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# Star BUSINESS

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New notes to be released before Eid  
Torn notes also acceptable: BB  
UNB, Dhaka

Bangladesh Bank (BB) has made special arrangements for releasing new notes, including that of Tk 2 denomination, before Eid.

The Dhaka centre of the central bank has made a provision of Tk 3,000 crore, including new notes of Tk 1,500 crore, to release to the market.

BB Executive Director Khondker Muzharul Haque yesterday apprised the media of the central bank's preparation to release the new notes.

He said the central bank has already sent new notes of different denominations equivalent to Tk 300 crore to its different offices across the country. Meanwhile, the offices have a cumulative stock of new notes of Tk 850 crore.

Haque said the central bank has released huge new notes of different denominations before and during Ramzan.

About withdrawal of torn and dirty notes from the market, the Central bank official said it has not been possible to issue huge quantity of notes or coins of Tk 2 and Tk 5 denominations to replace the dirty and torn ones.

Coins could not be procured due to abnormal rise in metal prices in the international market, he said.

He added that despite being torn and dirty, these notes have higher acceptability and this is another reason why they do not reach the banks.

He, however, said the Bangladesh Bank has taken necessary measures to increase supply of the notes and coins.

To solve the second problem, the central bank has asked the commercial banks to accept the old, torn and dirty notes in exchange of value at par. It has convened several meetings only to take up the problem with them, Haque said.

Besides, he said, the central bank is supplying new notes of Tk 2 and Tk 5 denominations to the banks in big shopping malls to withdraw old notes from the market.

## BB's HOUSING REFINANCING SCHEME 12 financial instts ink participation deals

STAR BUSINESS REPORT

Twelve financial institutions five commercial banks and seven non-banking financial institutions have so far signed 'participation agreements' with the Bangladesh Bank (BB) to use funds of housing refinancing scheme of the central bank.

The financial institutions are now ready to offer home loan with a top interest rate of 10 percent, the lowest available rate in the country at present.

They signed the deal with the BB following a central bank's directive to those to increase lending in productive sectors, including housing.

The banks are National Credit and Commerce Bank Ltd, Mercantile Bank Ltd, Prime Bank Ltd, Mutual Trust Bank Ltd and Trust Bank Ltd, while the non-banking financial institutions are Delta-BRAC Housing Finance, National Housing and Finance Ltd, IDLC, United Leasing, IIDFC, Lanka Bangla Finance and Fidelity Assets.

According to sources, more banks and non-banking financial institutions are on the pipeline to sign such agreements with the BB.

An amount of Tk 300 crore has been allocated for the housing refinancing scheme, of which, Tk

India to set up plastic plant in Mongla EPZ  
UNB, Dhaka

An Indian company will set up a plastic industry in the Mongla Export Processing Zone with an investment of US\$34.725 million.

This hundred percent foreign owned company named M/s JDC Recycling Pvt Ltd will create employment opportunity for 1,022 Bangladeshi and six foreign nationals.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and the M/s. JDC Recycling Pvt Ltd at Bepza Complex here yesterday.

General Manager (Investment Promotion) of Bepza AZM Azizur Rahman and Chairman of M/s JDC Recycling Pvt Ltd Sumeet Chopra signed the lease agreement on behalf of their respective organisations.

## GSP FACILITIES

# Washington hearing on appeal against Bangladesh today

BGMEA, labour organisations fear negative impact if facilities lifted

STAR BUSINESS REPORT

An open hearing on an appeal by a US right group to withdraw the US Generalised System of Preference (GSP) from Bangladesh will be held at the United States Trade Representatives (USTR) in Washington today.

The hearing has been convened following the allegation from American Federation of Labour and Congress of Industrial Organisations (AFL-CIO) that Bangladesh does not allow labour rights in export processing zones.

Representatives from Bangladesh Export Processing Zones Authority (Bepza), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Frozen Food Exporters Association and the ministries of commerce and foreign affairs will attend the hearing, sources said.

Although GSP facilities extend a little benefit to Bangladesh, any lifting of such facilities would certainly establish the AFL-CIO's claims about violation of labour rights in Bangladesh.

BGMEA President Anwarul Alam Chowdhury Parvez said although Bangladesh apparel sector does not enjoy GSP facilities from US, any anti-Bangladesh decision after taking the petition

into consideration by the USTR would take serious toll on the country's exports to the US.

Such a decision may send a wrong signal to the US traders as well as consumers about use of Bangladeshi products, he noted.

In its petition, the AFL-CIO made four complaints that included violation of domestic and internationally recognised workers' rights in EPZs, violation of domestic labour laws and internationally recognised labour standard in readymade garments (RMG) industry, similar violations in shrimp and fish processing industries, and violent actions by government security forces against trade unionists, workers and trade rights groups.

Meanwhile, leaders of RMG labour organisations yesterday urged the US government not to discontinue the GSP facility for Bangladesh just to satisfy the US-based labour rights group.

They said if the US government considers the false and baseless petition filed by the rights group, Bangladesh's RMG sector will face a massive setback, resulting in joblessness for female garment workers.

Bangladesh Garments Workers Union Council (BGWUC) made the appeal at a press conference held at the Dhaka Reporters Unity (DRU) office.

They demanded continuation of the GSP facilities for Bangladeshi

products and even expansion of the facilities for apparel on the plea that the sector is dependent fully on female workers.

"If the US authorities want to empower global women, especially the Bangladeshi poor women, they should not consider the complaint lodged by the AFL-CIO, rather they should continue the GSP facilities for Bangladesh," Nazma Akther, president of the Sammitito Garments Samik Federation, told the journalists.

She said the AFL-CIO prepared the report on Bangladesh on the basis of a study conducted by its local representative Solidarity Centre Bangladesh, which has no knowledge about the labour rights situation here.

About 177 elected workers' welfare committees are actively working in the EPZs of Bangladesh, she said, adding that the association is also not aware of any incidents of repression on workers in the industry.

Labour leaders Salahuddin Shawpaw, Selina Ahmed Tania, Jahanara Begum, M Delwar Hossain, Sabidullah Badal, Sultana Khan, Rokya Sultana Arju and Md Nurul Islam were present at the press conference among others.

Besides, Garments Tailors Workers League in a press statement yesterday also demanded continuation of the GSP facilities.

They demanded continuation of the GSP facilities for Bangladeshi

## Check unusual price hikes of dyeing chemicals to save knitwear industry

BKMEA urges govt

STAR BUSINESS REPORT

100 crore kept aside for disbursement during the current fiscal year. The rest amount will be disbursed in the next two financial years.

Following a growing demand for housing by the lower-middle and middle-income people in the urban areas, the BB has undertaken the scheme so that the people can avail of the loan facilities to build their own accommodation.

The scheme is also aims to enhance the contributions of housing sector to the national economy.

While talking to the journalists on the progress in the central bank's house loan scheme, BB Executive Director Abul Quasem yesterday hoped that with the disbursement of the loan, the existing stagnation in the housing sector would be removed.

It will not only create employment opportunity, but also gear up the presently struggling construction industry, he said.

Replying to queries, he said monthly instalment against a 20-year loan of Tk 15 lakh may be Tk 14,000.

When asked if there is any field level problem identified so far with regard to the housing loan, the central bank official said, "If necessary, we will review the scheme."

The government should take immediate measures to check the unusual and unexpected price hikes of dyeing materials and other chemicals such as bleaching powder, sulfur and silicate.

He demanded immediate government intervention in controlling such anomalies in the local raw material market of the backward linkage industries.

"For the sake of saving the country's main export sector, the concerned ministry and department should take urgent steps to check these irregularities," Haq added.

Qatar battles high inflation

AFP, Doha

Qatar is enjoying dramatic economic growth on the back of surging gas revenues, but the Gulf state is battling an increasingly high rate of inflation led by high housing costs, officials and analysts say.

Inflation hit 12.8 percent in the second quarter of 2007 after reaching 14.78 percent in the first quarter, according to statistics provided by Qatar's Planning Council.

The knitwear industry, which is

under growing pressure amid stiff competition from other exporting countries since the beginning of the post MFA era, is considering such uncontrolled price hikes as

serious threats.

The BKMEA president produced some other examples of abnormal prices of the chemicals such as bleaching powder, sulfur and silicate.

He demanded immediate government intervention in controlling such anomalies in the local raw material market of the backward linkage industries.

"For the sake of saving the country's main export sector, the concerned ministry and department should take urgent steps to check these irregularities," Haq added.

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## India suspends onion exports for 15 days

PALLAB BHATTACHARYA, New Delhi

Concerned over soaring prices of onions in domestic markets, Indian government has put a hold on exports of the vegetable for the next 15 days to ensure available stocks at home.

Bangladesh, Pakistan, Nepal, Sri Lanka and the Persian Gulf are among the countries and regions to which India exports onions in a big quantity.

No fresh no objection certificate would be issued permitting exports of onions till the shipments are due as per the certificates issued earlier, said Aloj Ranjan, managing director of state-owned NAFED, the main agency for exports of the commodity.

The shipments due from earlier no objection certificates would come to an end in the next five to seven days, he said.

The temporary ban on onion export comes a day after NAFED and 12 other agencies increased the minimum export price of onions by 50 dollars a ton.

The domestic prices of onions has been ranging from Rs 23 to Rs 40 a kg across the country, adding to the government's worries about inflation.

Commerce Secretary Firoz Ahmed was present at the meeting jointly organised by Bogra District Administration and Bogra Chamber of Commerce and Industry (BCCI).

Admitting the role of middlemen in business activities, the secretary told the meeting that the government is very sincere to solve the problems of businesspersons.

Price hike of commodities in international market is also causing price spiral of a few imported essential products, he added.

BCCI President Fazlur Rahman said the government should take tax in advance from all imported essential products, as this move will help the businesses take right decision about fixing their products' prices.

For example, he said, there is no tax or VAT (value added tax) on rice

import, but a 10 percent tax is slapped on sales. Many of the traders do not consider this while importing and consequently incur loss, he added.

For some products, the government takes VAT for three times at a 15 percent rate at different stages when the products reach from growers to retailers, said Aminul Haque Bari, president of Jyoti Prakash Chamber of Commerce and Industry. In these cases, he urged the government to reduce the rate of VAT to 4 or 5 percent.

He also called on the government to reduce bank interest rate.

## Set up wholesale markets in strategic locations to rein in prices of essentials

Regional business confce urges govt

STAFF CORRESPONDENT, Bogra

The government should set up wholesale markets in such strategic locations as Bogra and Rangpur to rein in price hike of essentials in the region, said business leaders of the country's northern districts yesterday.

At a meeting at Bogra Circuit House they also urged the government to reduce taxes on essential items to keep the prices of those under people's purchasing capacity.

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Commerce Secretary Firoz Ahmed speaks at a view exchange meeting with the business leaders of the northern districts of the country in Bogra yesterday.

At the meeting the business leaders also demanded that the government make the Bangabandha and Hilli land ports more active.

Humayun Kabir, deputy commissioner (DC) of Bogra, Md Didar Ahsan, director general of Chief Adviser's Office, Mostafa Azad, president of Rangpur Chamber of Commerce and Industry, Sirajul Haque, president of Lalmonirhat Chamber of Commerce and Industry, Abdul Aziz, senior vice president of Kurigram Chamber of Commerce and Industry, among others, spoke at the meeting.

Nepal tourist arrivals up

AFP, Kathmandu

Tourist arrivals in Nepal have shot up 32 percent this year, a sign that the Himalayan nation's crucial tourism sector is recovering after Maoist insurgents ended a decade-long war, officials said.

"Nepal's tourism is reviving rapidly and we are seeing good signs," Sarad Pradhan, an official at the Nepal Tourism Board, told AFP Wednesday.

"There are lots of new airlines coming in... this definitely sends out a good message."

The Tourism Board said total arrivals in the last nine months have gone up by 32.3 percent over the same period last year -- when overall arrivals slumped to 283,000.

The tourism official said he was now "certain" that arrivals this year were on track to match the bumper year of 1999, when nearly half-a-million people visited the impoverished and