

# Star BUSINESS

E-mail: [business@thedailystar.net](mailto:business@thedailystar.net)

## NEW US APPROACH TO LABOUR RIGHTS

# Buyers press for RMG compliance issue

JASIM UDDIN KHAN

Being much worried about Bangladesh labour compliance issues, the US apparel buyers are now putting pressure on the readymade garment (RMG) makers here to maintain highest level of compliance in the sector, said industry insiders.

They said the buyers are more concerned about the issue and have already asked the Bangladesh government to monitor such a situation at the RMG units as the new Democrats-dominant Congress has given a priority on it.

According to the sources in the foreign ministry, the ministry has received recently complaints from some US major apparel buyers that

a considerable number of RMG units have been found defying the compliance rules.

Rajan Kamalanathan, vice president, and Sarah Thorn, director, Federal Government Relation International Trade of Wal-Mart Inc. paid a visit to the Bangladesh Embassy in Washington DC and lodged complaints of lapses in the compliance issue.

The two officials talked to Commercial Councillor Kazi Md. Shamsul Alam and said most of the RMG workers' birth registration and payment system are not authentic.

Raising objections against the accounts structure in the apparel industries, they said the RMG makers in most of the cases show fake accounts of staff payment.

They also expressed concern over working atmosphere and duty hours in the industries.

Besides, two other high officials from the American Apparel and Footwear Association (AAFA) met the official at the Bangladesh embassy and said that they are concerned at loopholes of the compliance issue. These two AAFA officials are Stephen Lamar, executive vice president, and Nate Herma, director of International Trade.

They informed the Bangladesh commercial councillor that Democrats of the House of Representatives made it clear recently that they are serious about a new approach to trade policy that favours popular labour rights and environment protection issues.

Annisul Huq, former president of Bangladesh Garments Manufacturers and Exporters Association (BGMEA), said Bangladeshi RMG makers are also aware of the issue.

"Almost all the garment manufacturers maintain superb labour standards at their units," he claimed, adding that any strict labour policy might not hamper RMG exports to the US market.

SM Fazlul Hoque, president, BGMEA, said the association continues to work for convincing all the RMG units to become fully compliant.

He hoped that the new US attitude would not be any problem for Bangladesh.

## Internet shaking up US media industry

AFP, New York

The Internet is causing something of an earthquake in the US media industry, which last year reported a nearly twofold increase in job cuts as more people turn to the Web as their main source for news.

Challenger, Gray and Christmas, a New York-based global outplacement firm that tracks job cuts, said 17,809 media jobs were eliminated in 2006, an 88 percent increase over 2005, when 9,453 job cuts were announced.

The downsizing is expected to continue, the company said, pointing to more than 2,000 job cuts announced by media companies in the first half of January.

"These (media) organizations will continue to make adjustments as their focus shifts from print to electronic," said John Challenger, chief executive of Challenger, Gray and Christmas.

"Until they can figure out a way to make as much money from their online services as they are losing from the print side, it is going to be an uphill battle," he added.

Challenger said news organizations today have no choice but to build a strong online presence or risk "fading into oblivion," and they must compete with an exploding number of bloggers, industry sites and others vying for people's attention.

According to a recent study by the Washington-based Pew Research Center, 50 million Americans turn to the Internet every day to seek out news. Only 17 percent say they get their news from a national paper.

## Iran, India, Pakistan agree on gas pricing

AFP, Tehran

Officials from Iran, India and Pakistan have agreed on a pricing formula for the export of Iranian gas to meet India's burgeoning energy demands, an Iranian oil official said Friday.

"After years of efforts we could reach an understanding in terms of a pricing formula," Hojatollah Ghanimi-fard, director of international affairs at the National Iranian Oil Company told state radio.

"The three sides will take this proposal, this agreement to their (governments) and we hope to take the next steps after they give their opinions," Ghanimi-fard said after three days of negotiations with Indian and Pakistani officials in Tehran.

"The three sides have one month to respond," he added, without elaborating on the terms of the accord.

He hoped the three countries can "take all other measures" by the end of June in the next round of discussions.

Talks on the proposed multi-billion-dollar pipeline -- to supply Iranian gas to India through a 2,600-kilometre (1,600-mile) pipeline via Pakistan -- began in 1994.

The talks stalled due to tensions between South Asian rivals India and Pakistan but were re-started following the launch of a slow-moving peace process in February 2004 on eight contentious issues including the divided Himalayan region of Kashmir.

The discussions then ran into another obstacle, with Tehran saying New Delhi and Islamabad were unwilling to pay the asking price.

## KSA may issue 1.2m job visas for new projects

PTI, Dubai

Saudi Arabia needs to issue at least 1.2 million recruitment visas to meet the requirements of contractors to carry out government projects.

Abdullah Hamad Al-Ammar, chairman of the National Committee for Contractors, estimates the total value of new projects including those of Saudi Basic Industries Corp and Saudi Aramco in billions of American dollars.

"To implement these projects we need at least 1.2 million additional visas to recruit engineers, skilled labour and ordinary workers," he told Al-Watan daily Thursday.

Al-Ammar praised the recent decisions of the labour ministry to reduce Saudization rate for government contractors from 10 percent to five percent and increase the validity of labour visas from one to two years.

"This will solve at least 60 percent of the problems faced by contractors," he said.

## WEEKLY ROUNDUP

# DSE turnover hit Tk 608.2cr as bullish trend persisted

## Retail investors advised to be cautious

SARWAR A CHOWDHURY

Bullish trend persisted on the Dhaka Stock Exchange (DSE) for the second consecutive week and the benchmark DSE General Index rose by 77.81 points, or 4.54 percent, week on week basis to close at 1791.34 points level during the week ending Thursday.

Besides, the DSE All Share Price Index, which includes all shares on the premier bourse, went up by 70.61 points, 5.08 percent, closing at 1549.26 points on the last trading day.

Amid a continued rally of share prices, the turnover also rose. The total turnover on the DSE was Tk 608.20 crore last week against the previous week's Tk 438.57 crore, increasing by 38.68 percent.

Average daily turnover of the week was Tk 121.64 crore compared to Tk 87.71 crore during the previous week, a 38.68 percent up. The DSE witnessed a highest single day turnover on Wednesday with Tk 140.93 crore.

Market analysts said the recent political developments as well as improvement of law and order situation, glut of liquidity and a healthy operating profit by the banks in the last year contributed to the surge in turnover and indices.

"All the factors prompted the investors including retail, institutional and foreign to invest in the stock exchange," said an expert.

Apart from the factors, an inter-category financial adjustment facili-

ties allowed by the Securities and Exchange Commission (SEC) is also playing a vital role in raising the daily turnover, said a DSE official.

Under the facility, any investor can buy any securities under A, B, G and N categories against sale proceeds of any securities under those categories on the same trading day. Earlier, the facility was applicable only for A category shares.

Commenting on recent market trend, Professor Abu Ahmed of Dhaka University on Thursday said although the market is behaving normally till now, the retail investors should invest carefully.

"They should analyse the fundamentals, such as past and present price, previous dividend records and price earning ratio of a share before putting money on that chip," he suggested.

He also said the present upward trend creates a demand for good securities in the market. "The government should immediately implement the decision of offloading its stakes on different enterprises. Besides, the big companies, which are yet to issue shares in the stock exchange, should also offer a portion of shares to the public," he observed.

"With the existing issues, it may not be possible to continue the present rising trend for a long time," he added.

On the DSE last week, the total transactions increased by 39.48

percent. A total of 125,256,091 shares of 262 issues were traded on prime bourse last week while 89,799,367 shares changed hands the previous week. Of the issues traded, 187 advanced, 45 declined and 10 remain unchanged.

The top ten turnover leaders of the week were Power Grid Company of Bangladesh (PGCB), Dhaka Electric Supply Company, Southeast Bank, Jamuna Bank, Summit Power, Grameen Mutual Fund One, AIMS First Mutual Fund, EXIM Bank, Square Textile and Prime Bank.

The PGCB, the state-owned power company, topped the list of turnover leaders with 2,453,150 shares worth Tk 79.07 crore, accounting for 13 percent of the total market turnover.

On the Chittagong Stock Exchange (CSE), a total of 29,170,994 shares of 142 issues worth Tk 124.88 crore were traded last week. Of the issues traded, 90 advanced, 43 declined and nine remain unchanged.

At the end of the week, the CSE All Share Price Index went up by 3.24 percent to close at 4114.97 points while the CSE Selective Categories Index increased by 2.11 percent finishing at 2700.60 points.

The top ten turnover leaders of the week were PGCB, Southeast Bank, Rupali Bank, Bextex, Lafarge Surma Cement, Jamuna Bank, Beximco Pharma, Square Textiles, EXIM Bank and Grameen Mutual Fund One.

## BenQ-Siemens' Tk1 lakh offer

Siemens Bangladesh Ltd, as part of its promotion campaign, is offering attractive cash prizes and shopping vouchers to selected buyers of BenQ-Siemens' new music phone E61, says a press release.

The campaign will start from today at Bashundhara Shopping Complex in Dhaka. With every purchase of the new cellphone, customers will be provided with a secret code, which they need to send to 3333 from any number by 11:45pm the same night to win Tk 50,000 shopping voucher as well as another Tk 50,000 in cash.

Besides, there are few more attractive features of the campaign, including game show, charity etc.

A total of 30 winners will be given away the prizes worth Tk 30 lakh, the release adds.

## WB welcomes Indonesian move not to rely on donors

AFP, Jakarta

The World Bank has welcomed Indonesia's decision not to rely on its main group of Western donors, saying the country had built a strong economy.

President Susilo Bambang Yudhoyono said earlier this week he would wind up the Consultative Group on Indonesia, a group of the country's main donors.

"We welcome President Yudhoyono's announcement ... that Indonesia would no longer rely on the CGI framework.

"Indonesia has skillfully built a strong economy, and is no longer dependent on donor funding," World Bank country director for Indonesia Andrew Steer said in a statement late Thursday.

Indonesia has for the past two years chaired the CGI whose major donors are the World Bank, the Asian Development Bank and Japan.

At the annual CGI forum, the government usually presented its development plan to be discussed and sometimes criticised.

## Over 1b mobile phones sold globally in '06

XINHUA, Paris

More than one billion mobile phone handsets were sold around the world in 2006, an increase of 25 percent on sales recorded a year earlier, according to a study published Thursday in Paris by research company Strategic Analytics.

The Finnish manufacturer Nokia maintained its leading position with a 34.1 percent market share compared to 32.4 in 2005.

The second position is held by the American company Motorola which also improved its performance with 21.3 percent market share in 2006 compared to 17.9 percent in 2005.

These two companies sold 347.5 million and 217.4 million handsets respectively in 2006.

The study forecasts a growth of 12 percent in sales for 2007 thus establishing a new record of 1.14 billion units in mobile handsets sales.



PHOTO: BANK ASIA

M Syeduzzaman, chairman of Bank Asia Ltd, Md Shafiuddin Chowdhury, Jahir Uddin and Faisal Samad, directors, Arifur Rahman Sinha, vice chairman, and Syed Anisul Huq, president and managing director, are seen at the Annual Conference 2007 of the bank held yesterday in Dhaka. The bank's business plan for 2007 was reviewed at the conference where all branch managers were advised to look for continuous improvement of their services, and gradually increase lending in retail banking, the SME sector, and introduce innovative products by leveraging on the strong IT platform of the bank.

# Doha breakthrough within a month: Mandelson

AFP, London

A "breakthrough" on the deadlocked Doha Round of global trade talks could come within a month, EU Trade Commissioner Peter Mandelson said in an interview with the Financial Times published on Friday.

Speaking from the World Economic Forum in Davos, Switzerland, Mandelson told the business daily: "I believe we can get a breakthrough on the big numbers in agriculture and industrial goods in the next month or so."

"The agricultural consultations between the EU and the US are through the worst ... We are approaching the endgame in that regard."

Mandelson said, however, that the onus was on the United States to increase its offer for cuts in farm subsidies, adding that the outstanding issue in agricultural negotiations was between the US and developing countries.

The Doha Round of negotiations on cutting subsidies, tariffs



and other barriers to agricultural, industrial and services trade was launched in the Qatari capital Doha in 2001.

It has repeatedly been torn apart by disputes between rich and poor nations, as well as between the world's top trading powers, the European Union and the United States, over what concessions they each need to make.

Ministers from about 30 key trading nations are due to meet

WTO Director General Pascal Lamy in Davos on Saturday to discuss whether to reopen the talks.

Lamy suspended the five-year old negotiations between the WTO's then 149 members on reducing barriers to trade in agriculture, industrial goods and services last July because of the deadlock.

Mandelson's upbeat comments contrasted those from US Trade Representative Susan Schwab, who played down hopes of a breakthrough, but said progress was being made.

The most senior US trade official told AFP on the sidelines of the World Economic Forum: "I don't think we're looking at a breakthrough in the near term."

"But I think we're making some progress and some of the key players really are engaging -- Brazil, the EU, the United States and other countries -- and that makes me cautiously optimistic that we are laying the groundwork for a breakthrough," she added.



PHOTO: MERCANTILE BANK

AKM Shahidul Haque, deputy managing director of Mercantile Bank Ltd, and ABM Shahjahan, managing director of Hexagone First Solution Trading Company Ltd, pose for photographs at a remittance agreement signing ceremony recently. Under the deal, expatriate Bangladeshis in France will be able to send their money home easily and quickly through the branches of the bank. Md Abdul Jalil, chairman, and Shah Md Nurul Alam, managing director and CEO of the bank, among others, are seen.