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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 Fazul 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

PALIB 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 foodgrains 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 VanBoskirk 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', 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 said.

He said if the decision taken in the Hong Kong Ministerial regarding removal of only export subsidies on agriculture by 2013 is implemented, the increase in the number of rural poor households will be 10,412 in the short run and 11,480 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, Ratnakanar Adhikari, programme specialist (Textile and Clothing) of UNDP Regional Centre, Colombo, Zillul Hai Razi of European Commission, Bangladesh, and Annisul Huq, former president of Bangladesh Garment Manufacturers and Exporters Association, spoke on the occasion.

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 jealousy 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 Rovkamp 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 injurious calling in schools also favour tighter discipline.

"The technology exists to be able to govern, censure 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.

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 Chamelegadach, 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 terminal, but only on a voluntary basis.



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 local 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 is a part of the present government's reform measures, the BB chief said the probability of Islamic banking guideline would be further examined.

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

APP, 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.

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."

"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

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.

"Asian companies are also

gradually realising that this forms part of hidden costs that directly affect their international

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