Star BUSINESS

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Fate of law on consumer rights hangs in balance

Minister unaware of the reason

STAR BUSINESS REPORT

Uncertainty now looms large over enacting a law to protect rights of the consumers, which is also aimed at maintaining commodity price at a tolerable level, during the tenure of the present government as the commerce minister failed to make any core commitment to adopt the law when he faced a volley of questions at a roundtable in Dhaka yesterday.

Hafizuddin Ahmed said," I am very unaware of the reason why the government could not finalise the draft law on consumers' rights earlier even after a commitment made on its completion of 100 days in office. If we fail to pass the act within the next two months, we will pass it in the next time when we will hopefully be back to power."

He, however, said, "I have come to this ministry for a short time. I could do it if I had enough time to convince my colleagues to pass the act because there is no denying the fact that adopting such a law would bring popularity for us as most of the people await its passing."

The roundtable on Protection of Consumer Rights was organised by Dhaka Chamber of Commerce and Industry (DCCI) at its auditorium. Presided over by DCCI President M A Momen, the roundtable was also addressed by Quazi Faruque, general secretary of Consumers Association of Bangladesh (CAB) and a number of stockholders from different sectors.

Khalilur Rahman, treasurer of CAB, presented the keynote paper on Consumer Rights Protection law and Present Situation.

The government initiated a draft to enact a law in a bid to protect the consumer rights in 1994. Since then, it merely gathered dust as the file containing this draft rotated different ministries due to bureaucratic tangles and at long last it had set in the commerce ministry to get a scrutiny.

The minister told the roundtable that not only the finance minister, law enforcement agencies or other parliamentarians know about the syndication that controls the commodity prices, but most of the people are aware of it.

"It is very necessary to take punitive measures against the syndication of commodity hoarders," he said, citing the Indian example of adoption of such a law.

He said there is a separate consumers affairs ministry with 60,000 employees in India, which has the authority to buy any product from international market without following the Public Procurement Regulations (PPR). As a result, they are able to maintain the prices of essentials at a tolerable level.

"If we activate our Trading Corporation of Bangladesh (TCB) and give them the authority similar to the one being enjoyed by the Indian consumers affairs ministry to buy goods without PPR procedures, the syndication would not be able to do monopoly business and as such the market prices will remain tolerable," the minister opined.

The draft law, now under the commerce ministry's scrutiny, envisages a National Consumers Committee which will be assigned to ensure the consumers' rights and a Bureau of Consumers Affairs to oversee the enforcement of the act while a Consumers Tribunal will be vested with responsibilities of settling the cases relating to consumers' rights.

"There are many laws in the country which are of no use, but we want the consumer rights act to be implemented," said the CAB treasurer in his presentation.

Speaking on the occasion, The DCCI president urged the commerce minister to set up a fair price monitoring cell to supervise the market on daily basis.

The CAB general secretary lamented that in absence of a law protecting consumers' rights, the consumers at present feel totally deprived and helpless.

He urged the government to immediately enact the law in order to stop unethical and monopoly business.

PHOTO: STAR

Commerce Minister Hafizuddin Ahmed speaks at a roundtable on protection of consumer rights organised by Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka yesterday. DCCI President MA Momen is also seen

$4.31m knitting, dyeing pant to be set up in Adamjee EPZ

UNB, *Dhaka*

M/s Maa Knitting and Dying Industries Ltd will invest US$ 4.31 million in Adamjee Export Processing Zone to set up a knitting and dyeing pant that will create employment opportunities for 233 Bangladeshis.

The Bangladesh Export Processing Zones Authority and the M/s Maa Knitting and Dying Industries Ltd signed an agreement to this effect here Monday.

The company will manufacture 2700 metric tons of knit fabrics annually for readymade garments, said a press release of Bepza.

General manager (investment promotion) of Bepza Mahmud Yunus, and Managing Director of Maa Knitting and Dying Ltd Mohammad Hanif, signed the lease agreement on behalf of their respective organisations.

Thai airport fees to go up

ANN/THE NATION

Air passengers will be asked to pay heavier departure taxes from early next year, Airports of Thailand Plc (AOT) said Monday.

The international departure tax would be increased by Bt200 to Bt700 (US$5.30 to $18.60) and domestic passengers would incur a Bt100 ($2.65) fee, up from a current Bt50 ($1.32). The increase would be effective from Feb 1.

AOT operates Suvarnabhumi Airport. It had planned to introduce the new taxes upon the opening of the new airport on Sept 28. Meanwhile, new landing fees levied on aircraft using the airport would be imposed from April 1, 2007. That is a six-month delay from the original schedule.

AOT said it was postponing the new fee to attract airlines to Suvarnabhumi. The new landing fee is a 15-per-cent increase on that charged at Don Muang airport.

AOT explained earlier that fees at Suvarnabhumi Airport needed to be raised due to the greater amenities and facilities that would be provided. After 40 years in the making Suvarnabhumi has cost Bt150 billion ($3.99 billion). It is scheduled to start operations on Sept 28.

Dollar weaker in Asia

AFP, *Tokyo*

The dollar was weaker against its major rivals in Asian trade Tuesday as the market awaited minutes from the Federal Reserve's August meeting and a survey of US consumer confidence, dealers said.

The dollar eased to 116.75 yen in Tokyo afternoon trade from 117.19 in New York late Monday.

The euro gained to 1.2822 dollars from 1.2778.

The single European currency slipped to 149.68 yen, pulling back from a fresh record high of 149.98 yen struck late Monday in New York.

"The dollar is relatively weak but its fall was limited against major currencies as investors waited for fresh leads from the Fed minutes and other US economic indicators," said Saburo Matsumoto, senior manager at Sumitomo Trust and Banking.

Emirates' special offers for Beijing

Emirates is ramping up the excitement for the launch of its services to Beijing with a range of special offers, says a press release.

Emirates' passengers based across its network travelling to the city in first class are entitled to two nights' and business class passengers to one night's complimentary stay at the luxurious Shangri-La Hotel in Beijing.

Both deals offer passengers a deluxe room, on a single or double occupancy basis, and are valid from 1st September to 30th November this year.

Richard Vaughan, senior vice president (East Asia and Australasia Commercial Operations), said: "Beijing is destined to play a crucial role on Emirates' strategic route map. We are delighted to launch services to the city, and we want our passengers to share in our excitement with this range of splendid deals.

Emirates will operate an Airbus A340-300 on Dubai-Beijing route offering 267 seats in a three-class configuration-- 12 seats in first class, 42 in business and 213 in economy -- and 13 tonnes of cargo capacity.

Huge Pak investment in textile sector likely

STAR BUSINESS REPORT

Pakistani entrepreneurs expressed their keen interest to invest in Bangladesh textile sector, said FPCCI President Chaudhry Muhammad Saeed, leader of the visiting Pak 39-member business team, at a meeting with his Bangladesh counterparts in Dhaka on Monday.

Dhaka Chamber of Commerce and Industry (DCCI) organised the meeting at its auditorium, according to a press release.

While presiding over the meeting, DCCI President M A Momen described Bangladesh as the regional business hub with very convenient access to international sea and air routes.

He stressed the need for utilising the existing potential for regional trade lamenting that the country's inter-regional trade stood at only 5 percent. The trade body chief in this regard mentioned that inter-regional trade of the European Union is 55 percent of its total trade while Nafta's inter-regional trade is 51percent and Asean 20 percent. He urged the business community of both the brotherly countries to organise regular meetings and discussions and exchange information aiming to increase Bangladesh's inter-regional trade up to 30 percent of the total trade. Momen also emphasised effective implementation of the Safta in the right earnest.

Dwelling on the market access benefits offered to Bangladesh as an LDC by as many as 22 countries, including China, the DCCI chief urged Pakistan to join hands with Bangladesh to mitigate supply side constrains of the latter to exploit the market access.

"Building capacities in vital areas relating to infrastructure and other support service like power, energy and telecommunication is very essential now to increase and diversify our exports. Unless it is done, signing of any FTA may not be very useful," Momen opined.

Alamgir Bashar Khan Babar, high commissioner of Pakistan in Bangladesh, was present at the meeting as the chief guest.

He expressed his hope that the interactions between the Federation of Pakistan Chambers of Commerce and Industry and the Bangladesh apex trade bodies would help exploit each other's big market by harnessing many complementarities.

President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mir Nasir Hossain, who also attended the meeting, laid emphasis on working hard on the 15-point agreement set forth by the Bangladesh-Pakistan Joint Business Council.

S'pore, Malaysia stand to gain from economic cooperation

AFP, *Singapore*

Singapore Trade and Industry Minister Lim Hng Kiang said Tuesday cooperation between the city-state and Malaysia will be a boost to the economies of the two neighbours.

Neighbourly competition is unavoidable but the two have many areas where they can work together for the common good, especially in manufacturing and services, which are key to both their economies, Lim said.

"As we advance our respective national interests, competition is inevitable," Lim said here at a forum on business prospects in Malaysia.

"But if we choose to focus only on the competitive aspects of our relationship, we will surely overlook the many opportunities where we can join hands to enhance our value proposition to the world's investors."

Malaysian plans to develop its southern Johor state is also a potential area of cooperation between the two neighbours, Lim said.

"The plans are to transform Johor into an engine of growth that will attract foreign investment and drive Malaysia's investment, much in the same way Shenzhen and Hong Kong boosted China's economy," said Lim.

"There will of course be competition between Johor and Singapore but we should also not forget the potential SJER (South Johor Economic Region) has in augmenting the existing synergies between Singapore and Johor.

"The SJER will only serve to strengthen and enhance this winning partnership."

Malaysia unveiled the SJER plans in June to transform the state into an economic hub fashioned after Shenzhen and Hong Kong and the project will be driven by the federal government's investment arm, Khazanah Nasional.

US firm to buy India's Matrix Lab for $736m

PALLAB BHATTACHARYA, *New Delhi*

US generic drug manufacturing major Mylan Laboratories has announced the largest takeover deal in Indian pharmaceutical sector by agreeing to buy Matrix Laboratories for up to 736 million dollars in cash and stock.

The deal will allow Mylan, the fourth largest generic drug maker in the US, and Hyderabad-based Matrix in gaining new markets in Europe, Asia, Africa and the US, industry analysts said.

N Prasad, executive chairman of Matrix Laboratories, said in a statement that the transaction creates growth opportunities for Matrix and will allow it to accelerate existing plans in India and abroad.

Mylan CEO Robert J Mcoury said the deal will give both the companies significant opportunities for global expansion and growth.

By acquiring Matrix, Mylan will gain direct access to Europe through Matrix' subsidiary in Brussels Docpharma, use the Indian company's low-cost operation base and enter the under-penetrated markets in Africa.Through Matrix, Mylan will be able to access markets also in South Africa and China.

Matrix acquired a controlling stake in Docpharma, a leading marketer of branded generics in Belgium, the Netherlands and Luxembourg for 263 million dollars. The Indian company has already entered into joint ventures with South African company Aspen and bought 60 percent stake in Chinese company Mchem Group.

The deal will also enable Matrix to distribute its products in the US where Mylan has a strong presence.

Matrix also offers Mylan an entry into the anti-retroviral space as the Indian company is the world's largest supplier of generic anti-retroviral APIs.

Meanwhile, the Federation of Indian Chambers of Commerce and Industry estimated that Indian companies made 130 global acquisitions in 2005 as compared to 46 in 2004, signaling that Indian corporate is venturing out in an increasingly globalized world through strategic alliances with international companies, acquisitions and setting up subsidiaries.

In the seven months of this year, 50 cases of acquisitions by Indian companies have already been registered, it said.

"Indian companies have startged to show affinity towards global acquisitions in order to enhance their competitiveness," the FICCI said.

Oil steady above $70

REUTERS, *London*

Oil held above $70 a barrel on Tuesday as worries about Iran's determination to press ahead with its nuclear program helped to halt a steep sell-off.

U.S. crude for October delivery rose two cents to $70.63 a barrel by 1141 GMT and London Brent crude gained nine cents to $70.91 a barrel.

On Monday, U.S. crude fell by $1.90 after Ernesto, which was briefly the first hurricane of the U.S. season, was downgraded to a tropical storm.

Last year hurricanes Katrina and Rita temporarily knocked out all of the Gulf's offshore production and pushed oil prices to then record highs.

The hurricane season continues until around November, but analysts say the oil supply situation is comfortable and some predict oil prices, which hit an all-time peak of $78.65 early this month, will struggle to regain previous strength.

"The highs are not going to be repeated unless we get a really damaging hurricane," said Olivier Jakob of Petromatrix.

Malaysia to look at nuclear energy if oil hits $100

AFP, *Kuala Lumpur*

Malaysia may consider nuclear power generation if the price of oil goes over 100 dollars a barrel, Science and Technology Minister Jamaluddin Jarjis said in a report Tuesday.

Malaysia's nuclear agency said earlier this month that the country needed at least two reactors as an alternative means of generating electricity to fuel the country's rapidly growing economy.

Jamaluddin said Malaysia would not immediately take up the option, but that the situation could change in the future.

"The world is changing. Who would have thought oil could hit 70 dollars a barrel," he said, according to The Star daily.

If oil went over the 100 dollar mark, state energy firm Tenaga Nasional "will have no choice but to increase its tariff or go bankrupt", he said.

The minister said that switching to nuclear power generation could then become a matter of economic survival.

Jamaluddin noted that Vietnam had plans to switch to nuclear power, and that Malaysia has asked Japan to share its experiences in managing nuclear energy.

"We have more than 60 nuclear scientists and we want Japan to share with us their experience," he told the daily.

GP Dear offer available until Sept 30

The special GP Dear package offer for "Thankyou Crown" members will be available from September 1 to September 30, 2006.

The offer allows subscribers to stay connected to 5 predefined GP numbers and vise-versa, so that the members will always remain in touch with their family members.

The connection can be collected from selected GrameenPhone centres at a special price of Tk 199 only, says a press release.

The GP Dear package is part of a new privilege membership service "Thankyou Crown" launched recently.

The "Thankyou Crown" service includes three types of memberships: Platinum, Gold and Silver -- based on the subscriber's average monthly usage over the last six months.

Subscribers with an average monthly usage from Tk 2,500-Tk 4,500 will be offered Silver membership, from Tk 4500-Tk 6,500 Gold membership, and above Tk. 6,500 during the previous six months Platinum membership.

Membership would be reassigned after every three months upon review of the subscriber's average monthly usage.

Members can avail special personal after-sales service and care from the GrameenPhone Centres and other customer centers.

Platinum members in selected divisional cities will also be offered home service. Membership privileges include, among a wide variety of others, discounts from various international Thankyou partners.

Unilever offloads frozen foods business to Permira

AFP, *Rotterdam*

Anglo-Dutch food group Unilever said Monday it had agreed to sell much of its European frozen foods business to private equity firm Permira for 1.7 billion euros (2.2 billion dollars).

The deal, which is subject to regulatory approval, is expected to be completed before the end of the year and will involve the transfer of the Bird's Eye and Iglo brands.

"The sale was concluded this weekend ... we will try to complete it before the end of the year," said a Unilever spokesperson, Gerbert van Genderen.

Unilever has agreed to sell the Iglo and Bird's Eye brands in Austria, Belgium, France, Germany, Greece, Ireland, the Netherlands and Britain, but will retain its Findus and ice-cream brands in Italy as well as Bertolli and Knorr Frozen in the US.

Unilever had said in February this year that it planned to offload its European frozen food business, which employs about 4,000 people worldwide. It sold its Spanish operations to French group Bonduelle in July.

Asian workers missing out on stellar growth: ILO

AFP, *Busan,South Korea*

Asian workers are missing out on the region's stellar growth, facing longer hours and lower pay than elsewhere and this imbalance has to be addressed, the UN Labor agency said Tuesday.

International Labor Organization (ILO) Director General Juan Somavia told a regional meeting here that the gains of such growth should be "more evenly shared" by business and workers for the sake of all.

"We know by experiences that persistent inequality is socially, economically and politically destabilizing," the ILO chief said in a keynote address.

"The gap between growth and job-creation is producing a deficit in decent work and putting the brakes on efforts to reduce poverty."

A report submitted earlier to the meeting warned that Asia's strong economic performance was failing to improve working conditions which were under pressure as fast growth in trade, investment and output failed to match an expanding labor force of some 1.9 billion.

Last year, economies in the Asia and Pacific expanded 6.2 percent but employment in the region grew only 1.4 percent, it said. China, a key growth engine in Asia, grew 59 percent during the 2000-2004 period during which available jobs increased just five percent, it noted.

Tackling unemployment is a pressing regional issue given the ILO report expects Asia to have another 250 million new job-hunters over the next 10 years.

Asia is home to one billion "working poor," people relying on less than two dollars per day, said the ILO report, adding that 330 million live on less than one dollar.

Around 42 million people aged between 15 and 24 remain jobless in Asia, accounting for 48 percent of the world's young unemployed in 2005, it said.

The report, prepared for 600 delegates from 40 Asia-Pacific states at the start of a four-day ILO Asian Regional Meeting, said wage growth also lags labor productivity.

In China, labor output per manufacturing worker jumped 170 percent during the 1990-1999 period while real wages rose just 80 percent. In India, pay even dropped 22 percent despite an 84 percent rise in labor productivity.

Gyorgy Sziraczki, chief economic and social analyst with the ILO Asia-Pacific office, insisted increased labor productivity should lead to shorter work hours and better wages in order to ensure overall sustainable growth.

"The pursuit of competitiveness and growth are far less likely to produce long-term benefits if those benefits are not felt by all," Sziraczki warned.

The world's top six economies in terms of working hours are all in Asia -- Bangladesh, Hong Kong, Malaysia, South Korea, Sri Lanka and Thailand, the report said, adding their populations mostly work 50 hours or more a week.

China to spend $60b on better work safety

AFP, *Beijing*

China plans to spend about 60 billion dollars over the next five years to make its notoriously dangerous industrial sector at least a little safer, state media said Tuesday.

China counted 3.9 deaths on the workplace for every 100,000 employees last year, and the State Administration of Work Safety wants that figure to drop to 2.8 by 2010, the Xinhua news agency reported.

In its first ever five-year plan on workplace security, the government said it would reduce the death rate per 100 million yuan (12.5 million dollars) of gross domestic product from 0.70 last year to 0.45 in 2010.

The total amount of 467.4 billion yuan will be spent on items such as safer mining equipment, better supervision, and more efficient reporting, Xinhua reported.

China's economy is currently in high gear -- expanding by 11.3 percent in the second quarter -- and industrial safety often suffers when companies cut corners to meet demand.

In particular, some local governments that are driven by economic interests have turned a blind eye to safety problems in factories and coal mines, according to the agency.

According to previous data from the State Administration for Work Safety, 15,396 people died in 12,800 industrial, mining and commercial enterprise accidents in 2005, down by 6.7 percent and 12.8 percent respectively over 2004.

The administration also tracks accidents and fatalities in China's waterways and railways, as well as fire and farming accidents.

PHOTO: SEDF

South Asia Enterprise Development Facility (SEDF), a multi-donor facility managed by International Finance Corporation (IFC) of World Bank Group, has recently signed an MoU with Aftab Bahumukhi Farms Ltd (ABFL). Under the MoU, SEDF will give technical assistance to ABFL in areas such as feed nutrition and diagnostic facilities. Among others, IFC Director Agribusiness Jean-Paul Pinard, Principal Engineer Oliver Ryan, Regional Representative Per Kjellerhaug, SEDF DGM Deepak P Adhikary and ABFL Operative Director Shah Habibul Haque were present.