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JPY	0.74 / 0.79

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	\$1,202.50 (per ounce)
Oil	\$75.11 (per barrel) (As of Friday)

SOURCE: AFP

## ILO calls for stronger move against child labour

BSS, Dhaka

International Labour Organisation (ILO) has called for a "re-energised" global campaign to end child labour as one of its recent studies warned that efforts to eliminate the worst forms of such labour are slowing down amid economic downturn.

In its quadrennial global report on child labour, the ILO said the total number of child labourers declined from 222 million to 215 million, or 3 percent, over the period from 2004 to 2008.

This represents a "slow-down in the global pace of reduction," an ILO statement said yesterday.

The report also expressed concern that the global economic crisis could "further brake" the progress toward the goal of eliminating the worst forms of child labour by 2016.

ILO Director General Juan Somavia said: "Progress is uneven, neither fast enough nor comprehensive enough to reach the goals that we have set."

## BB to loosen control on capital transfer

SAJJADUR RAHMAN

The central bank plans to approve capital account convertibility as a test case, which means Bangladeshis will be able to invest in foreign countries, said Governor Atiur Rahman yesterday.

"We're thinking of doing it experimentally. No floodgate will be kept open," he said.

Capital account convertibility means the abolition of limitations on the movement of capital from Bangladesh to different countries across the globe.

Bangladesh Bank (BB) is working on how to allow Bangladesh investment in other countries.

The BB move came after some local companies showed interest in investing in foreign countries.

PRAN-RFL Group, a leading consumer goods maker, has long been trying to export capital to set up a factory in India's northeastern state of Tripura.

Meghna Group that exports bicycles to Europe and the US applied to the central bank last year seeking permission to invest in Sri Lanka. Also, several garment companies are known to have expressed their intention to do so.

The governor said there must be a ceiling for capital to be sent to foreign countries for investment. "The amount will be given from an exporter's retention quota with Bangladesh Bank."

According to BB guidelines for foreign exchange transactions (volume 1) merchandise exporters are entitled to a foreign exchange retention quota of 50 percent of repatriated FOB value of their exports.

However, for exports of goods having high import content (low domestic value-added) like POL products including naphtha, furnace oil and bitumen, readymade garments made of imported fabrics and electronic goods, the retention quota is 10 percent of the repatriated FOB value.

Amjad Khan Chowdhury, chief executive of PRAN-RFL Group, praised the latest step by the central bank.

PRAN-RFL that has been exporting consumer goods to India for nearly one decade wants to establish a factory in Tripura to meet growing demand for its products there.

"Everything is ready. Even Indian financial institutions are ready to finance us, but we've to take our seed money," Chowdhury said. He believes BB's decision will brighten the country's image abroad.

Mizanur Rahman Khan, chairman of Meghna Group, said the company wants to set up a bicycle plant in Sri Lanka from where freight charges will be reduced by \$800 per container.

But the central bank governor is not free from worries.

"Our reserve (\$10 billion) is not big compared to other economies," said Rahman. "So, we can't allow a wholesale export of capital."

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Lightership vessels lie idle off the Karnaphuli river yesterday after a countrywide water transport strike disrupted offloading of goods at Chittagong Port for a second day. (Story on page 16)

## RMG units not ready for Tk 5,000 minimum wage

Sector leaders blame high production cost, low price from buyers

REFAYET ULLAH MIRDHA

Most garment factory owners say they are now not in a position to hike workers' monthly salary to minimum Tk 5,000 from the existing pay of Tk 1662.50.

Many blamed the increasing cost of production and buyers' pressure for low price for their inability to execute the minimum salary in accordance with the workers' demand.

Over the last month, workers of some factories staged several demonstrations to press home their demand for such minimum pay.

MA Mazed, deputy managing director of Iris Fabrics, a compliant factory that bagged BKMEA award recently, also points his finger at some adversaries that stand in the way of full implementation of the minimum wages in line with recommendations from the government formed Wage Board.

These adversaries, as he said, are high bank interest on loans, soaring yarn prices and the low CM (cutting and making) charges offered by foreign buyers.

"Still, I shall have to follow government rules, as it has already formed a board to announce a minimum salary structure for the garment sector," said Mazed.

He also pointed out that his factory now has to go 30 percent below

its production capacity because of the energy crunch, or low supply of gas and power, and workers' low skills.

Meantime, buyers also place less orders, as many fail to ensure timely delivery of apparels. As for example, he said, if the previous order was for 10 lakh pieces, it now declines to seven lakh pieces. "Many small factories may face closure due to sudden price hike of yarn in the local market, followed by a hike in raw cotton prices globally," he said.

When asked about the minimum wage, Anisur Rahman Sinha, chairman of Opex and Sinha Textile Group, hit hard by the recent labour unrest, suggested a collective efforts by the government, owners, workers' representatives and BGMEA leaders to find a headway in this regard.

"Let's wait for the Wage Board's recommendations," he said.

Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association, also points to the present adversaries of the industry. "The delivery in time is an important factor. Now we are overcoming the aftershock of the severest global financial recession, but energy crunch grips us. As a result, the production falls. Also, workers' inefficiency has contributed to such decline in output," Murshedy said.

Despite all these, workers' salary

needs to be hiked, as the prices of basic commodities have gone high in the local markets, he said. "The owners will implement the wage as per the decision of the Wage Board."

Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association, also said the sector is not ready now to make the minimum salary at Tk 5,000, as production cost goes high.

"But, it is also true that the salary of workers should be increased. We should also go in line with the seven payment grades in garment workers' wages," he said.

BGMEA's immediate past president Anwar-ul-Alam Chowdhury Parvez said besides gas and power crisis, the latest yarn price hike in the local market following the price hike of raw cotton in the international market is an additional pressure on garment owners.

"The profit is very marginal now for all of adversaries," he added.

Nazma Akter, president of Sanniloto Garment Sramik Federation, said the demand for salary hike is a logical demand, but the workers must not damage factories.

"The workers should not put barricade on streets pushing the people in distress. They can negotiate with owners for realising any demand," she said.

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## Businesses fear return of strike ghost

STAR BUSINESS REPORT

A nine-hour shutdown at petrol stations yesterday annoyed businesspeople and city dwellers, who termed such a strike a barrier to getting rid of the hartal culture in the country.

The strike could not harm the economic activities a lot, but added to the woes of the city and businesses, already choked by nagging power outages and gridlock, some businessmen said.

"When the political parties and others are refraining from strike to break a long negative culture, such a shutdown will really slow down the efforts," said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association.

The government should take pre-emptive actions to avoid strike, he said.

Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association, said the strike emerges as another challenge to export-oriented industries, now coping with energy shortage.

"Our factories run two-thirds of a day through diesel-fired generators. Disruption in fuel supply hampered our production at many factories," he said.

The petrol pump and tank lorry owners and workers called off the strike enforced in the morning to press home their 13-point demand.

## Banglalink now 1.5cr strong

STAR BUSINESS REPORT

Mobile phone operator Banglalink has so far added around 1.5 crore subscribers to its network, showing its strong position in terms of customer acquisition in the six-player market.

The company, however, will have to be happy with the market's second position, as Grameenphone still holds the top position with ease.

For customers, Banglalink offers some benefits, including free talk time, SMS (short message system) and a special package for postpaid customers, to celebrate the 1.5 crore landmark.

The Egypt-based Orascom Telecom Holding's subsidiary, Banglalink, reached the landmark on May 4.

"Innovation is always a key behind the success," said Ahmed Abou Doma, chief executive officer of the operator, at a press meet at the company's head office in Dhaka.

The telecom regulator's available data shows that Grameenphone had 2.39 crore customers followed by Banglalink's 1.42 crore and Robi's 1.09 crore as of March. The total number of mobile subscribers in Bangladesh reached 5.47 crore in March.

"We are very strong now," Doma said.



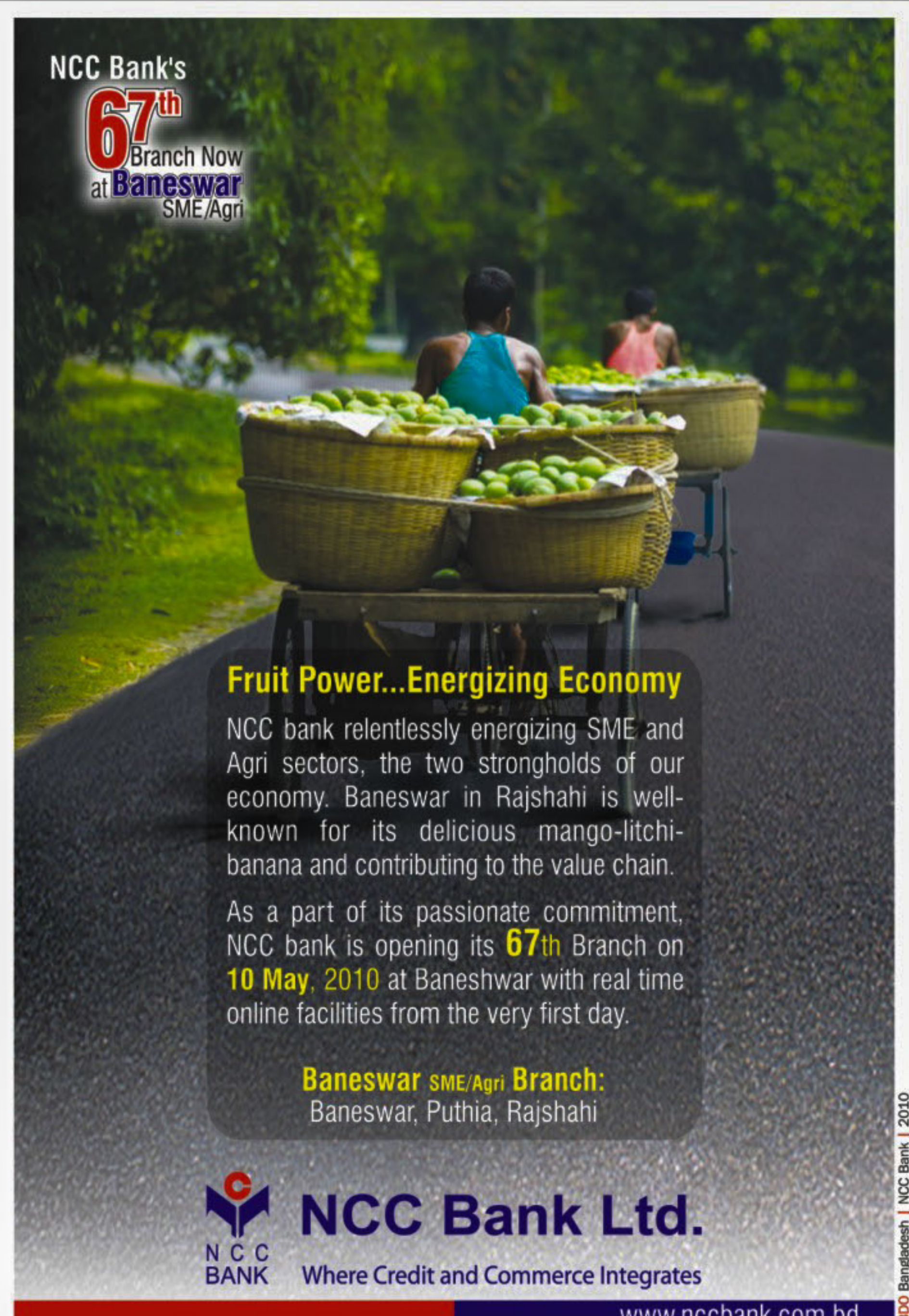
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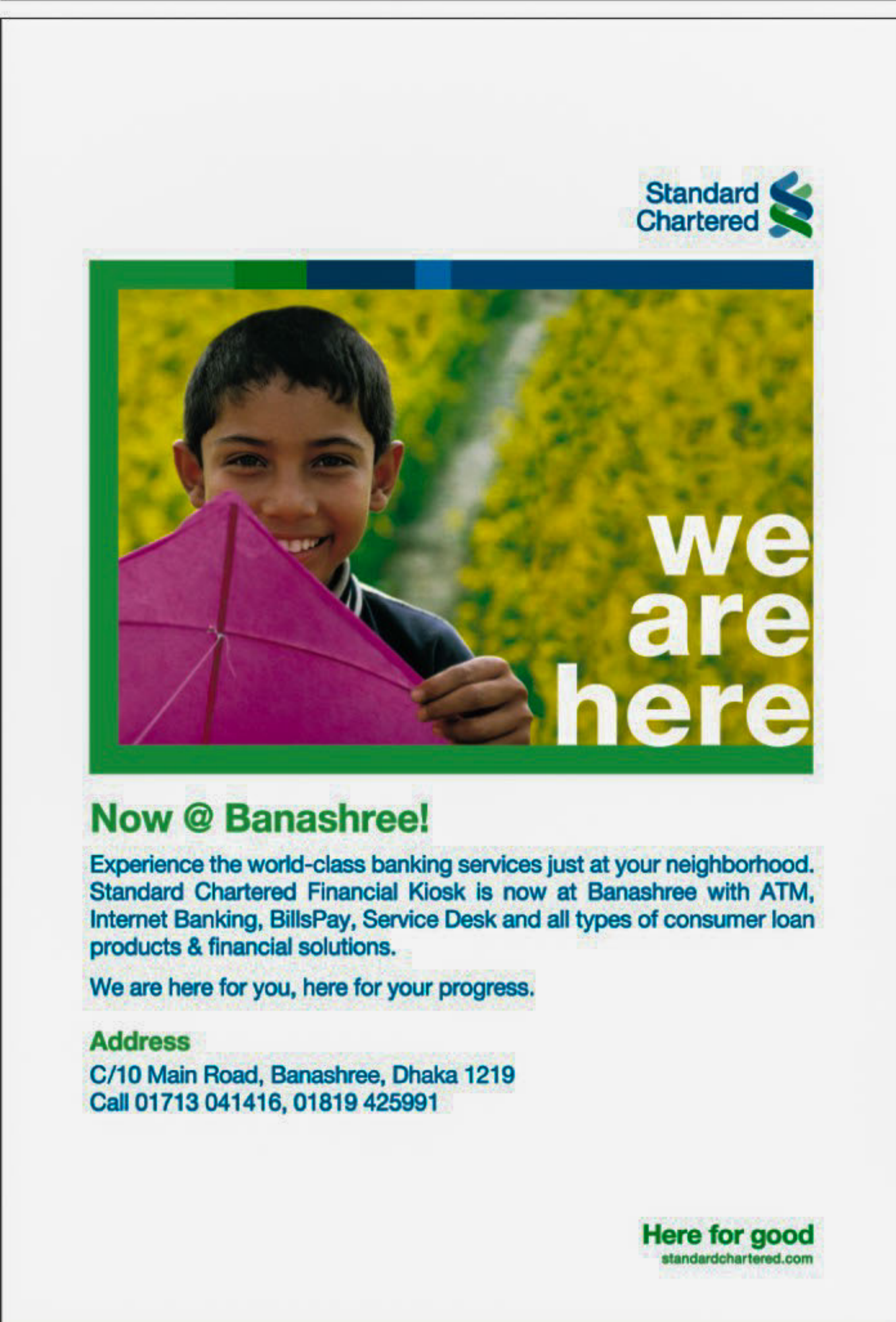
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