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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 Ramadan.

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 on the international market, he said.

He added that despite being torn and dirty, these notes have huge 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.

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 rights 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 Bangladesh 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 labour 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 apparels 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 Sammito Garments Sramik 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 Shawpan, Selina Ahmed Tania, Jahanara Begum, M Delwar Hossain, Sahidullah Badal, Sultana Khan, Rukya Sultana Anju 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.

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 Alok 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 have been ranging from Rs 23 to Rs 40 a kg across the country, adding to the government's worries about inflation.

Tesco profits grow ahead of US launch

AFP, London

Tesco, Britain's biggest retailer and which is about to open stores in the US, said Tuesday that interim net profit grew by almost a fifth, boosted by online sales of goods ranging from bananas to beds.

The world's third-biggest supermarket reported an 18.8-percent rise in net profits to 936 million pounds (£908 billion dollars, £345 billion euros) during the first six months of its current financial year.

Group revenue climbed 9.1 percent to 22.631 billion pounds in the first half ended August 25, compared with the same six-month period in 2006. Tesco added in its earnings statement.

"Tesco has delivered strong first half progress across the group, despite the challenges posed by the start-up investment required to establish our new US and Direct (online) businesses and by the effects of poor summer weather in the UK," chief executive Terry Leahy said.



New chairman, vice chairman of Janata Ins

Abdul Gaffar Chowdhury has been reelected chairman of Janata Insurance Company Ltd, says a press release.

Besides, Qamrun Nahar has been elected vice chairman of the company.

Abdul Gaffar is the chairman of Sagar Foods Ltd, managing director of Marine Foods Ltd, Quality Stationery Ltd, Seagold Aqua Culture Ltd and director of M/s Elite Printing and Packages Ltd.

Qamrun Nahar is a director of United Commercial Bank Ltd, Ananta Sportswear Ltd and Ananta Fashion Ltd and managing director of Ananta Apparels Ltd.

Gulf airlines keen to expand in India

ANN/ THE STATESMAN

India is fast becoming the favoured destination for international airlines especially from the Gulf who are lobbying hard for increasing frequency to various Indian cities and towns. The Indian attraction is obvious as more than 45 lakh non-resident Indians (NRIs) live and work in the Gulf countries.

Apart from the regular western destinations, almost every airline in the Gulf is now keen to expand their operations in their own region and India, in particular. Till now, bilateral rights for the lucrative Gulf were reserved for Air-India and Indian, which have now merged.

Amidst this, the entrance of Jet Airways has intensified the competition. The decision of the Indian government to allow Jet Airways to fly to certain Gulf destinations is expected to induce more customer friendly environment.

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.

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



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

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 Jyopurhat 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.

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

Humayun Kabir, deputy commissioner (DC) of Bogra, M Didarul 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.

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, IDFC, 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

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 Abdul 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."

Check unusual price hikes of dyeing chemicals to save knitwear industry

BKMEA urges govt

STAR BUSINESS REPORT

The government should take immediate measures to check the unusual and unexpected price hikes of dyeing materials and other chemicals to save the knitwear industry, suggested industry insiders.

Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA) in a press statement yesterday alleged that knitwear manufacturers are being forced to pay three to four times higher prices for most of such chemicals used in fabric dyeing, which is an essential part of knitwear manufacturing.

While the price for every tonne of dying soda is only around Tk 25,000 in the international market, it is selling at over one lakh taka in the local market, resulting in higher prices of the finished products which eventually make the exporters less competitiveness in the world market, said BKMEA President Md Fazlul Haq.

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.

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.

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 IDC Recycling Pvt Ltd will create employment opportunity for 1,022 Bangladeshis and six foreigners.

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

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



AZM Azizur Rahman, general manager (Investment Promotion) of Bepza, and Sumeet Chopra, chairman of M/s IDC Recycling Pvt Ltd, sign an agreement yesterday in Dhaka. Under the deal, IDC Recycling will set up a plastic plant in Mongla Export Processing Zone with an investment of US\$ 34.725 million.

World tourism to pledge climate-friendly future

AFP, Davos

A UN conference on tourism and climate change was due to end Wednesday with a pledge to "green" the travel trade while highlighting the 880 billion dollar industry's vulnerability to global warming.

UN tourism, environment and weather agencies, national tourism officials and executives were drawing up a declaration that will be put to a ministerial meeting in London on November, officials said.

"The immediate risk is that tourism is demonised for its carbon footprint and regulated because the industry doesn't act to regulate itself," said Christopher Rodrigues, chairman of the VisitBritain tourism board.

Tourism accounts for about six percent of global carbon dioxide emissions, according to a UN report in Davos, and the number of travellers is due to more than double by 2020.

Air transport currently accounts for about 40 percent of emissions, followed by car travel on 32 percent and accommodation 21 percent.

On Tuesday, a EU parliamentary committee called for controversial carbon dioxide emission trading rules on all flights in and out of Europe to be introduced in 2010, earlier than planned.

Andreas Fischlin, a leading scientist on the UN's International Panel on Climate Change (IPCC), told tourism meeting in Davos that 25 to 40 percent of all greenhouse

gas emissions behind climate change needed to be cut by 2020.

"Tourism has to contribute to mitigation: it's a cause of the problem and has to take up its share," Fischlin said, warning that some warming was already inevitable.

IPCC reports released earlier this year underlined that tropical cyclones, storm surges, temperature shifts, and changes in rain and snowfall were already harming tourism in some cases.

Meanwhile, the UN World Tourism Organisation predicted that climate change would trigger "very large" shifts in travel habits around the world.

Island states, beach holiday and winter destinations stressed their concerns about shifts in weather patterns, rising sea levels and declining snow cover that in some instances were eating away at their greatest economic asset.

"What's the main image used to promote a tourist destination? It's a nice landscape," a UNWTO official pointed out.

Several tourist destinations, especially tropical islands like the Maldives and Seychelles, highlighted the dilemmas they faced.

On the one hand, they noted their vulnerability to global warming and urged greater efforts to curb emissions.

Yet they also voiced concern about growing pressure for restrictions or big taxes on the long haul air travel which brings them their tourists.

EU steelmakers preparing dumping complaint against China

AFP, Brussels

European steelmakers are preparing to lodge a complaint in the coming weeks against China for selling finished steel products in Europe at below cost, a source close to the matter said Tuesday.

"A dossier is being prepared," the source said on condition of anonymity. "If the dossier is lodged, then clearly it's with a request to launch a procedure based on the complaint."

When a dumping complaint is filed with the European Commission, the panel then has to launch an investigation to see whether the charges stand up before taking a decision on retaliation.

Commission spokesman for trade issues Peter Power stressed that the Chinese steel imports were "a complex issue" because there are also many European users happy with cheap Chinese products.

"The final consideration will take into account many elements,

not exclusively those (interests) of European steel producers," he told AFP.

Imports of Chinese-made finished steel products into Europe are booming and are expected to double this year, according to Eurofer, a confederation of European iron and steel makers.

That would be much faster than the roughly 20-percent growth that the EU has seen in overall imports of Chinese-made goods in recent years.

As the web of trade between China and the EU grows tighter, Brussels and Beijing have clashed in recent years over numerous issues ranging from surging Chinese clothing exports to copyright piracy.

In their disputes, EU Trade Commissioner Peter Mandelson has sought a softer line than Washington, notably by negotiating bilateral deals with China rather than seeking head-on confrontation by opening cases at the World Trade Organisation.

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 landlocked Himalayan country.

Tourist numbers have been increasing after the Maoists ended their armed rebellion with a peace deal signed with mainstream parties late last year.

The country has two tourist seasons annually -- one in spring, which ends around June with the onset of the monsoon, and another that begins in October, the prime season for trekking amid the country's majestic Himalayan peaks.

Britain's unions call for tourism boycott of Myanmar

AFP, London

Britain's main trades union alliance called Tuesday for a boycott of tourism in Myanmar and for travel guide publishers Lonely Planet, just bought by the BBC, to drop its book on the country.

"The people that know the country the best -- its trade unions and the Burmese democracy movement -- want the world's tourists to stay away from Burma," said Brendan Barber, general secretary of the Trades Union Congress (TUC).

Burma is the country's old name, which the military regime dropped in 1989.

"The Lonely Planet book currently suggests that Burma is a perfectly acceptable holiday destination," Barber added.

"But people would be less likely to visit the country if there were no guidebook to help them decide where to go."

"The BBC should stop promoting holidays to Burma and withdraw the Lonely Planet book immediately."