

Trade fair fears slack sales

STAR BUSINESS REPORT

Participating companies at the 15th Dhaka International Trade Fair 2010 fear slack sales this year due to high prices of products on the back of hikes in the prices of raw materials.

The month-long fair entered its second day yesterday. Most visitors spent the day by browsing furniture or electronics goods.

Many have complained about the high prices of products at the fair.

"Last year I bought a silk sari for Tk 750 from the fair, but this year the price of a similar sari is more than Tk 1,200," said Atia Islam, a doctor who came to the fair with her family.

"I have plans to buy toys for my children, but the prices of both local and imported plastic toys are very high. So I have to cut my budget for some utensils."

The officials of some participating

companies said the rising prices of local raw materials and high transportation costs made consumer products costly.

"We have to import raw materials -- timber and other materials at higher costs, which piled on our products," said Sabiha Sultana, sales executive of Partex, a leading furniture maker.

"However, we have tried to balance out the price hikes of some products by showcasing essential items that cost less and are within the purchasing capacity of ordinary people," she added.

Fakhrul Islam, manager of Jute Emporium, said the average price of his company's products has gone up by at least 10 percent from a year ago.

He, however, said he is not much worried about a sales drop at the fair, as demand for locally made jute handicrafts is rising among the local corporate houses and foreign companies as well.

DITF is a yearly programme of the government, which mainly aims to showcase local products to foreign buyers. The commerce ministry and Export Promotion Bureau are jointly organising the fair at Sher-e-Bangla Nagar.

There are seven special pavilions, five premier pavilions, 60 general pavilions, four premier mini-pavilions, 45 general mini-pavilions, 35 premier stalls, 308 general stalls, 12 restaurants and 10 drinks kiosks at the fair.

The US, Thailand, China, Turkey, India, Malaysia, Pakistan, Iran, South Korea and Hong Kong will showcase their products in 28 pavilions, mini-pavilions and stalls.

The fair remains open from 10am to 9pm on working days and from 10am to 10pm on holidays. Entry fee has been fixed at Tk 15 for adults and Tk 12 for children.



Dr Atiur Rahman, governor of Bangladesh Bank, speaks at a discussion on SME loan organised by National Bank Ltd in Jamalpur recently.



Samson H Chowdhury (4-R), chairman of Mutual Trust Bank (MTB), hands over the bank's first loan sanction letter of its newly launched MTB Green Energy Loan to Golam Mostafa, executive director of Resource Development Foundation, at a programme in Dhaka on Tuesday. Syed Manzur Elahi (2-R), MTB's founding chairman, and Anis A Khan (centre in background), MTB's managing director and chief executive officer, are also seen.

BB governor backs easy loan for hill districts

UNB, Dhaka

Bangladesh Bank Governor Atiur Rahman yesterday asked banks to go to borrowers' doorsteps and give loans on easy terms to build the agro-based industry.

About changing banking practices, Rahman said the central bank might make

separate rules for loan disbursement in hill districts, if necessary.

He was speaking at a loan distribution ceremony, chaired by Bandarban Deputy Commissioner Mizanur Rahman. He distributed loans among 173 farmers at Balaghata Government Primary School

field in Bandarban.

Rahman directed bank officials to give up the old habit and get close to the farmers, which will ultimately encourage them to take loans.

"It is true that people are afraid of going to banks for loans. It will be an easy way for them to get loans if the banks go to their doorsteps,"

he told his audience.

The central bank governor advised the bank officials to change their mindset and come out of the cocoons of old-fashioned banking.

He emphasised the development of services in Bandarban considering its importance as a tourist district.



IDLC Finance gets new MD

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Selim RF Hussain, a former chief financial officer of Standard Chartered Bank Bangladesh, has joined IDLC Finance Ltd as managing director and chief executive officer, the company said in a statement yesterday.

Hussain, with 23 years of banking experience in Bangladesh, India and Australia, is an accounting graduate and an MBA from the Institute of Business Administration, Dhaka University.

He was also the head of finance and strategy of Standard Chartered Bank in India.



New chief for BJMA

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Bangladesh Jute Mills Association has re-elected Najmul Huq as chairman and elected Syed ABM Humayun as vice chairman for the term 2010-11, says a statement released yesterday.

Huq, a postgraduate in geography from Dhaka University, is also the chairman of Sadat Jute Industries Ltd and Zenin Cold Storage Ltd.

Humayun is the managing director of Saiham Jute Mills Ltd.

Singer Plus launches New Year sales campaign

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Singer Plus has launched New Year Festival, a special sales campaign, for 2010, the company said in a statement yesterday.

Under the campaign that started on Friday, buyers will get up to Tk 79,900 discount on Singer and Samsung LCD televisions, Tk 50,000 and Tk 30,000 discount on the newly introduced 46-inch and 40-inch Samsung LED respectively.

Customers will also get up to Tk 9,000 discount on Haier desktop and laptop com-

puters, Tk 4,000 discount on selected models of Samsung audio systems and televisions and Tk 25,000 discounts on Samsung side-by-side refrigerators.

The discount is applicable for both cash and hire purchase.

In addition to this campaign, customers will also get the opportunity to payback in 90 days without any interest for Samsung LED television, Singer and Samsung LCD television and Samsung audio systems.

The campaign will continue to January 31.

US stirs trade tensions with China over steel

AFP, Washington

The United States has ratcheted up trade tensions with China following a "final" decision Wednesday to slap punitive duties on imported Chinese steel pipes targeted for unfair subsidies.

Despite warnings by China, the US International Trade Commission (ITC) decided Wednesday that the subsidized pipes adversely impacted the domestic steel industry, paving the way for the Commerce Department to impose countervailing duties of up to nearly 16 percent on the pipes.

This is the largest countervailing duty case filed against China, based on the value of trade, lawyers said.

Beijing had "strongly" opposed the unfair subsidy claims investigated by Washington since early 2009, calling them "blind accusations."

From 2006 to 2008, imports of such Chinese pipes increased by a massive 203 percent. They were valued at 2.6 billion dollars last year.

The ruling by the ITC, an independent federal agency, came amid rising trade friction between the United States and China even as they depend on each other for their economic survival.

China is highly dependent on US export markets and invests the bulk of its 2.2 trillion dollars in foreign exchange reserves in US Treasury bonds.

The United States receives a large volume of low-cost imports from China while Beijing's Treasury bond holdings virtually finance the snowballing US budget and current account deficits.

"The bargaining strengths of the two countries are finely balanced but this sets up a dangerous game of chicken that could easily spin out of control if the desire to pander to domestic audiences trumps rational collective policymaking in one or both countries," warned Eswar Prasad, a professor at Cornell University.

"Many of the thorny issues in the bilateral relationship between these two countries can be traced to the evolution of the rising bilateral trade deficit that the US runs

with China," said Prasad, an ex-head of the International Monetary Fund's China Division.

US lawmakers and several industry groups claim that Beijing was artificially weakening its yuan currency value to boost its export competitiveness, a factor they blamed on the record 268 billion dollar trade deficit with China in 2008.

When President Barack Obama returned home from a November visit to Beijing without any pledge from China to make its yuan flexible, both Republican and Democratic lawmakers sent a letter to the US authorities calling for an investigation into "China's currency manipulation."

The letter was seen by lawmakers as a potential first step in a process that could lead to significant sanctions in the form of punitive duties on Chinese imports.

The United States is not alone in scrutinizing Chinese products for possible trade violations.

"With China's currency not appreciat-

ing, there is another way that trade partners have addressed the issue," said Andrew Busch, a currency and public policy strategist at BMO Capital Markets.

He said 19 countries and regions had launched 103 trade-related investigations against Chinese products and "both the number of the cases and the money involved was at a record high."

In September, the United States announced it would slap duties on Chinese-made tires to protect local US industry, sparking the first major trade dispute in Obama's first year in office.

An angry Beijing lodged a complaint at the World Trade Organization and retaliated by launching a probe into possible unfair trade practices involving imports of US car products and chicken meat.

Beijing charged that Washington's move violated WTO rules but Obama has denied that it amounted to protectionism.

The Commerce Department pursued an investigation into the steel pipes case after

complaints from various US industry groups, including the United States Steel Corporation, as well as the largest industrial union in North America.

The American Iron and Steel Institute, an industry group, said the ITC decision was "an important step" toward allowing domestic steel pipe producers "to compete on a level playing field unhindered by unfair and injurious Chinese trade practices."

"At a time when the nation is struggling with double-digit unemployment, full and strict enforcement of our laws against dumped and subsidized imports of steel and other manufactured products from China is essential to maintaining a viable US manufacturing sector in the United States," said the institute.

The ITC will forward in writing the formal determination to the Commerce Department "within 10 days," an official told AFP, speaking on condition of anonymity.



TCL Shahnoor Electronics has launched its new product -- Energy Saving Lamp -- and announced the winners of the company's scratch card lottery at a ceremony in Dhaka recently. Shamsul Huda, adviser to ATN Bangla, and Mamunur Rashid, general manager of Shahnoor Electronics, were also present.



Construction workers make their way along an angled incline rooftop of a new building surrounded by steel pipe scaffolding being built in Beijing. The US International Trade Commission gave final approval December 30, 2009 for imposition of up to 15 percent penalty tariffs on imported Chinese steel pipes targeted for unfair subsidies.

Spain takes reins of revamped EU

AFP, Madrid

Spain on Friday assumed the rotating presidency of the European Union, the first under a new leadership structure for the bloc which includes its first full-time president and a new foreign policy supremo.

The positions, occupied by Belgium's Herman Van Rompuy and Britain's Catherine Ashton, were created under the Lisbon Treaty which came into effect on December 1, during the final weeks of Sweden's six-month term at the helm of the EU.

The treaty aims to streamline decision-making in the 27-nation bloc but critics argue the new system is no less complex and multi-layered than the previous one, with too much scope for overlapping roles.

Spain has set as the priorities for its presidency of the EU a smooth implementation of the treaty and tackling the continent's economic woes.

In a message posted on the official web site of the Spanish presidency of the EU, Spain's Prime Minister Jose Luis Rodriguez Zapatero said the main challenge will be to provide Europe with an economy that is "more productive, innovative and more sustainable."

Zapatero added that he was "convinced" that the Lisbon Treaty will make Europe "more efficient and dynamic" and contribute to "make Europeans more united".

One of the aims of the EU's new leadership structure is to give Europe a greater voice on the world stage in talks with major powers like China and the United States.