



Ready Made

Garments

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Good practices to bolster exports

German minister talks about Bangladesh's growth potential in bilateral trade

REFAYET ULLAH MIRDHA

THE private sector is considered the driving force behind the growth of industries. That is why the government of Bangladesh should help the sector flourish to achieve greater economic development.

The private sector should also conduct good business practices. They should practise more corporate social responsibility (CSR) activities because customers in the European Union (EU) look for these judiciously before increasing the volume of trade with any country.

The German government provides support to develop the private sector, Dirk Niebel, the economic cooperation and development minister of Germany, said in an interview with The Daily Star recently.

"As the minister for development, I know sustainable development can only be achieved by working with the private sector. Businesses create jobs and income."

He, along with Andris Piebalgs, commissioner for development cooperation of the EU, visited Bangladesh on June 20-23 to discuss political and economic issues with the political leaders and businessmen here.

"This is a historic trip, as both a minister from a member state of the European Union and the European Commissioner came to the country together. The trip has a strong political signal," Niebel said.

"Our joint visit highlights our appreciation for the remarkable progress Bangladesh has achieved in fighting poverty and reaching the important millennium development goals."

He said they want to underscore their support for the aspiration of the people of Bangladesh for a stable and functioning democracy based on the rule of law.

"We see the prospect of a free, fair and inclusive general election in 2014 as one of the key benchmarks of a maturing democracy in Bangladesh," said Niebel.

Germany and the European Union value Bangladesh as a partner in the United Nations and on global issues like climate change and the fight against terrorism, the German minister said.

"Our joint visit also demonstrates that the European Union is working together and that

Bangladeshi companies should strive to comply with social and environmental standards in order to increase trade with Germany, the minister said. Bangladesh can further explore the EU market to grab greater export opportunities to this market

gladesh's exports globally and the EU is a destination for more than 50 percent of exports from Bangladesh.

Niebel said Bangladesh has a good opportunity to increase trade with the EU further, as the Eurozone leaders have relaxed the rules of origin (RoO) for the least developed countries from January 1 under the generalised system of preferences (GSP).

As a result, export of garment items from Bangladesh to the EU will increase further in the coming days, he said, adding that the country should exploit the opportunity.

The minister also said Germany will continue support to Bangladesh to help fight poverty and set up social businesses through strengthening economic cooperation with the country.

Niebel said more investment from the German and European private sector would come to Bangladesh.

However, this may depend on improving the regulatory framework, legal security and investment climate in Bangladesh, he added.

He also hopes new ideas like 'social businesses' will contribute to strengthening German-Bangladesh economic cooperation.

The German government will continue to help the Bangladesh industry to implement social and environmental standards as well as increase energy efficiency. This will bolster Bangladesh's global competitiveness.

Bangladeshi companies should strive to comply with social and environmental standards in order to increase trade with Germany, the minister said. Bangladesh can further explore the EU market to grab greater export opportunities to this market.

When asked, the minister said bilateral trade relationship between Germany and Bangladesh is already developing exceedingly well.

It needs to be nurtured now, he added.

"I am very impressed by the constantly growing trade volume between our two countries. Germany now imports more goods from Bangladesh than from some other industrialised countries. We are pleased to accompany and support Bangladesh on the road towards becoming a middle-income country," he said.

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Dirk Niebel

we continuously improve donor coordination and the effectiveness of our development cooperation programmes with Bangladesh."

The joint trip is of great significance, not only to Bangladesh, but also to the EU, he said. "I hope this visit will strengthen the economic relations between Bangladesh and the EU fur-

ther," he said.

As a member of the EU, Germany follows the rules of the EU, and the country has no separate rules for its external trades, he said.

The good thing is that bilateral trade is increasing every year, he added.

Germany is the single largest market for Ban-

Unlocking further potential in German market

REFAYET ULLAH MIRDHA

TRADE between Bangladesh and Germany is on the rise. The high growth of exports, especially of readymade garment products, turned Germany into the single largest export destination for Bangladesh.

According to data from state-owned Export Promotion Bureau (EPB), Bangladesh exported goods worth \$3.04 billion to Germany in the July-May period of the immediate past fiscal year.

EPB Vice-Chairman Jalal Ahmed said the figure for the entire fiscal year would be higher as the calculation for the month of June is still incomplete.

He said garment is the main export item from Bangladesh, while the country imports machinery and spare parts from Germany.

Bangladesh exported goods worth \$2.18 billion to Germany in fiscal 2009-10, according to EPB data. The important thing is that the trade was in favour of Bangladesh despite global financial recession.

During a recent visit of Dirk Niebel, minister for economic cooperation and development of Germany, Saiful Islam, president of Bangladesh German Chamber of Commerce and Industry (BGCCI), at a programme said the trade volume between both the countries has been increasing constantly at a double-digit rate.

"In 2010 the total trade volume between the two countries amounted to \$4 billion, with a \$2.7 billion trade surplus in favour of Bangladesh. Even in the midst of the global recession -- in 2009 -- Bangladesh was the only Asian market in which the German export volume was growing," Islam said.

These figures are strong evidence of Bangladesh's growing private sector and the rising interest of German companies to do business and invest in the country, he said.

Besides the diversified RMG products, Bangladesh's exports to Germany include leather, pharmaceuticals, processed food and IT.

"Another great example is our local shipbuild-

ing industry. German companies are placing orders at higher rate in the country's promising shipbuilding sector," he said.

As a symbol of trade relations, the Bangladesh German Chamber is going to organise the annual German Trade Show at the Bangabandhu International Conference Centre in Dhaka from October 27 to 29 with a view to bringing together German and Bangladeshi companies in a single platform.

He supplies garment items to the renowned brands of Germany such as Hugo Boss, Puma, s.Oliver and Esprit.

"Recently, I have signed an agreement with Olymp, another renowned garment brand in

Germany, to supply two million pieces of shirts. The trade with Germany is just increasing," he said.

The Bangladesh government should strengthen bilateral relationship to better exploit the potential in German market, he said.

Dirk Niebel along with other delegates visited his factory during their visit.

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Women work in a garment factory of Viyellatex Group in Gazipur.

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AMRAN HOSSAIN