

# Withdrawal of GSP facility to hurt plastic industry

Says the plastic makers association; plastic fair begins tomorrow

STAR BUSINESS REPORT

It will take a heavy toll on the country's growing plastic industry if the US withdraws duty-free benefits under the generalised system of preferences (GSP) from Bangladesh, a sector leader said yesterday.

"The government should take steps to resolve the matter quickly to keep plastic goods export to the US and European markets smooth and help the industry grow further," said Md Jashim Uddin, president of Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA).

Export earnings from the plastic industry stood at \$88.69 million in 2011-12 while it was \$41.42 million in the first half of the current fiscal year.

The country exports plastic goods worth \$8 million to the US market annually while around 80 percent of Bangladesh's total plastic goods export goes to

the EU market, he said.

If the government fails to retain the GSP facility, it will impact negatively on other export destinations, including the EU market, said Jashim Uddin, who is also a former first vice president of the Federation of Bangladesh Chambers of Commerce and Industry.

He spoke at a press briefing on the eighth Dhaka International Plastic, Packaging and Printing Industrial Fair-2013, at the BPGMEA's premises in Dhaka yesterday. The fair starts tomorrow.

Earlier, the office of the US Trade Representative (USTR) sought 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 paper to uphold Bangladesh's position in the hearing on the issue.

Jashim Uddin said the four-day fair

will showcase plastic-related products on the 8,000 square metre showground at Bangabandhu International Conference Centre in the capital.

BPGMEA and Chan Chao International Co Ltd, an industrial exhibition arranger, are jointly organising the show consisting of 350 stalls from 13 countries, including China, India, Pakistan, Taiwan, Korea, Malaysia, the UAE and the UK.

There will be a number of exclusive pavilions for export, packaging, plastic and rubber foundation and toys sectors in the exhibition, according to the organisers.

Finance Minister AMA Muhith will be the chief guest at the inaugural session of the event, while Commerce Minister GM Quader is scheduled to attend the closing ceremony.

The fair will remain open from 12pm to 8pm daily without any entry fee.

## Airtel Bangladesh receives British certification

STAR BUSINESS DESK

Airtel Bangladesh has recently achieved standard certification on information security management system and business continuity management system from British Standards Institution, the world's largest certification body on business standards.

Airtel Bangladesh is the first organisation in the country to receive the certification, the mobile operator said in a statement yesterday.

"Airtel Bangladesh continuously strives to upgrade its operations to provide better services for its customers. These certifications not only endorse our efforts but also assure our customers on the quality they are receiving," said Chris Tobit, chief executive officer of the operator.

According to the statement, ISO 27001:2005 is the information security management system standard published in October 2005 by the International Organisation for Standardisation and the International Electro-



Khabeer Uddin Khan, chairman of Swan Group, launches a new project of the company, Swan Lake, at Tejgaon in Dhaka recently.

## Razzaque blames rice price spike on cold spell, dishonest traders

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Prices of paddy have also increased, he said, adding that prices of coarse paddy rose up to Tk 100 a maund and fine varieties -- paizam and BR-20 -- shot up by Tk 150-200.

"We have come to know from the field level that the cold wave and price manipulation by rice traders mainly in Dhaka have caused the price spike," Razzaque said. "Traders have taken the advantage of the cold spell."

"We are watching," he said, while adding that the current prices, if remain stable, would be a boon for the growers. "If prices fall again, it will be a matter of sorrow," he said.

Razzaque, however, said his ministry will investigate whether rice exports have anything to do with the recent price spike.

"We are monitoring whether other types of rice, such as the coarse rice, is being exported in the name of aromatic rice," said Razzaque. Mahabub Hossain, an economist who follows farming and rural economy, said rice prices will continue to rise.

"It appears to me that traders are banking on the prospect of increased rice prices in the world market and the rising prices in India," said Hossain.

But there should be no reason for prices to rise as we are in a rice surplus situation, he added.

In fiscal 2011-2012, net production of rice was 28.6 million tonnes and consumption 28.5 million tonnes, according to Bangladesh Institute of Development Studies.

Rice output is expected to be good in the first two

## Perception versus reality check

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Human rights defenders, trade unionists and social leaders continue to be threatened and killed, mainly by paramilitary groups. In El Salvador, some 477 women and girls were murdered between January and October 2011, a rise of 224 compared with the same period in 2008. Yet by mid-2012 many countries lost out to Central America for the first time since the opening of quotas, in its market share of US apparel imports.

In the United Kingdom itself, there were 171 worker fatalities between April 2010 and March 2011. When the population size is taken into account, China's workplace death rate is 21 times higher than the UK's. In 2010, 79,552 people died in work-related accidents in China, an average of 218 people a day, official figures show. (Source: The National, Dec 5, 2011, Australia)

All these instances and data don't give us the right to defend bad practices. But they do allow us to appeal to the US and the EU to take Bangladesh into special consideration. To begin with, the 3.5 million people working in 5,000 woven factories, 1,700 knitwear factories and 1,300 spinning, finishing and dyeing factories in Bangladesh can't be out on the streets for a few deviant exporters. Starting from 1983-84, the RMG sector's contribution to the country's export of 3.9 percent has today grown to a massive 80 percent. In 2005, we were the world's fifth largest manufacturer; today we are the second. Therefore this sector needs to be handled with utmost care and caution. If there are penalties that need to be imposed, the importing countries could easily engage in a dialogue with their own retailers who could ensure implementation of such measures.

In the meantime, while we, the entrepreneurs cite instances of exceptions and appeal to importing countries, we need to address our own conscience and admit that we have failed in securing public trust on many accounts. I see no way forward but to sincerely collaborate with the civil society and major stakeholders in order to ensure that our own work places do not smell of disaster. As the new elite of the society, we, the RMG exporters need to readress our identities and overcome this image deficit with compassion and critical understanding of the tragedies. The real compliance should only come from within and not from different corners of the globe.

**DHAKA BANK**  
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**Together We Reach Further** | Annual Managers' Conference 2013

The Westin, Dhaka 19 January, 2013

Dhaka Bank Chairman Reshadur Rahman and Managing Director Khondker Fazle Rashid attend the annual managers' conference for 2013 of the bank at the Westin Hotel in the capital on Saturday.



Prime Minister Sheikh Hasina opens the 78th branch of Standard Bank at Tungipara in Gopalganj on Saturday. Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry and chairman of the bank, and SA Farooqui, managing director of the bank, were also present.

## Bangladesh, a model for MDGs

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"The lack of consultation was a real weakness of the original MDGs. Despite that, to the extent that the MDGs were successful, it was government's buy-in and national investment that made them successful."

"Now, for a second-round development paradigm, national buy-in, from the outset, will be the crucial determinant of their successful implementation."

"While the MDGs have had a real impact on the lives of billions, there is still much more to be done. I can imagine a bold effort, a quality result that defines the transformational change we want to achieve -- for all people and societies," Walker further said.

Poverty eradication will remain a dominant goal beyond 2015 as most developing countries are set to fall short of halving the poverty ratio, said Qazi Kholiquzzaman, in-charge of preparing Bangladesh's position paper.

Many developing countries, particularly the least-developed and African countries, would fall short of halving the poverty ratio by 2015, he said. "So, poverty eradication would remain an overriding goal for the period beyond 2015."

Kholiquzzaman, convenor of the Bangladesh Post-2015 Sustainable Development Goals (SDGs) Initiative, said all SDGs must be assessable by targets and indicators.

Bangladesh has already achieved or is on track to achieve most of the MDG targets, with the goal of eradicating poverty remaining to be pursued, he said.

"The same is true globally," said the economist. Bangladesh has probably already reached the target of halving the poverty population, he said.

Achievements in minimising child

mortality have already earned the country an award from the UN. Bangladesh has also improved its record in primary education enrolment and parity between girls and boys.

The country's deficits are mostly related to hunger, water supply and sanitation, Kholiquzzaman said.

He said the team members have identified 23 goals at present but the final number may be considerably lower for global acceptability and focused implementation.

Finance Minister AMA Muhith, who chaired the meeting, said the targets should be few and -- measurable and visible.

Foreign Minister Dipu Moni agreed with Muhith that Bangladesh's SDGs should be few, adding that they should be "focused, simple and acceptable".

He said Bangladesh has been diligent in meeting the MDG goals ahead of the timeline. Food Minister Abdur Razzaque said Bangladesh did very well in terms of achieving MDGs, although it has not received adequate support from the donors.

"I think the donors should formulate their own strategy on how they will help the countries achieve targets post-2015," he said. Bangladesh Bank Governor Atiur Rahman suggested financial inclusion in the SDGs and called for co-operation between the government and non-government entities for effective implementation.

The government will hold six more consultation sessions across the country next month for wider participation of the people. The UN secretary general has nominated a high-level panel of 26 eminent personalities, to be co-chaired by the presidents of Indonesia and Liberia and the prime minister of the UK.

## Remittance from major countries shoots up

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The second highest inflow was from the United Arab Emirates (UAE); remittance increased by 26 percent year-on-year to \$2.75 billion.

Remittances from Oman rose 55 percent to \$525 million last year, the biggest jump.

Remittances from Malaysia increased about 17 percent year-on-year to \$939 million, while from the UK it rose 13.5 percent to \$1.05 billion.

Both the rise in manpower exports and income of the Bangladeshi wage earners in the Middle-East contributed to last year's increased remittance figures, a Bangladeshi Bank official said.

Although manpower exports to Kuwait have been on hold in recent times, remittance still increased from that region. Remittances rose to \$1.18 billion in 2012, up 1.1 percent from 2011.

The council, which represents the country's 5,000 petrol pumps owners, 4,000 agents and distributors and 30,000 tank-lorry owners, enforced the strike to press home their nine-point demand.

Bikers and vehicle owners who are yet

to convert their cars into compressed natural gas-run ones experienced immense suffering refuelling yesterday, the second day of the nationwide strike.

Meanwhile in Narayanganj, tank lorry workers staged a demonstration in the morning, refusing to work for the rest of the day.

Md Awal, the in-charge of Padma Oil Company's depot in Siddhiganj, said fuel oil lifting and distribution had remained suspended for last two days due to the strike.

## Two-day fuel strike comes to a close

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Haq also said the government has also given assurance to meet their demands on workers' insurance, ensuring terminal security and stopping adulteration of fuel and illegal sales of fuel.

The reason for Bangladesh's low remittance per head, as per WB, is that the majority of the Bangladeshi wage earners are unskilled labourers.

In India, the average remittance per head is \$4,843, whereas for China it is \$6,112.

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