

Bangladesh fair in Bangkok in October

Thai show ends in Dhaka today

STAR BUSINESS REPORT

Commerce Minister Altaf Hossain Choudhury yesterday said Bangladesh will organise a four-day single country trade fair in Bangkok from October 17 to 20 in association with Bangladesh-Thai Chamber of Commerce and Industry.

He was speaking at the formal inauguration of a three-day Thai export promotion fair styled 'Thailand Exhibition 2006' at Bashundhara City shopping mall in Dhaka. However, the exposition began on Saturday.

Department of Export Promotion (DEP) of Thailand organised the show in a bid to boost Thai exports to Bangladesh.

President of Dhaka Chamber of Commerce and Industry (DCCI) MA Momen and Thai Ambassador in Dhaka Suphat Chitranukroh, among others, were also present at the inauguration.

Bangladesh's exports to Thailand declined by US\$ 1 million in fiscal year 2004-05 compared to that of the previous fiscal while its imports from Thailand rose by US\$ 100 million during the same period, said DCCI president. "It is the time to reduce the huge trade gap," he added.

A total of 56 Thai companies along with their 13 local agents are showcasing products at the exposition that comes to a close today.

Auto parts, chemical products, toys, construction materials, furniture, fashion items, leather products, food and beverages, health and beauty products and kitchenware are on display at the fair, which will remain open for general visitors from 3pm to 8pm without any entry fee.

Energy adviser's comment on coal exploration deal with Asia Energy protested

STAR BUSINESS REPORT

Former director of the Mineral Resources Development Bureau of the energy ministry and geologist M Mominullah in a statement yesterday strongly protested Energy Adviser Mahmudur Rahman's recent comment that the agreement with the Asia Energy on the Phulbari Coal Mine project was done against the interest of the nation.

He said the licence for the coal mine was issued to world's biggest coal developer BHP Minerals on August 20, 1994 as per the then coal policy and laws framed under the mandates of the constitution. Then as per the provision of the country's and international law, the BHP licence was transferred to Asia Energy on February 11, 1998.

Then following internationally recognised codes and norms, Asia Energy conducted its studies at Phulbari and declared that this mine has a proven coal reserve of 572 million tonnes.

"Mahmudur Rahman has been given additional responsibility of the energy ministry. He has also taken the responsibility to carry out the national geological programmes as per his wisdom and experience," said Mominullah. Therefore, his misleading comments might create a hindrance to development of the country's coal sector as well as other mineral sectors, he added.

"An irresponsible comment from the adviser in charge of the mineral sector carries a negative signal for the mineral sector at the national level," he said.

China aims to produce 98m computers in 2006

AFP, Beijing

China expects to produce 98 million desktop and laptop computers in 2006, mostly for overseas markets, state media reported Sunday.

Of the output forecast for this year, China aims to export 58 million computers, or 59 percent of the total, the Xinhua news agency said, citing the Ministry of Information Industry.

However, huge Chinese exports have forced computer makers to cut their prices to remain competitive.

Rod, cement prices on the rise

KAWSAR KHAN

Prices of rod and cement, the two important construction materials, have been increasing sharply in Dhaka for the last two weeks.

Manufacturers have attributed the soaring dollar prices to price hike of rods and cement, saying they have to collect the raw materials, scrap iron and clinkers, at high prices.

Traders said 60-grade MS rod now sells at Tk 40,000-Tk 41,000 a ton against Tk 38,000-Tk 39,000 two weeks ago while 40-grade MS rod now sells between Tk 38,000 and Tk39, 000 a ton against Tk 36,000-37,000 two weeks ago.

The cement traders said prices of cement have shot up by Tk 15-Tk 25. They said a 50-kg bag of local cement now sells at Tk 275- Tk 285 against Tk 260-Tk 270 two weeks

ago.

However, the prices of cement manufactured by foreign companies remain stable between Tk320 and Tk 325.

The manufacturers also said frequent power outage in factories is resulting in increased production costs.

"Banks are showing reluctance in opening letters of credit (LCs) to import raw materials of MS rod due to dollar crisis and failing to make payments against imports in time," said Sk Masadul Alam Masud, general secretary of Bangladesh Re-Rolling Mills Association and Bangladesh Steel Mill Owners Association.

Banking sources said the green-back gained by 3 percent against taka in the last one month.

Masud also said power outage has cast an adverse impact on production. He said the production

capacity of his factory has come down to 30 metric tons a day against the capacity of 50 tons.

PRICE ALSO UP IN CTG

Our staff correspondent from Chittagong adds: 60-grade rod now sells at Tk 39,500 to Tk 39,900 a ton against Tk 34,000 to Tk 34,500 last month.

Cement prices also witnessed a sudden hike of Tk 20 to Tk 30 for each 50-kg bag, traders said.

The price hike of rod and cement has cast a negative impact on construction projects, said Md Ishaque, a rod-cement trader in the port city.

According to the traders, the prices for rod have increased thrice in one month.

Ruby, Confidence, Diamond, Aramit, S Alam, Mostafa and Royal cements are selling now at Tk 268 to Tk 248 a 50-kg bag, up by Tk 20 to Tk 30.

WB may finance first-ever 'garment village'

UNB, Dhaka

A 'garment village' will be set up alongside the Dhaleshwari River in Narayanganj with financial assistance from the World Bank.

The government and the World Bank are likely to sign a deal to this effect by June this year under which the bank will give US\$ 150 million to develop infrastructure for the proposed village.

"I hope we will reach an agreement by June," Executive Chairman of Board of Investment (BoI) Mahmudur Rahman told reporters after a meeting with BGMEA leaders at his office yesterday.

He said the government is contemplating to set up the 'garment village' alongside Dhaleshwari at Gozaria upazila in Narayanganj, some 30km off the capital city.

"If the deal is signed by June, another two or three years will be required to develop the infrastructure and utility facilities," Mahmud said.

The BoI boss said the initial negotiations with the World Bank have already been completed. "Developing a compliance-friendly village will not only boost the growth of the apparel industry but also ease pressure on residential areas of Dhaka," he said.

Earlier, a five-member delegation of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) met BoI executive chairman and sought his intervention in minimising the duration in getting registration for setting up industrial units and making the recommendation process easier.

Mahmudur Rahman assured the BGMEA leaders of taking steps to immediately resolve the problems.

Maersk launches new visual identity

In line with the February 13 brand launch of Maersk Line, Managing Director of Maersk Bangladesh Ltd Per Heisselberg recently unveiled the new visual identity of Maersk to an audience of customers, stakeholders and employees, says a press release.

Heisselberg stated Maersk Line is the combined company of former Maersk Sealand and Royal P&O Nedlloyd working together on creating opportunities for customers under the new brand name of 'Maersk Line.'

It was mentioned whether shipping regionally or globally, the Maersk Line network will meet clients' business and transportation needs through a broader geographical reach, more direct port calls, and increased flexibility.

Maersk Line now operates 500 ships, makes 46,000 ports calls per year, and employs 35,000 people in more than 125 countries to provide a comprehensive global service network.

Apollo Hospitals holds symposium on 'Ultrafast Coronary CT Imaging'

Apollo Hospitals Dhaka organised a symposium on 'Ultrafast Coronary CT Imaging' in the capital recently.

The symposium was organised to mark the launch of the hospital's 64-slice CT Angio System, says a press release.

Dr Sufia Rahman, director of National Institute of Cardiovascular Diseases, formally launched the service while Richard Larison, chief executive officer of Apollo Hospitals Dhaka, and other senior officials of the hospital were present.

The CT Angio System will help the hospital increase its diagnostics capabilities, improve patient management and enhance clinical outcomes, according to the release.

Nepal to import 70 MW power from India

XINHUA, Kathmandu

Nepal will import 70 megawatts additional power from India, deputy-managing director of Nepal Electricity Authority (NEA) said here Sunday.

"Negotiations are in the final stages to import 70 megawatts (MW) of additional power from India," Uttar Kumar Shrestha, deputy managing director of NEA, the government-owned electricity supplier of the country, told reporters.

BGMEA seeks separate ministry for RMG sector

UNB, Dhaka

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has demanded an independent body or a separate ministry for the apparel industry to help the sector grow.

"At present we have some 4,210 member factories. But BGMEA is not capable to monitor such huge industrial sector to ensure factory compliance issues," acting President of BGMEA Abdus Salam Murshidi told a press conference yesterday.

The apparel sector leader underscored the need for a separate

ministry to facilitate quick solution of various complex problems.

"Please give us a separate ministry to keep the industry alive," Murshidi urged the government while briefing the press on the present state of the apparel sector.

BGMEA first Vice-President SM Abu Tayeb, Vice-President (finance) Shahadat Hossain Chowdhury Arun, Vice-President Shahidul Haque Shikder and directors Mahboob Chowdhury and Harunur Rashid were, among others, present at the briefing.

In his written statement, the acting chief of BGMEA said the

association is going to adopt a programme to pursue the factories to abide by the compliance requirements.

Under the programme, 40 BGMEA officials along with the fire service and civil defense personnel will inspect the garment factories.

"The inspectors will raise awareness among the factory authorities regarding work environment, weekly holiday, minimum wage, maternal leave, and setting up of emergency stairs and fire extinguishing measures," Murshidi said.

India looks into making currency fully convertible

AP, Bombay

India is looking into making its currency fully convertible and lifting all restrictions on foreign exchange transactions, a top government official said Sunday, a decade after such plans were shelved following the East Asian economic crisis.

India's rupee currency is only partially convertible, meaning that while the market takes care of most trade-related transactions, investments flowing in and out of India - also known as capital account transactions - are subject to restrictions and approval by the central bank.

India will "set up a new mechanism" for making the rupee fully convertible, said Montek Singh Ahluwalia, who heads the Planning Commission, the country's top policy body.

Ahluwalia's comments at a weekend business conference in Bombay came a day after Indian Prime Minister Manmohan Singh

said the country's economic position had become "far more comfortable" about allowing full freedom to convert rupee in foreign currencies to buy stocks, properties and other capital assets.

Singh said such moves would also help India realise its aim to make its business capital, Bombay, a financial hub in Asia.

Bankers welcomed the initiative. "It's a good move and this is the right time to do it since the external sector is quite strong now," said Sanjay Nayar, chief executive at the Indian arm of Citigroup Inc.

India officially fixed the exchange rate until 1991, when it made the first move to allow the market determine rupee's value in relation to other currencies for select transactions.

Restrictions on most trade-related transactions and remittances were lifted in the following years.

Transactions in some capital



PHOTO: STAR

Commerce Minister Altaf Hossain Choudhury visits a stall after inaugurating 'Thailand Exhibition 2006' at Bashundhara City shopping mall in Dhaka yesterday. The show comes to a close today.

EU likely to impose tax on Chinese shoes

ANN/ CHINA DAILY

The European Commission is likely to impose a provisional tax on imports of Chinese leather shoes, despite disagreement about the move among member states.

The final decision, the result of allegations that Chinese firms 'dumped' cheap shoes in the European Union (EU), is scheduled to be made next week.

The EU Trade Commissioner Peter Mandelson proposed late last month to levy an anti-dumping tariff on Chinese leather shoes beginning from April.

The tariff rate will start at about 4 percent and rise to around 20 percent by October.

EU member states were split on Mandelson's proposal on Thursday (March 16), but the coalition in favour of free trade was not strong enough to prevent the proposal from taking effect.

Among the EU member states, the Financial Times reported that Belgium, Slovakia and Malta voted in favour of the duties. Nine or 10, including Sweden, Ireland and Slovenia, voted against and 11 abstained.

Abstentions are counted as votes in favour.

"Under the rules of the EU, a

majority in a vote of member states is needed to overrule a proposal by the European Commission," explained Li Fayin, a legal expert with Beijing Albright Law Offices. In this case, with abstentions counted, there were more votes in favour.

According to a statement published on the commission's website, EU member states expressed a wide range of views, both in favour of stronger provisional measures and in favour of more restricted action.

"The commissioner's proposals represented a middle ground," it said.

China's official response from the Ministry of Commerce was not available on Friday (March 17).

Although high-tech sports shoes and children's shoes are exempt from the tax, the tariffs are still expected to deal a heavy blow to China's shoe-making industry, said an unnamed insider close to the situation.

"China's own brand footwear makers mainly focus on the leather shoe sector. The proposal will hit such firms hard," the source said.

He explained that high-tech sports shoes and children's shoes produced in China were largely labelled with foreign brand names.

The European Commission said

it would continue its investigation to "establish a consensus among member states on a definitive course of action when the investigation is concluded in the autumn."

The EU dumping claim against Chinese and Vietnamese leather shoes was initiated last July in parallel with a similar claim against work shoes.

The European Commission has for now decided not to adopt anti-dumping measures against work shoe imports from China because no evidence was found that such imports had hurt the European industry.

Mandelson's proposal has generated protests from China, Viet Nam and leading shoe producing companies in Asia.

"Measures are better than nothing"

Italy, which has a large shoe industry of its own, has also protested about the measures, saying they are not tough enough.

An EU diplomat said Italy was among the countries that abstained from Thursday's vote after the commission declined to make significant changes to the proposed duties.



PHOTO: STAR

US Chargé d'Affaires in Dhaka Judith A Chammas (L) speaks at a meeting organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka yesterday. FBCCI President Mir Nasir Hossain is also seen.