorship of cross-border cultural and sporting events by tobacco companies.

Advertising in cinemas and on billboards or on products like ash trays and parasols fall outside the scope of the ban.

Tobacco advertising on television has been banned in the EU for more than a decade.

# Experts mull energy ring for Saarc bloc to up power trade

## Terms of reference formed

#### PALLAB BHATTACHARYA, New Delhi

Energy experts from Saarc countries on Tuesday formulated the terms of reference to promote energy trade and create an energy ring in the region.

Under the terms of reference, the group of experts would work out sector/fuel wise options, benefits and constraints of energy trade among seven member-countries of Saarc -- Bangladesh, Bhutan, India,

Pakistan, Nepal, Sri Lanka and the Maldives.

Besides this, the study would also examine the international best practices in trade and their relevance to the region and analyse various technological, financial and commercial options to promote energy trade in Saarc (South Asian Association for Regional Co-operation).

Co-operation in energy sector, including the idea of energy ring, has been identified as a key issue in

the face of growing energy demand and the concerns about energy security by the working group on energy of Saarc countries.

Addressing the meeting here, Indian Power Secretary RV Shahi stressed the need for co-operation among the Saarc countries in energy sector for optimal utilisation of energy resources in the region. The meeting was attended by experts from Bangladesh, Bhutan, Nepal, Pakistan and Sri Lanka besides host India.

# Lanka Telecom ordered to revert to pre-2003 tariffs, refund millions of rupees

#### REUTERS, Colombo

Shares in Sri Lanka Telecom slumped Wednesday, dragging down the Colombo bourse, after a court struck down a 2003 tariff increase and ordered it to refund customers millions of rupees, traders said.

The share -- Sri Lanka's second most heavily weighted stock by market capitalisation -- was down 5.1 percent at 23.25 rupees a share yesterday. The key All Share Index was down 0.54 percent at 1,948.22 points.

The Court of Appeal ruling, issued on Monday, requires Sri Lanka Telecom to revert back to pre-

2003 tariffs and refund the difference for bills paid by customers since then.

There were no official details of how much the firm would have to repay, but traders said it would run into millions of rupees. The market only became aware of the ruling on Wednesday, they said.

"This is a setback for the share, which was doing well in recent weeks, but I think the Telecom management is going to appeal the decision," said Hussain Gani, assistant manager at John Keells Stock Brokers in Colombo.

Shares in Telecom have firmed sharply since this month's Initial Public Offering by the island's No 1

mobile phone operator -- Dialog Telekom -- which traders said made Telecom, worth more than \$400 million, look undervalued.

Telecom's tariff increase, which came into effect on Sept 1, 2003, was challenged by a consumer lobby.

It was the fifth and final increase allowed under a management agreement signed with Japan's Nippon Telegraph and Telephone Corp (NTT), which has a 39 percent stake in the company.

"Our legal department is working on it right now and we will announce our next step soon," said a spokesman for Telecom.