Star BUSINESS

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Baira still charges job seekers extra service fees

Allege workers migrating to Malaysia

PORIMOL PALMA

Country's prime trade body of overseas employment agents still goes ahead with its malpractice of realising extra charges from overseas job seekers, especially from the workers intending to go to Malaysia, as the government turns a deaf ear to specific allegations against the trade body.

The Bangladesh Association of International Recruiting Agencies (Baira) is taking much more money than the amount payable as service charge the government has fixed and the Malaysia-bound workers are to bear the brunt of the burden being shifted on them, alleged a number of workers who came to the Baira office in the capital to give biometric features (fingerprints) recently.

"I had to pay a sum of Tk 1.60 lakh to 2 lakh for going to Malaysia whereas the government-fixed rate is only Tk 84,000," a worker told The Daily Star.

Meanwhile, the migration process to the South Asian country has reached a snail's pace as only around 8,000 workers had flew to Malaysia until January 4 against the demand for around 40,000 jobs placed in letters sent by the Malaysian employers. The process of migration began in August 2006.

In such a reality, the manpower businesses sought immediate government intervention in the interest of keeping the business in order and sustaining the friendly ties with the South Asian country.

On receipt of allegations that a considerable number of recruitment agencies are in a malpractice to charge the job seekers an amount beyond the fee fixed as service charge for long without giving any receipt to the beneficiaries, the immediate past government served the Baira a show cause notice on October 22, 2006 asking it for showing reason why its executive committee should not be suspended and an administrator be appointed.

The notice served by the Ministry of Commerce said it has intelligence reports of extortion by the recruiting agents, which set up an office in Kualala Lumpur illegally and created complications in the process of migration to Malaysia.

The Baira in a reaction to the notice wrote a letter to the ministry denying the allegations and asking it for providing documents in support of them.

The Baira letter signed by its secretary Ali Haider Chowdhury on October 29 also requested the ministry to accept the letter as an interim response to the show cause notice and withdraw it. The association also sought a hearing for detail discussion on the matter.

Accordingly, the commerce ministry conveyed the Baira in a letter on November 1 about fixing November 8 for hearing on appointment of an administrator and suspension of the Baira executive body.

But the Baira is learnt to have filed a writ challenging the show cause notice without waiting for such a hearing by the ministry. A High Court Division bench heard the petition on November 6.

The High Court in its certified copy on November 22 declared that no rule was required and stayed operation of the November 8 hearing giving a directive to the ministry to provide documents required by the Baira.

"However, after supply of all those papers, the respondent (commerce ministry) is at liberty to proceed in accordance with law. With these observations, the application is disposed of," the court said.

In response to the court order, the commerce ministry provided the Baira with documents in support of its allegations on November 30, but it is yet to proceed in accordance with law.

Commerce Secretary Firoze Ahmed told The Daily Star that they are examining the legal procedures and will soon go for action in this regard.

"Is it only the responsibility of the commerce ministry to bring solution to the issue," he poised a question.

Meanwhile, former lawmaker of BNP and Baira President MAH Salim, who has been alleged of syndication and extortion following Malaysia's opening its labour market for Bangladesh last year, has now changed his techniques of extortion, alleged some agents.

They alleged that Salim's men in the Malaysian office are now demanding Tk 30,000 or more as extra money from the job seekers instead of facing them in any office in Bangladesh. The recruiting agents, who are closed to Salim and can realise extra money from the workers, are now allowed to do business, they noted.

The aspirant migrant workers also do not have any way out to escape such an ill cycle, as they are unemployed at home and desperate to go to Malaysia for any job even after borrowing money and selling land, the dissident agents said further.

When contacted, MAH Salim said Baira is not responsible to control the malpractice, if any. This responsibility lies with the government, he remarked. He vehemently denied the allegation of his men's taking extra money from the job seekers.

India may lift ban on sugar exports

ANN/THE STATESMAN

Indian government is likely to discuss next week, completely lifting the ban on sugar exports in view of the projected surplus stocks which could impact the sweetener's prices.

"The issue will be taken up in the next Cabinet meeting," agriculture and food minister, Mr Sharad Pawar told reporters here on the sidelines of a conference on bio-diesel.

With the country poised to emerge as the world's largest sugar producer, the government is considering disposal of surplus in ways to make farmers and exporters happy.

India has produced 275 lakh tons of sugar and the requirements are between 185 lakh and 190 lakh tons. The present scenario may facilitate to make the country the largest producer of sugar in the world, according to the agriculture minister.

Hence, the government is looking at ways to utilise or dispose the surplus, he said. The government is considering 2-3 alternatives to dispose the sugar stock so that farmers are not discouraged, as prices fall in a situation when there is more production than demand, he said.

"We are planning to make export competitive in the international market as well as planning a buffer stock for the commodity," he said at the inaugural of Bioenergy-Tech 2007 organised by Biodiesel Association of India here.

India to abolish textile tax on RMG

PALLAB BHATTACHARYA, *New Delhi*

Seeking to boost the garment sector and exports, India has decided to abolish the textile cess on readymade garments (RMG), thus fulfilling a long-standing demand of the industry.

The decision, taken at a meeting of the cabinet presided over by Prime Minister Manmohan Singh here on Thursday, would bring relief to RMG sector and help it improve competitiveness in global markets, Information and Broadcasting Minister Priyaranjan Dasmunsi told reporters.

The tax, which comes to 0.05 percent of the production value of the textile industry, is levied on entire textile industry and textile machinery. The tax, otherwise known as cess, is used to fund the activities of Textile Committee, which was set up by an act of Parliament to ensure quality of textile and textile machinery.

The cess contributed Rs53 crore to the government exchequer in 2005-06 financial year and readymade garments accounted for half of it. The collection is expected to be Rs60 crore in the current fiscal, which ends on March 31 this year.

The RMG sector has been demanding removal of the cess, saying it has outlived its utility and the collection was far in excess of what is required to sustain the committee's activities.

The industry had suggested that the Textile Committee should charge fee for its services rather than levying a cess on textile industry. The committee is already generating its own revenue through consultancy fee and service charges.

The Confederation of Indian Industry (CII) welcomed the decision of abolishing the cess. "We will have to start our campaign afresh to get the entire textile industry out of the purview of the cess", CII General Secretary DK Nair said.

PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Md Mobarak Hossain, chairman of Saleha Wires Ltd, a local company that manufactures copper and aluminium conductors and wire and cable, exchange documents after signing an agreement recently. Under the deal, the company will invest $2.5 million to expand the production space at its plant in Adamjee Export Processing Zone.

Kohinoor Chemical approves 16pc cash dividend

Kohinoor Chemical Company (Bd) Ltd has approved a 16 percent cash dividend for its shareholders for the year 2005-2006.

The dividend was approved at the 19th annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

Chairman of the company M Obaidul Karim presided over the AGM, which was also attended by Managing Director Rezaul Karim and other senior officials.

PHOTO: KOHINOOR CHEMICAL

The 19th annual general meeting (AGM) of Kohinoor Chemical Company (Bd) Ltd was held recently in Dhaka. Chairman of the company M Obaidul Karim presided over the AGM, which approved a 16 percent cash dividend for the year 2005-06.

Sristy Hometex to take part in German fair

Sristy Hometex Ltd (SHL), a local home textile and home interior products manufacturer and exporter, is going to participate in an international home textile fair to be held in Frankfurt, Germany from January 10-13.

SHL Managing Director G Saha will represent the company at the show styled 'Heimtextil 2007', says a press release.

The Heimtextil has been the biggest international trade fair for home and contract textiles for decades and serves as a platform for manufacturers, the trade and designers from across the world.

This year, 2,810 exhibitors from 73 countries will showcase their products for around one lakh international trade visitors in the halls of Frankfurt Fair and Exhibition Centre, the release added.

Philippine's forex reserves hit all time high

XINHUA, *Manila*

The Philippine's foreign exchange reserves hit an all-time high of 23 billion US dollars at the end of 2006, a local newspaper quoted the country's central bank as saying Saturday.

The figure was up by 4.5 billion US dollars or 24 per cent from that of 2005, the Philippine Daily Inquirer said, based on a report of the central bank.

The rise of foreign reserves was partly attributed to growing dollar inflows from overseas Filipino workers, the report said.

The country's strong foreign reserve buildup was also supported by the government's foreign borrowings, foreign direct investments and the strong influx of portfolio investments, the central bank added.

Along with the surge of foreign exchange reserves, the Philippine peso appreciated and gained about 7.6 per cent in 2006 to close at 49.03 to the US dollar from 53.09 at the end of 2005.

Myanmar to set up 6 free trade zones

XINHUA, *Yangon*

Myanmar will designate six main commercial cities as free trade zones under a new special economic zone law to be enacted in the near future, the local weekly Myanmar Times quoted the Forestry Ministry sources as reporting Friday.

The six free trade zones will be Thilawa Port in Yangon, Mawlamyine in Mon state, Myawaddy and Hpa-an in Kayin state, Kyaukphyu in Rakhine state and Pyin Oo Lwin in Mandaly division, the sources disclosed.

Foreign investors making direct investment in the free trade zones will be categorically exempted from taxation ranging from a minimum of one year to a maximum of eight years, it said, adding that five prospective sectors, outlined by the government, are production; high-tech; agriculture, livestock breeding and forestry; transport and communications; and banking services.

Specifically, income derived from such investment in the production and communication sectors for the first five years will be totally exempted from taxation, while that in the sector of high-tech for the first eight years, in the sector of agriculture, livestock breeding and forestry for the first two years, and in the sector of banking services for the first one year will also be so handled, the sources said.

Once the new special economic zone law is promulgated, it is expected that 200,000 job opportunities will be created, it also predicted.

According to the sources, some Malaysian companies are proposing to establish wood-based industrial zone in Myanmar when the law comes out.

The new special economic zone law has reportedly been completely drafted for enactment, aiming to absorb inflow of more foreign investment into the country to promote its economic development.

According to the latest official statistics, contracted foreign investment in Myanmar has reached 13.917 billion US dollars and 402 projects since the country opened to such investment in late 1988.

China to further boost unions in foreign companies

AFP, *Beijing*

China's state-controlled trade union plans to organize labor in at least 70 percent of all foreign-invested enterprises by the end of 2007, state media reported Friday.

The target compares with a current 60 percent unionization rate at foreign enterprises, and is inspired by recent advances, such as the organization of labor at union-shy US retail giant Wal-Mart, the China Daily said.

"China's Law of Trade Unions gives workers the right to set up or join trade unions," said Wang Ying, an official with the All-China Federation of Trade Unions, according to the paper.

"Foreign enterprises must abide by China's laws if they do business in China."

Organization of labor has proceeded at a brisk pace in China's foreign-invested enterprises in recent years.

In late 2004, only 33 percent of all foreign companies in China had unions, according to the All-China Federation. No figures were available for 2005.

The drive to establish more unions in the vast foreign-invested sector was highlighted in the middle of last year, when workers set up unions in rapid succession at Wal-Mart outlets across the nation.

This attracted attention far beyond China's borders because it was the first time the US retailer had allowed unions anywhere in the world.

Observers have pointed out the All-China Federation has a direct interest in setting up as many branches as possible, since it is entitled to a fee of two percent of the total payroll from any company that has allowed unions.

Labor scholars have long blasted China's official trade union for not really representing the workers' interests against management.

Rather, they say, it acts as a transmission belt for government orders to the labor force, and also serves as an early-warning system in case of discontent among workers.

China's trade union law outlaws workers from forming independent unions or organizing collective bargaining activities outside the party's All China Confederation, which is controlled by the ruling Communist Party.

Lanka earns $421m from gem, jewellery exports in '06

XINHUA, *Colombo*

Sri Lanka earned nearly 45 billion rupees, (421 million US dollars) from gem and jewelry exports in 2006, up 23 per cent from 36.6 billion rupees (342 million dollars) in 2005, the official Daily News reported Friday.

The newspaper quoted National Gem and Jewelry Authority Chairman Hasitha Tillekeratne as saying that total gem exports were 9.85 billion rupees (92 million dollars) in 2006, up 23 per cent from that of 2005.

Meanwhile, gem re-exports had a 46 percent growth by contributing 645 million rupees (6.03 million dollars) to the total earnings.

Diamond re-exports contributed 31.7 billion rupees (296 million dollars) in 2006, comparing with 26.2 billion rupees (245 million dollars) recorded in 2005. Gem studded jewelry showed 34 percent growth by contributing 1.75 billion rupees (16.4 million dollars) last year.

Diamond jewelry exports recorded 217.7 million rupees (6.7 million dollars) showing a 64 percent growth compared with 2005.

The United States, Thailand, Switzerland, China's Hong Kong Special Administrative Region and Japan have been in the forefront as importing markets, Tillekeratne said.

Japan's instant noodle inventor dies

AFP, *Tokyo*

Japan on Saturday bade farewell to Momofuku Ando, known as the inventor of instant noodles that have become a global household product, after he died aged 96.

Ando died of acute heart failure on Friday, said Nissin Food Products Co, the company he founded in 1948 in the aftermath of World War II and built into a multi-billion dollar empire.

Japanese newspapers published lengthy obituaries of the businessman on Saturday with the influential Asahi Shimbun praising him for bringing "instant noodles to the world and into space."

The mass-circulation Yomiuri Shimbun said Ando started from scratch in developing an instant noodle which has "grown with the age of mass consumption" and added "a new chapter in the history of the world's food culture".

Born in 1910 in Taiwan under Japanese occupation, Ando initially owned clothing companies in the cities of Taipei and Osaka while he was a student at Ritsumeikan University in Kyoto.

Seize opportunity for Doha deal

EU urges US

REUTERS, *Brussels*

The European Union urged President Bush and the new Democrat-dominated Congress on Friday to show leadership in reviving the Doha trade round, saying there were now the makings of a deal.

This required a "genuine and serious" offer on reducing U.S. farm subsidies and developing states also needed to bring something to the table, an EU spokesman said before a visit by EU President Jose Manuel Barroso and Trade Commissioner Peter Mandelson to Washington for talks with Bush next week.

"Our pitch to him will be that this is a very important moment that should be grasped," Mandelson's spokesman Peter Power told a regular news briefing. "Real leadership should be shown ... there are the makings of a deal on the table."

Power said that while there had been protectionist rhetoric during U.S. elections in November, the Democrats now dominating the U.S. Congress were "by and large multilateralists."

"The Democrats have an opportunity to show leadership," he added.

Angela Merkel, chancellor of current EU president Germany, said after talks with Bush on Thursday that a "window of opportunity" for reaching a world trade agreement was closing fast.

The five-year-old Doha talks over global trade subsidies and barriers were halted in July after major powers locked horns over politically sensitive issues, especially calls to dismantle agricultural protection.

PROPOSED SALE OF 26PC STAKE

BSE shortlists 5 foreign exchanges

REUTERS, *Mumbai*

The Bombay Stock Exchange Ltd (BSE) has shortlisted London, Nasdaq, Deutsche Borse, New York and Singapore stock exchanges for the proposed sale of a 26 percent stake, the Business Standard newspaper reported on Saturday.

The newspaper, quoting sources, said that at its board meeting on Friday the exchange also decided to privately place some equity with domestic institutions, and banks, which do not have their own broking outfits.

When contacted, BSE Managing Director and Chief Executive Officer Rajnikant Patel declined comment.

"There has been speculation on this ever since the plan for a stake sale was first mooted. It would not be right for me to make any comments at this point," he told Reuters.

The paper said that the exchange would be offering the stake to a maximum of three strategic investors.

Last month the Reserve Bank of India had said that foreign investment of up to 49 percent would be allowed in stock exchanges, depositories and clearing corporations. This would include a foreign direct investment of 26 percent and 23 percent sold to foreign institutional investors.

Markets regulator Securities and Exchange Board of India had said in November last year "that no person shall, directly or indirectly, acquire or hold more than five per cent in the paid up equity capital of a recognized stock exchange."

PHOTO: BRAC BANK

Multimode Transport Consultants Ltd, distributor of Malaysian Proton brand cars in Bangladesh, recently signed a car loan agreement with Brac Bank Ltd. Under the deal, customers will get loan from the bank to buy Proton cars. Imran Rahman, managing director and CEO of the bank, and Tafsir M Awal, managing director of Multimode Transport, signed the deal.