Star BUSINESS

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Dhaka for free access of all LDC goods to rich nations

Duty free facilities for 97pc LDC products make WTO's S&D issue a mockery: Foreign adviser

STAR BUSINESS REPORT

The proposed duty free facilities for 97 percent of goods from LDCs make WTO's special and differential (S&D) market access issue a mockery, Foreign Adviser Iftekhar Ahmed Chowdhury said yesterday.

"As we have estimated, more than 60 percent of Bangladesh's export in terms of value can be included in the 3 percent sensitive list and be ineligible for duty-free treatment," the adviser said.

"We need to ensure that all exports from LDCs are granted duty free and quota free access to developed markets," Chowdhury told a dialogue in Dhaka.

In the Hong Kong declaration of WTO (World Trade Organisation) in 2005, the US agreed to give duty and quota free market access for 97 percent of products from LDCs (least developed countries), excluding textiles that account for 42 percent of Bangladesh's total exports.

Centre for Policy Dialogue (CPD) organised the dialogue titled 'Future of Doha Round'. Professor Rehman Sobhan, chairman of CPD, presided the programme.

Dr Shishir Priyadarshi, director (development division) of WTO Secretariat in Geneva, Dr Rajani Alexander, acting high commissioner of Canada, and Debapriya Bhattacharya, permanent representative of Bangladesh to the WTO and UN offices in Geneva, also spoke.

The foreign adviser also said the government should concentrate more on bilateral relations with other WTO members apart from its involvement in multilateral initiatives.

PHOTO: STAR

(From right) Mustafizur Rahman, executive director of Centre for Policy Dialogue (CPD), Debapriya Bhattacharya, permanent representative of Bangladesh to the WTO and UN offices in Geneva, Iftekhar Ahmed Chowdhury, foreign affairs adviser, Rehman Sobhan, chairman of CPD, Rajani Alexander, acting high commissioner of Canadian high commission, and Shishir Priyadarshi, director (Development Division) of WTO Secretariat in Geneva, are seen at a discussion on 'Future of Doha Round' in Dhaka yesterday.

He said he is writing to all the US congressmen individually urging them to consider duty and quota fee market access for Bangladesh's apparels.

He said Bangladesh will project its stances on market access and other WTO issues during the next meeting of World Economic Forum scheduled to be held in Davos in January and the WTO Ministerial Meeting at Lesotho in February.

Painting a gloomy picture of the outcome of negotiations at Doha Development Round that began in November 2001, the foreign adviser said the developing countries welcomed the new round of trade talks believing that it would remove the inequalities of the previous rounds. Six years later, he said, the "Doha Round enlists more skeptics than optimists."

Iftekhar said even after the Hong Kong Ministerial many trade ministers claimed a win-win outcome. But by July 2006, most of the euphemism disappeared and the talks came to a complete halt, he added.

He said apparently trade negotiations from the EU and the US failed to reach an agreement on reducing farm subsidies. A consensus on NAMA (National Agri-Marketing Association) was also missing, he added.

"In the clash of the Titans, interests of the developing countries, especially that of the LDCs, have taken a backseat. It almost looks like the epitaph 'development' has become the collateral damage," he said in an apparent pessimistic note.

Debapriya Bhattacharya emphasised the need for identifying products that should be included in the list of duty free access to US and other developed countries.

"US negotiators are currently suggesting us to provide names of those products for duty and quota free market access, which face challenges for liberalisation," Bhattacharya said.

NRB 2007 Conference Dhaka

Concerted effort needed to get new US trade bill passed

Speakers tell NRB seminar

STAR BUSINESS REPORT

The government and private sector should launch a concerted effort for the passage of the new US trade bill for getting duty-free market access of locally made garment products to the US market, speakers told a seminar yesterday.

Bangladesh government, non-resident Bangladeshis (NRBs), local garment exporters and the Bangladesh embassy to US have to work together to get the bill passed, the speakers said.

The passage of the bill -- The New Partnership for Development Act 2007 (NPDA) -- in US Congress will ensure duty-free access of textile products from least developed countries (LDCs) to US market.

The speakers also urged both the government and the private sector entrepreneurs to put an extra effort in collaboration with other LDCs especially from Africa to help pass the bill.

President of US-Bangladesh Advisory Council Sabbir Ahmed called upon all local trade bodies including Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA), Bangladesh embassy to US, the government and the NRBs to work hard for the passage of the bill.

Sabbir was speaking at the seminar on 'The state and status of trade between Bangladesh and the United States and on pending bills in the US Congress' in Dhaka.

PHOTO: STAR

President of US-Bangladesh Advisory Council Sabbir Ahmed speaks at a seminar on 'The state and status of trade between Bangladesh and the United States and on pending bills in the US Congress' in the capital yesterday.

Citing US as a potential market for Bangladeshi pharmaceuticals and human resources, Sabbir said: "We should find out ways and means on how Bangladeshi pharmaceuticals and human resources can enter the US market."

He said at present there are 400,000 vacant posts for nurses in US, and Bangladesh can export skilled human resources against those posts.

The seminar was organised by ScholarsBangladesh.com, a platform of NRBs, as part of their three-day long first-ever NRB conference. The Daily Star is a media partner of the conference that ends today.

President of Bangladesh Enterprise Institute Farooq Sobhan chaired the seminar moderated by former BGMEA president Annisul Huq.

Industries Secretary Nurul Islam, Trade Adviser to the Delegation of the European Commission to Bangladesh Zillul Hye Razi, BTMA President Abdul Hai Sarker, and acting BGMEA president Abdus Salam, among others, spoke at the seminar. Samarukh Mohiuddin, an NRB residing in US, presented the keynote paper.

Farooq Sobhan said the passage of the new trade bill will depend on how the government and private sector people address the issue.

The NRBs and Bangladeshi embassy to US can play a very important role in the passage of the bill, he added.

Highlighting the recent development in addressing the salary issue of the garment workers, Annisul Huq said the passage of the bill is largely depending on the standard of labour issue, child labour and elimination of forced child labour from this industry.

He said the overall export earning from the garment sector declined until October of the current year, although the sector had been maintaining more than 20 percent export growth since 1990.

"We should work with the African countries to help pass the bill," Annisul said.

Acting BGMEA president Abdus Salam said currently 97 percent garment factories are paying wages to the workers as per the tripartite agreement to address the labour issue.

Indian inflation cools to 3.45pc

AFP, *New Delhi*

India's inflation rate fell two-tenths of a percentage point to 3.45 percent, official data showed on Friday, but analysts held out little hope of an early interest rate cut.

Annual inflation slowed to 3.45 percent for the week ended December 15 from 3.65 percent the previous week, according to the wholesale price index, India's most watched cost-of-living monitor.

The fall was driven by lower prices of fruits, vegetables and textile products. However, poultry, spices and prices of some other goods rose.

Annual inflation stood at 5.73 percent a year ago.

Inflation has fluctuated in recent weeks but is still well below the central bank's target of close to five percent for the fiscal year to March 31, 2008.

Analysts say they expect no swift cut in interest rates as the central bank fears high global oil prices could trigger a rise in state-set domestic fuel prices and is concerned about strong world commodity prices.

The central bank "would prefer to see a meaningful correction in international oil and food prices before officially signing off on a loosening of monetary policy," said economist Chetan Ahya at Morgan Stanley in a research note.

India's crude costs have shot up by nearly 150 percent since April 2004 but retail petrol prices have risen by just 29 percent. The price caps are costing state-run oil retailers around 50 million dollars a day.

"There is little chance of interest rates coming down due to high inflationary expectations," HDFC Bank's chief economist Abheek Barua said.

Growth for the first half of the fiscal year to March 31, 2008 was 9.1 percent. But economists expect the economy to lose pace in coming months as the effects of aggressive monetary tightening to curb prices take hold.

Hyundai Motor announces major investment

AFP, *Seoul*

South Korea's top carmaker Hyundai Motor announced Friday it would invest more than 11 billion dollars next year to raise production and upgrade facilities.

Chairman Chung Mong-Koo said the world's sixth largest auto group would invest 11 trillion won (11.7 billion dollars) in 2008 compared to an estimated seven trillion won this year.

He disclosed the plan before attending a meeting between president-elect Lee Myung-Bak and business leaders.

Hyundai Motor and affiliate Kia Motors will spend a combined 4.5 trillion won, including 3.5 trillion won for research and development. About 5.2 trillion won would be spent on an integrated steel plant, Chung said.

Hyundai started building the plant, with an annual capacity of seven million tonnes, in October last year to avoid shortages of the key raw material.

China raises export duties to save resources

ANN/ CHINA DAILY

The Chinese government will adjust the import and export duties on some products from January 1 to save domestic resources and ensure better trade balance.

Import duties on alumina, refined copper and coal will be removed, and the export taxes on some steel products, coking coal and coke will be raised, the Ministry of Finance said on Wednesday.

The import duty on alumina is currently three percent, and the import tax on refined copper, two percent. Taxes on coal products range from three to six percent.

Also, the government will cut import tariff on gasoline, diesel and jet kerosene from two to one percent, a statement on the ministry's website said. The tariff on the two products was reduced from between five and six percent to two percent on November 1, 2006.

In addition, the three percent import tax on anthracite and coking coal will be lifted.

The export tax on semi-finished steel products will be raised to 25 percent, and that on some stainless steel, welded pipes and other steel products to 15 percent.

The export tariff on crude oil, however, will remain at five percent, the ministry said.

But analysts said the move might not have much impact on the country's surplus growth.

Mei Xinyu, a researcher with the Chinese Academy of International Trade and Economic Cooperation, affiliated to the Ministry of Commerce, said: "The move won't have a significant impact on China's trade surplus growth."

The country's trade surplus is expected to increase to more than $250 billion for the whole of this year.

And it could touch $300 billion next year, although its yearly growth will slow down significantly, analysts have said.

"The adjustment is basically aimed to facilitate the country's drive to save energy and resources," Zhang Peisen, a senior researcher with the taxation research institute, under the State Administration of Taxation, said.

China's exports include huge quantities of high energy-consuming products, which also pose a serious challenge to the country's environment, the analysts said.

"We should not export refined and finished products while increasing the pollution at home to make them," Mei said.

"The adjustment (to reduce trade surplus) should not be one-sided."

China Galaxy Securities chief economist Zuo Xiaolei said it is necessary for the country to adjust the duties and taxes because "many resources are not renewable and unlimited export will endanger China's economic sustainability".

Oil close to $97

AFP, *London*

World oil prices held near 97 dollars per barrel on Friday as traders mulled the murder of Pakistani opposition leader Benazir Bhutto, alongside another steep drop in US crude reserves.

New York's main contract, light sweet crude for February, won 10 cents to 96.72 dollars per barrel on Friday.

On Thursday, the contract struck a one-month high of 97.79 dollars -- which was just 1.50 dollars away from the record 99.29 dollars hit on November 21.

In London on Friday, Brent North Sea crude for February delivery added a marginal three cents to 94.81 dollars.

"Yesterday, oil pushed back up towards the all time highs on the back of a bullish weekly US fuel report and as further geopolitical risk premium was added to prices following the assassination of Pakistani opposition leader Benazir Bhutto," said Sucden analyst Nimit Khamar in London.

China to push telecoms overhaul in '08

ANN/ CHINA DAILY

China will push a long-waited reshuffle of the country's telecoms industry in 2008, creating players that operate both wireless and fixed-line services to address unbalanced competition, according to the industry's regulator.

"Operating a single type of business not only goes against technology trends, it has also fostered serious imbalances in the telecoms industry's development," Wang Xudong, the minister of information industry, said on Thursday.

China has four major telecom operators -- China Telecom, China Netcom, China Mobile and China Unicom -- and each monopolizes one or two services.

An overhaul of the sector, dominated now by the four players that have evenly split mobile and traditional fixed-line services licenses between them, is also expected to precede the issuance of licenses to offer faster third-generation services, which will represent a boon for equipment vendors such as Motorola.

New hybrid rice in the making

Farmers to be able to preserve seeds

STAR BUSINESS REPORT

Researchers are working to produce a new variety of hybrid rice through an asexual process, which will enable farmers to preserve seeds, experts told a seminar in Dhaka yesterday.

"We hope to make the new variety by the next five years and growers will not necessarily be required to buy the seed from market," said Abed Chaudhury, senior principal scientist of Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australia.

Now, IRRI (International Rice Research Institute) and CSIRO are running a project to innovate the seed through an asexual process where plant embryo grows from egg cells without being fertilised by pollen.

Chaudhury, a non-resident Bangladeshi, made the remark at one of the 18 seminars on the sidelines of the first-ever non resident Bangladeshi conference in Dhaka, organised by Scholars Bangladesh, which brought together expatriate Bangladeshi scholars, professionals and community representatives to find ways to contribute to the country's future development.

Participants at the seminar discussed ways to increase the country's agro-productivity in the next decade by maximum use of limited resources.

PHOTO: STAR

Agriculture Adviser CS Karim speaks at one of the 18 seminars organised on the sidelines of the first-ever non-resident Bangladeshi conference in Dhaka yesterday.

Agriculture Adviser CS Karim, lawyer Dr Kamal Hossain and Agriculture Secretary Abdul Aziz also spoke at the function, chaired by Sher-E-Bangla Agriculture University Vice Chancellor Prof AM Farooque.

The CSIRO scientist said the yield of the new hybrid rice will be similar to that of existing hybrid rice seeds.

The country now has to import hybrid rice seeds mostly from China, according to agro-economists.

The yield of hybrid seeds is about 20 percent higher than that of HYV (high yielding variety) seeds. The farmers can preserve HYV seeds for cultivation but they cannot preserve seeds when it comes to the hybrid rice.

HYV seeds are now mostly used in Bangladesh's paddy fields. The share of HYV rice rose to 83 percent of the total season-wise production in 2004-05 from 18 percent in 1971-72, according to Bangladesh Bureau of Statistics.

"Food security is a must for us," said the agriculture adviser, adding that, "We also have to reduce the dependence on imported seeds."

Adviser urges NRBs to help develop sustainable energy

STAR BUSINESS REPORT

Power and Energy Adviser Tapan Chowdhury yesterday urged the Non-Resident Bangladeshis (NRBs) to contribute to the development of sustainable energy system in the country.

Stressing the importance of energy and power in national development, he said, "The NRBs can help the nation by extending their support in the field of power and energy."

"Our electricity covers only 43 percent of the total areas. Increased power generation is very much needed at this moment for national development, he said adding that time has come to create alternative power resources.

"Country's 87 percent energy is gas based and capacities for renewable energy like solar system and bio-gas needs to be increased as natural gas reserve is decreasing," he said while addressing a seminar as chief guest at the second day of the first NRB conference at Sheraton Hotel in the capital.

The NRBs can set up alternative power resources in the country and share their expertise by giving recommendations in developing renewable energy, the adviser said.

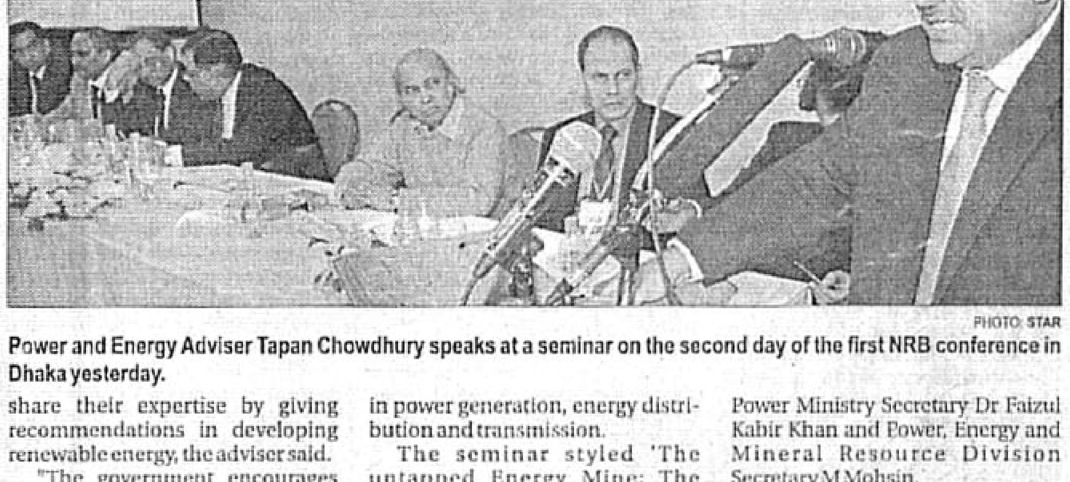

PHOTO: STAR

Power and Energy Adviser Tapan Chowdhury speaks at a seminar on the second day of the first NRB conference in Dhaka yesterday.

"The government encourages private sector to set up new plants for power generation, as it can not meet the total demand alone," he said.

He pointed out various problems in the power sector, especially in power generation, energy distribution and transmission.

The seminar styled 'The untapped Energy Mine: The Revolutionary Scope of Renewable Energy Technologies for Bangladesh & NRB's Role in Formulating Appropriate Energy Policies' was also addressed by Power Ministry Secretary Dr Faizul Kabir Khan and Power, Energy and Mineral Resource Division Secretary M Mohsin.

Solar System Expert Dr Sajed Kamal and Advanced Research Institute Director Prof Saifur Rahman presented separate keynote papers at the seminar.