

5 bodies restructured, 2 formed to up capacity in WTO negotiations

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In a bid for capacity building in trade negotiation to yield maximum benefits, five working groups on WTO have been restructured and two new groups constituted at a high profile meeting recently, according to official sources.

The meeting held at the Ministry of Commerce with Finance and Planning Adviser Dr A B Mirza Azizul Islam, who is also in charge of the Ministry of Commerce, in the chair, also assigned the committees some specific responsibilities.

These committees are non-agricultural market access (NAMA) committee, services sector committee, agriculture committee, TRIPS (trade-related intellectual property rights) and TBT (technical barriers on trade) committee, trade facilitation committee, trade and environment committee and trade-related technical assistance committee.

As per the government decision, the Bangladesh Tariff Commission chairman will head the body on NAMA, which will prepare a position paper for Bangladesh through collecting and analysing updated information on non-agricultural

market access.

This committee's responsibility also includes making suggestions about special and differential treatment of LDC products and trade related investment measures as per WTO agreements.

The committee will also analyse Bangladesh position on different rules of WTO including anti-dumping, subsidies and counter veiling and safeguard measures.

The committee on services sector headed by director general (DG) of the WTO Cell under the commerce ministry will ascertain Bangladesh's position to make any promise on opening up its service sector to foreign investors.

This committee will also update information on the ongoing negotiation on services sector at WTO and prepare a suggestion paper identifying weaknesses of the sector.

The WTO Cell DG will also head the trade-related technical assistance body, responsibility of which is to recommend measures for enhancing trade-related capacity and improving supply side constraints.

The committee on agriculture headed by additional secretary of

the agriculture ministry will identify limitations and loopholes of exports of agricultural products to put up those issues in any upcoming negotiations at the World Trade Organisation..

The TRIPS and TBT committee headed by a joint secretary of the industries ministry will point out the problems of Bangladesh in implementing the TRIPS and TBT agreements.

It will also assess the technical assistance needed to implement the trade-related intellectual property rights pact.

The body on trade facilitation headed by Member (customs), National Board of Revenue will identify the country's problems in trade facilitation.

The working group on trade and environment headed by a joint secretary of the forest and environment ministry will place necessary suggestions to the government to ensure Bangladesh's participation in the environmental negotiation at the WTO fruitfully.

All these committees will meet at least once a month and assist the steering committee on WTO headed by the commerce adviser.

Coolmax fabric launched in local market

US-based INVISTA, one of the world's largest integrated fibres and polymers businesses, has launched its latest Coolmax brand fabrics in Bangladesh's apparel market, says a press release.

Coolmax fabrics are designed to move moisture away from the body and enhance fabric drying rate thus, keeping one feeling cool and dry.

A workshop was organised in Dhaka on Wednesday on the occasion of launching the product.

Fazlul Haque, president of Bangladesh Knitwear Manufacturers and Exporters Association, Wolfram Engel, managing director of Engel Textile Consulting Ltd, Hyung Jin Kim, global sales and operation director of INVISTA, and Duncan Zhu of INVISTA China, spoke at the workshop.

Hans Dieter Backhaus of SCM Consultants that works for INVISTA, made a presentation in presence of entrepreneurs and high officials of different textile companies and organisations. Representatives of Radical International, Grameen Knitwear Ltd and Landmark Ltd from Bangladesh also attended the workshop.

Coolmax has physiological benefits that, depending on one's

needs, can be applied to or found in a whole new range of clothing styles -- from moderate and high-intensity performance apparel to everyday casual wear.

China RMG makers' first entry at Paris Show in Sept

AFP, Paris

China's clothing industry makes a debut appearance in Paris next September, with around 150 companies teaming up for a special trade fair in the world's fashion capital.

The Chinese apparel-makers are to show their cashmeres, silks and wool suits in a special China pavilion at the Texworld fabrics trade fair September 17-20, held on the heels of the city's twice-a-year ready-to-wear shows, which attracts tens of thousands of fashion types from across the globe.

"This is a new development," Michael Scherpe, who heads the trade fair owned by Germany's Messe Frankfurt Exhibition GmbH, told AFP. "Paris is the centre of the textile and fashion trade."

RUPEE APPRECIATION

India allocates Rs 1400cr to compensate exporters

PALLAB BHATTACHARYA, New Delhi

Faced with serious problems in exports triggered by a sharp rise in Rupee value, Indian government on Thursday came out with a Rs 1400-crore relief package to exporters.

Under the package, exporters will get bank loans at cheaper rates and increased refunds of local taxes.

The package was aimed for job-creating sectors like textiles, garments, leather, engineering goods, toys and sports goods which corner a major share of the sops announced by the Finance Ministry.

The Indian currency has appreciated by ten per cent against the US dollar in the last four months, drawing repeated demand from exporters for relief.

Under the package, there will be a two percent interest subsidy for all pre-shipment and post-shipment loans taken by exporters from state-owned banks between April and December this year, Finance Secretary D Subbarao told reporters here.

This will benefit exporters in textile, handicraft, engineering products, processed agricultural products, marine products, sports goods and all small and medium

enterprise sectors.

The move is expected to cost the state exchequer about Rs 500 crore but is likely to help small exporters overcome cash crunch.

The government also announced that the export duty drawback rates, a duty remission scheme, have been increased across sectors by

Inflation rises

AFP, New Delhi

India's inflation rate rose for a second week in a row on the back of higher food prices, according to official data on Friday, but economists did not expect the central bank to raise rates.

Inflation rose to 4.27 percent percent for the week ended June 30, from 4.13 percent a week earlier, but was lower than the 5.21 percent logged a year ago, according to the wholesale price index, India's most closely watched cost-of-living monitor.

This week's figure was still comfortably within the central bank's medium-term inflation target of 4.0 to 4.5 percent and well below its goal of "close to five percent" for the current financial year to March 2008.

ten per cent to 40 per cent and the hike is effective from April this year. This is expected to result in a loss of Rs 800 crore in revenue to the government.

In another incentive for exporters, the premium for the cover provided by Export Credit Guarantee Corporation has been brought down by ten percent.

Textiles, bicycle and stainless steel are some of the goods where duty drawback rates have been enhanced. Following requests by exporters, some additional product lines have also been included in the drawback schedule on some labour-intensive items like leather-cum-synthetic, footwear and electrical apparatus.

Commerce and Industry Minister Kamal Nath said in a statement on Thursday that the relief package for exporters would neutralise the adverse impact of rising rupee on exports.

The finance secretary said the package would enable the country to meet the 2007-08 export target of 160 billion dollars and there was no reason to apprehend that the target would not be achieved.

Indian exporters' groups have welcomed the package but wanted more.

Euro strikes record high at \$1.38

AFP, London

The euro shot up over 1.38 dollars here Friday for the first time since its creation in 1999, as weaker-than-expected retail sales in the United States compounded concerns about the country's economy.

The single European unit soared as high as 1.3812 dollars in early afternoon deals before falling back to 1.3797.

The pound also jumped to 2.0367 dollars, marking a fresh 26-year high point for the British currency.

The dollar's fresh falls came after the US Commerce Department revealed that US retail sales fell unexpectedly in June, as American consumers cut back their spending amid a persistent housing slump and higher gasoline costs.

Sales fell by 0.9 percent, defying most Wall Street analysts' forecasts that they would remain unchanged.

"More bad news for the green-back," said CIBC economist Audrey Childe-Freeman.

He added: "Overall, a weaker than expected performance for the US retail sector and while the poor weather (and higher gasoline prices) may have something to do with it, this remains a soft data."

This week, the euro has steadily risen to record heights with economic growth in the eurozone widely expected to outpace other major economic powers such as the United States and Japan this year.

Concerns about the troubled US sub-prime mortgage sector spreading to the wider economy have also weighed heavily on the dollar.

Earlier Friday, the euro also hit a record high 168.95 yen on expectations that Japanese interest rates will remain low for some time, in contrast with the prospect of higher eurozone borrowing costs in the coming months.

"Interest rate differentials are weighing heavily on sentiment towards the yen," said Masaki Fukui, senior market economist at Mizuho Corporate Bank.

"Although the Bank of Japan is very likely to raise its interest rate next month, the level (of Japanese rates) is still very low," Fukui said.

The BoJ left its benchmark interest rate on hold at 0.5 percent on Thursday, with many players expecting a rate hike in August.

The European Central Bank, meanwhile, appears set to lift its key rate again from 4.00 percent in early September.

The soaring strength of the euro has had little impact on the economy of the 13-nation eurozone, EU Economic and Monetary Affairs Commissioner Joaquin Almunia said earlier Friday.

Almunia's comments came amid a political stand-off between Germany and France. Germany has dismissed French President Nicolas Sarkozy's calls for a brake on the euro's rising value, amid claims that it hampers exporters.



PHOTO: INVISTA

(From right) Duncan Zhu of INVISTA China, Wolfram Engel, managing director of Engel Textile Consulting Ltd, Fazlul Haque, president of Bangladesh Knitwear Manufacturers and Exporters Association, Hyung Jin Kim, global sales and operation director of INVISTA, and Hans Dieter Backhaus of SCM Consultants that works for INVISTA, are seen at a workshop organised on Wednesday in Dhaka to mark the launch of INVISTA's Coolmax brand fabrics in Bangladesh market.

Vietnamese rank 1st in tech spending

ANN/ VIENTIANE TIMES

Vietnamese people fall on the top of the list when it comes to buying new technology after covering essential living expenses, according to the 1st Half 2007 Nielsen Global Online Consumer Survey.

The survey was conducted between 16 April1 May 2007 and interviewed 26,486 Internet users in 47 countries across 15 time zones.

The results show that 47 per cent of Vietnamese buy new technology, followed by Greeks at 45 per cent, Russians at 44 per cent, Chinese at 42 per cent and Turkey was tenth with 36 per cent.

The Vietnamese are the second highest when it comes to purchasing new clothes at 50 per cent, after first placed Russia, and third in spending on out-of-home entertainment at 49 per cent after Russia and Brazil.

Vietnamese people were ninth for purchasing shares and mutual funds.

In the survey Vietnamese people said that job security was their biggest concern but consider health to be also very important.

Overall Viet Nam are ranked No 5 in term of overall Consumer Confidence with 118 points (two points more than last year) and well above the global average of 97 points.

Remittance sent by Filipino workers up 21.9 percent

AFP, Manila

Cash transfers by the Philippines' large overseas work force rose 21.9 percent from a year earlier to 5.9 billion dollars in the five months to May, the central bank said Friday.

May remittances grew 8.4 percent from the previous year to 1.2 billion dollars, it said in a statement.

The robust five-month increase was "due largely to technological innovations introduced by financial institutions that serve as conduits for remittance transfers," central bank governor Amado Tetangco said in the statement.

The slower advance in May was mainly due to the "base effect" following a sharp increase in the same period last year.

However, the central bank said preliminary data show deployments of Filipino workers abroad slowed by 4.4 percent from the year-ago level to 457,531 in January-May.

But Tetangco said that over the medium term, deployments would recover as the Middle East, Brunei, Malaysia, South Korea, Taiwan and Singapore "employ more skilled overseas workers to meet the demands of their growing economies."

No limit for Thais on FDI

ANN/ THE NATION

Listed companies will be allowed to invest unlimited amount overseas, as the latest measure to ease pressure on the baht, which has relentlessly appreciated against the US dollar.

Bank of Thailand governor Tarisa Watanagase met with Finance Minister Chalongphob Sussangkarn yesterday (July 12) over the baht's surge. She said rules would soon be eased for listed companies' portfolios and direct investments.

"We will submit an official proposal to the Finance Ministry and will discuss it in detail with the Securities and Exchange Commission," she said.

Chalongphob, meanwhile, said that any government agencies or state enterprises planning to borrow in foreign currencies would be asked to borrow in baht. The Thai currency could then be used to buy dollars if the agencies needed foreign currency to pay for goods and services.

"The available measures are

sufficient to manage the foreign exchange rate. There would be no more measures to stem the baht's increase, no measure that would shock the market," the finance minister said, noting that the government would not impose capital gains taxes on investment in the stock market.

At present, Thai companies are allowed to invest no more than US\$50 million overseas per annum. Meanwhile, only institutional investors are allowed to invest in foreign securities, at a maximum of \$50 million. So far, according to Bank of Thailand data, institutional investors have utilised only 27 per cent of the approved investment ceiling.

In another development, a plan has been announced to allow individual investors to invest in foreign stock exchanges.

Meanwhile, the Finance Ministry is revising the Public Debt Management Act to allow the government to issue bonds even with budget surpluses. While the revision aims mainly to develop the bond market with a continued issuance of reference government

bonds, this could be a channel for the government to mobilise the baht for dollar buying. The revised Act is expected to come into force in the next couple of months.

While brushing aside exporters' requests for intervention, the authorities instead came up with decisions to encourage capital outflows at times when the baht, in the past two weeks, reached several new 10-year highs. The baht yesterday was firmer, closing at 33.32/33.34 against the US dollar after it hit a new 10-year high of 33.18 on Wednesday.

The closure of Thai Silp South East Asia Import Export's plant sparked the latest panic over the impact of the rise of the baht. There is an expectation that more factories may have to close.

Tarisa noted that there were factors that could push the baht up or down against the US dollar. While lower confidence in the US economy would drive investment to elsewhere in the world, this could lead to capital inflows into Thailand, which would buoy the baht further.



PHOTO: EMIRATES

The Dhaka station of Emirates won the award for best performance in 2006-2007 at the airline's West Asia and Indian Ocean regional conference held in Malaysia recently. In the picture Hanif Zakaria, Emirate's area manager (Bangladesh), receives the award from Nabil Sultan, the airline's senior vice president (Commercial Operations).



PHOTO: FIRST SECURITY BANK

First Security Bank Ltd opened a branch at Shafipur Bazar in Gazipur on Wednesday. Managing Director of the bank AAM Zakaria inaugurated the branch, while senior officials were present among others.