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Star BUSINESS

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Appeal to EU against trade actions

Commerce ministry says millions will lose jobs

REFAYET ULLAH MIRDHA

The government has urged the European Union (EU), the country's leading export destination, not to take any punitive actions, as the government is taking necessary measures to ensure occupational safety at factories.

Following the Rana Plaza collapse which killed at least 550 and injured thousands, the EU on April 30 issued a statement, warning of "harsh" trade actions against Bangladesh.

In response, the commerce ministry on May 2 sent a letter to the Bangladesh ambassador in the EU, informing the government's action plan to ensure health and safety at garment factories.

"In the letter we explained the tragedy. We have also said the government is very sincere in its efforts this time, proof being that it has already formed different committees following the incident," Commerce Secretary Mahub Ahmed told The Daily Star yesterday.

The ministry also asked the Bangladeshi officials in

Europe to lobby through diplomatic channels, Ahmed said. "If the EU or any other buyers impose any harsh trade conditions on Bangladesh, the country will lose its competitiveness. If that happens, international buyers will not place much work orders -- and millions will become jobless."

The EU is considering disciplinary actions in a bid to prevent frequent industrial accidents, it said in the statement.

"The EU is presently considering appropriate action [...] to incentivise responsible management of supply chains involving developing countries," the EU said.



A team of Bangladesh Garment Manufacturers and Exporters Association led by its President Atiqul Islam shares views on the garment industry with editors and senior journalists of newspapers at the BGMEA office in Dhaka yesterday.

BGMEA to set up a database of garment workers

Garment industry leaders sit with editors of newspapers

STAR BUSINESS REPORT

The garment sector's apex trade body plans to prepare a central database of garment workers for ease of verification during crises.

"People always question the casualty numbers quoted during any tragedy in the garment sector, as the trade body does not have any central database of the 3.6 million workers," Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

"We will sign an agreement with the ILO [International Labour Organisation] soon to prepare a central database of workers," he added.

His comments came at an interactive session yesterday with editors and other senior journalists of newspapers.

The BGMEA has been holding a series of meetings with journalists in the aftermath of the Rana Plaza collapse, which killed more than 500 and injured thousands.

Islam said the trade body will send a letter to Pope Francis, who termed the working conditions in Bangladesh akin to "slave labour".

The senior journalists also suggested the garment makers launch strong campaigns in the US and the European Union, to counter the propaganda against Bangladeshi garment products in the wake of the building collapse.

Abdul Quayum, associate editor of Prothom Alo, urged the garment owners to increase the workers' salaries as inflation has swollen in the country, along with continuing with the sector's reform activities.

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Pharma companies to widen global reach

State-owned Essential Drugs inks deal with Sri Lanka

GAZI TOWHID AHMED

Bangladeshi pharmaceutical companies plan to strengthen their global footprint as they target to take their products to 30 new destinations within 2013-14.

At present, Bangladesh exports pharma products to 87 countries, including the US and a few European nations, after meeting 98 percent of the local demand.

State-owned Essential Drugs Company Ltd (EDCL) has recently entered the Sri Lankan market with nine products under a government-to-government (G2G) agreement.

Beximco Pharma also started exporting medicines to Europe in February after another two local companies -- Eskayef and Square -- carved a niche in the market much earlier.

State Pharmaceuticals Corporation of Sri Lanka will procure medicines worth Tk 400 crore from Bangladesh during fiscal 2013-2014, EDCL Managing Director M Kadrul Huda said.

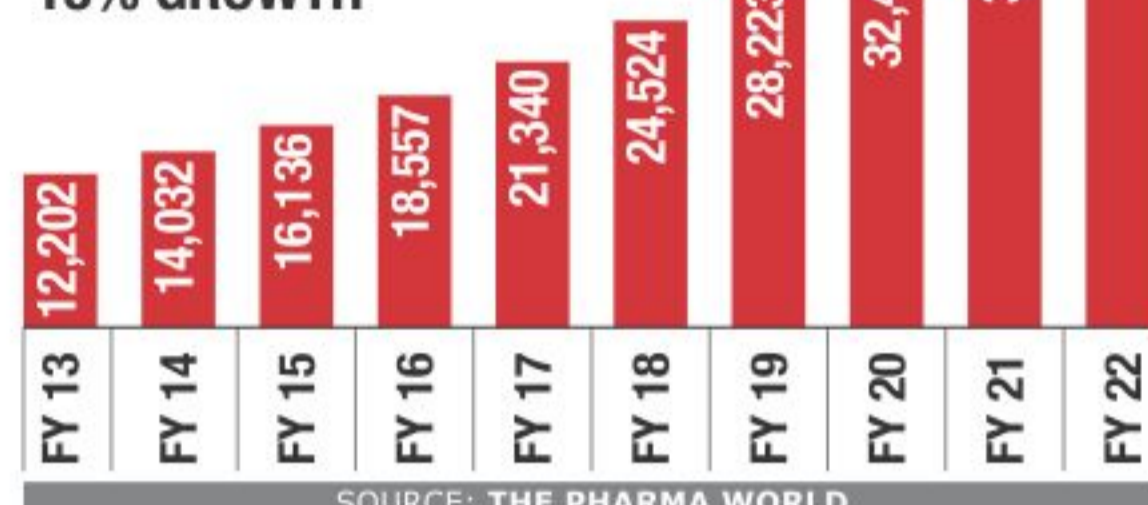
He said Sri Lankan Health Minister Maithripala Sirisena expressed their interest to import the medicines during his visit to Bangladesh early last month.

Last week they sent a list of 778 medicines and 1,284 laboratory items to the EDCL, Huda said.

"Bangladesh produces 75 percent of these medicines, and the Lankan government has allowed us to get the items manufactured by private companies," he said.

"They prefer our medicines, which, they said are better than those from India. We

FUTURE FORECAST OF PHARMA INDUSTRY OF BANGLADESH CONSIDERING 15% GROWTH



can offer high quality products at lower prices," he said. Sri Lanka will initially buy medicines worth Tk 2 crore and the first consignment will leave on May 15.

Bangladesh also requested the Sri Lankan government to relax rules for Bangladeshi companies for participating in international bidding, Huda said.

During 2008-2012, EDCL's production rose fourfold to Tk 400 crore, he said.

The government's increased spending on the health sector has given a boost to production, he said.

The government will soon sign another G2G deal with the Maldives to export medicines, he said.

The EDCL now plans to export con- dom to different Asian markets, he said. "We will also export these products to the EU and the US markets."

Nazmul Hassan, managing director of Beximco Pharma, said, "The company now focuses on entering large and highly regulated markets such as the EU and the US, where the demand for generic products continues to rise."

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LIC of India to set up a joint venture in Bangladesh

STAR BUSINESS REPORT

Life Insurance Corporation of India (LIC) has teamed up with local Pioneer Insurance to set up a joint venture in Bangladesh.

"We've applied to the Insurance Development & Regulatory Authority (IDRA) of Bangladesh for a licence," SM Mizanur Rahman, deputy managing director and company secretary of Pioneer Insurance, told The Daily Star.

Rahman said LIC would have a 54 percent stake in the Tk 40-crore venture to be named LIC Bangladesh Ltd.

Pioneer Insurance would hold 6 percent share, and the remaining 40 percent would be kept aside for public offerings, according to a proposal submitted to the regulator last week.

M Shefaqe Ahmed, chairman of the IDRA, also confirmed receiving the LIC application. "Yes, LIC is interested, but the licence is subject to meeting certain criteria."

The development comes as the government allowed foreign investment in life insurance under Insurance Act 2010.

However, the law did not state clearly the foreign equity participation limit, which the Banking and Financial Institution Division of the finance ministry made clear last month.

Any foreign entrepreneur will be able to invest up to 60 percent of their paid-up capital in any insurance company, with a controlling stake, according to a notice of the finance ministry.

At present, the country has 62 insurance companies -- all of them are with local investments except the US-based MetLife Alico.

Asia-Pacific growth better than expected: ADB

REJAUL KARIM BYRON, from New Delhi

Growth in the Asia-Pacific region following the global financial crisis has been better than expected, Takehiko Nakao, president of Asian Development Bank (ADB), said yesterday.

"Although Asia is making the transition to growth led by domestic and regional demand, it cannot be complacent, given that more than 800 million in the region still live in absolute poverty," he said at the inauguration ceremony of ADB's 46th annual general meeting, being held in New Delhi.

Nakao, who assumed office last week, said the region has to continue to be innovative, inclusive and integrated, while emphasising the need for an enabling environment in which the private sector can grow, innovate and create jobs.

"Critical elements include conducive regulatory systems, support for start-ups, broad-based financial systems and infrastructure development," he said, adding that the governments must also invest more in their people, by way of education and health services. Good governance, he said, is imperative in building a better climate for investment and innovation.

Indian Prime Minister Manmohan Singh, who inaugurated the event, said the 21st century can rightly be spoken of as the Asian century.

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Vested quarters hold up book-keeping automation

BASIS chief says

STAR BUSINESS REPORT

The government's plan to collect VAT through digitised means has been met with a setback due to vested quarters, the ICT trade body said yesterday.

The National Board of Revenue in July 2011 instructed all businesses paying Tk 50 lakh and above in VAT and other taxes to make their book-keeping fully automated by January this year.

"All it needs is installing the VAT software with the company's account software, but the vested groups in the NBR and business community are not letting it happen," said Fahim Mashroor, president of Bangladesh Association of Software and Information Services (BASIS).

Of the estimated 1,200 companies that were supposed to install the software, only five have done it so far. Some 40 BASIS member companies are ready to offer technical support to business houses for the software, Mashroor said.

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Speakers

Dr. Atiur Rahman Governor, Bangladesh Bank	Mitul Desai Senior Advisor U.S. Department of State	Md. Nazrul Islam Khan Secretary, Ministry of ICT	Congressman Michael Honda 17th Congressional District of California
Mayor Tony Spitaleri City of Sunnyvale, California	Sajeeb A Wazed Founder, Digital Bangladesh Initiatives	AKM Fahim Mashroor President, BASIS	Venktesh Shukla President, TIE Silicon Valley
Dr. Khondoker Bazlul Haque Chairman, Agrani Bank Ltd	Aziz Ahmad Vice Chair, US Pan Asian American Chamber of Commerce	Shameem Ahsan Senior Vice President, BASIS. & Convener, US-Bangladesh Tech Investment Summit.	Dr. Joyce Moye CEO, US Bangladesh Partners
	Russell T. Ahmed Secretary General, BASIS.	Matt Cooper Vice President, oDesk	

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