

Star BUSINESS

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MINIMUM WAGE FOR RMG WORKERS

Board likely to finalise draft proposal tomorrow

MONJUR MAHMUD

The Minimum Wage Board is likely to finalise its draft proposal on pay structure for readymade garment (RMG) sector workers tomorrow. The draft was announced on September 12.

All the board members sat yesterday to review more than 400 opinions and objections sent by both factory owners and workers on the draft proposal.

"We will sit again and finalise the draft on October 5. We received many opinions and objections on the draft proposal and reviewed them today," Anwarul Haque, chairman of the six-member board, told The Daily Star yesterday.

The board will again look into the nitty-gritty of the draft and finalise it after making necessary changes, he said.

The board at its 25th meeting on September 12 prepared a three-tier proposal to be implemented in three years with Tk 1,604 as gross minimum salary for the entry level workers in the first year. The draft was also sent to the government.

The proposal was kept in circulation for 14 days for opinions and objections.

Board Chairman Haque, independent member on the board Iqbal Ahmed, and permanent representative of the workers on the board Zaful Hasan signed the proposal. Annisul Huq, representative of Bangladesh Garment

Manufacturers and Exporters Association (BGMEA) on the board, did not agree with the proposal, while Nazma Akhtar, representative of workers on the board, did not sign the proposal, saying it did not match the expectation of the workers.

The board proposed Tk 1,604 as gross minimum wage for entry-level garment workers for the first year up to June 30, 2007. Minimum gross salary would be Tk 1,890 in the second year during July 1, 2007 to June 30, 2008 and it would be Tk 2,117.50 in the third year starting from July 1, 2008, according to the draft proposal. There have been seven grades in the three-tier wage structure.

Following a labour unrest in the

country's premier export-earning garment sector, the government formed the wage board on May 31 and asked it to recommend a pay structure for the workers within three months. The minimum wage for workers in the RMG sector is now Tk 930, which was fixed about 12 years ago.

The government, garment factory owners and workers' leaders at a meeting on June 12 inked a 10-point memorandum of understanding (MoU) after a series of discussions and decided to implement the MoU in phases to address the unrest.

Sri Lanka falls short of FDI target by half

AFP, Colombo

Sri Lanka is set to miss its foreign investment target and attract only about half of its original estimate of a billion dollars, according to official figures.

For the seven months to July, Sri Lanka received 257 million dollars in foreign investment, mainly in the areas of telecommunications, IT, clothing and construction of high rise condominiums.

"Our FDI (foreign direct investment) figures have averaged 250 million dollars but have now gone up to 257 million dollars from January to July," Sri Lankan treasury secretary P. B. Jayasundara told businessmen here late Monday.

"We should end the year at 500 million dollars or slightly more," he said, without saying why the country was missing an original forecast by half.

World networking meet opens in S'pore Oct 30

PTI, New Delhi

Six hundred Indian innovators and entrepreneurs will take part in this year's edition of Global Entropolis Singapore, an event that brings face-to-face people with business ideas and those who can fund them.

The business networking platform will enable participants to pitch, seek, understand and uncover market opportunities, besides showcase their innovations.

Around 15,000 people from more than 40 countries, including the Indian delegation, have confirmed participation in the event starting October 30 in the city-state.

Typically, it would allow technopreneurial startups to meet up with the venture capital community and large global firms, a Global Entropolis release said here.

The four-day event, organised by Singapore Economic Development Board, will have more than 40 conferences and opportunities for delegates and participants to showcase their expertise and products at an international platform, it said.

The event will see a series of seminars and workshops, being addressed by top business from global and Indian Diaspora, the release added.

Share prices on DSE continue falling

STAR BUSINESS REPORT

Share price indices on Dhaka Stock Exchange (DSE) continued to decline sharply yesterday for the second consecutive day.

DSE All Share Price Index went down by 30.12 points or 2.33 per cent to close at 1259.38 points yesterday while the DSE General Index declined by 31.12 points or 2 per cent to close at 1520.75 points.

DSE-20 Index, which comprises blue chips, also dipped by 20.44 points or 1.52 per cent to close at 1318.36 points.

Losers overwhelmed gainers as the bear dominated the market. Of the total 179 issues traded, 134 declined, 28 advanced and 17 remained unchanged. A total of 45,63,907 shares worth Tk 34.40

crore changed hands on the DSE.

Turnover in terms of value, however, increased to Tk 34.40 crore yesterday from Tk 25.21 crore on Sunday, the previous trading day.

Market analysts said during the last couple of days, participation of the key institutional investors in the capital market was very low, which is considered to be a major factor for the continuous downturn.

Besides, they identified the existing tight monetary policy as another key reason behind the slide in share prices. They said the central bank recently mopped up a big chunk of money from the money market through banking instruments.

They also attributed the downturn to the upcoming share offload of Power Grid Company of

Bangladesh (PGCB) as investors are saving money for investing in the PGCB shares.

The PGCB will start share offloading on the country's bourses on October 9. The state-owned power company will join the stock exchanges by releasing 91,08,940 shares with a face value of Tk 100 each to raise around Tk 91.09 crore from the capital market. The company will put 86,53,493 shares on sale for general public/institutions at market price while it will keep 4,55,447 shares to be sold to the directors and employees of the PGCB at the face value.

Gold prices decline

Gold fell nearly one percent on Tuesday as a drop in oil prices on healthy fuel inventories in the United States reduced the metal's appeal as a hedge against inflation, dealers said.

The market ignored news that North Korea would conduct a nuclear test in the future, but safe-haven gold was expected to gain support from dollar weakness and seasonal physical buying in major gold consuming countries.

"The market would be looking to external factors, especially the dollar, oil prices and global tension," said Matthew Turner, analyst at Virtual Metals.

Gold was under pressure because of weaker oil prices and needed to regain \$600 to rise further, he added.

Spot gold slipped as low as \$591.70 an ounce and was quoted at \$592.80/\$593.80 by 0953 GMT, down from \$597.50/\$598.25 late in New York on Monday.

Gold hit a two-week high around \$606 on September 28 on the back of a recovery in oil, before dropping again to track a weaker energy market and a firmer dollar.

Oil eased below \$61 a barrel, extending a 3 percent drop in the previous session as forecasts for a further build in fuel stocks in the United States offset slight cuts in Opec output.



PHOTO: STAR

Geeta Pasi (L), deputy chief of mission of US Embassy in Dhaka, speaks at a discussion on 'The Role of US in Bangladesh Development' organised by Bangladesh Chamber of Industries (BCI) in Dhaka yesterday. BCI President AK Azad is also seen.

Jakarta wants more job-seekers to go overseas

ANN/ THE STRAITS TIMES

Indonesia will encourage more of its unemployed to find work abroad because the domestic economy has been unable to create enough jobs, a top government official says.

Having more people working overseas will also benefit the country because the money they remit home will serve as a source of foreign exchange. At present, remittances total at least 25 trillion rupiah (US\$2.72 billion) a year.

"It is our priority to send as many of our workers abroad as possible because employment opportunities here are limited," said Mardjono, the director in charge of protecting migrant workers, at the Manpower Ministry.

At least 10 per cent of the country's 220 million population are unemployed and many thousands

enter the labour market every year.

Mardjono said that four million Indonesians now work abroad. He estimated that 75 per cent of them are skilled workers holding technical jobs in the industrial and manufacturing sectors, while the rest are domestic maids.

"However, in future, we will send only skilled workers abroad. It will mean more remittances from them as they will be better paid," he said at a panel discussion organised by the Jakarta Foreign Correspondents Club.

He added that the government will set up a special agency this month to protect migrant workers and oversee the labour export programme. Around 350,000 Indonesian workers find employment overseas each year through licensed job agencies.

Dollar steady against major rivals

AFP, London

The dollar stabilised against leading currencies on Tuesday ahead of this week's European rate calls, which may crystallize widening interest rate differentials, analysts said.

The euro dipped to 1.2738 dollars in early European trading from 1.2739 dollars late in New York on Monday.

The dollar stood at 117.55 yen, compared with 117.62 yen late on Monday.

With little on the economic calendar for Tuesday, currencies were trading within narrow ranges.

The ongoing divergence between the US economy and economies elsewhere continues to weigh on the dollar, particularly ahead of interest rate decisions in the eurozone and Britain on Thursday, analysts said.

The European Central Bank was expected to hike borrowing costs on Thursday to 3.25 percent -- despite signs of easing inflationary dangers.

New executive director of BB

Bangladesh Bank (BB) yesterday promoted ATM Nasiruddin as its executive director.

Nasiruddin previously worked as general manager in the Human Resource Department (HRD) of the bank, says a BB press release.

He will oversee Anti Money Laundering Department as well the Central Bank Strengthening Project Cell.

Nasiruddin joined the central bank in 1976 and has been serving in different positions since then.

Cambodia to set up court for trade disputes

AFP, Phnom Penh

Cambodia will next year set up a court to settle trade disputes, a move required under WTO rules that also aims to boost investor confidence in the impoverished country, officials said Tuesday.

Some 30 judges-in-training will be especially schooled in commercial law so they can staff Cambodia's first such court in the capital Phnom Penh starting in late 2007, said senior commerce ministry official Mao Thora.



PHOTO: RAHIMAFROOZ

Niaz Rahim, managing director of Rahimafrooz Superstores Ltd, hands over a token cheque for Tk 100,000 to Ehteshamul Haque, the first prize winner of the Fifth Anniversary Mega Raffle Draw of chain store Agora held at its Maghbazzar outlet in Dhaka recently.

NZ, China on track for FTA

AFP, Wellington

New Zealand and China are on track to secure a free trade deal but there are tough issues to overcome, Trade Negotiations Minister Phil Goff said Tuesday.

Goff met Chinese Commerce Minister Bo Xilai in Auckland Monday to discuss the free trade deal, which is aimed to be completed by April 2008.

"Progress is about what we would have expected to date," Goff told Radio New Zealand.

He said Bo was committed to reaching a conclusion to the negotiations, although he warned the issues to be resolved would get thornier.

"As we get further into the negotiations you get closer to the tough issues and this is the first developed country China has attempted to negotiate a free trade agreement with," Goff said.

"So the nature of this agreement is more comprehensive, more wide-ranging than any other agreement they have sought."

Trade between the two countries is worth 6.18 billion dollars (4.1 billion US) annually.

During a visit to New Zealand in April, Chinese Premier Wen Jiabao said the negotiations had run into problems in agriculture and services but he signalled his determination for the issues to be resolved.

China has been most worried about freeing up agricultural trade

and in particular reducing barriers to New Zealand's dairy exports, while New Zealand is most concerned about the impact on local manufacturers.

New Zealand has been pushing for phased-in tariff reductions to address the concerns of both sides.

The ninth round of negotiations between the two countries is due to get underway in Wellington next week.

Sony knew of faults in PC batteries

ANN/ THE DAILY YOMIURI

Sony Corp learned in December that a Dell Inc notebook computer fitted with one of its batteries had caught fire, but although it checked that type of battery it did not examine batteries in other makers' notebooks and did not check the hardware of Dell PCs, it was learned Monday.

However, because more fires caused by PCs with Sony batteries installed have been reported, Sony has been forced to implement a large-scale recall of its batteries since mid-August.

It is claimed that if Sony had addressed the faults with its batteries earlier, it could have avoided the major recall, indicating the company's management has been lax.

PTI, Pretoria

With the two countries deciding to treble bilateral trade by 2010, Indian Prime Minister Manmohan Singh has asked South African firms to invest in his nation and exploit its pool of scientific talent and skilled work force in the manufacturing and services sectors.

Addressing the India-South Africa CEOs Forum on Monday, he said the two sides could pool the strengths of their economies to jointly explore markets in third countries. Last year, trade between the two countries was worth four billion dollars.

Earlier, a joint declaration issued after talks between Singh and South African President Thabo Mbeki said, "It should be possible to treble bilateral trade by 2010."

Acknowledging that full trade and investment potential between the two countries had not been tapped, the two leaders committed to explore opportunities in priority areas like energy, tourism, health, automobiles, chemicals, IT and infrastructure.

They also agreed to expedite talks on a Preferential Trade Agreement with the five-nation Southern African Customs Union (SACU).

In his address to the CEOs, Singh said, "Corporations from all over the world are establishing themselves in India. They seek to take advantage of the pool of high quality scientific talent and skilled work force in the manufacturing and services sectors."

"South African companies can also exploit these opportunities and advantages. It should be an incentive to them that several Indian subsidiaries of prominent multinational corporations have outperformed their parent companies," he said. Singh said other corporations were planning to expand their operations in India to exploit the enormous opportunities that a market of over a billion consumers offers and to use it as a hub for their activities in South Asia.

With the South Asian Free Trade Agreement in place and India-ASEAN Free Trade Agreement under negotiation, the potential was unlimited. "I would not like South African companies to miss the bus," he said.

Singh told the CEOs that he and President Mbeki had set for them the task of tripling trade turnover and investment by 2010. With the growth paths on which the two economies were set, this should be feasible, he said. "You must put your weight behind it and be willing to explore hitherto uncharted territories."

Businessmen from India and South Africa, he said, should feel more at home in each other's countries. "English is widely spoken in both countries and we share the values of democracy and pluralism. The presence of a large number of people of Indian origin in South Africa should also help cement our business relationship."

Generic drug prices may fall 92pc in Indian market

PALLAB BHATTACHARYA, New Delhi

Prices of nearly 1,000 generic drugs in Indian market are set to fall sharply with the domestic pharmaceutical industry agreeing to government-suggested cap trade margins from today.

The pharmaceutical companies have submitted to the government a list of these drugs saying they would voluntarily limit wholesale margins at 15 percent and retain margins at 35 percent for drug manufactured after today.

Chemicals and Fertilizer Minister Ram Vilas Paswan said here on Monday that prices of several branded and non-branded generic drugs are set to crash by 92 percent with the pharmaceutical industry agreeing to cap trade margins.

While competition and deregulation have led to cut in prices in various sectors, prices of drugs have either gone up or remained static instead of coming down, he said.

The trade margins of generic and other drugs are not laid down at present and in some cases, the price of generic version is almost as high as the patented and branded drug itself.

The generic drug market is estimated to form five to seven percent of the total market for medicines in India and its value placed at Rs 1,500 crore.