

Saarc business leaders conclave begins today

STAR BUSINESS REPORT

A two-day conclave of business leaders from seven South Asian countries begins in New Delhi today to make Saarc one of the fastest growing blocs.

Indian Prime Minister Dr Manmohan Singh is scheduled to inaugurate the event styled 'Saarc Business Leaders Conclave: South Asia Regional Integration and Growth' -- the first of its kind -- at Vigyan Bhawan organised by the Federation of India Chambers of Commerce and Industry (FICCI) in association with Saarc Chamber of Commerce and Industry (SCCI).

State Minister for Finance and Planning Shah Mohammad Abul Hossain and a 31-member business delegation led by Mir Nasir Hossain, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), left Dhaka for New Delhi yesterday to attend the conclave.

One of the main objectives of the conclave is to expedite the economic integration process of South Asian Association for Regional Co-operation (Saarc), said a FBCCI press release.

The event will bring together diverse networks of business, diplomatic and developmental communities across South Asia in a single

platform that will help design a plan for achieving higher economic growth and reducing poverty by making the Saarc one of the fastest growing blocs.

Preparing the member states for a common South Asian market, single currency and an economic union are some of other objectives of the meet.

Developing a suitable environment for higher intra-regional investment, promoting South Asia as a common investment destination and increasing employment opportunities are the other goals of the conclave.

World Bank has agreed to support this conclave as a 'Knowledge Partner'.

Sonia Gandhi, chairperson of

United Progressive Alliance and president of Indian National Congress Party, will attend a valedictory session of the conclave tomorrow.

There will be a total of six sessions on Improving Competitiveness and Growth in South Asia, South Asia in Global Economy; Regional and Global Integration, Investment Climate in South Asia, How to Improve Technology Skills and Innovation in South Asia, Strengthening Co-operation on Infrastructure and Development, and Saarc Melting Pot: South Asia Soft Power during the two-day event.

5-day software fair kicks off

Nov 27

STAR BUSINESS REPORT

A five-day software fair titled 'Basis Softexpo 2005' begins at Bangladesh-China Friendship Conference Centre in Dhaka on November 27.

Bangladesh Association of Software and Information Services (Basis) will organise the annual extravaganza. Country's leading cellphone operator GrameenPhone (GP), Microsoft, Intel, Sun Microsystems, SEDF and BDJobs.com are the sponsors of the event.

Basis President Sarwar Alam disclosed the fair schedule at a press conference in Dhaka yesterday.

He said a total of 125 companies including 15 from Europe will display their products at 180 stalls in the fair where 50-52 new ICT products will be launched.

The fair will remain open for visitors from 10am to 8pm everyday. Entry fee of the fair has been fixed at Tk 20 while the students will be able to visit the fair free of cost.

A number of seminars and workshops will be held on the sidelines of the fair. More than 15 IT experts from Europe, America and Asia as well as home side will participate in the seminars and workshops.

At the seminars, the experts will brainstorm on policy issues relating to the IT sectors including cyber law, software development alternative and submarine cable connectivity, said Syed Faruque Ahmed, convener of Softexpo.

In association with Dutch-Bangla Bank Limited, for the second time Basis will also organise an award giving ceremony titled 'Best IT Use-2005 Awards' during the fair.

Danish IT team due

Nov 26

BSS, Dhaka

A 20-member Danish delegation on information technology comprising representatives from 20 Danish IT and software companies will visit Bangladesh from November 26 with specific intent on outsourcing software development and IT-enabled services.

The delegation will attend pre-arranged one-to-one meetings with the Bangladeshi companies at Softexpo-2005, to be held between November 27 and December 01, a source in the Danish embassy here said.

The visit of the delegation would pave the passage for Bangladeshi IT companies into the Scandinavian market and help enhance the confidence of customers in larger markets such as the USA and UK, the source added.

The visit of the Danish delegation and their meetings with Bangladeshi counterparts would explore the possibilities of establishing offshore software development facilities that could create job opportunities for the educated Bangladeshi youths, it added.

Oil under \$57

REUTERS, Sydney

Oil dipped to a four-month low under \$57 a barrel Wednesday as dealers braced for a fresh increase in US oil inventories amid unseasonably warm weather.

US crude fell as low as \$56.82 a barrel in electronic trading, its weakest since July 21. It was trading down 5 cents at \$56.93 a barrel, extending an 11-week slump that has wiped 20 percent or nearly \$14 off prices.

London Brent crude was down 11 cents at \$55.07.

Although some analysts continue to predict a turnaround once temperatures fall and if OPEC opts to cut back on high output levels, sustained mild temperatures and rising stockpiles are taking some sting out of a feared winter fuel shortfall.

Lanka keeps its rate unchanged

REUTERS, Colombo

The Central Bank of Sri Lanka kept its benchmark policy rates unchanged Wednesday -- the eve of the island's presidential election -- at their highest level since January 2003 after inflation dipped in October.

The bank kept its overnight repurchase rate at 8.50 percent and the reverse repurchase rate at 10.00 percent, saying in a statement that it would work aggressively to rein in money supply growth.



GrameenPhone Managing Director Erik Aas (left) speaks while addressing a group of journalists at Sonargaon Hotel in Dhaka yesterday. Syed Yamin Bakht, general manager (Information Department), is also seen.

GP eyes stiff rivalry ahead Says SIM tax affecting growth

STAR BUSINESS REPORT

GrameenPhone boss Erik Aas eyes a tough competition in the days to come as cellphone companies are being forced to give subsidy up to Tk 700 in selling a subscriber identity module (SIM) card with another new operator in the pipeline.

"Tax on SIM cards is heavily hampering the growth of cellphone services. GP's growth was less than half in July and August than that of April and May as the government imposed SIM tax in June," Erik Aas, managing director of the leading cellphone operator, said while talking to a group of reporters at Sonargaon Hotel yesterday.

The number of total cellphone subscribers, which is now roughly 7.5 million across the country, could reach 11 to 12 million by the end of the year if there was no SIM tax, he felt.

"But with the changed situation the subscribers base would be nine million by 2005.

Explaining how SIM tax is affecting the growth, the MD said tax on SIM card is Tk 900 and the company has to subsidise roughly Tk 600 to Tk 700 to sell a SIM card at Tk 500.

As the Bangladesh

Telecommunication Regulatory Commission (BTRC) is now working to award licence to another company, the competition will be tough in the coming days, Aas observed.

Merger is not unlikely among the cellphone operators in Bangladesh if the industry is observed from outside. "But as the managing director of GP, I can say that we have no plan for it," he mentioned.

The MD made it clear that GP would stop charging on all incoming calls from Bangladesh Telegraphs and Telephone Board (BTB) if its (BTB) revenue is shared like other operators.

The company cut its tariff from 20 percent to up to 60 percent in early October and went for an aggressive marketing. The company's Eid Sales Campaign in October got a good response from the market.

As GP has recently crossed five-million subscribers mark, Aas said: "We have added one million subscribers in two months. This is a remarkable achievement, considering we had only four million users in September."

The company, starting the year with nearly 2.4 million subscribers, reached three million in March and

four million in September. GP doubled its subscribers-base during the first 10 months of the current year.

GP invested US\$ 300 million this year and its total investment has so far stood at \$750 million.

"We have significantly strengthened our coverage across the country, as well as improved our regional operations and customers services. We are seeing good results from these efforts," Aas said adding that the company will also spend a substantial amount next year.

"We reached to a level today that we did not think of even two years back," he mentioned hoping that GP will continue cut in its tariff with increasing subscribers' base.

Nearly 80 percent of the population has now been brought under the coverage of the GP network, which covers 400 upazilas of 61 districts. "Our promise is to cover the whole country," the MD noted.

GP presently commands 62 percent of the mobile phone market in the country.

The company paid Tk 1,152 crore as import duty, VAT, corporate tax and license fee last year and the figure would be much higher this year.



Tipu Munshi takes over BGMEA presidency

BDNEWS, Dhaka

Tipu Munshi took over the presidency of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday.

Munshi, managing director of Sepal Garments Ltd, becomes the second of the three presidents of the BGMEA, sharing the same post for eight months each in line with a power-sharing consensus election in February this year.

Munshi succeeds Annisul Huq of Mohammad Group and is supposed to hand over the presidency to SM Fazlul Huq after eight months.

He took the charge at a ceremony held at BGMEA conference room during its third regular board meeting for 2005-2007, attended by most of its executive members. Immediate past president Annisul Huq chaired the meeting.



Gary Lye Asia Energy's new COO

BDNEWS, Dhaka

London-based Asia Energy PLC has announced the appointment of Gary Lye to its board as executive director and chief operating officer of the company to broaden the top management team in preparation for the commencement of mining at its Phulbari coal mine project.

Lye has been working on the feasibility study for open pit mining of the Phulbari coal deposit in northwest Bangladesh for the past two years. He is currently chief executive officer of Asia Energy Corporation (Bangladesh) Pty Ltd, a subsidiary of Asia Energy PLC, and he will continue to maintain this position.

Lye has a Master's degree from the Royal School of Mines, Imperial College, London. He has more than 30 years experience in large-scale open pit mining operations with over half of this time spent in senior management roles.

Knitwear expo starts in NY to double exports

SHARIER KHAN from New York

Aiming at doubling the knitwear exports to the United States in the next year, the first-ever 'Bangladesh Knitwear Show' kicked off in New York city on Tuesday to attract American buyers.

Forty-five knitwear manufacturers showcased their products at the two-day exhibition at Hotel Pennsylvania in Manhattan, the world's business capital.

Dozens of American buyers visiting the stalls apparently held positive views about Bangladeshi knitwear. Some said that while the show products impressed them, they would visit Bangladesh to see whether the factories comply with their standards before striking deals.

"We are the first organisation to stage a single country show bringing in the biggest Bangladeshi trade delegation of 80 to the USA," said Fazlul Hoque, President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), during the inauguration of the show organised by BKMEA with assistance from the SouthAsia Enterprise Development Facility (SEDF) of the International Finance Corporation.

"The US is the biggest buyer of Bangladesh apparels in general. But for knitwear, it is not the biggest. We export knitwear worth \$200 million,"

Hoque said at the inauguration. Adviser to the Commerce Ministry Barkat Ullah Bulu inaugurated the show.

"We aim at \$400 million exports for this year. Unofficially, we aim at a one billion dollar exports in the 2006 calendar year," he added.

"In the first eight months of quota phase-out this year, the BKMEA made a 118 percent growth in knitwear exports to the USA despite aggressive takeover of the market by China," Hoque noted.

In the last fiscal, the BKMEA achieved a worldwide export of \$2.8 billion against a target of \$2.1 billion. This fiscal, it is aiming at \$3.6 billion. "I am happy that in the first quarter we have made 10 percent higher achievement and are moving to a \$4 billion mark by the year-end," the BKMEA chief pointed out.

If this trade show is successful, the BKMEA and SEDF are expected to hold a second trade show in Las Vegas next year.

Commerce ministry adviser Barkat Ullah Bulu noted at the occasion, "Before the quota phase-out, many studies have predicted doomsday scenario for Bangladesh readymade garments industry. Thanks to our hard working exporters and the facilitating policies of the government, our knitwear products export is increasing in

the US market."

Speaking at the inauguration, Bangladesh Permanent Representative to the UN Iftekhar Ahmed Chowdhury said developing or least developed countries (LDCs) like Bangladesh are facing bigger tariff barriers in the US than many developed nations which need to be addressed.

"For instance, Bangladesh exports goods worth only about \$2 billion and it pays higher tax than France, which exports products worth \$40 billion," he added.

He said the government is trying to negotiate this issue at the level of the United Nations.

SEDF Programme Manager Marlon Lezama said that the SEDF became involved with the BKMEA to improve competitiveness of the knitwear sector.

Bangladesh exported apparels worth \$2.5 billion to the USA in the last fiscal. To boost exports from the LDCs platform, Bangladesh is pushing TRADE (Tariff Relief Assistance for Developing Economies) Bill at the level of Senate and Congress from early this year.

Fakrul Ahsan, commercial counsellor of Bangladesh Consulate General in the USA, noted that it may take several years before this act is approved by the US government.

RMG unit owners slate govt inertia on backward linkage

STAFF CORRESPONDENT, Ctg

Garment manufacturers at a meeting said the country is yet to develop backward linkage facility badly needed for the safeguard and more growth of the garments sector after quota phase-out and attributed the failure to government's indifference.

Neither the government's policy nor its co-operation for the development of backward linkage industry is clear to the industry, they alleged at the meeting organised by Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in Chittagong on Tuesday night.

Former president of BGMEA Annisul Huq, who was replaced by Tipu Munshi yesterday, said, "Although we have made some noteworthy achievements in garments sector,

we are yet to get the much needed central bonded warehouse facility."

"The file on the bonded warehouse has long been shelved for reasons unknown to us," he said.

Terming his recent US-visit with a delegation a fruitful one, he said around 20 US senators have assured the visiting team of supporting Bangladesh to get duty-free access to the US market.

"I believe that the growth of the country's garments sector would be doubled in next five years if we attain the trade facility," said Huq.

He also urged his successors in BGMEA to continue their endeavours towards achieving the duty-free access.

However, MA Rouf, a representative of sick garment industries, criticised the role of BGMEA leadership

regarding sick garments industries. "We do not find them beside us at the time of need and crisis."

Giving an ultimatum to the BGMEA leaders, he warned them of launching vigorous movement unless they take effective initiatives to save the sick industries by next December.

Defending their role about sick industries, Huq said they have progressed a lot towards this and there was no dearth of sincerity during his 20-month tenure.

"Following our strong and sincere efforts, the government has formed a committee regarding sick industries. The committee has already prepared some policy guidelines to this effect and hopefully sick industries would start getting the benefit from this," Huq told the gathering.



Bangladesh Association of Software and Information Service (Basis) organised a press conference in Dhaka yesterday to announce the schedule of a five-day software fair that will begin at Bangladesh-China Friendship Conference Centre on November 27. High officials of Basis and sponsor companies of the fair are seen in the picture.

India pushes US for deeper cuts in farm subsidies

AFP, New Delhi

India called Wednesday on the United States to cut its farm subsidies by more than it proposed last month to enable developing countries to compete on a level playing field globally.

"What the US had proposed last month are not real cuts. It would still allow them to raise trade-distorting subsidies to their farmers," Indian trade Minister Kamal Nath told an Indo-US Economic summit in New Delhi.

He said the "real cuts" would be when Washington reduced financial support for its farmers, which puts developing countries at a disadvantage.

India, a leader among developing nations in World Trade Organisation (WTO) talks aimed at a global trade settlement, says millions of poor farmers in emerging economies lose out because of farm subsidies in developed nations.

Last month, the US proposed a 60-percent cut in farm subsidies in talks with the European Union, Japan, Brazil and India as part of now stalled negotiations on securing an overall agreement at the upcoming WTO ministerial meeting in Hong Kong next month.

Under the US plan, leading nations would end farm subsidies by 2023. JB Penn, an undersecretary in the US Department of Agriculture, said the proposed subsidy cuts by his government were deep enough and blamed the European Union for not doing enough to correct the imbalance.

"We presented a bold and ambitious proposal last month, which envisaged substantial reductions in domestic subsidies and elimination of export subsidies but the EU's proposal of October 28 has been very disappointing," he said.

Penn said the cuts offered by EU were short of what was envisaged in the Doha round of global trade talks aimed at bringing down trade barriers.



Mehboob Chowdhury (left), chief commercial officer of mobile phone operator Banglalink, speaks at a press conference in Dhaka yesterday to announce the launch of a new package, setting per minute call charge at Tk 4.40 to any operators, while Omer Rahsid, director (marketing) of the company, looks on.

Banglalink offers new package

Sets call charge at Tk 4.40 per minute to any operators

STAR BUSINESS REPORT

Mobile phone operator Banglalink yesterday launched a new package setting per minute call rate at Tk 4.40 to any operators.

Mehboob Chowdhury, chief commercial officer (CCO) of the company, formally launched the package titled 'be linked!' at a city hotel.

In his speech Chowdhury said the package offers the best rates in the market today for calls to any mobile phone operator at anytime of the day.

With a 30-second pulse from the first minute for all calls, 'be linked!' offers the lowest peak rate at Tk 4.40 per minute, he said.

The package also includes 'Your Morning', an offer with special call charge of Tk 3.00 per minute between 7am and 10 am to any operator.

Chowdhury said, 'be linked!' also offers a super off-peak rate of Tk 1.96 per minute from 11pm to 7am to all mobile phone operators. In addition to these rates, 'be linked!' comes up with unbeatable rates for banglalink to banglalink calls, he added.

Only Tk 2.50 per minute will be charged for all banglalink to banglalink calls throughout a day. At the same time, customers will have the option to choose one 'Friends & Family' number with call charge at Tk 2.20 per minute.

The SMS (short message system) rate is Tk 0.99 per message to any banglalink numbers and Tk 1.75 to any other operators.

The company launched its operations only nine months ago and promised coverage in 61 districts by the end of the year.