Laptop entrepreneurs to get land free of cost

Minister says

STAR BUSINESS REPORT

Posts and Telecommunications Minister Rajiuddin Ahmed Raju has said the entrepreneurs intending to set up laptop plants in Bangladesh will get government lands for free.

"We are ready to give land free of cost to such entrepreneurs. These plants will help make portable computer available at affordable price," he told a function marking the launch of business of BJ International Co (Pvt) Ltd in Dhaka on Wednesday.

BJ International is a Japan-Bangladesh joint venture company.

The minister further said as part of the government's bid to make the country a digital one, optical fibre network would be expanded to rural areas.

He also laid bare a plan to set up cyber cafes in villages in the next two years.

BJ International's Chairman Jun Tsutsumida said his company eyes introducing low-cost wireless IP (internet protocol) telephone to build a telecommunication infrastructure in Bangladesh.

The company's other products and services include super energy saving light emitting diode (LED) lamps, state-of-the-art digital security system, latest video communication devices and natural preservatives.

Tsutsumida said use of LED lamps will be very helpful as Bangladesh faces power scarcity.

Such lamps consume only half the power that the available fluorescent lamp burns. Those cost less than fluorescent lamp, but the durability is 7-8 times more, he added.

New director for Nat'l Tea Company

STAR BUSINESS DESK

The state-owned National Tea Company Ltd has elected Golam Mustafa, general manager (Tea Estate) of M. M. Ispahani Limited, as a director, says a press release.

The election took place at the company's annual general meeting in the capital recently.

GSP review process at USTR to continue

UNB, *Dhaka*

The GSP Review Process at the US Trade Representative (USTR) on workers rights in Bangladesh will continue for another year.

This was informed by the USTR after one more year of review of the same. However, the USTR has informed that during this period Bangladesh will continue to enjoy GSP facilities from the United States, said a press release of the Bangladesh Embassy in Washington DC.

Following a petition in 2007 by the AFL-CIO on the violation of workers rights in EPZs, garment and shrimp sector, the USTR put Bangladesh under review.

Last hearing on this subject was held in Washington DC on April 24 in which commerce secretary on behalf of Bangladesh delegation informed the USTR of the steps already undertaken to improve the workers rights in various sectors in Bangladesh.

He also promised that Bangladesh government would work with relevant sectors of economy to improve the workers rights situation in Bangladesh.

It may be noted that USTR duly acknowledged the return of a democratic government in Bangladesh and some progress made in worker relations in EPZs. They continued to urge Bangladesh to make more progress in workers relationship in the garment and shrimp sectors.

It is expected that visible and verifiable progress in these sectors might help Bangladesh to get duty free access in the USA.

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Commerce Minister Faruk Khan visits a stall at Rupchanda Food Carnival, organised by Bangladesh Edible Oil Ltd at Bangladesh China Friendship Conference Centre in Dhaka yesterday.

All measures to ensure stable commodity market: Minister

STAR BUSINESS REPORT

Commerce Minister Faruk Khan has reiterated government's firmness to take all measures to make the essential commodity market stable during Ramadan.

"We are trying hard to ensure a balance between local demand and supply of essential commodities, including edible oil, in Ramadan," he told a food carnival in Dhaka yesterday.

Bangladesh Edible Oil Ltd organised the two-day fair, Rupchanda Food Carnival, at the Bangladesh China Friendship Conference Center.

The minister also spelt out a plan to raise salaries of government employees so that it helps them cope with the rising cost of living.

"A pay hike for government employees will shortly be announnced. I hope it will enhance their purchasing capacity," he said.

The Trading Corporation of Bangladesh (TCB) will properly be utilized to contain the prices of essentials in the local market, Khan added.

While speaking at the programme, Abdul Hafiz Choudhury, president of the Metropolitan Chamber of Commerce and Industry (MCCI), urged the government to beef up market monitoring to make it sure that traders cannot create any artificial crisis of essentials in Ramadan.

He also advised traders not to go for profiteering during the holy month. "If price hike continues, people's sufferings mount," the metropolitan chamber chief reminded them.

Lee Peng Kwang, general manager of Bangladesh Edible Oil Ltd, said his company would import additional 700 tonnes of edible oil to meet the local demand in Ramadan.

A total of 18 food and beverage companies are participating in 25 stalls at the fair.

Cooking competition and musical show are other features of the event, open from 10am to 8pm.

Siddika Kabir, eminent nutritionist was also present at the inaugural ceremony.

Asia will be first to rise out of global recession: ADB

AFP, *Manila*

Asia's recession appears to have touched bottom and the region is likely to be the first to climb out of the global economic slowdown, the Asian Development Bank's chief economist said Thursday.

However, ADB's Lee Jong-Wha said it would be difficult for the world's most populous region to return to the high-growth scenarios of 2007 and earlier unless the industrialised world also recovers from a deep recession.

Speaking at a news conference in Manila, Lee said that compared to other regions, Asia -- outside of Japan -- had mostly managed positive growth throughout the crisis, albeit at lower levels.

He added that the ADB was now seeing stronger numbers in terms of "quarter on quarter industrial production," and concluded that "Asia will see recovery faster than the industrialised countries."

Expansionary monetary policies implemented by governments around the region loosened credit and lowered interest rates, helping Asians spend more money to keep local economies ticking over, Lee said.

Meanwhile large countries such as China and India "maintained relatively strong and resilient growth which provided demand for regional exports" from Asian neighbours.

"Clearly now we are in the transition from recession to recovery. The question is how fast the recovery will happen," Lee said.

"No one can say for sure."

The Manila-based bank said it will update on September 22 its flagship Asian Development Outlook forecasts, which predicted earlier this year that developing Asia will see its economic growth fall to 3.4 percent this year compared to 6.3 percent in 2008.

Lee stressed that "the recovery is still not that strong" and that Asian governments must not pursue policies that may damage any green shoots, ensuring they review current stimulus policy once rehabilitation holds.

Climbing out of the crisis would be more difficult due to the "unprecedented synchronised recession" of the industrialised countries, he said, adding that Europe was apparently faring worse than previously forecast.

In Asia, Lee said Malaysia was also performing "worse than what we expected in March" because its high-tech industries were dependent on external demand, which was declining and not being offset by demand at home.

Outbound investment unlikely to outstrip FDI in China

ANN/CHINA DAILY

Despite a surge in Chinese overseas direct investment (ODI) in recent years, it is unlikely to outpace inbound foreign direct investment (FDI) this year, government officials and experts said Wednesday.

Responding to recent forecasts by foreign banks and other organisations that ODI may overtake FDI, they said it is not likely to happen soon, at least not this year, partly due to Chinalco's $19.5 billion failed bid last month to raise its stake in Rio Tinto, the world's third-largest mining company.

Even though Chinese National Petroleum Corp, joining hands with British energy giant BP, won the bid to develop Iraq's biggest oilfield on Tuesday, it may not significantly raise overall ODI this year because most deals signed in the past few months are "of small volume".

The Ministry of Commerce will hold a press conference this morning at the 13th China International Fair for Investment and Trade where it is expected to talk about ODI prospects.

"The truth is the number of ODI cases is rising, but the volume is still going down, as many cases are still small," said Chen Rongkai, a division director at the ministry.

In the first quarter, ODI cases grew by 7 percent to 445, but the volume was down by a big margin, according to Caijing magazine, which quoted ministry officials who did not reveal the figures. The first-half ODI figure is expected to be released soon.

The officials said the government would roll out policies to encourage ODI to leverage the opportunities generated amid the financial crisis.

Last month, the government said it would relax foreign exchange curbs from Aug 1 on firms wanting to invest abroad, with up to $30 billion dollars expected to flow out.

And in March, the commerce ministry announced local governments had been given increased powers for approving ODI.

"There will be more such official measures to stimulate Chinese ODI," Chen said.

Considering that many foreign companies hurt by the economic recession are eager to sell assets and the growing keenness of Chinese companies on expanding overseas, many said this year would herald a wave of ODI flows. They forecast that it could even surpass FDI, which has contracted for eight consecutive months, a trend tipped to continue until early next year.

Standard Chartered Bank said in April that Chinese ODI could reach $150-180 billion this year, way ahead of the projected $80-100 billion in FDI.

Last year, Chinese ODI was $52.1 billion, while FDI was $92.4 billion, almost double.

Li Jianfeng, macro-economy analyst at Shanghai Securities, said: "It is impossible for FDI to be easily outstripped by ODI even though FDI growth is negative. ODI growth will be gradual."

Also, industry insiders said, Chinese companies planning large-scale overseas investments face protectionist and national security barriers set by governments.

For Li Jianfeng, "ODI is one way to relieve the growing pressure that China is under because of increasing foreign exchange reserves and to promote the internationalization of the yuan".

Bepza moves to tame labour unrest

UNB, *Dhaka*

An agreement has been signed to appoint 60 counsellors with a view to removing labour unrest in the Export Processing Zones (EPZs) under the Bangladesh Export Processing Zones Authority (Bepza).

The memorandum of understanding (MoU) was signed between Bepza and IFC BICF World Bank on Wednesday, said a Bepza press release.

Janata Bank gets global recognition

STAR BUSINESS DESK

Global Finance, a New York-based magazine, has recently branded Janata Bank Ltd as "The Best Emerging Market Bank 2009" for Bangladesh, said a statement.

An award giving ceremony in this regard is scheduled to be held during the annual meeting of International Monetary Fund and World Bank in Istanbul, Turkey on October 6, 2009.

Bad to worse for migrant workers in Asia as crisis bites

AFP, *Kuala Lumpur*

Momen Bhuiyan left Bangladesh and his job as a van driver two years ago, to make his fortune in Malaysia and set himself up for life. As for so many like him, it did not turn out that way.

"I was told I would get a better job and a higher salary here, so that when I went back to Bangladesh I could marry my girlfriend," said the 23-year-old with a boyish grin.

But since then he has struggled to find work even as a day labourer, and with the arrival of the global slowdown the situation for migrant workers -- precarious even during boom times -- has dramatically worsened.

Activists and diplomats say the downturn, which has shuttered factories and construction sites across the region, is making foreign workers even more vulnerable by threatening their livelihood, health, and human rights.

"They keep on telling me there is 'no job, no job' whenever I ask," said Momen of the agents who he paid more than 3,000 dollars, money raised by selling off his family's land and borrowing from relatives.

"But going back to Bangladesh now would be a problem for me. I already sold the land, I have a loan, I don't have money to pay them back, I don't have my passport," said Momen who has had no work at all for months.

His story is a common one among the 2.2 million migrant workers in Malaysia, one of Asia's largest importers of labour, which relies on foreigners to clean homes, care for children and work in plantations and factories.

Over the years, the government has become concerned about the ramifications of having such a large migrant workforce and has periodically tried to cut back the numbers.

Facing mass layoffs and a looming recession as the global slowdown hits, it earlier this year banned the hiring of new foreigners in the manufacturing sector in a push to boost local employment.

It also drastically reduced the number of work permits for foreigners in other sectors and cancelled visas that had already been issued to 55,000 Bangladeshi workers.

Rights groups say that migrant workers are suffering the most from the gloomy economic times.

"Wrongful dismissal, unpaid wages and late payment -- all these are ongoing problems for the migrants even without the financial crisis," said Cynthia Gabriel from migrant labour group Caram Asia.

"It is just that the situation now makes it even more acute," she said.

The small shelter down a back alley where Momen is staying in the Malaysian capital Kuala Lumpur is now filled to bursting, its occupants increasing from 30 to 70 in the past few months as more jobless seek somewhere to sleep.

Caram Asia said the mass retrenchments are not only pushing more workers -- and their families back home -- into extreme poverty but also putting them at greater risk of infection from diseases like HIV/AIDS.

Migrant workers, deemed one of the populations most at risk of contracting the virus, will be deeply affected by cuts in funding for medical treatment, and programs aimed at limiting infections and raising awareness, it said.

Tatang Razak, deputy chief of the Indonesian embassy in Malaysia, said the mission has received rising numbers of complaints over the past few months about layoffs and worsening living conditions.

"They don't have work here, yet they can't go home because the outsourcing companies want to keep them. If they want to go home, they have to pay penalties and buy their own air ticket, which they can't afford," he said.

The outsourcing companies, which work with recruiting agents in source countries, act as middlemen and earn lucrative commissions by bringing workers here.

But with no jobs available, agents are keen to cut costs and the living conditions for workers under their care go from bad to worse, says Tatang, adding that often 20 people stay in one small apartment.

"You can imagine the environment -- very crowded, unhygienic and sometimes men and women staying together. That's why most of the workers want to go home and some run away to be illegals, this creates these problems," he said.

AFP

Indonesian domestic workers who say they have fled from abusive employers spend their afternoon at a shelter inside the Indonesian embassy in Kuala Lumpur on June 23. Maid abuse has become the latest irritant in a diplomatic spat between Malaysia and Indonesia, as labour groups press for better protection for vulnerable migrant workers.