

# Strengthen bargaining skills to profit from global carbon trading: experts

STAR BUSINESS REPORT

Bangladesh should strengthen its negotiating capacity if it wants to realise the benefits of global carbon trading as the developed countries are mostly responsible for carbon emission, environmental experts said yesterday.

There is a possibility that temperatures globally would increase by another 4 degrees by the end of the century, despite efforts to keep temperatures below 42 degree Celsius, according to the experts.

Although the developed countries, being the highest carbon emitters, are taking various steps to keep the emission at tolerable level, an opportunity has been created for Bangladesh to earn money from global carbon trading.

"But the country needs to strengthen its bargaining capacity with the developed countries to realise the benefits of trade," said Mohammad Shahjahan, director general of Department of Environment.

The country does not get the just price for its garment products



**Qazi Kholiquzzaman Ahmad, chairman of PKSF, speaks at the National Congress on Sustainable Development, held at the Palli Karma-Sahayak Foundation auditorium in Dhaka yesterday.**

as the hidden costs such as water and environmental pollution are not taken into account when setting the price.

The country requires 100-150 tonnes of water to manufacture one tonne of clothing items, Shahjahan said.

His comments came at the National Congress on Sustainable

Development, held at the Palli Karma-Sahayak Foundation (PKSF) auditorium in Dhaka.

Citizens' Forum on Sustainable Development, a civil society forum to feed voices and opinions to the Bangladesh government and development actors, organised the event.

The forum has been working on

10 separate issues to be raised at the United Nations conference in September.

The issues are: poverty eradication, food security and nutrition and sustainable agriculture, energy, transport, sustainable and resilient cities, health and population, equity and justice, access to information, knowledge and technology, democratic governance and promoting full and productive employment, decent work for all and social protections.

Qazi Kholiquzzaman Ahmad, chairman of PKSF, said the Citizens Forum will hold more dialogues at all levels for opinions in favour of the issues.

Palash Kanti Das, assistant country director of United Nations Development Programme, said the UN has been working on four areas for sustainable development: inclusive economic growth, poverty reduction, and governance and justice, and environmental sustainability.

"The UN's four issues cover almost all issues those the Citizens Forum is campaigning for."



**Arif Dowla, chairman of Mutual Trust Bank, attends the bank's Annual Business Conference at a local hotel in Dhaka yesterday. Anis A Khan, managing director and chief executive officer of the bank, was also present.**

## Streets shouldn't be places for showdowns: DCCI

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The private sector thinks all the political parties will demonstrate tolerance in the greater interest of the country and the parties will help maintain continuation of national development projects, said Khan, also chairman of Daffodil International University and Daffodil Group.

Describing the overall scenario of the national economy, the DCCI chief said achieving the projected 7.2 percent economic growth in the current fiscal would be very challenging.

"The foreign investment scenario isn't satisfactory. Growth in the industrial and service sectors might slow down for lack of required utility services and slower internal and external demand," Khan said.

On the hike in fuel prices, he said production cost has been rising because

of this, and as a result Bangladesh products are facing stiff challenges in the global market.

Khan urged the government to provide and gas and electricity to the newly established industrial units to expedite the economy. "Although the scenario (electricity) has improved new industrial units are yet to get electricity connections."

Khan also talked about the increasing cost of doing business and high bank interest rates, and urged the central bank to withdraw the illogical service charges imposed on cheque clearing.

About the capital market, he said investment would have to be encouraged in the share market at any cost to keep it vibrant. "Slashing interest on bank deposit, people may feel encouraged to invest in the capital market to have better returns."

## DCCI seeks quick steps to retain GSP

UNB, Dhaka

Bangladesh's exports to the global market will slide and its image in export destinations outside the USA will be affected if the US withdraws duty-free benefits under the generalised system of preferences (GSP), a leading business leader said yesterday.

"At any cost, we'll have to ensure the continuation of the facility through proper negotiations," M Sabur Khan, president of Dhaka Chamber of Commerce and Industry, told reporters at a press conference, first by the DCCI's new board of directors.

Bangladesh's exports to other countries might slow down if the country's image is harmed through

cancellation of the GSP facility, he said.

Bangladesh's exports, which are already not at satisfactory level due to the global economic crisis, might encounter another threat if the government fails to properly negotiate to retain the facility.

"We think the government should take quick steps to resolve the issue."

Amid the US threat of possible withdrawal, suspension or limitation of Bangladesh's duty-free benefits under the GSP, Bangladesh Embassy in Washington started initial negotiations to ensure the continuation of the GSP facility.

As part of the embassy's efforts to retain US GSP facility, Bangladesh Ambassador Akramul Qader had

separate meetings with Congresswoman Betty McCollum and Congressman Adams Schiff last week.

The two members of the US Congress had assured that they would take up Bangladesh's GSP facility issue at the appropriate level of the US authorities so that it could be resolved taking Bangladesh's best interest into account.

Earlier, the US Trade Representative (USTR) office sought public comments from the stakeholders by January 31 on the possible withdrawal, suspension or limitation of Bangladesh's duty-free benefits under the GSP.

The commerce ministry is finalising a position paper to uphold Bangladesh's position in the hearing on the issue.

## Brazil auto workers, GM fail to agree on job cuts

AFP, Sao Paulo

Brazilian auto workers on Friday failed to talk General Motors out of cutting 1,598 jobs as the two sides agreed to meet again next week, the union said.

The talks began earlier in the day after a two-hour morning stoppage by around 4,000 employees at the GM facility in the industrial city of Sao Jose dos Campos, 80 kilometers



**HBM Iqbal, chairman of Premier Bank Ltd, attends at bank's 'Yearly Management Conference 2013' at a city hotel recently. KAM Majedur Rahman, managing director and chief executive of the bank, was also present.**

## India's Ujala maker sets up factory in Tongi

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"People in urban areas no longer want to wash clothes the traditional way -- they now use detergents and whitening liquids. We want to cater to this segment," Mostafa said.

The new factory will initially manufacture Jyothy Labs' popular brands -- Ujala Washing Powder and Ujala Blue liquid -- for the domestic market.

Kallol Group has been the sole importer and distributor of Jyothy Labs' products in Bangladesh over the last 14 years.

Jyothy Labs also plans to roll out the recently-acquired brands of Henkel, a

manufacturer of laundry and homecare products and toiletries.

Jyothy Labs currently exports to the neighbouring countries, Middle-East and Malaysia, which contributes to around 3 percent of its turnover.

Kallol Group, which started its journey in 1972, has its own manufacturing units for detergent powders and washing soaps.

It also represents upwards of 300 FMCG products and 18 international watch and writing instruments' brands and has an annual turnover of \$50 million, according to the company's website.

## WB funds rise despite Padma bridge hiccups

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What started as a project to install 20,000 systems per year is now installing 60,000 new systems every month in rural areas, making this one of the fastest growing solar home system programmes in the world, she said.

Under the WB's country assistance programme, the lender has made commitments to provide \$4.3 billion for 33 ongoing projects.

Of the money, a total of \$1.1 billion has been disbursed so far, said Arastoo Khan, additional secretary of Economic Relations Division, in a presentation.

Khan, however, said four projects are at risk. Performances of projects relating to urbanisation, water and sanitation, social protection and environmental degradation are also good, according to the review.

But projects for infrastructure development, agriculture and food security and disaster preparedness are moderate, said Lisandro Martin, senior operations officer of the WB.

The official, however, said sluggish structural reforms have raised concerns over enhancing competitiveness, with Bangladesh's ranking in Doing Business

report falling in the last three years.

There has also been deterioration in the overall governance environment, he said.

The weakening of governance signifies less available credit from International Development Association, the WB's concessional arm.

Shaheen Anam, executive director of Manusher Jonno Foundation, said the government, in general, appropriately utilised the WB funds for the public projects.

She said the utilisation of the WB funds increased people's access to health and education services, safe drinking water and economic opportunity. The multi-functional shelters saved thousands of lives in the recent cyclones, she said.

"However, there are obviously certain gaps. The focus on beneficiary satisfaction, quality and sustainability of delivered public infrastructure and services in some cases needs further attention," Shaheen Anam said.

"The maintenance of rural roads and multi-purpose shelters is an issue," she said, adding that land acquisition and compensation also came as an issue as there is some dissatisfaction over how this was done.



**A Rouf Chowdhury, chairman of Bank Asia, attends the bank's Annual Business Conference 2013 at a city hotel in Dhaka yesterday. Md Mehmood Husain, president and managing director of the bank, was also present.**

## Stubborn politics drag down global economy

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Indeed, in the absence of global coordination the world is stuck in a rut of its own making, acting out our own global version of the "Prisoners' Dilemma." It is a world where no major economy can succeed on its own and yet none trusts any other enough to try a cooperative effort through coordination.

Ironically, this interdependence was understood very well in the 2009 G20 initiative. The IMF agreed to prepare an exercise called the Mutual Assured Assessment Program that would display the benefits of a coordinated push on growth not just for output but also for employment and the reduction of poverty. Yet by 2010 a global growth objective was a dead letter. Strident voices, always opposed to being precise about a growth objective, resisted the detailed policies and quickly turned instead to advocate fiscal consolidation. The familiar arguments about exchange rates re-emerged amid bitter allegations about Chinese currency "manipulation." Prior to the G20 in the autumn of 2010, the Korean government, to its great credit, floated a compromise way forward. They proposed that each major economy set limits for its current account surpluses or deficits (China and, for example, Germany a surplus of no more than 4 percent; America a deficit of no more than 4 percent). Privately, China indicated its willingness to engage. US Treasury Secretary Tim Geithner signalled public support for the plan. But after an unfortunate series of misunderstandings the Korean plan was stillborn.

It is the resulting failure to deliver any global growth pact that is helping depress the global growth rate. National growth targets may be a necessary way forward but they are not a sufficient response. Even the boldest of national initiatives may fail not because targeting growth is the wrong thing to do, but because there is no way to sustain the level of growth we need without better global coordination. Thus any change in economic policy that is purely national, such as employment targeting, will have limited benefits (and may discredit the pursuit of an employment goal even in that country) because it will fail in the absence of a favourable global context.

Thus the policy void today lies less in the weaknesses of national central bank leadership than in the reluctance of national governments to contemplate global leadership. Some might argue that all we are seeing is dysfunctional political decision-making at a national level replicated at a global level. But there is a more compelling reason why global cooperation is in retreat: No one will take on the pervasive protectionism that has spread through the world. It is as common to Europe, where anti-immigrant parties are thriving and where the richest countries of the European Union balk at helping the poorest, as it is in America, where hostility to China and to the talk of global treaties or deals is widespread. Ramping up currency wars is seen as a better tactic to reflect domestic attitudes than talk of global coordination.

The result is that any politician who stands on

a platform that does anything other than propose inward-looking, highly domestic-focused and often protectionist economic initiatives is at a disadvantage. Not only are there no votes in thinking and acting globally, but votes are actually lost unless you do the opposite of pursuing a global vision: You have, instead, to re-nationalise each economic problem and make it look as if you are dealing with a purely domestic failure. That is why, across Europe and America, debt and deficits -- which should of course be the subject of long-term fiscal plans -- are viewed as virtually the sole cause of economic stagnation and are almost the entire subject of economic debates at the expense of a sensible debate also about growth employment and trade liberalization. Put crudely, it is more politically salient for a national opposition politician to tell voters that his country's problems are caused by domestic profligacy, that economic difficulties are self-induced (and thus soluble locally), rather than part of a complex international crisis that is more difficult to address. Indeed most voters would be excused for concluding that the global financial crisis was caused by a few spendthrift national governments who racked up debt and deficits when the history books will tell us the truth of how it started as a global banking collapse.

Gordon Brown was prime minister of the United Kingdom from 2007 to 2010. He is currently an adviser to the World Economic Forum.



**Asif Moyeen, managing director of Fareast Knitting & Dyeing, attends the launch of a new retail store of beauty and cosmetics products, named Beauty Shop, at Gulshan 2 in Dhaka recently. Amaan Moyeen, owner of the shop, was also present.**