

Stocks	
DGEN	▲ 0.72% 8,141.24
CSCX	▲ 0.40% 14,791.80

IDLC Index	
IDLC 50	▲ 1.06% 8,412.14

Asian Markets

MUMBAI	▼ 0.27% 20,875.71
TOKYO	▲ 1.40% 9,830.52
SINGAPORE	▼ 0.74% 3,289.24
SHANGHAI	▼ 0.63% 3,115.36

Currencies

	Buy Tk	Sell Tk
USD	69.93	70.93
EUR	94.51	99.28
GBP	109.92	115.13
JPY	0.84	0.91

SOURCE: STANDARD CHARTERED BANK

G20 draft vows move to forex rates

REUTERS, Seoul

A draft of a Group of 20 communique statement says its members will move towards more market-determined exchange rates, closely echoing the wording of a statement issued by G20 ministers late last month, Dow Jones Newswires reported on Wednesday.

"We will move towards more market-determined exchange-rate systems and enhance exchange-rate flexibility to reflect underlying economic fundamentals," Dow Jones Newswires said, citing the draft seen by the news agency.

It also said the officials preparing the draft for the summit of G20 leaders on Thursday and Friday had yet to decide the language on currency interventions.

State banks shore up credit for tanners



A rickshawpuller carries leather in Dhaka. State banks are set to offer higher loans to tanners this year.

REJAUL KARIM BYRON

State-owned commercial banks (SCBs) will increase loans to tanners by about 30 percent this year, as demand for sacrificial cattle on the eve of Eid is rising thanks to a break from the anthrax scare.

The state banks account for about 90 percent of the loans given to the leather sector before Eid-ul-Azha.

According to statistics, the banks will disburse Tk 311 crore loans this year, which was Tk 240 crore last year.

Officials of the SCBs said they are very strict in giving loans, and no credit will be granted to the defaulters.

Sonali Bank will distribute Tk 60 crore, Janata Bank Tk 150 crore, Agrani Bank Tk 76 crore and Rupali Bank Tk 25 crore.

Officials said leather business faced serious setback for several months due to the panic created by the spread of anthrax. The government has already lifted the anthrax alert across the country. As a result, the demand for raw hide during the Eid will increase much.

Managing Director of Janata Bank SM Aminur Rahman said the government has already lifted the red alert, which will increase demand for cattle this time.

"We are giving loans to good clients," he said.

The bank is strict with the defaulters, Rahman said, adding that the defaulters

who took loans last year will be given the loans equivalent to the amount they defaulted on.

According to the statistics of the state banks, around Tk 400 crore has been stuck up in the tannery sector as default loans. Most of the loans were given in the first half of the 90s but could not be realised yet.

A high official of Sonali Bank said the tannery owners in the past used to start lobbying on the eve of Eid-ul-Azha and would create pressure on the banks for loans.

The official said the media also used to carry out propaganda that the banks were not giving loans to the tannery owners to buy rawhide and so leather was being smuggled out.

About five years back the central bank formulated guidelines for giving loans to the leather sector. The banks are now strictly following the policy in giving loans and facing much less pressure.

The Janata Bank MD said, in recent times the loans disbursed by them are not being defaulted. The amount defaulted now are the loans given earlier.

Bangladesh Bank (BB) officials said, although the overall export performance of the country was not good last year, the leather sector fared quite well. In terms of volume, leather exports rose 58 percent last fiscal year, while the rise was 27 percent in value, according to BB statistics.

New bodies for training in hospitality, tourism

STAR BUSINESS REPORT

The government yesterday formed two bodies -- Industrial Skills Council and Industry Advisory Council -- as part of an initiative to train people in the hospitality and tourism industry.

Initially, the primary task of the councils is to develop a customised training curriculum that will cater to the hospitality market in Bangladesh and other South Asian countries.

Also, these councils will impart training to the people in the remote areas.

International Labour Organisation and the European Union will fund the programme under the Technical and Vocational Education and Training Reform Project, Bangladesh.

"We've taken the initiative with an aim to create more employment for our young generation at home and abroad. And only skilled people can bring good to the poverty eradication move," said Shafique Alam Mehdi, civil aviation and tourism secretary.

Bangladesh gears up for US hearing on GSP

SAJJADUR RAHMAN

Bangladesh has to face a hearing before the United States International Trade Commission (USITC) on the Generalised System of Preferences (GSP) facility for Bangladesh-made sleeping bags next month.

Commerce Secretary Md Ghulam Hussain will lead a three-member team at the hearing scheduled for December 1, a senior official said.

A general manager of Bangladesh Export Processing Zones Authority and a sleeping bag exporter will accompany the commerce secretary.

The USITC has decided to hear from Bangladesh on the issue after a US-based firm filed a petition asking repeal of the GSP facility for Bangladesh-made sleeping bags that entered the US market at zero tariffs.

The US firm, Excel Outdoor, which had filed the petition with United States Trade Representative (USTR) earlier this year, wanted sleeping bags to be listed as textile goods and accordingly asked the USTR to remove the same from the GSP list.

Following the petition, USTR had taken steps to review the GSP facility.

Responding to the review petition, the government had lobbied with the US government and submitted all documents. After reviewing, the USTR rejected

the petition and decided to continue the GSP facility for such sleeping bags in July.

Again, the US-based firm filed petition and lobbied to cancel the GSP. Following the petition, two US authorities, USTR and the trade commission, will review and hear the issue respectively.

"USTR will review it on November 30 and the USITC is to hear on December 1," said an Export Promotion Bureau official.

The WTO Cell of the commerce ministry, Bangladesh Garment Manufacturers and Exporters Association, Bepza and sleeping bag exporters are working on it.

Bangladesh is an emerging exporter of sleeping bags and the export is on the rise, particularly in the US market.

According to Bepza, two Korea-based firms that were set up in 2008 in EPZs have been exporting sleeping bags to the US at zero tariffs. The two firms' combined export stood at \$3.1 million in the first eight months of 2010. Their exports were \$0.61 million in 2009 and \$17,000 in 2008.

On the other hand, US imported sleeping bags worth \$76.10 million in 2009. Of which over 90 percent were imported from China.

"Chinese firms are behind the petition and they are lobbying strongly to cancel Bangladesh's GSP facility," a senior commerce ministry official told The Daily Star preferring not to be named.

sajjad@thedailystar.net

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