

Star BUSINESS

E-mail: business@thedadlystar.net

Cambodia's RMG makers worried over Vietnam's WTO entry

AFP, Phnom Penh

Cambodian garment manufacturers are seeing red over Vietnam's WTO entry last week, which they say threatens to undermine this country's crucial textile sector.

"When it comes to buyers, it still comes down to price," said Ken Loo, secretary general of the Garment Manufacturers Association of Cambodia.

"With Vietnam - the overall costs will be lower than Cambodia," he added. "Obviously, Vietnam's accession to the WTO grants them equal access to the markets. It poses a huge threat to Cambodia."

Labour-intensive industries like the garment sector are expected to benefit first in Vietnam, known for its industrious, low-wage workforce, experts say.

Loo said in a recent interview that better infrastructure and significantly lower production costs will

also give Vietnam an advantage over Cambodia, which relies on more than 80 percent of its export earnings.

Cambodia's labour-friendly image allowed it to weather the end of a global quota system that insulated it from competitors, and some experts say this is enough for the country to continue attracting buyers.

One business analyst who did not want to be named pointed out "Cambodia's good and widely acknowledged record on complying with labor standards - which means that big international buyers don't have to worry about consumers boycotting them over sweat shops."

While Sok Hach of the Economic Institute of Cambodia, a local think tank, said, "The impact will be limited," adding that comparatively low wages and productivity similar to Vietnam would help

counter any moves by Cambodia's neighbour into the market.

But when asked if Cambodia actually has anything different from Vietnam to offer buyers, Loo said: "Nothing much really, which is why we are so worried."

"Vietnam is our direct competitor and we are fighting for the same portion of the pie," he said.

Loo dismissed any comparative advantage Cambodia might have over its competitors on labour practices as "(labour) compliance people talking to other compliance people."

Cambodia's garment sector continues to expand - exports in 2005 totalled almost 2.2-billion dollars and the industry boasts nearly 300 factories employing over 280,000 people.

But the industry is going to have to reorganise with Vietnam's entry into the market, said Tuomo Poutiainen, chief technical advisor

with the International Labour Organisation's (ILO) Better Factories Cambodia program, which monitors industry labour practices.

Vietnam's WTO accession "will undoubtedly increase the competition," he told AFP.

"In order for (the) Cambodian garment industry to be able to compete it must increase productivity, quality and lead times while retaining its reputation as having high labour standards," he added.



PHOTO: HSBC

HSBC Bangladesh Chief Executive Officer Steve Banner and Radisson Hotel Bangladesh General Manager Ian Barrow pose for photographs in front of the bank's recently opened 19th ATM (automated teller machine) booth on the hotel premises in Dhaka recently.

China's policy banks set to be commercialised

ANN/ CHINA DAILY

China Development Bank (CDB), one of China's three policy banks, will take the lead in commencing commercial operations, according to the Third National Financial Work Conference which closed on Saturday.

This is the first time China has officially announced the reform of policy banks, which also include the Export-Import Bank of China and the Agricultural Development Bank of China.

CDB's commercial operation will focus on middle and long-term business, said Chinese Premier Wen Jiabao at the meeting.

Public bidding will be introduced into the financial business previously commissioned by the government to policy banks.

The reform measures for the three policy banks will be made in line with the particular conditions of the three policy banks.

China will also promote reform of other commercial banks and financial asset management companies when the time is right, said Premier Wen Jiabao.

The decision was considered a

further step in China's financial reform after the Industrial and Commercial Bank of China, the Bank of China, the China Construction Bank and the Bank of Communications have listed on the securities market.

The meeting also mapped out the shareholding reform of the Agricultural Bank of China.

The launching of reform on policy banks conforms to the spirits of the first and the second national financial work conference held in 1997 and in 2002 respectively, that is to strengthen the competitiveness of China's banking sector,

said Lin Yifu, a renowned economist from Peking University's China Center for Economic Research.

China established the three policy banks in 1994 to separate the business of policy loan from the four State-owned commercial banks as a move to step up their reform.

The three policy banks have played important roles in promoting important constructive projects as well as foreign trade and rural development.



SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 21/1/2007

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J1	Tug Solid-1	Ball Clay	Kuch	DNS	5/1	24/1	-
J3+2	Hawk-1	Wheat(P)	Ukra	USL	5/1	23/1	2750
J6	An Tao Jing	Gi	Para	Cosco	18/1	-	-
J7	Coastal Express-1	Cont	Kol	BSCA	15/1	21/1	182
J8	QC Wisdom	Cont	Ptp	QCSL	8/1	22/1	137
J9	Markovo	Urea	Long	PSL	18/1	21/1	1031
J10	OEL Freedom	Cont	Sing	PSSL	10/1	21/1	-
J12	Xpress Resolve	Cont	P. Kel	Seacon	6/1	21/1	-
J13	Xpress Manaslu	Cont	Sing	Seacon	12/1	23/1	452
CCT/1	Phu Tan	Cont	Sing	PSSL	7/1	23/1	499
CCT/2	Ja Vista	Cont	P. Kel	Vega	7/1	21/1	-
CCT/3	OEL Enterprise	Cont	Col	PSSL	8/1	21/1	-

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Khaleda	23/1	Anna	Litmond	R. Phos	--
Asraar-E-Mostafa	21/1	Krabi	Move	Gypsum	--
Zorina	21/1	Kohsi	SSA	C. Clink	--
Kota Rukun	21/1	Sing	Pil(Bd)	Cont	Sing
Kota Tampan	21/1	Sing	Pil(Bd)	Cont	Sing
Kota Rakayet	21/1	Sing	Pil(Bd)	Cont	Sing
Banga Lankha	24/1	Sing	Bdship	Cont	Sing
Banga Bijoy	23/1	Col	Bardhi	Cont	Cbo
Banga Borat	22/1	Sing	Bdship	Cont	Sing
Calmy Coral(Liner)	23/1	Yang	Everett	Gl(St.C)	--
Bangler Gourab	22/1	Cochi	BSC	--	--
Eid-E-Mostafa	22/1	Ind	Cla	Boda Ash + Salt(Bag)	--
Dawellaksmi	23/1	Suravia	Lufful	Bg Pass.Carr	--
Hpaan	23/1	Yang	MTA	Gl(Y.Ma)	--
Mir Damad	23/1	Chenn	BSCA	Cont	L/Viza
Dali	23/1	Col	Seacon	Cont	Col

Tanker due

Southern orchis	22/1	Viza	Jardine	L. Oil(DOJ/7)	-
-----------------	------	------	---------	---------------	---

Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
-----------------	-------	----------------	-------------	-----------------

Outside port limit

WiraKeris	--	--	Ibsa	R/A(4/1)
Pacific Champion	Pro. Equip	--	Ibsa	R/A(12/1)
SeaDrill-6	Pro. Equip	--	Ibsa	8/1
Gulf Dril-9	Pro. Equip	--	Ibsa	3/1
Pacific Steel	--	--	Ibsa	R/A(20/1)

Vessels at outer anchorage

Vessels ready

Joso View	Cont	Sing	RSL	7/1
Zhe Hai-315	Cont	Sing	Vega	10/1
Yong Yue-8	Cont	Sing	Seacon	13/1
QC Teal	Cont	Col	QCSL	14/1
Banga Bonik	Cont	Col	Bardhi	15/1
Kota Petani	Cont	Sing	Pil(Bd)	15/1

The above are the shipping position and performance of vessels at Chittagong Port as per berthing sheet of CPA supplied by Family, Dhaka.

STOCK