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## SICK RMG UNITS' DEFAULTED LOAN

# 10-year time sought for rescheduling money

## Special concession to help augment exports: BGMEA

### STAR BUSINESS REPORT

Leaders of the garments manufacturing sector have sought ten years time for the sick industrial units to facilitate rescheduling of their loan money keeping interest and principal amount in a block account.

They also urged the government not to enforce traditional law against such RMG makers treating them defaulters as usual.

The demand was voiced at a press conference yesterday at the office of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) in Dhaka.

The total amount of interests against Tk600 borrowed so far by the 1900 sick RMG units owners

from a number of nationalised and private now stand at Tk1400 crore.

The BGMEA leaders said the owners of the sick industries should not be treated loan defaulters like other bankrupts, as they took financial assistance from different government and private banks while importing raw materials through back-to-back L/C (letter of credit).

"This kind of financial assistance should not be considered an usual loan. Because sick industry owners took it not in the form of hard cash from banks," SM Fazlul Hoque, the BGMEA president, told the press.

He, however, said, "If any sick garment owner imports fabrics

through bank loan and sell it to the black market, BGMEA will not bear their liabilities."

During the tenure of last four-party alliance government, the Ministry of Commerce initiated a rehabilitation programme for the sick garment industries at the directive of former prime minister Khaleda Zia, the press was also informed.

As per this move, a total of 270 sick industries were listed for rehabilitation, but the ministry recommendations are yet to be implemented, added the BGMEA chief.

The total amount these listed units owe now reached over Tk1100 crore, while the interests stand at Tk600 crore. Out of this huge amount, Tk800 crore remains

unrealised to 8 nationalised banks, while Tk300 crore is lying outstanding to 21 private banks.

The chief of the apex trade body for the apparel sector identified political crisis, lack of due port facilities, shortage of power and gas and bureaucratic tangles as the main reasons for becoming the RMG units sick.

When asked about the reason why they are seeking special concession to a particular sector while there is every chance of cashing in on such exemption of huge interests by other defaulting sectors, Hoque said, "Such an exemption would help increase the country's RMG exports from \$8 billion to \$15 billion, which is not possible by others."

## Delhi to rein in rising prices

PALLAB BHATTACHARYA, New Delhi

Indian Prime Minister Manmohan Singh said his government has a multi-pronged strategy to tame rising prices, hours after the prices of petrol and diesel were cut by Rs two and Rupee one per litre respectively in another bid to lessen inflationary pressures.

"As far as inflation is concerned, we have a multi-pronged strategy. I think that in the next couple of weeks, you will see positive results of the actions we have taken," Singh told reporters on the sidelines of a function here on Thursday night when asked about actions being taken by the government to tackle inflation which reached 6.73 percent last week.

The government hopes the cut in fuel prices would douse inflation in the economy. As diesel is used widely for transportation of food grains and vegetables and to run agricultural pump sets and railways, a slash in its price is expected to have the desired effect, officials said.

The reduction in fuel prices is likely to force the government to restructure customs and excise duty on imported crude oil in order to partly offset the impact on state-owned oil marketing companies.

## China looking to ratify convention against forced labour: ILO

AFP, Geneva

China has begun taking measures to ratify the International Labour Organisation's convention against forced labour, an official for the Geneva-based body said on Thursday.

Chinese officials held talks with the ILO at a high-level seminar in Hunan province last week hosted by the Ministry of Labour, ILO official Roger Plant told AFP.

"There's definitely a process underway," said Plant, who heads the ILO's special action programme to combat forced labour.

The ILO recently estimated there are 12 million cases of forced labour in the world, 9.5 million of them in Asia.

Vietnam signed up to the convention last month, following its membership of the World Trade Organisation.

China joined the WTO in December 2001.

Plant said that China's ratification process would take longer than Vietnam's, and "could be a matter of years."

"They are taking it very seriously indeed," he said, adding that Chinese authorities are aware of the ongoing problems of human trafficking and other forms of forced labour.

Parts of Beijing's controversial "re-education through labour" policies would also be inconsistent with the ILO convention, Plant said.

He stressed it was important China apply the convention in deed and not just in word, although he noted this was an issue of concern among many countries who are already signatories.

The ILO has 180 member states, 164 of which have signed up to the 1967 second convention against forced labour.

## Google to buy Adscape

REUTERS, Los Angeles

Google Inc has agreed to acquire in-game advertising company Adscape Media Inc. for \$23 million, according to technology site Red Herring, which cited sources familiar with the matter in a report late on Thursday.

A Google spokesman declined comment, saying the company's policy is not to respond to "rumor or speculation."

Video game industry analysts said the acquisition, if successful, could give a boost to the nascent in-game advertising market.

Adscape competes with advertising start-ups Double Fusion and IGA Worldwide, which have already inked deals with major publishers.

"My take on this probable deal is that it doesn't make a lot of difference to Google... but it does provide significant credibility to the game marketing space," Forrester Research Inc. analyst Shar Van Boskirk told Reuters.

# Bangladesh should try to get duty free access of all products worldwide

## Speakers say at seminar

### STAR BUSINESS REPORT

Laying emphasis on enhancing trade negotiation skills, speakers at a seminar in Dhaka yesterday said Bangladesh should try to get duty free access of all products worldwide, especially in the US and EU markets.

The seminar on 'Multilateral and Regional Trade Negotiations: Implications for the Bangladesh Economy, and Trade and Industrial Policy Environment in Bangladesh' was jointly organised by Unnayan Shamannay and UNDP Regional Centre, Colombo.

The speakers said instead of focusing only on the readymade garment sector as the main export-oriented sector, the country should concentrate on other sectors such as poultry, livestock, agro-processing, herbal medicine and light engineering that have a tremendous potential in the international markets.

Professor Wahiduddin Mahmud in his speech said Bangladesh should now focus on labour intensive manufacturing to be competitive in the international markets.

"The country somehow is not a typical country in trade negotiations," he said, suggesting that it could consider making allies with non-governmental organisations

or development partners to enhance its negotiation skills.

In his keynote paper on 'Multilateral and Regional Trade Negotiations: Implications for the Bangladesh Economy', Selim Raihan, assistant professor of Economics at the Dhaka University, said complete liberalisation of all tariffs, subsidies and domestic supports on all agricultural trade under WTO nations will lead Bangladesh's rural poverty rate to increase by 1.52 percentage point in the short run and 1.71 percentage point in the long run.

He said at the same time urban poverty rate will increase by 0.61 percentage point in the short run and 0.65 percentage point in the long run.

A 50 percent liberalisation of all tariffs, subsidies and domestic supports on all agricultural trade under WTO nations will push the rural poverty rate up by 0.78 percentage point in the short run and 0.98 percentage point in the long run, while the urban poverty rate will rise by 0.35 percentage point in the short run and 0.37 percentage point in the long run, Raihan added.

He said if the decision taken in the Hong Kong Ministerial regarding removal of only export sub-

dies on agriculture by 2013 is implemented, the increase in the number of rural poor households will be 104,412 in the short run and 116,480 in the long run, while the number of urban poor households will be 10,640 and 11,200 respectively.

The global agriculture liberalisation will also increase the prices of farm products, he observed.

Mustafizur Rahman, research director of the Centre for Policy Dialogue, said Non-Agricultural Market Access (NAMA) implementation would have both positive and negative impacts for Bangladesh. "So, there has been some other compensatory measures such as duty free access so that we can face the negative impact of NAMA," he said.

Among others, Atiur Rahman, chairman of Unnayan Shamannay, Farooq Sobhan, president of Bangladesh Enterprise Institute, Ratnakar Adhikari, programme specialist (Textile and Clothing) of UNDP Regional Centre, Colombo, Zillul Haq Razi of European Commission, Bangladesh, and Anisul Haq, former president of Bangladesh Garment Manufacturers and Exporters Association, spoke on the occasion.

## Indonesia to issue longer visas to draw more tourists

AFP, Jakarta

Indonesia is to grant foreign visitors visas for up to 120 days compared to the current 30 days in a bid to boost tourism, Vice President Jusuf Kalla said Thursday.

"It is now being processed, that tourists get four months," Kalla told AFP during an interview here.

He said the longer visa was part of the government's drive to attract more foreign visitors.

At present, tourists from 54 countries can obtain a 30-day visa on arrival at a cost of 25 dollars, or free for most Southeast Asian nations.

Kalla said the 54 countries -- which include most of Europe, China, India, the US, Canada, Australia and New Zealand -- accounted for about 90 percent of Indonesia's foreign tourists.

Visitors have complained that 30 days is far too short a time to take in the vast archipelago, which stretches for thousands of kilometres (miles).

Indonesia's drive to boost tourist numbers has also suffered due to a lack of money to promote the country abroad because of more pressing budget priorities.

"But I said that tourism is also a priority and therefore this year the budget will be increased on top of what is in the state budget," Kalla said, without giving figures.

Indonesia recorded a 2.38-percent drop in foreign tourist arrivals to 3.98 million in 2006.

Tourism has been hurt by a number of terrorist attacks in recent years, including on the popular resort island of Bali, as well as bird flu and a series of man-made and natural disasters.

## GM may buy Chrysler

AFP, New York

General Motors is in talks to buy all of its struggling rival Chrysler Group from German-US auto giant DaimlerChrysler AG, Automotive News said Friday.

The weekly trade publication cited sources in Germany and the United States, two days after Germany's Manager Magazin reported the same discussions taking place.

DaimlerChrysler said Wednesday it planned to axe 13,000 jobs at its loss-making Chrysler subsidiary as part of a broad restructuring plan aimed at returning the US unit to profitability by 2008.

DaimlerChrysler chairman Dieter Zetsche said that he was reviewing "further strategic options" for Chrysler and did not rule out the sale of the subsidiary, a move shareholders in Germany have been advocating.

GM is also undergoing a painful restructuring in a bid to overcome hefty losses, both to its bottom line and to its market share.

Automotive News said: "High-level talks are taking place between DaimlerChrysler AG and GM executives."

"Although the two companies have discussed cooperation on a large SUV (sport utility vehicle), say sources at both companies, the potential deal would go beyond limited product development alliances," it said.



PHOTO: PRIME BANK

Bangladesh Bank Governor Dr Salehuddin Ahmed addresses the inaugural function of a 3-day training programme on Islamic finance in Dhaka yesterday. Prime Bank Training Institute and Islamic Finance Training, Red Money Group of Malaysia jointly organised the event where Prime Bank Chairman Imam Anwar Hossain and Managing Director M Shahjahan Bhuiyan also spoke. Course Director Abdulkader Thomas is also seen.

# BB to reconsider regulating Islamic banking

### STAR BUSINESS REPORT

Bangladesh Bank (BB) will reconsider its earlier move to regulate Islamic banking operation through a separate guideline.

"We will review the initiative to introduce a separate guideline for Islamic banking," BB Governor Dr Salehuddin Ahmed told journalists yesterday after inaugurating an international training programme in Dhaka.

Prime Bank Training Institute and Islamic Finance Training, Red Money Group, Malaysia jointly organised the three-day international training programme on "Islamic Finance and Financial Products."

The central bank's earlier move

for formulating such a guideline during the tenure of the last four-party alliance government did not come into light due to political pressure. At that time Dr Fakhruddin Ahmed was the BB chief.

When asked whether the central bank's new move a part of the present government's reform measures, the BB chief said the probability of Islamic banking guideline would be further examined.

Dr Salehuddin also hinted at launching Islamic bond in the money market.

Among others, Shah Abdul Hannan, vice chairman of Prime Bank, Imam Anwar Hossain, chairman of board of directors, M

Shahjahan Bhuiyan, managing director, and Abdulkader Thomas, the course director, also spoke at the function.

Imam Anwar Hossain laid emphasis on skilled human resources to run banking industries efficiently in this competitive era of open market operations.

M Shahjahan Bhuiyan said Prime Bank has arranged this international training programme to enhance capability of the bankers in Bangladesh through update knowledge on Islamic banking and application of the same in practical field.

A total of 40 senior executives of six Islamic banks and seven other conventional banks, including the host bank, are taking part in the programme.

# Wasteful Asians urged to modify consumption style

AFP, Manila

Newly well-off Asians are becoming more and more wasteful as they emulate the West's consumption patterns and the environment is suffering as a result, the Asian Development Bank said Friday.

Some estimates show that in Asia, the world's export and manufacturing dynamo, 90 percent of production materials are never used in the final product and some 80 percent of all products are discarded after a single use, the Philippines-based lender said in a statement.

"The result is greatly expanded economic production characterised by wasteful resource use compared to global standards and high levels of waste," it said.

The average daily output of solid waste alone from Asia's largest cities is estimated at

760,000 tonnes and expected to rise to 1.8 million tonnes per day by 2025, it added.

"New production and consumption patterns have altered the quantity and nature of materials that must be managed, especially in Asia's urban areas," said Nessim Ahmad, director of ADB's environment and social safeguards division.

"The growing volume and toxicity of waste disposed of on land into the air and waterways is simply threatening to overwhelm our cities."

The bank said proper waste recovery, treatment or disposal is "very costly" and "is increasingly beyond the financial resources or political will of many national and municipal governments."

Asian companies are also gradually realising that this forms part of hidden costs that directly affect their international

competitiveness, it added.

The bank said regional and economic integration was also accelerating the cross-border trade in used goods, with Asia accepting "tens of millions of pieces of discarded electronics equipment every year" that contains more than 1,000 different substances, "many of which are toxic."

"There are compelling reasons to take action," Ahmad said. "As world markets become more open and competitive, achieving resource efficiency can make a critical difference in the ability of a nation's products and services to compete both in the global market and at home."

ADB said it is committed to a 2004 project by the world's top eight industrial economies to encourage the concept of "reduce, reuse, and recycle" in materials management.

## New mobile phones to empower children

AFP, Barcelona

The dangers and opportunities of the Internet are soon to be brought to mobile phones, industry experts predicted this week, raising serious questions about how parents can control what their children view and who they contact.

Most kids use their computers at home, making Internet surveillance easier, but a mobile phone is a personal device by design and a jealously guarded symbol of independence for many.

Fully-fledged mobile Internet access still eludes network operators, but they are already expanding their services and have a declared goal of replicating the computer Internet experience on mobile phones.

"Clearly there is more content on an open Internet site (than on a mobile Internet site)," said Vodafone marketing director Frank Rovekamp at the mobile phone industry's biggest tradeshow, 3GSM.

"But we are opening up and so there is more access to information than there used to be."

Fears about paedophilia and cyber-bullying drive calls for more parental oversight, but the risk of high bills, anti-social behaviour and the problem of injudicious calling in schools also favour tighter discipline.

"The technology exists to be able to govern, censor and guide," says Michael Anderson, senior vice president of Telcordia, a software company that helped Disney develop one of the first mobile phones for children.

But many believe that phone network operators have been slow to integrate functions allowing parents to vet their children's behaviour and limit their phone use.

"What you can see now is the very early stages of operators providing choices, such as whether you have adult content or not," said Ajay Nigam, new product manager of VeriSign, an Internet security software maker.

"As they offer more services they have to provide these options," he said.

The Disney phone, launched last year in the United States replete with Mickey Mouse or Tigger brand-

ing, gives parents broad powers to specify when calls can be made, which sites can be accessed and how high the bill can go.

"What's happened is that suddenly we've gone from 18-year-olds to nine- or 10-year-olds using these (mobiles) as active devices," said Anderson.

"It is dawning on us parents that there are lots of interesting things out there, but there are things we don't want to explain and there are bills we don't want to pay."

Explicit content is already available over mobile phones, but self-regulation by operators has led to customers needing to prove their age for access and in some countries laws prohibit mobile phone pornography.

US-based technology group Gennobi believe they have found a solution for parents wanting strict powers of censor and supervision.

They have developed customised programmes called "Buzz Kidz" and "Buzz Teenz" that allow junior phone users access to only authorised sites and chat services. It also includes a built-in bad language detector that informs parents when expletives are exchanged.

"We've developed a lexicon that is updated on a daily basis because the language morphs that quickly," says chief information officer Bill Kehoe.

The company is in talks with network operators, but has yet to sign a deal to realise its ambition of rolling out the service to Europe, the US and Asia.

Nick Lane, senior analyst at telecoms consultancy Informa, says that worries about inappropriate content for mobiles should not be exaggerated. But he believes that more sophisticated phones and improved Internet access in the future raise new questions.

"Mobile content is still a niche service," he said. "In the future as consumption increases, then maybe there will be a need for measures to be put in place."

In Brussels last week, leading European mobile operators pledged to draw up a voluntary code over the next year aimed at protecting children from adult material and illegal content.

## Nepal to expand power grid

XINHUA, Kathmandu

Nepal Electricity Authority (NEA) will add 630 megawatts (MW) to its power grid through construction new power plants and buying electricity from private sector, local newspaper The Kathmandu Post reported Saturday.

NEA is starting construction of projects totaling 481 MW in output and is also entering into Power Purchase Agreements (PPAs) with private sector producers for projects totaling 150 MW in the next six months, according to NEA chief Arjun Karki.

"Of the projects we are building, we have more or less sealed financial commitments for the 61 MW Upper Trishuli A, 30 MW Chameliagadh, 27 MW Raghughat and 14 MW Kulekhani III," said Karki. China, South Korea, Organisation of Petroleum Exporting Countries (OPEC) fund and NEA are funding these projects.

## Thailand backtracks on plan for second int'l airport

AFP, Bangkok

Thailand on Friday backtracked on a plan to turn Bangkok's shuttered Don Muang airport into a second international hub, after a revolt by international airlines who threatened to cut off service.

Army-installed Prime Minister Surayud Chulanont said Don Muang would still re-open as a domestic airport, but backed down on a plan to move international flights there.

Instead, the government will spend six months studying the feasibility of running two international hubs in Bangkok, he said.

The about-turn came one day after some 94 international airlines threatened to halt flights to Thailand if they were forced to move.

Surayud said that some domestic flights would still be moved from the sparkling new Suvarnabhumi Airport to allow repairs to its tarmac, but only on a voluntary basis.

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