

Star BUSINESS

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RMG makers seek soft loans to pay workers' wage, bonus

STAR BUSINESS REPORT

Readymade garment (RMG) makers yesterday sought soft loan facilities from the government to provide regular wages and bonuses for their workers in the current what they said dull season.

"As around 35 to 40 percent capacity of most of the garment industries remained unutilised during the last six months, it would be a burden for the owners of apparel factories to pay two festival bonuses in the coming three months," Anwar-ul-Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told a press conference at the BGMEA office in Dhaka.

The association directors were present there.

Responding to a query, Parvez said all but 132 BGMEA members complied with paying minimum wages to their workers until August 31, 2007. The chief of the apex trade body in the RMG sector expressed his hope that all members will soon start giving the wages fixed by the RMG Minimum Wage Board to their workers.

Meanwhile, the BGMEA leader projected an order spree from buyers in the coming months, although they had faced a six-month (January-June, 2007) dull season. "I am optimistic that we can achieve one billion dollar export earning mark in a single month in November," Parvez said with conviction.

He said although a good number of reputed apparel buyers shifted their autumn bulk orders to Vietnam, Cambodia and China during the last three months (October-December) of the year 2006 due to political instability, some of them have now looked back to Bangladesh for comparatively low-cost products.

The BGMEA president attributed the dull season for the sector to short winter in Europe and US and shaky consuming practice for high oil prices.

Parvez informed the reporters that due to the dull order spree during the last three quarters of two fiscals, most of the garment makers faced a 35 percent less output.

He, however, demanded establishment of a separate ministry for readymade garments to ease

business because the apparel makers now have to depend on various ministries for a single purpose.

Parvez urged the government to declare the RMG sector as thrust sector for developing infrastructure under a one-stop window to cater to the growing need of the industry.

He said if the government and other stakeholders co-operate each other in developing the sector, it will be able to fetch US\$ 50 billion annually from exports with employment of around 10 million people within the next 10 years.

He said the size of the global apparel industry is \$500 billion with a 12 percent growth.

Lanka sharply raises tax on mobile phones

AFP, Colombo

Sri Lanka on Thursday sharply raised taxes on mobile phone users to help raise funds for extra government spending, officials said.

The subscriber levy was hiked from 2.5 percent to 10 percent on all mobile phone bills, officials said.

Media Minister Anura Yapa said the move was aimed at raising revenue for additional government expenditure this year, including fuel subsidies for the country's fishermen.

The mobile phone sector is a success story in Sri Lanka's otherwise war-battered economy, with six million users out of a total population of 19 million.

HSBC to launch retail branches in Japan

AFP, Tokyo

British-based HSBC said Thursday it planned to make its long-awaited entry into Japan's retail banking sector early next year with a nationwide network of branches targeting wealthy individuals.

HSBC is aiming to lure high income customers away from the Japanese banks and vie with US financial giant Citigroup which is expanding its Citibank network in the world's second-largest economy.

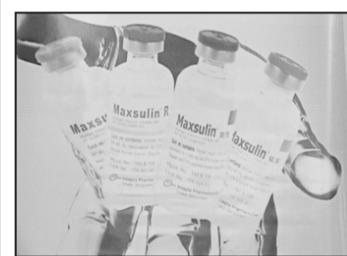
The banking giant will open branches in Tokyo, the western city of Osaka and other major metropolises targeting an estimated 6.3 million people with liquid financial assets of at least 10 million yen (86,700 dollars).

"Japan is a key market for HSBC and we believe now is the right time to expand our presence here with the launch of our unique personal financial service offering," HSBC's Japan head, Stuart Milne, said in a statement.

HSBC is looking to expand its presence in Asia. On Monday it announced a deal to buy half of South Korea's sixth-biggest bank, Korea Exchange Bank, for about 6.3 billion dollars from US private equity fund Lone Star.

HSBC already has a presence in Japan mainly focusing on corporate financial services.

Incepta Pharma launches insulin



Incepta Pharmaceuticals Ltd has introduced Maxulin, a recombinant DNA (deoxyribonucleic acid) insulin and a life-saving drug to control blood glucose level of the diabetics, says a press release.

The insulin, which is a biotech product, was launched at a function yesterday in Dhaka where Managing Director of the company Abdul Muktedir, among others, was present.

Every batch of the insulin will be marketed after ensuring its quality as per the British Pharmacopoeia, the authoritative collection of standards for UK medicinal substances and the official source of all UK pharmaceutical quality standards, the release adds.

StanChart relocates Dhaka main branch

Standard Chartered Bank recently relocated its Dhaka main branch from Hadi Mansion at Dilkusha to the City Centre at Motijheel, says a press release.

The new branch which has been named 'City Centre Branch' has a larger customer service area and offers a more comfortable banking hall.

The branch also offers a comfortable lounge for mortgage customers and two 24-hour banking booths with an ATM and a BillsPay Machine in each booth.

Osman Morad, CEO of Standard Chartered Bank Bangladesh, formally inaugurated the relocated branch on Thursday. Tanvir Haider Chaudhury, head of Shared Distribution and Service Quality, M Rahman, head of IT, Naser Ezzaz Bijoy, country chief risk officer, and other senior officials were present.

Indian exporters dump sugar: BSFIC official

Closure of Bangladesh sugar mills feared

UNB, Dhaka

India is allegedly providing a considerable amount of subsidy for sugar export to Bangladesh as part of its strategy to dump the essential item.

Chief Marketing Executive of Bangladesh Sugar and Food Industries Corporation (BSFIC) ATM Alamgir made the allegation saying that both the central and provincial governments in India are giving huge subsidies to sugar exporters.

"The central government (of India) provides US\$ 35 against per tonne sugar export to Bangladesh, while provincial governments, particularly that of Maharashtra, gives US\$ 30 in this regard," the BSFIC senior official told a meeting here yesterday.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) organised the meeting to discuss Bangladesh's trade mechanisms to deal with the anti-dumping and counter-veiling measures.

The BSFIC official apprehended that sugar mills both in public and private sectors might face closure, if such Indian sugar dumping continues.

Dr Guster Brink, team leader of Trade Defence Mechanism in Bangladesh, who made a presentation on the issue, said local entre-



Kamran T Rahman, acting president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), speaks at a presentation on "Trade Defence Mechanism in Bangladesh" in the capital yesterday.

preneurs should lodge a complaint with WTO with proper data and information to prove the allegation to have a remedial measure.

FBCCI Secretary Syed Jamaluddin said the Bangladesh Tariff Commission (BTC) is the appropriate authority to do the job. "But unfortunately, the BTC is trying to avoid its responsibility," he observed.

Professor of Economics at the Dhaka University AK Monwar Uddin Ahmed said, "Not only sugar, India and China are dumping many more products in Bangladesh. But Bangladeshi entrepreneurs cannot take advantage of anti-dumping and counter-veiling measures because of their poor database and information system."

Dhaka chamber's representative Ferdous Ara said local entre-

preneurs do not want to make disclosure about their losses caused by the dumping to avoid the risk of high tax payment.

"Corporate tax in Bangladesh is the highest in the world, even higher than that of Europe...So, most of the industry owners do not want to disclose information to avoid the risk of high tax payment," she said.

The Bangladesh Tariff Commission was supposed to be a partner to organise the discussion meeting, but no one of its officials was present to hear or record the proceedings.

FBCCI Acting President Kamran T Rahman, who presided over the meeting, said the BTC officials were busy otherwise. "That's why they couldn't attend the meeting."

India's Jet Airways to launch Kolkata-Dhaka-Delhi route

PALLAB BHATTACHARYA, New Delhi

India's leading private carrier Jet Airways will launch a Kolkata-Dhaka-Delhi flight daily from the middle of October, a senior official of the company has announced.

The Kolkata-Dhaka-Delhi flight will connect Jet's service to London from the Indian capital, Sudhakar Rao, Jet Airways' senior general manager (Sales, East India) said in Kolkata.

He said the connection to Jet's London flight is expected to work in favour of the airlines from the point of view of viability of operating a daily flight between Kolkata, Dhaka and Delhi.

This will be the second international destination to be covered by Jet Airways from Kolkata after its flight to Bangkok.

The private airliner at present operates international flights to several destinations including London, New York, Toronto, Bangkok, Kuala Lumpur, Colombo, Kathmandu and Singapore.

Meanwhile, air fares in certain sectors of India are likely to rise by five to ten percent from October with the advent of busy travel season, compared to slack season spanning from July to September.

The managements of almost all private carriers, including budget airlines, including Jet, Spicejet, Kingfisher, Air Deccan, are believed to be mulling increasing domestic fares from next month.

In fact, business class fares in certain domestic routes have already gone up by five to ten percent. Aviation industry sources intense competition has kept the base air fares (excluding taxes and

surcharges) low especially with the increase in the number of seats in flights.

Interestingly, the proposed hike in air fares from October will be implemented despite the approximate two percent fall in prices of aviation turbine fuel, which accounts for 30-35 percent of running cost of airlines, in September.

The Indian airlines industry is estimated to have suffered a loss of 500 million dollars in 2006-7 and the aviation sector is witnessing merger and consolidation and cutting costs and losses.

Two state-owned airlines Indian (formerly Indian Airlines) and Air India have been merged into a single entity called Air India while Air Sahara has been sold out to Jet Airways. Kingfisher has picked up a stake in Air Deccan.

Indian aviation industry flays govt policy

ANN/ THE STATESMAN

Indian aviation industry is unhappy with the government's proposal that it would examine applications for overseas service on a case-to-case basis instead of going by the uniform five years domestic flying experience.

The Union civil aviation minister, Praful Patel, has stated that he wants the Indian airline industry to reach parity with foreign airlines flying to India and urged national carriers to start considering new international routes for service.

However, most private airlines are fuming at the new proposal as they feel the government's approach is to benefit only a few big private airlines and deprive other competi-

tors. A civil aviation ministry official also admitted that it is meant to facilitate some private airlines who have been in the flying business for less than three years.

"I would nudge India's airlines to look at opening new routes. There are several routes that can be explored on which a number of international airlines fly to India, although no Indian airlines operate to these countries," Patel had stated recently.

Kingfisher Airlines is less than three years old, but is the key contender for flying West. This was made clear when Kingfisher displayed the A-380 Airbus, the largest aircraft in the world on 7 May. Kingfisher has said it would fly this plane only on international routes.

Perhaps coincidentally, several Indian carriers have made new foreign route announcements. Air India first signalled its consideration of a non-stop Kozhikode-to-Bahrain flight, following an analysis of the passenger segmentation of its successful Kozhikode-Doha-Bahrain service. The carrier also detailed plans for international expansion of its low-fare unit, Air India Express.

With the October schedule, the flag carrier's low cost affiliate will build up its presence in Kolkata, connecting that city with Bangkok, Singapore, Dhaka and Kuala Lumpur. It will also triple frequencies on its route from Trichy to Singapore, from three weekly services to nine.



PHOTO: CONCORD ENTERTAINMENT COMPANY

Visitors enjoy musical show at Sea World, a water park, at Foy's Lake in Chittagong. Concord Entertainment Company recently opened the park that has rides such as wave pool, slide world, tube slide, multi-slide and doom slide. Entry fee of the park, which also provides lockers and separate changing rooms for men and women, has been fixed at Tk 330 a person.

New MD of Eastern Bank



Ali Reza Iftakhar has been appointed the managing Director and CEO of Eastern Bank Ltd, says a press release.

Prior to the new assignment, Iftakhar served as the additional managing director of the bank.

A banker with more than 22 years of experience home and abroad, Iftakhar also worked with AB Bank, Standard Chartered Bank, Banque Indosuez and BCCI Overseas Ltd.

Intel builds \$2.5b factory in China

AFP, Beijing

The world's largest microchip maker Intel Corp said Saturday it had started building a 2.5-billion-dollar factory in the northeast Chinese city of Dalian.

The new plant, dubbed "Fab 68," is due to begin production in 2010 and will be the company's first computer chip factory in Asia.

Chairman Craig Barrett said the plant would cover 160,000 square meters and allow Intel to "promote the semiconductor manufacturing industry in China," the Xinhua news agency reported.

Dalian's mayor Xia Deren welcomed the move, saying it would provide a "push for the development of China's northeast, a former heavy industry base."

The factory takes Intel's total investment in China to four billion dollars.

The company already operates two assembly plants as well as research and development centres in the country.

Regional cooperation seen key to boosting tourism

Travel and tourism fair ends

STAR BUSINESS REPORT

Regional cooperation is needed to boost tourism in South Asian countries, speakers yesterday told the closing function of the three-day Banglalink Bangladesh Travel and Tourism Fair 2007 in Dhaka.

"We can make a joint plan so that tourists from Europe and the US visit the South Asian region under one package," said Shaikh Altaf Ali, civil aviation and tourism secretary.

"A visitor can visit Nepal first and then he or she may come to Bangladesh through India under one package," Ali elaborated. He also called for collective support to

promote tourism in the region. Assuring local tour operators of looking into their suggestions, the secretary said if the sector receives proper attention, it will contribute to the development of the economy.

Himangshu Shekar Das, principal secretary to Assam government of India, said tourism can also help improve relations among nations.

As tourism has huge potential, the government should take budgetary measures to develop the sector, said MA Momen, general manager of Biman Bangladesh Airlines Limited.

About the tourism extravaganza that concluded yesterday at the

Bangladesh-China Friendship Conference Centre in the capital, Hasan Mansur, president of Tour Operators Association (Toab), said the organisers received tremendous response from visitors.

Mobile phone operator Banglalink was the sponsor of the show, organised by Toab. About 80 stalls of tour operators, travel agents, hotels, resorts, airlines and travel magazines were set up at the fair.

Tour firms from Nepal, Thailand, Malaysia and India's Assam also took part in the fair.



PHOTO: STAR

Shaikh Altaf Ali (2-L), civil aviation and tourism secretary, and Hasan Mansur (C), president of Tour Operators Association of Bangladesh, among others, are seen at the concluding ceremony of "Banglalink Bangladesh Travel and Tourism Fair 2007" in Dhaka yesterday.

Consumers hold key to US economy's future

AP, New York

American consumers hold the key to whether the unexpected drop in August employment signals either a continuation of a gentle slowdown or a tumble into outright recession for the U.S. economy. The question is whether, after years of spending, we're spooked enough now to lock up our credit cards.

A net decline of 4,000 jobs reported by the Labor Department

Friday caps a summer of worrisome economic news: soaring mortgage foreclosures, declining housing prices, credit tightening and wild stock market swings. Throughout it, though, consumer spending has remained a bright spot.

Now the picture is turning decidedly mixed. While many corporations continue to report strong earnings and predict solid growth for the year, companies from Apple to Office Depot to Harley Davidson have signaled their concerns about

consumer spending.

Consumers, whose spending accounts for roughly 70 percent of the economy, have already started pulling back, said Joel L. Naroff, president and chief economist at Naroff Economic Advisors. If the pullback accelerates "it almost sets off a domino effect. Businesses, which are increasingly uncertain in their spending decisions, could say, 'Why spend into a recession?' Then you've created one."