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BUSINESS

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BGMEA unveils 3-year plan to double export

Demands ensuring infrastructure facilities

STAR BUSINESS REPORT

A strategy has been unveiled by the new leadership of the apex trade body of the apparels sector to double its export target in a span of three years on the backdrop of changed global business scenario.

Bangladesh Garments Manufacturers and Exporters Association (BGMEA) says besides implementing this new strategy, styled Time Action Plan, to resolve local and global barriers, they would look into enforcement of the tripartite agreements on RMG workers' minimum wages and compliance issues to augment exports from \$9 billions to \$18 billions.

The plan was laid bare yesterday at a press conference, the maiden one after the newly elected executive body took office of the BGMEA on March 12 in

Dhaka.

The BGMEA's new president pointed to the fact that Bangladesh now enjoys some extra privileges of exporting apparels to both the US and EU markets because of the embargo being faced by China, Bangladesh's main competitor.

But he hastened to remind it that such embargo on the Chinese apparels would not stay for long as the EU would lift it by the year-end and the US by 2008.

Anwar-Ul-Alam Chowdhury Parvez said, "We are not worried, rather very confident to reach our target, if government comes forward to ensure infrastructure facilities during the period of three years."

He said as per the Time Action Plan, the 27 members of the association would work together to resolve the obstacles in the

smooth business.

To face the challenge of reaching the target of \$18billion RMG exports, the BGMEA is keen to work with other parent sectors including Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA), the BGMEA chief said.

A rapid change has been brought about in the global business strategy over the years, he said, adding that UCP-600 (uniform customs and practice for documentary credits), direct trading banking system, delivered ex quay (DEQ) and factoring system are coming up, while deferred payment is now allowed in export and import business.

He suggested that the government should introduce such a direct trading banking system, which is already in force in China.

Parvez also urged the govern-

ment to send a realistic recommendation on generalised system of preference (GSP) to the European Commission soon so that the country's RMG sector can reap benefit from GSP in the EU market.

GSP issues have changed during the last few years, but Bangladesh has not yet sent any proposals to the commission, he lamented.

He told the press, "As we are committed to implementing the minimum wage for the RMG workers within a short time, we will look into this issue to find out how many factories have gone by the deal with regard to such wages".

Faisal Samad, second vice president of BGMEA, was present at the press conference among other directors and board members.

Independent directors can ensure corporate governance

Seminar told

STAR BUSINESS REPORT

Independent directors must be placed on company boards in order to ensure corporate governance, speakers told a seminar yesterday in Dhaka.

"We cannot be different from the rest of the world where corporate governance is in practice. We have to keep pace," said Faruq Ahmad Siddiqi, chairman of Securities and Exchange Commission.

Siddiqi was speaking at the seminar titled 'Roles and Responsibilities of an Independent Director' organised by Institution of Chartered Accountants of Bangladesh (ICAB).

Siddiqi also said quality financial report by a company is extremely important for proper corporate management. "The role of auditing institutions is also important for a better financial report with best financial disclosures."

Bangladesh Enterprise Institute (BEI) President Farooq Sobhan said although the role of independent director is now accepted widely, the appointment of independent directors is rare in Bangladesh.

He also urged the companies to adopt the code of corporate governance for ensuring a better corporate management.

Speaking at the function, ICAB President M Farhad Hussain said the objective of the seminar is to guide the board of directors to be more effective with the help of independent directors.

Presenting a keynote paper at seminar, Mueen Afzal, former finance secretary of Pakistan, said an independent director can strengthen the performance of a company.

He also discussed the roles and responsibilities of an independent director in strengthening the practices of corporate governance both in public and private sector entities.

FREE ACCESS OF PRODUCTS FROM 14 LDCs TO AMERICA

TRADE bill introduced in US Senate

UNB, Dhaka

A TRADE bill has been introduced in the US Senate seeking to provide duty-free access of products from Bangladesh and 13 other LDC countries to American market.

Senator Gordon Smith introduced the 'Tariff Relief Assistance for Developing Economies (TRADE) Act of 2007' in the Senate on March 15 to extend certain trade preferences to certain least developed countries including Bangladesh for the next 10 years.

The bill, co-sponsored by Senator Feinstein, Senator Craig and Senator Sununu, was referred to the Senate Committee on Finance.

Responding to the needs of the LDCs would be consistent with other United States objectives, including encouraging forward progress on the WTO Doha Development Round, it said.

The statement said enhanced trade with the Muslim LDCs, including Yemen, Afghanistan and Bangladesh, is consistent with other United States objectives of encouraging a strong private sector and individual economic empowerment in those countries.

It said offering LDCs enhanced trade preferences will encourage both higher levels of trade and direct investment in support of positive economic and political developments throughout the region and the world.

The statement said encouraging the reciprocal reduction of trade and investment barriers will enhance the benefits of trade and investment as well as enhance commercial and political ties between the US and the beneficiary countries.

It said economic opportunity and engagement in the global trading system together with support for democratic institutions and a respect for human rights are mutually reinforcing objectives and key elements of a policy to confront and defeat global terrorism.

RMG MAKERS MEET FOREIGN AFFAIRS ADVISER

Another report adds: Foreign Affairs Adviser Iftekhar Ahmed Chowdhury admitted the garment industry is now facing a crisis of market access.

"Indeed, there is some problem of market access, although our export is on the rise," he told reporters after his hour-long meeting with the BGMEA delegation led by its President Anwarul Alam Chowdhury at the ministry yesterday.

During the meeting, issues like duty-free market access, US Trade Act 2007, appointment of lobbyist in the USA and BGMEA's position on WTO came up for discussion.

About the US Trade Act Bill 2007, the adviser said the Bangladesh mission in Washington is closely following it up.

He said the Foreign Ministry

would work with the BGMEA so the united efforts could further increase the exports. "Because, we don't want our market access is affected anyway."

The BGMEA president said they requested the adviser to keep posted competent officers in the country's foreign missions, particularly in New York, London and Brussels, so they could "handle the trade disputes efficiently".

The delegation also sought government cooperation in countering a planned campaign abroad against Bangladesh's garment industry.

Best Air, Al Aqueeq to sign JV deal

UNB, Dhaka

Bangladeshi aviation company Best Aviation Limited will join hands with Kuwaiti aviation company Al Aqueeq Aviation and Holdings to launch domestic and international passenger services by middle of this year.

An agreement to this effect will be signed here on Thursday, said a press release.

This is the first such initiative in the aviation sector of Bangladesh. Al Aqueeq has agreed to join with Best Air as an equity partner.

Best Aviation started its operation in 1991, pioneering as a helicopter operator in Bangladesh.

Correction

In a photo caption published on this page yesterday, it was inadvertently mentioned that Rokia A Rahman is the executive director of Bangladesh Federation of Women Entrepreneurs (BFWE). In fact, she is the president of the BFWE.

Indices continue rising on buying spree

STAR BUSINESS REPORT

Price indices on the stock exchanges continued rising sharply for the fifth consecutive day yesterday amid a buying spree from the investors including institutional participants.

The DSE General Index shot up by 36.02 points, or 2.07 percent, to close at 1773.69 points while the CSE Selective Categories Index went up by 53.80 points, or 2.04 percent, to finish at 2685.38 points.

The DSE All Share Price Index also rose by 25.35 points, or 1.7 percent, ending the day at 1513.36 points while the CSE All Share Price Index jumped by 73.49 points, or 1.78 percent, finishing at 4198.55 points.

Market sources said along with the retail investors, the institutional investors were also more active yesterday that pushed up the prices of most of the securities.

They said although the retail investors were in a fresh mood during the previous days, the institutional investors were less active, and some of the institutional investors put funds in the market yesterday.

Of the issues traded on the Dhaka Stock Exchange (DSE), 115 closed higher and 59 made losses with 24 remaining unchanged. On the Chittagong Stock Exchange (CSE), 64 issues advanced, 24 declined and six remained unchanged.

Bangladesh a top growth market for ad industry

Says international executive

SUMON SALAH UDDIN

Bangladesh is one of the fastest growing markets in Asia for advertising and market research, according to a senior executive in one of the region's leading ad agencies.

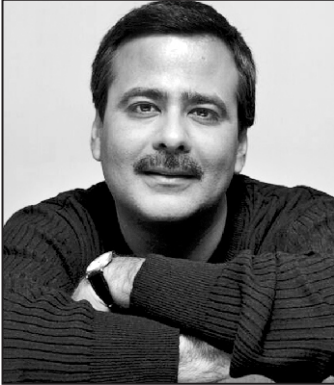
Nirvik Singh, Grey Global Group chairman of South Asia and president of South East Asia, said that with a growing middle class, a population of more than 140million and the increasing influence of satellite television, the market for consumer products could take off.

The Indian based Grey Global Group, which claims to be Bangladesh's second largest advertising agency, said the country was one of the three Asian economies with the most potential for growth.

"Bangladesh, Vietnam and Indonesia are Asia's next emerging tigers," said Singh, interviewed in Dhaka on Sunday.

During the next five years this growth would be especially marked in product areas such as healthcare, insurance and financial services, said Singh, who is based in Mumbai.

Grey Worldwide has been operating in the country for over 10 years



Nirvik Singh

and said he has a similar plan for Bangladesh. The campaign would raise the image of the country worldwide and help boost tourism.

"It's not far away from now when brands will be proud to claim themselves 'Made in Bangladesh'," said Singh.

Commenting on the changes that have taken place in Bangladesh's consumer market over the last ten years, Singh said the country has changed a lot in terms of commercial atmosphere and market trends, thanks to the satellite television.

"Over 50 percent of Bangladesh's consumers are young. They welcome new innovations, helping new companies introduce with new products and services," he added.

Asked if the ongoing drive against corruption and black money would leave any negative impact on the atmosphere for the advertising industry, he said, "Short term losses often lead to long-term gains."

Joint venture for RMG accessories in Dhaka EPZ

UNB, Dhaka

SML Packaging Solutions Bangladesh Limited, a China-Canadian jointly owned company, is going to set up a garment accessories manufacturing industry in Dhaka Export Processing Zone.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and the SML Packaging Solutions Bangladesh Limited in Dhaka recently.

Bepza member (investment promotion) Prasanta Bhushan Barua and SML Packaging Solutions Bangladesh Ltd's Sales and Marketing Director Matthew Chen signed the lease agreement on behalf of their respective organisations.