

Star

BUSINESS

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82 firms to get national export trophy

BSS, Dhaka

The government has decided to award 'national export trophy' to 82 export houses for their outstanding contributions from 2003 to 2005 fiscal years.

The decision was taken yesterday at a meeting at the Ministry of Commerce with its secretary Feroz Ahmed in the chair.

The trophies include 33 gold, 28 silver and 21 bronze trophies. A total of 27 trophies would be given for 2002-03 covering 17 export sectors, 32 trophies for 2003-04 covering 17 export sectors and 23 trophies for 2004-05 covering 15 export sectors.

The trophy was introduced in 1978 by the then president as 'export trophy'. It was renamed in 1994 as the national export trophy, said a press release.

Financial turmoil could hurt Asia over next 6 months

Says Singapore PM

AFP, Singapore

Asia could feel the impact of turbulence that rocked global markets over the next three to six months but the region's foundations remained strong, Singapore Prime Minister Lee Hsien Loong said.

The region would be affected if the volatility, which saw stock markets around the world plummet from fears of a global credit crunch, starts to dent US consumer confidence, he said late Sunday.

"If consumer confidence weakens in (the) US, then the economies in Asia and Singapore will be affected," he said in his annual National Day Rally speech aired on local television.

"Even if it does, the fundamentals in Asia remain strong and so too for Singapore."

US and European stocks staged a strong recovery Friday after the US Fed took markets by surprise by slashing its discount rate, the interest rate charged on loans to commercial banks, by a half-percentage point to 5.75 percent.

Asian stocks also rode on the positive sentiment generated by the cut in discount rate with regional benchmarks sharply higher Monday as investor confidence returned.

The cut was the first time the US central bank had acted outside regular rate-setting meetings since 2001, in the aftermath of the September 11 terror attacks. As a result, Asian stocks were stronger in trading Monday.

Growing fears of a credit crunch, caused by the crisis in risky US subprime home loans, have played havoc on Wall Street with investors unable to determine the full extent of the crisis.

Oil prices lower

AFP, Singapore

Oil prices fell in Asian trade Monday as energy facilities in the United States appeared to be safe for the time being from the fury of Hurricane Dean, dealers said.

At 2:20 pm (0620 GMT), New York's main contract, light sweet crude for September delivery had fallen 70 cents to 71.28 US dollars a barrel from 71.98 dollars in late US trades Friday.

Brent North Sea crude for October delivery dropped 86 cents to 69.58 dollars.

"Its trajectory is proving to be a far way south... it's becoming less of a worry for the oil market," said Tobin Gorey, a commodity strategist with the Commonwealth Bank of Australia in Sydney.

"As the hurricane (threat) fades, they are focusing on the market turmoil," he said, referring to last week's turbulence in the financial markets, particularly equities, stemming from the troubled US subprime mortgage sector.

The US Federal Reserve's move to slash its discount rate also calmed financial markets but there is still a "question mark over demand for oil," said Gorey.

Oil traders are still trying to determine the fallout from the US subprime market crisis on economic growth which will subsequently affect energy demand, he said.

In a move aimed at boosting the liquidity of commercial banks, the US central bank on Friday slashed its discount rate -- the short-term loan rate it charges banks -- by a half-percentage point to 5.75 percent.

Sonali Bank to waive interests on farm loans in flood-hit areas

BKB also allows rescheduling loans for one year

STAR BUSINESS REPORT

Sonali Bank, a state-owned commercial bank, will waive all interest payments on agricultural loans in flood affected areas of the country.

The bank will also allow farmers to reschedule their previous loans and allocate fresh loans in order to aid production and allow them to get back on their feet.

"We believe the rehabilitation of farmers is one of the foremost activities of the bank. As part of the rehabilitation, the bank will consider every application for loan waivers and the allocation of fresh loans to farmers in flood affected areas," SM Aminur Rahman, managing director, Sonali Bank, said at a press

conference yesterday.

The bank will also allow reschedule of loans and allocate fresh loans to other industries that have been affected by the flood this year.

Under the rehabilitation programme, the bank has allocated Tk 625 crore for disbursement and more funds will be allocated if the demands arise, Rahman said.

He said the bank has formed a high-powered monitoring team to receive any complaints of harassment or bribery in the allocation of the agricultural loans.

As part of its relief activities, the bank has also exempted remittance charges from its USA and UK subsidiaries for money donated to the Chief Adviser's Relief Fund. A total

of Tk31.57 lakh has So far been sent to the fund in this way.

The bank donated Tk 55 lakh to the Chief Adviser's Relief Fund made up of one day's salary from bank staff.

Sonali Bank has opened a 'Tran Tahbil-2007' (relief fund) account and officials of bank branches across the country are encouraging people to donate to the fund.

Meanwhile, Bangladesh Krishi Bank (BKB) as part of the special Post-Flood Agricultural Rehabilitation Programme set target to disburse Tk 3,550 crore this fiscal.

The BKB will also allow the flood affected farmers to reschedule their previous loans for one year.



Desh Energy Ltd and Bangla Trac Ltd (Bangla CAT) have recently entered into an agreement for supply and commissioning works of 10MW and 20MW rental power projects. Desh Energy in collaboration with Cambridge Energy Waste Management Ltd, a US company, is implementing the projects. Muhammad Muhsin, CEO of Cambridge Bangladesh Ltd, Tarique E Haque, chairman of Bangla Trac, and Nazim Asadul Haque, managing director, and Nuher L Khan, managing director of Desh Energy, among others, were present at the signing ceremony.

SYDNEY SUMMIT

Asia Pacific leaders to try to break WTO deadlock

AFP, Singapore

Asia Pacific leaders will make another attempt to break the prolonged deadlock in global trade negotiations at their annual meeting in Australia next month, an official said Monday.

Presidents and prime ministers from the 21-member Asia Pacific Economic Cooperation (Apec) forum are expected to issue a statement aimed at helping revive the moribund talks, said Colin Heseltine, executive director of the Singapore-based Apec secretariat.

"What Apec leaders, I think, will be putting their minds to in a couple of weeks is what they can do in terms of trying to push the Doha Round of negotiations forward, to get some progress," Heseltine told a media briefing.

"This will be one of the important priorities in Sydney in September."

Heseltine said it was not clear at this point what form the leaders' statement will take or how stronger it

can get in order to break the impasse among World Trade Organisation (WTO) members.

"Negotiations are going on in Geneva during this current period, and so just precisely where Apec can fit in and what it can do I think we will just have to wait and see," he said.

At their annual meeting in Busan, South Korea in 2005 and Hanoi, Vietnam last year, Apec leaders also issued strong statements but these have failed to jumpstart the WTO talks.

Apec members, which account for 70 percent of global economic output and half of world trade, had been hoping to use their economic influence to give a strong push toward reviving the negotiations.

The grouping includes economic heavyweights like the United States and China, and covers a wide range of countries and territories stretching from Latin America to Asia.

WTO director-general Pascal Lamy will be in Sydney to attend a series of meetings involving Apec

trade and foreign ministers ahead of the summit on September 8 and 9, Heseltine said.

The WTO's Doha Development Round, launched in the Qatari capital in 2001, is aimed at cutting subsidies and import duties primarily to help developing nations to take advantage of expanding global trade.

But the talks have foundered because WTO members are at odds over the extent of new cuts in barriers to trade in agriculture, industrial goods and services amid cross-cutting disagreements between rich and poor countries over the concessions they need to make.

Apec leaders in Sydney will also receive a report drawn up by senior officials on ways to accelerate economic integration, and one of these measures is a proposed Free Trade Area in the Asia-Pacific (FTAAP), Heseltine said.



Eskayef Bangladesh Ltd, a leading pharmaceutical company, and Allergan that develops, manufactures and markets products designed to treat diseases and disorders of eyes, organised an international seminar on 'Emerging Concepts of Ocular Surface Disorders' in Dhaka on Saturday. Shah Md Bulbul Islam, head of the Department of Ophthalmology of Dhaka National Medical College, Quresh B Maskati, consultant eye surgeon from India, Shagufa Anwar, marketing manager of Eskayef Bangladesh, and Kalyan Goswami from Allergan, India, spoke at the seminar.

Labour unrest reports incorrect

Bepza says

STAR BUSINESS REPORT

Bangladesh Export Processing Zones Authority (Bepza) issued a statement yesterday claiming reports of labour unrest in the country's EPZs were incorrect and 'exaggerated' creating a false impression that damaged investment in the sector.

The authority said the incidents took place at a tiny handful of factories and were the action of a very small minority of unruly workers.

For example in one reported incident at Lenny Fashion Company's unit-2 in Dhaka EPZ, more than one hundred workers fell sick due to substandard food supplied to workers.

As a result of this the factory offered a daily cash alternative to food that a handful of the workers objected to, vandalizing the premises. Work of the company resumed yesterday.

The event was an isolated incident at just one of the 91 industrial units currently operating in Dhaka EPZ, the authority said.

According to the authority, another example of exaggerated reporting was that of a minor incident at Euromede Fashion in the Chittagong EPZ where two workers quarreled with the factory's deputy general manager.

The EPZ authority said problems over salary and wages no longer exist in any EPZ in Bangladesh with the International Labour Organization (ILO) accepting that 94 per cent of EPZ units were in compliance.

The statement said baseless reports about labour unrest created confusion and sent the wrong signal to potential investors.

Launching of thread plant in Gazipur Thursday

A world class thread manufacturing plant, A&E (Bangladesh) Ltd, will be formally inaugurated at Islampur in Gazipur next Thursday, says a press release.

Brandix Lanka Ltd, Brandot International Ltd and American & Efid Inc have ventured it jointly, which, according to industry insiders, would significantly strengthen the growing ready made garments industry of Bangladesh.

Some directors of Brandix, Lankan largest apparel exporter, led by Aslam Omar, arrive here this week to join A&E President Fred Jackson in the formal launching ceremony.

The company has been in operation at Islampur for 3 years as a satellite plant of A&E Lanka's state-of-the-art manufacturing facility.

The company's growth plan in Bangladesh includes providing more employment opportunities and offering training and development to assist in increasing knowledge and skill levels in the manufacture of sewing and embroidery thread.

Outsourcing firms record 47pc revenue growth in India

AFP, Bangalore

Indian outsourcing firms led by Genpact logged 47 percent growth in overseas earnings in the year ended March, a survey released Monday showed.

Export revenue of business process outsourcing, or BPO, firms rose to 209 billion rupees (4.6 billion dollars) in the year, said the survey by Dataquest, an information-technology industry publication.

New York-listed Genpact remained India's biggest outsourcing firm, earning 22.22 billion rupees from overseas clients who seek to take advantage of India's lower labour costs.

Dataquest took into account only Indian BPO firms that provide services to foreign customers and excluded the captive India-based units of companies such as HSBG Holdings, Dell and America Online.

The top 20 outsourcing companies contributed 160.94 billion rupees (3.57 billion dollars), or three-fourths of the total export pie, Dataquest said in a statement here on the findings of the survey.

India bad example of agri liberalisation

Claims economist

STAR BUSINESS REPORT

A noted Indian economist yesterday warned of a negative impact of liberalisation of agriculture on Bangladeshi farmers, saying the acute problems now being experienced in rural India could be repeated here.

Utsa Patnaik, professor of Jawaharlal Nehru University of India, said economic liberalisation and reforms had exposed Indian farmers to intolerable burdens that had led to sharp increases in the number of farmer suicides. In India, more than 100,000 rural farmers had committed suicide since 1998, she said.

According to Patnaik, liberalisation leads farmers to shift from food production to export-oriented crop production. However the prices of such export-oriented products in international markets are declining gradually, she said.

Patnaik was outlining the impact of liberalisation on the agriculture sector in her country during a lecture titled 'Whither Agrarian Development Under Neo-liberalism' at Dhaka University campus yesterday. Department of Economics of the Dhaka University and Unnayan Onneshan, a local centre for research and action on development, jointly organised the lecture.

The professor said along with India many other Asian countries

are being targeted for economic reforms and liberalisation by the international financial organisations including the International Monetary Fund (IMF) and the World Bank (WB).

The IMF and WB prescriptions to these countries include cutting government expenditure, tightening monetary policy, the devaluation of local currencies and reducing the ratio of budget deficit to GDP, she said.

These moves are forcing the countries to take contractionary macro-economic policies, which are basically "nonsensical theories" of the IMF and WB, she said.

She said the high growth of the Indian economy is based on the country's service sector. The contribution of the service sector in the Indian economy is more than 50 percent, while the contribution of agriculture came down to only 20 percent after the liberalisation.

Liberalisation has meant the Indian economy has witnessed less than 1 percent employment growth, while the unemployment growth is growing very fast. In 1980s, employment growth was 2.8 percent, which came down to 0.7 percent in 1990s, Patnaik said.

China makes progress on fighting money-laundering

AFP, Paris

China has made progress in fighting money laundering, but still has a lot to do, The Financial Action Task Force (FATF), an international anti-corruption body, said on Monday.

"China has made significant progress implementing its anti-money laundering (AML) system. At the same time, it notes that there are still serious deficiencies and very

few convictions for money laundering," the FATF said in a report on China's anti-money laundering measures.

Among shortcomings highlighted in the report were that fighting terrorism is not a criminal offence in China, and that lawyers, dealers in precious stones and real estate are not covered under anti-money-laundering laws.

It also said China does not have

3 more banks to offer Western Union's money transfer service

Rupali Bank, United Commercial Bank and Prime Bank will offer Western Union's money transfer services through their branches across the country.

Western Union, a worldwide leader in money transfer services, recently announced the cooperation with the three Bangladeshi banks, according to a press release.

"With our expansive global agent network, Western Union is uniquely positioned to meet the need of the people of Bangladesh for reliable and convenient means to receive money. The cooperation with these banks allow Western Union to provide easier, faster and reliable access to money transfer service for the local customers," Anil Kapur, managing director, South Asia, Western Union, said.

This is also for the first time in Bangladesh that public sector banks are involved in promoting and sustaining the flow of remittance into the country.

Western Union is currently serving the needs of consumers through its five agents; National Bank Ltd., Arab Bangladesh Bank Ltd., BRAC Bank Ltd., Dutch-Bangla Bank Ltd and Southeast Bank Ltd with more than 1200 locations countrywide.



PHOTO: MIDAS FINANCING

Md Golam Sarwar Bhuiyan, managing director (current charge) of MIDAS Financing Ltd, and SN Kairy, director (Finance) of BRAC, a leading non-government organisation, sign a term loan agreement at a function on Sunday. Under the deal, MIDAS Financing will extend term loan facility of Tk 20 crore to BRAC for financing the latter's microcredit programme. Senior officials from both the sides are also seen.