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Indo-HK RMG plant in Dhaka EPZ soon

UNB, Dhaka

Hong Kong and India will establish a garments industry in Dhaka Export Processing Zone with an investment of US\$3.626 million.

This 100 percent foreign owned company named M/s. Epic Garments Manufacturing Company Limited, Unit-2, will manufacture annually 360 thousand dozens of woven shirts, pants, jackets, shorts, blouse, skirts and pajama.

The industry will create employment opportunity for 1703 Bangladeshis and 7 foreign nationals.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and the M/s. Epic Garments Manufacturing Company Limited in Dhaka recently.

Member (Investment Promotion) of Bepza Prasanta Bhushan Barua and Chief Financial Officer of Epic Garments Company Govind Bhagat signed the lease agreement on behalf of their respective organisations, said a press release.

US hails SE Asia's free markets

AFP, Manila

The United States on Wednesday lauded Southeast Asia for progress on democracy and free markets, stressing its commitment to the region despite Condoleezza Rice's absence at a key security summit.

"It's been an excellent basis, an excellent platform for working together," said Negroponte, the number two US diplomat after Rice, after talks with ministers from the Association of Southeast Asian Nations (Asean).

"It's been an opportunity to emphasize the great importance that the United States attaches to our relationships within Asean," he said.

It is the second time in three years that Rice has skipped Asia's main security meeting, the Asean Regional Forum, but officials said they understood she was in the Middle East and welcomed the US role around the world.

"These are challenging times that we live in, and US leadership is critical," Singapore Foreign Minister George Yeo said in a speech on behalf of Asean to welcome Negroponte.

"US investment and markets have helped lay the foundations for the rapid growth for the region's economies," he said. "However, the US stays engaged, this can be a new golden age for Asia and the world."

Asean is looking to create a single market by 2015, five years earlier than the original target date -- which Negroponte said was a signal for expanded cooperation with the United States in future.

"We think this will represent great, great opportunities in our relationships with the Asean countries," he said. "We have had a very good day of business."

Thursday's annual ARF security summit features dozens of side meetings. Negroponte and the top US negotiator on North Korea, Christopher Hill, met Chinese Foreign Minister Yang Jiechi and other regional officials.

Vietnam bans strikes in key economic sectors

AFP, Hanoi

Vietnam has banned strikes in key public services and in sectors that are "of extreme importance to the national economy," the communist government said on its website Wednesday.

Industrial action will be prohibited in power stations, the oil and gas sectors, airports and train stations, the postal service, newspaper delivery, and water supply, irrigation and drainage services, it said.

The list of companies and state agencies, released in a decree by Prime Minister Nguyen Tan Dung, is subject to revision "depending on the socio-economic circumstances," said the official government website.

Government ministers and local authorities would meet every six months with employers and trade unions in the sectors banned from strike action "to hear and handle legitimate requests from the workers," the website said.

Inflation of foods in urban areas reaches 10.71pc in June

MD HASAN

The point-to-point inflation rate of food items for the urban areas crossed double digit to reach 10.71 percent in June, threatening more sufferings for the fixed income group.

Overall inflation rate on a point-to-point basis in June of the last fiscal stood at a 10-year high of 9.20 percent, according to Bangladesh Bureau of Statistics (BBS).

People of the urban areas have to pay extra money to buy food items compared to the rural areas.

The government data shows that overall inflation rate on point-to-point basis in rural areas reached 9.14 percent in June, which was 8.04 percent in May.

Point-to-point inflation of food items reached 9.45 percent in June in the areas, which was 7.98 percent in May. Such inflation of non-food items reached 8.55 percent in the rural areas in June, which was 8.15 percent in May.

According to BBS data, in the urban areas, overall inflation rate on point-to-point basis reached 9.35 percent in June, which was 8.08 percent in May. Inflation of food items on point-to-point basis reached 10.71 percent in

June in urban areas, which was 9.21 percent in May.

Inflation on point-to-point of non-food items reached 7.80 percent in urban areas, which was 6.78 percent in May.

The higher domestic and international food prices as well as raising the prices of petroleum products by 21-33 percent by the government in April to bring them closer to international prices resulted in the high inflation rate in urban areas.

Besides lack of proper supply management also contributed to the rise in the rural areas.

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Crops, especially seasonal vegetables and Aus paddy of these areas, will be lost if floodwater stays for a long time, the DAE sources said.

They fear Aman plantation that is usually done by August will be delayed too.

It is becoming very difficult to survive in the city areas like Dhaka because of increasing prices of every commodity, said Syed Iftekhar Rahman, a private service holder, while talking to The Daily Star at Rampura bazaar.

He said, "The reality is that we have to live in Dhaka for livelihood--we are in great distress."

Meanwhile, Asian Development Bank (ADB) on Tuesday projected further inflation in case of government's failure to find out proper mechanism to contain food prices and rise in the prices of those items in the international market.

In view of higher international food prices and given the large share of food in inflation, the government measures taken so far to contain the price spiral are unlikely to dampen inflationary pressure, the ADB said.



PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Govind Bhagat, chief financial officer of Epic Garments Company, sign a lease agreement in the capital recently to set up an Indo-Hong Kong joint venture garment plant in Dhaka EPZ. Brig Gen Ashraf Abdullah Yussuf, Bepza executive chairman, among others, is seen.

Process to corporatise NCBs almost finalised

UNB, Dhaka

The authorities concerned have almost finalised the process to corporatise the nationalised commercial banks (NCBs) as they agreed on the modalities at a meeting in Dhaka yesterday.

Separate agreements in this regard would be signed between the government and the authorities of Sonali, Janata and Agrani banks sometime next week, a meeting source told the news agency.

Finance Secretary Mohammed Tareq chaired the meeting with the managing directors of the NCBs, while senior officials of the finance ministry and the NCBs were present.

As per the modalities, the NCBs would be handed over to the newly transformed banks as limited companies with the assets and liabilities as of June 30 this year.

Earlier, respective bank boards gave their consent to the modalities.

The government had taken the initiative to corporatise the state-run banks as part of NCBs' reform programme considering their

dilapidated state, mainly for huge bad loans.

In the process, state-run Rupali Bank is now waiting for being handed over to a foreign investor.

New head of Personal Financial Services of HSBC Bangladesh

Md Shafquat Hossain has been promoted to the post of head of Personal Financial Services of HSBC Hongkong and Shanghai Banking Corporation (HSBC) Bangladesh Ltd with effect from August 1, 2007.

Shafquat, who worked with American Express Bank, ANZ Grindlays Bank and Standard Chartered Bank prior to joining HSBC in 2001, has over 10 years experience in retail banking, says a press release.

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India to examine NTBs that affect Pak exports

PALLAB BHATTACHARYA, New Delhi

India has set up a task force to examine the issues of non-tariff barriers (NTBs) that Pakistan feels are affecting exports of goods like cement to India.

As secretary-level talks with Pakistan entered the second and final round yesterday, Indian Commerce Secretary GK Pillai said Pakistan has been asked to come out with a list of 20 items that might be facing NTBs owing to infrastructure bottlenecks.

Faced with high domestic price, India wants to import cement from Pakistan but shipment is delayed due to quality certification followed by the Bureau of Indian Standards.

The demand for cement in India has risen sharply in view of the construction boom, and prices of the product went up in the last one year.

Pakistan is keen to export its surplus cement to India and along with Bangladesh, China and Indonesia are among the countries from where cement is expected to be imported to bring down domestic prices.

Pillai said certification process for

cement would be put on a fast track and India does not adopt any country-specific conditionality and the obstacles may be due to infrastructure problems.

He said the two countries should include more products in the bilateral trade basket. For instance, Pakistan can export cement to India, while it would be commercially beneficial if Pakistan, the world's third largest consumer of tea, could buy tea from India, which is the world's largest producer of the commodity.

If tea is traded across the border through land route, the transaction cost would come down creating economic advantages for both the countries", Pillai pointed out.

He also called upon Pakistan to operationalise South Asian Free Trade Area with India. Pakistan continues to pursue a system of positive list under which it gives access to some goods from India.

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