DHAKA THURSDAY OCTOBER 6, 2005 E-mail: business@thedailystar.net

Allow free movement of LDC workers

International civil society forum urges developed, advanced-developing nations

STAR BUSINESS REPORT

Speakers at the international civil society forum in Dhaka yesterday called upon the developed and advanceddeveloping nations to allow free movement of skilled and less-skilled workers from the LDCs.

They also urged them to provide the products from the least developed countries (LDCs) with duty free market

They advised the LDC governments to negotiate with the WTO members and challenge the arguments of developed countries.

The Centre for Policy Dialogue (CPD) organised the three-day "International Civil Society Forum 2005 for Advancing LDC Interests in the Sixth WTO Ministerial", which ended vester-

The speakers also urged the LDCs to carry out broader approach of trade facilitation in the Hong Kong Ministerial instead of narrow definition of trade facilitation by the WTO.

Besides, the speakers urged the donor agencies for not putting any additional conditions regarding financial or technical assistance.

The speakers also pointed out that the LDCs should go for multilateral negotiations with the developed countries based on Mode Four instead of hilateral negotiation. They also suggested that the negotiations should protect the interests of the LDCs.

They urged the developed nations to transfer technology from their countries to the LDCs for capacity building.

The speakers suggested the LDC governments should look into the issues of minimum wages of the labourers before liberalising different sectors for

WORKING SESSION ON NON-AGRICULTURAL MARKET ACCESS

Annisul Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and Janet Mbene, programme specialist of Joint Oxfam Livelihoods Initiatives for

Tanzania, co-chaired the session.

Addressing the session, Shamima Nasreen, a leader of garment workers, told the seminar that many garment factories were closed down due to trade liberalisation. The garment workers who lost jobs need immediate rehabilitation, otherwise, many of them would be forced to commit suicide, she appre-

hends. She also urged the authorities concerned to fix a minimum wage for the garment workers so that the multinational companies cannot exploit them. She also mentioned that many

factories do not comply with the labour

countries, he pointed out

He observed that although the apparel export had been increasing due to WTO safeguard, the woven garments export to EU countries declined because of strict rules of origin.

He urged the USA to give duty free access to all LDCs and EU to relax the

In draft the declaration, presented tal goods and market access concerns.

Professor Mustafizur Rahman, research director of CPD, Chien Yen Goh, representative of Third World Network, Switzerland, and Moushumi Mahapatra, coordinator of Action Aid Bangladesh, presented the keynote papers at the working session.

WORKING SESSION ON GENERAL AGREEMENT ON TRADE IN SERVICES

Abdul Muyeed Chowdhury, executive director of Bangladesh Rural Advancement Committee, and Kibre Moges, head of Trade and Industry Division of Ethiopian Economic Policy

Sabrina Varma, team leader of Trade in Services, South Centre, Geneva, Ziaul Hoque Mukta, director of Karmojibi Nari, and Amanur Rahman, associate coordinator of Action Aid Bangladesh, presented the keynote papers at the working session

They said the temporary workers should get temporary citizenship while health. environment and hygiene conditions should also be included in the negotiation, they added.

Presenting the declaration, Ananya

Annisul Huq said the BGMEA had been trying to get duty free access to the US market. A bill has been prepared in this regard and supposed to be placed

before the congress very soon, he added. The USA deprived many LDCs including Bangladesh as it has already given duty free access to 72 sub-Saharan

by Gigeon T Mwenifumbo, deputy director of National Association of Business Women, Malawi, the Forum recommended for binding commitment for duty-free market access to developed and advanced developed countries, flexible rules of origin, removing non-tariff barriers, binding of unbound tariff lines, trade remedy measures, strengthening of the IF initiative and definition of environmen-

Institute, co-chaired the session.

Rahman, executive director of D-Net Bangladesh, said Doha Ministerial Declaration stipulated that negotiations shall take place within, and shall respect, the existing structure and principles of the GATS and also reaf-



(From left) Khushi Kabir, co-chair of National Advisory Committee (NAC) of the LDC Forum 2005 and coordinator of Nijera Kori, Faruq Ahmed Siddiqi, commerce secretary, Mahbubur Rahman, chairman of NAC and president of International Chamber of Commerce-Bangladesh, Reaz Rahman, adviser to Ministry of Foreign Affairs, and Dr Debapriya Bhattacharya, executive director of Centre for Policy Dialogue (CPD), are seen at the closing session of the three-day 'International Civil Society Forum 2005 for Advancing LDC Interests in the Sixth WTO Ministerial' that ended in Dhaka yesterday.

firmed that there would be no prior exclusion of any service or mode of supply and MFN exemptions would be subject to negotiations

In the declaration, the Forum recommended that the Hong Kong Ministerial meeting should consider the issues of recognising the progress in addressing LDCs' concerns, adoption of measures to facilitate TMNP, emergency safeguard, autonomous liberalisation, rule making negotiations, negotiations schedule and improvement of language in LDC modalities.

WORKING SESSION ON TRADE FACILITATION

Kutubuddin Ahmed, president of Metropolitan Chamber of Commerce and Industry (MCCI), and Ahmed Naseem, former director general of Foreign Investments, Ministry of Trade and Industries, Maldives, co-chaired

Presenting the declaration, Yeshy Chen Chen Lham, trade officer of Bhutan Chamber of Commerce and Industry, said there is no doubt that significant progress in the ongoing negotiations on trade facilitation is of critical importance for the LDCs in order for these countries to be integrated effectively into the international trading

"Although a fairly large number of proposals have already been submitted by the WTO members, hardly any tangible development has been notice-

able till date," she read out. In the draft declaration, the Forum strongly urged the WTO members to consider the recommendations of identification of needs and priorities, operationalisation of special and

differential provisions, technical assistance and capacity building support, flexibility in implementing commitments, simplifying documentation requirements, assessment of cost implications prior to negotiations, assessment of proposals related to legal obligations, implication of the WCO HS convention, facilitation of improved cooperation among landlocked countries and special attention to the needs

Sved Saifuddin Hossain, research associate of CPD, Dr Mostafa Abid Khan deputy chief of Bangladesh Tariff Commission, and Farooq Ahmed, secretary of MCCI, presented keynote papers on trade facilitation at the working session while Dr Debapriya Bhattacharya, executive director of CPD, and Alamgir Faruq Chowdhury, former commerce secretary, also took part in the general discussion.

The speakers said benefits from the trade facilitation always go to the recipient or importer countries, not to the exporters. There is hardly any issue in point of exports, they added.

WORKING SESSION ON TRADE-RELATED CAPACITY BUILDING, TRADE, FINANCE AND DEBT

Dr Atiq Rahman, executive director of Bangladesh Centre for Advanced Studies, and Nathan Irumba, adviser to Southern and Eastern African Trade

Information and Negotiations Institute Uganda, co-chaired the working ses

Presenting the draft declaration on trade, development and aid, Chirtabel Phiri, trade programme officer of Civil Society Trade Network of Zambia, said, "Higher allocation and disbursement of aid, more effective trade-related technical assistance and more inclusive debt relief programmes are necessary to strengthen global integration of LDCs."

To address the attendant concerns of LDCs, the Forum in the declaration recommended for support for trade capacity building, policy coherence and more allocation of resources.

Dr Manuel F Montes, regional programme coordinator of UNDP Asia Pacific Trade Initiative, Regional Centre in Colombo, Sri Lanka, and Indah Suksmaningsih, chairperson of Indonesian Consumers Association, presented keynote papers on traderelated capacity building, trade, finance and debt at the working session while Manzur Ahmed, adviser to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Hafiz dhury of MCCL and Allan Adam Nswilla of Hakikazi Catalyst Arusha, Tanzania, took part in the open discus-

The speakers said capacity building is very much important for LDCs. Without it, they said, financial or technical assistance provided by the donor agencies may not be helpful or properly

Banking hours in Ramadan

STAR BUSINESS REPORT

Bangladesh Bank yesterday reshuffled office time and transaction period of the banks for the month of Ramadan.

Banks will now open at 9am as usual but will be closed at 3.30pm instead of the usual 5pm. Transaction period has been curtailed by one hour and so the usual timing for closure of transaction will now end at 2.00pm instead of earlier 3pm

There will be a half-an-hour break from 1.00pm to 1.30pm for prayers but works will go on during the break through the banks' internal manage-

Earlier Bangladesh Bank had restructured the office time from 9.00am to 4pm during Ramadan, but officials and employees of the banks urged the authorities to reconsider the office timing pointing out that if they have to start for home at 4pm they won't be able to reach home before Iftar due to inevitable traffic jam.

The central bank yesterday changed its earlier decision.

Thai Airways to fly to Moscow from Ctg

STAFF CORRESPONDENT, Ctg

Thai Airways is going to operate three direct flights a week from Chittagong to Moscow from November 1 and this will be the first flight operation of the airline to the Russian capital.

General Manager of Thai Airways International Pvt Ltd, Chittagong Region Birawat Swasdibutra announced this at a function styled "A Night with Thai" at a city hotel on

He said the flight will be operated thrice a week -- Friday, Sunday and Wednesday -- from Chittagong to Moscow via Bangkok and the fare is fixed at US\$777 (Tk51, 282) for a return

New DMD of Federal Ins Co



AQM Wazed Ali recently took managing director of Federal Insurance Company Ltd.

Prior to this new assignment, he was the senior vice president of the same company, says a press release. He started his ager of Peoples Insurance Company Ltd.

to be appointed after Eid Says Saifur

Tax ombudsman

Tax ombudsman will be appointed after Eid-ul-Fitr under a new law, said Finance and Planning Minister M

Saifur Rahman while talking to

reporters on Tuesday. "We've enacted a law in this regard and will appoint the ombudsman." he said, replying to a question. He indicated that he was looking for a right

person to put in the right place. The government enacted Tax Ombudsman Act in the budget ses-

sion of the Parliament.

Saifur, however, pointed out that the post also exists in many countries, including Norway, Sweden, Denmark and India, but they have not been able to yield any positive result so far.

The finance minister was talking to reporters after a meeting of the Cabinet Committee on Public Purchases at the Cabinet division.

The meeting approved a Tk 317.18 crore project for converting existing meter-gauge rails of Dhaka-Tongi-Joydevpur section to a dual-gauge

It also approved improvement of Mawa-Bhanga road and construction of Hazi Shariatullah Bridge under the Southwest Road Development Network Project.

Tata eyes downstream steel assets in Asia

Tata Steel Ltd, India's largest privatesector steel maker, is looking to acquire steel processing assets in other Asian countries as part of a \$23 billion expansion programme over the next 12 to 15 years, a top company executive said yesterday.

The company will also upgrade its existing plants in India to stave off growing competition from potential investors like Mittal Steel Co, the world's largest steel maker, and South Korea's Posco, Tridibesh Mukherjee, deputy managing director of Tata Steel, told Reuters.

He said acquisitions in other countries would be focused on processes further down the production chain than raw steel production.

Such plants would take steel from Tata's plants in India and convert it into products such as steel sheet for the auto sector or wire used in construction, he said.

Mukherjee did not say which countries Tata Steel was looking to invest in. Through its acquisition of Singapore's NatSteel Ltd last year, the company already has downstream Thailand, he said.

Mukherjee was speaking on the sidelines of the International Iron and Steel Institute's annual meeting in Seoul, where executives from the world's top steel companies forecast more acquisitions worldwide as some producers book record profits.

an agreement to build a large steel plant in the eastern Indian state of Jharkhand, while Posco is planning a \$12 billion project in neighbouring Orissa after being granted 30-year mining rights in the state. India has the world's third-largest

Mittal Steel expects shortly to sign

deposits of iron ore and steel demand is expected to grow as the economy expands faster than 7 percent a year. In its home market, Tata Steel

faces three main obstacles to growth: technology, finance and manpower, Mukherjee said. "Our existing plants will have to

compete with new technology," he

He added that steel makers must also have access to low-cost finance if they are to undertake large expansion programmes, and that steel makers in the world's second-most populous nation would still face competition in

Blazing trail for home textile export

INAM AHMED

His relatives and friends did not know what Gautam Saha was up to. Why he had been suddenly spending on visits to foreign handicraft fairs in Australia and Germany. Gautam himself was not too sure what he has been up to, only he knew he has been looking for an opportunity -- some clues as to the customers' choice and some unique products.

He had a friend at the EPB who kept on feeding him about the fair information. First he went to the Melbourne textile fair with some bed sheet and textile products. But he knew his products have no hope there. The Chinese and Indian textile items are much cheaper and better in quality and designs.

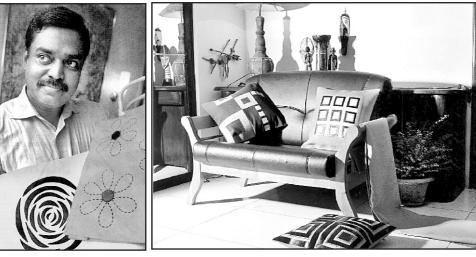
But Gautam is a learner, he took one lesson there -- instead of going for machine made textile products, he should try textile handicrafts.

Next he went to Frankfurt in 2001, this time with some textile handicrafts such as table clothes, napkins and cushion covers along with earthen potteries. But again he made a wrong choice, this fair was not for exactly this type of things.

"There I met a woman who advised me to participate in another fair --Heimtextil Fair -- in Frankfurt," says Gautam, "I went there and had a look around. There I found a stall set up by Norad -- the Norweigian donor agency -- titled 'Jute from Bangladesh'."

In fact, Norad had been working with jute products for quite some time in Bangladesh and supporting a few small enterprises to develop designs and market.





Gautam Saha shows off products (L); some home textile products of Sristy Hometex Ltd are on display.

Gautam was impressed and came back infused with the new idea.

"I planned that next year I must also go with jute products," Gautam narrates his story. "I had a friend who worked on the Norad project. Together we started designing.

He got together a team of 16 including designers. Now he needed a special kind of jute fabric for his products and got them from two jute mills -- Sonali Aansh and Pubali Jute Mills, Again thanks to Norad because through its technical assistance that these two plants developed the special kind of fabric, which is much finer than normal jute hessian and comes in differ-

Gautam shows the fabric in his factory on Ram Krishna Mission Road in the capital. It is difficult to recognise them as jute fabrics, they don't have loose fiber of normal hessian or the knots and signs of bad knitting. Gautam and his team got down to

work and for the next six months, they just designed, procured fabrics and leather -- because their designs had leather elements -- and rejected the items to try them again.

"Finally by February we had everything ready," said Gautam. "I raked up funds to rent a stall at Heimtextil for 8,000 euros. It was a big burden for me because I had already spent so much in the previous fairs. But still I was persis-As the fair kicked off, Gautam had

an immediate hit. Heimtextil is the largest home textile fair in Europe and buyers from the whole continent flock there to scalp new products. All big names gather to plan their product portfolio. And some of them such as John Lewis of UK, El Corte Inglaze of Spain and Ide Mobler of Denmark found Gautam's products interesting. All these three asked Gautam to send samples for order. On return, an elated Gautam sent

the samples immediately. But then nothing happened and every morning Gautam's day started with expectation only to end with despair. But as every wait has an end, one day he received a letter from John Lewis. The UK department store had ordered cushion cover of five designs for \$10,000. "For a few seconds I could not think

of anything else," Gautam continues. "I could not believe my eyes I have finally bagged an order. I was in the seventh heaven. I forgot the pain of all my trouble in going to the fairs. But then I came down to earth and started thinking of the order."

Hometex Limited, had a long task in hand. Till now they only purchased small quantities of jute fabrics. This time they have to order big, and they need to procure good quality leather, and above everything, they need to recruit more people to produce on time. Gautam did some head hunting and got a few experts from other handicraft firms. He got a good marketing man from one of the country's top ceramic firms. The work started in full swing and then it stopped. To his horror, Gautam found that the leather he had used is not of the proper quality and thickness. It cannot be properly sewed. So, he frantically searched for the correct type of leather and got it done all over again. Finally, the shipment was sent on schedule

"It was a nervous time for me," says Gautam. "Who knows if the quality control would accept the products or not. For three months, there was no news. And then finally I received contract form from John Lewis, they want to place a repeat order."

Gautam and his Sristy had no look back since then. One by one he got orders from the Danish top shop Ide Mobler, Spanish El Corte and others. His last year's export was \$0.5 million, which he aims to push to \$1 million this year. He has modestly expanded his Sristy to a 52staffoutfit

"I have my failures too," says Gautam. "I tried and failed in France, Norway, Canada and the US. But I don't mind because I have my own success story to tell."