

# Star BUSINESS

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## China to give \$9m to build exhibition centre

UNB, Dhaka

China will provide Bangladesh with a grant assistance of about US\$ 9 million to construct Bangladesh-China Friendship Exhibition Centre (BCFEC) beside Bangladesh-China Friendship Conference Centre at Sher-e-Bangla Nagar in the city.

China will also provide an interest-free loan of US\$ 2.24 million to Bangladesh for project to be identified later.

Two separate agreements were signed in these regards at the Economic Relations Division (ERD) yesterday under the Economic and Technical Cooperation between the two countries.

ERD Secretary Aminul Islam Bhuiyan and Chinese Assistant Minister for Commerce Wang Chao signed the agreements on behalf of their governments.

Bangladesh has decided to construct the permanent exhibition centre to promote trade through facilitating manufacturers, exporters, suppliers and exhibitors to compare their products with others, the signing ceremony was told.

It would also help create "shop windows" for importers, customers and consumers to have insight into the commodities and their applications.

## One in seven Chinese tyre tubes fail safety tests

AFP, Beijing

One in seven Chinese-made truck tyre tubes is prone to exploding, state media reported Sunday, citing the results of safety tests that also found dodgy liquors and juice drinks.

Tests by China's top quality control watchdog have found that the strength of the suspect tubes did not meet standards while in some cases the valves were not attached to the tubes firmly enough, Xinhua news agency said.

After an initially defensive response to a string of product-quality problems that have tarnished the "made in China" label worldwide, China has recently taken steps aimed at rooting out producers of shoddy goods.

The General Administration of Quality Supervision, Inspection and Quarantine checked 51 truck tyres and tyre tubes produced by 30 companies across the country, Xinhua said.

It said all of the Chinese-made tyres passed muster, but the tube deficiencies meant they were liable to explode once in use.

None of the tubes was destined for the export market, it said.

Chinese-made tyres are just one of the many products whose safety has been questioned in recent months amid mounting reports of dangerous Chinese food and other goods exported to the United States.

## 4-day textile machinery expo starts in Dhaka Thursday

STAR BUSINESS REPORT

A four-day international exhibition on textile and garment machineries, accessories, fabrics and related services will start at the Bangladesh-China Friendship Conference Centre in the capital on Thursday.

Conference and Exhibition Management Services Ltd (CEMS) will organise the 8th version of the TEXTECH and the 4th version of MACHINEXPO & DIFS 2007 at the same venue.

Participants from home and abroad will exhibit their products and services at the show that will be open to visitors.

Textiles Export Promotion Council (TEXPROCIL) and Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) are among the local partners of the event while Apparel world, Texindex.com and Colourage are the international partners.

CEMS organised a press conference in the capital yesterday ahead of the event. Managing Director Meherun N Islam and Director Shahid S Sarwar were present.

The Daily Star is the media partner of the event that will end on July 29.

# Chinese sign deals to buy \$53m goods from Bangladesh

Visiting team intends to narrow trade gap

### STAR BUSINESS REPORT

The visiting high profile Chinese business delegation hoped that Bangladesh-China bilateral trade would reach US\$ 5 billion within 2010, if the current pace of trade continues.

"Although the bilateral trade heavily tilts to China, the Chinese government has taken several measures to reduce trade gap between the two countries," the team leader, Wang Chao, assistant commerce minister of China, told a business meeting titled Bangladesh-China Business Dialogue at the Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

The Dhaka Chamber of Commerce and Industry (DCCI) and the Chinese Embassy in Dhaka organised the business

meeting that was followed by a purchase agreement signing ceremony.

The 12-member business team, who belong to Chinese top 500 enterprises, inked agreements with 12 Bangladeshi companies to purchase goods worth \$53 million.

As per the contracts, the Chinese importers will purchase Bangladeshi goods such as jute, jute yarn, leather, sea foods and cotton yarn.

Wang Chao said the present visit demonstrates the determination and sincerity of China to reach a balanced Sino-Bangla trade.

This trade volume was US\$3.2 billion in 2006 with a growth of 29 percent over the year 2005.

In the first five months of 2007, bilateral trade reached US \$1.3 billion, of which Bangladesh's share is only \$100 million.

The visiting team expects China to allow a duty-free access of more Bangladeshi products to China under the ASEAN Free Trade Area (AFTA).

Bangladesh now enjoys such duty-free benefit for its 84 products.

The Chinese team leader also told the function that more missions from their country will arrive in Dhaka to strike purchase deals with a view to narrowing the trade gap and furthering economic cooperation between the two countries.

Earlier, Finance Adviser Mirza Azizul Islam hailed the Chinese team for their intention to improve the Sino-Bangla trade imbalance when they met him at his office.

He laid emphasis on constructing the tri-national Myanmar-Bangladesh-China road to enhance trade and commerce between the two friendly countries.

## China to control its blazing economy

AFP, Beijing

China is expected to take more steps to slow its galloping economy, a key engine of global growth, after hiking borrowing costs in a bid to stop the boom giving way to a bust.

China's central bank raised its benchmark interest rate by 0.27 percentage points Saturday. The main bank lending rate rose to 6.84 percent and the deposit rate increased to 3.33 percent.

The move was intended to encourage "rational growth in credit and investment" and keep inflation stable, the bank said in a statement, amid fears uncontrolled expansion could push the economy into the buffers.

Analysts had expected measures to slow the economy after official figures earlier this week showed it expanded by 11.9 percent in the second quarter and by 11.5 percent for the first half of the year.

But some experts said the rate hike by itself might not cool the economy down enough, with inflation already hitting 4.4 percent in June.

"We believe the government has placed priority on market mechanisms to cool the economy, but we cannot rule out the possibility of more administrative measures," Li Huiyong, a Shanghai-based economist with Shenyin Wanguo Securities, told AFP.

### Thailand's baht pressured again a decade after crisis

AFP, Bangkok

The Thai baht, which was battered by massive flight of capital in the 1997 Asian financial crisis, is again facing mounting pressure -- this time from large money inflows into the kingdom.

Since early July, the Thai currency has remained at 10-year highs against the dollar with investors pouring money into the stock market, where share prices have gained nearly 30 percent since the beginning of this year.

The strong baht has alarmed Thailand's army-backed government as it put pressure on the kingdom's export-driven economy, which was already in a slump due to political uncertainty following a coup in September 2006.

Large money inflows also brought back bitter memories of the Asian economic crisis 10 years ago when the kingdom was forced to float the baht after coming under massive speculative pressure.

Capital had poured into Thailand during the breakneck economic growth of the early 1990s, but investors began to fear the baht was overvalued and pulled their money out.

As large amounts of capital fled out of Thailand in 1997, the baht collapsed, setting off a chain of Asian currency devaluations that crippled economies from South Korea to Indonesia.

### Shell ordered to suspend Arctic drilling

AP, Alaska

A federal appeals court has ordered Shell Oil to stop its exploratory drilling program off the north coast of Alaska at least until a hearing in August.

The order, issued Thursday by the 9th U.S. Circuit Court of Appeals, comes after the federal Minerals Management Service in February approved Shell's offshore exploration plan for the Beaufort Sea.

"Vessels currently located in the Beaufort and Chukchi seas shall cease all operations performed in furtherance of that program, but need not depart the area," the order said.

Opponents contend that the Minerals Management Service approved Shell's plan without fully considering that a large spill would harm marine mammals, including bowhead and beluga whales. They say polar bears could also be harmed, and they question whether cleaning up a sizable spill would even be possible in the icy waters.

Company officials are obviously disappointed, said Shell spokesman Curtis Smith.

"But the court has asked for more information, and we will provide it. We will comply with the court order and continue to welcome discussions with the North Slope communities," he said. "Alaska is a long-term investment for Shell."

The total number of private jute spinning mills was 50. In recent times, the government has declared that it is going to shut down 4 jute mills and about 14,000 jute workers



PHOTO: PID

Visiting Indian State Minister of Commerce Jayaram Ramesh meets President Iajuddin Ahmed at Bangabhaban yesterday.

## Exploit scope for enhancing trade, commerce

President asks chambers at the launch of India-Bangla chamber

UNB, Dhaka

President Professor Dr Iajuddin Ahmed asked all business chambers to aggressively exploit every unfolding scope for boosting trade and commerce to bolster country's economic environment for greater welfare of the nation.

He made the call at the launch of India-Bangladesh Chamber of Commerce and Industry (IBCCI) at a city hotel yesterday, which is supposed to be a latest window of opportunity for enhancing bilateral trade and investment as well as reducing the yawning trade gap between the two neighbouring countries.

Indian State Minister of Commerce Jayaram Ramesh, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Mir Nasir Hossain, and Acting High Commissioner of India Sarvajit Chakravarty attended the programme as special guests.

Finance Adviser Dr AB Mirza M Azizul Islam was present as guest of honour on the occasion.

The president said the chambers of trade and commerce could help bolster country's economic environment, including favourable investment climate, government policies on trade and commerce, EPZ facilities, availability of cheap and hardworking labour force, transportation facilities and friendly cooperation from all corners of the

global business community.

"It is needless to say that the role of trade bodies is of paramount importance in enhancing economic development in the country," he said in his address to the launching ceremony of the joint chamber.

He hoped that the IBCCI would play its due role in boosting country's economy for the well-being of the nation. "Our friendly bilateral relations, particularly in the fields of trade and commerce between the two countries, would be further strengthened and expanded through its activities," he said in his note of optimism.

The President mentioned that formulation of some principles by the World Trade Organisation (WTO) has ushered in a massive competition in world trade and the free movement of goods has also increased.

As a result, he noted, many developing countries like Bangladesh are facing tremendous competition both in regional and international arena.

In this changed context, the economy of Bangladesh has been closely integrated with global economy, and with the passage of time, this integration is becoming deeper day by day.

"In this situation, we have no scope for lagging behind rather we need to compete with the outside world for achieving economic advancement. And keeping this in

## Largest US port workers may go for strike today

AP, Los Angeles

Clerical workers presented their final offer to shipping companies Saturday after all-night contract talks aimed at preventing a strike at the nation's largest port complex.

"We've done all we can," said John Fageaux Jr., president of the Office Clerical Unit, Local 63, of the International Longshore and Warehouse Union.

Clerks could strike as early as Monday but Fageaux said he was hopeful a new contract agreement would be reached. "I think we're very close," he said.

However, Steve Berry, lead negotiator for the shipping companies, said the companies' negotiating team needed time to study the union's offer to "decide what our final response would be." He said the next meeting with the union was scheduled for Tuesday.

Among the contract issues that remain under dispute in the negotiations were wages and employer-provided health plan changes for new hires, Berry said.

The twin ports of Long Beach and Los Angeles handle more than 40 percent of all cargo container traffic coming into the U.S.

The 15,000-member ILWU has indicated that longshoremen would honor picket lines if the clerical workers strike. The clerks work at marine terminals and handle bookings for the export of cargo and other transport documents.

A major issue in the talks was the shippers' request for an association that could represent all the companies in collective bargaining, Fageaux said. The union agreed to discuss the idea in the next few years, he said.

The talks began in May and continued after the current contract expired June 30. Despite a strike deadline imposed last Monday by the union, the negotiating teams continued to meet stoking concerns about a possible shutdown at the ports.



Industrial Promotion and Development Company of Bangladesh Ltd (IPDC), a financial institution operating for more than 25 years, inaugurated its new branch at Dhamondi in Dhaka on Saturday. Industries Ministry Secretary and Chairman of IPDC Md Nurul Amin opened the branch. IPDC Managing Director and CEO Shah A. Sarwar was also present.

## Despite outcry, many Americans can't live without China goods

AFP, Washington

Even as protests grow about US imports from China, many Americans may find it hard to manage without the range of products that dominate or in some cases monopolize the marketplace.

Safety concerns over Chinese-made goods prompted further comments in Congress over the past week and led President George W. Bush to establish a new panel to review the safety of imported goods.

Yet economists and consumers say that Chinese-made products have become so ubiquitous it may be next to impossible to wean Americans off low-cost imports.

Sara Bongiorni, a journalist and author of "A Year Without Made in China," which tells of a year-long effort by her family in 2005 to avoid buying any Chinese-made products, said the experiment showed how intertwined the two big economies are.

"We can live without Chinese imports, sort of," she wrote, while adding: "Swearing off Chinese products forever seems impractical, since it might mean we'd never again buy a cell phone, a squirt gun, or one day maybe even a television. We don't want to give up those things for good."

Bongiorni said she discovered that toys, toasters and small electronics come mainly from China, as

well as many other consumer goods.

During her yearlong experiment, she told AFP, "I ended up spending almost 70 dollars for tennis shoes for my son, compared to 10 or 15 dollars for those from China."

China exported some 290 billion dollars worth of products to the United States in 2006, a significant chunk of the 9.2 trillion dollars of US consumer spending.

"Chinese goods may not make up everything we buy, but they sure are a major portion," said Joel Naroff, an economist who operates a consulting firm Naroff Economic Advisors, in the foreword to Bongiorni's book.

Naroff said that based on the data, "we should be able to live very easily without having to buy Chinese products. But that just may not be the case, especially for lower- or middle-income families."

Naroff added: "Many goods have components that are made in China but assembled elsewhere. Most manufacturers couldn't care less where the component was initially produced. They only care that it is cheap and fits their needs."

In the wake of the scare, Utah-based vitamin maker Food for Health International started labeling its products "China-free."

"The last thing we wanted to imply was that we are anti-China -- absolutely not," Kolman told AFP.

"The trade deficit with China keeps rising," he said. "If there is a consumer movement out there it has yet to come to any consequence."

Morici said the notion of a boycott having any major impact is "hard to fathom."

"The only way this would work is if it spread to Wal-Mart, which is China's biggest merchant," he said.

"If people said they wouldn't go to Wal-Mart because of Chinese products that would change things."

China has been the object of a variety of boycotts, from human rights activists and those who argue Americans are losing manufacturing jobs.

Criticism of China has risen in

