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COMMODITIES

STOCKS

Ticfa raises mixed reactions

SOHEL PARVEZ and REFAYET ULLAH MIRDHA

Cooperation Forum Agreement (Ticfa) with the US attracted mixed responses from economists, trade experts and businessmen. Yesterday's move, tipped to enhance commercial ties with

the superpower, comes less than two weeks before the verdict

from the United States Trade Representative over continua-

The government's decision to sign the Trade and Investment

tion of the country's Generalised System of Preferences is due. "It is a timely move. It provides a positive signal to the US administration," said Ahsan H Mansur, executive director of

Policy Research Institute (PRI). Although the GSP issue is not related with the Ticfa, it is diplomatically related. "It will unofficially help Bangladesh retain GSP privilege."

Fund, said a broad framework such as this to deal with bilateral trade and investment issues was necessary. "I do not find anything negative in going ahead with it," he

Mansur, a former official of the International Monetary

said, adding that all South Asian nations bar Bhutan have such bilateral agreements with the US. "Even the Vietnam that had fought with the US for two decades has such a contract."

He said the platform provided by the treaty will allow the problems raised by businesses to be addressed formally.

Furthermore, it will help Bangladesh get more US investments. "But it is not a sufficient condition -- rather, a helpful condition." Toufiq Ali, former ambassador of Bangladesh to World

Trade Organisation (WTO) in Geneva, said the waiver from intellectual property protection that Bangladesh currently enjoys as a least-developed country (LDC) under WTO conventions should be compromised by Ticfa.

"All countries that are now developed did not provide intellectual property protection in the early stages of their development. It is unfortunate if our development prospects are now to be held back by implementing the IP protection."

Ali said it is doubtful how much the Ticfa would help in obtaining duty-free access to the US market.

"The final decision on duty-free access will be taken by the US Congress and I do not believe that the US administration would take up this issue with the US Congress now."

"The US government is involved in many more pressing matters with the US Congress and getting duty-free access for Bangladesh will be very low in their order of priority. However, I hope for the sake of our readymade garments exports that I am wrong."

Imtiaz Ahmed, a professor of international relations at Dhaka University, thinks that the US may attach some difficult conditions even if it reconsiders its stance on continuation of GSP facility.

"President Barack Obama's decision on the GSP facilities is due by June 30 and the nod on Ticfa might be the last ditch effort by the current government to secure the facilities."

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STANCHART

From left, Rupert Walker, senior reporter of FinanceAsia; Roger Marsh, director of Tysers; Reaz Islam, chief executive officer of LR Global; Hassan Zaman, chief economist of Bangladesh Bank; and Jim McCabe, CEO of Standard Chartered Bangladesh, attend the Bangladesh Investment Summit in London on June 11.

London summit highlights Bangladesh's potential

STAR BUSINESS REPORT

ASIAN MARKETS

Bangladesh's potential as a top destination for investment and the challenges it faces were highlighted at an international summit in London recently.

The FinanceAsia Bangladesh Investment Summit, Europe at Grosvenor House in London on June 11 underscores Bangladesh's steady journey towards greater affluence and economic growth.

The first of its kind summit called for maintaining its progress to achieve the potential of becoming a 'Next 11' country.

"Bangladesh is a special case. The South Asian country with a population of 160 million has maintained consistent 6 percent growth during the past decade despite the global financial crisis, numerous political upheavals andb several man-made or natural disasters," according to a report of FinanceAsia.

"Rather than a wretched basket for the rule of law."

case that keeps aid agencies employed, Bangladesh is increasingly attracting the attention of international investors and foreign companies."

In 2005, Jim O'Neill, former chairman of Goldman Sachs Asset Management and chief economist at Goldman Sachs, included Bangladesh among the 'Next 11' countries set to follow the BRIC (Brazil, Russia, India and China) nations to become some of the biggest economies in the world.

O'Neill told delegates at the London summit that Bangladesh could eventually attain the level of affluence and development achieved by South Korea.

"It will move up the value chain, and already its IT sector is growing rapidly. It needs to stay the course, which means tackling corruption, investing in infrastructure, improving labour conditions, encouraging entrepreneurs and instilling a respect lenges.

Perhaps, the most essential requirement is that Bangladesh nurtures a business culture and institutional mindset that can attract sustainable investment, according to Lord Heseltine, a former British deputy prime minister and founder of the Haymarket Group.

"The reliable, engrained recognition of the importance of the rule of law and the ability to find the right partners provide confidence for investors and anyone doing business in a country."

Bangladesh's steady economic growth performance so far is due in part to its well-diversified economy, which helps insulate it from sectorspecific shocks, Hassan Zaman, chief economist at Bangladesh Bank, told the summit.

The report by FinanceAsia, Asia's leading financial publishing company based in Hong Kong, said Bangladesh faces important chal-

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Rules designed for mandatory use of jute sacks

A Great Tomorrow

SOHEL PARVEZ

The government has framed new rules to enforce a compulsory use of jute sacks to pack food grains and other items.

The compliance with the law is expected to give jute goods makers and farmers a cushion from a slump in prices due to reduced demand for jute items abroad.

in August for public and private sectors. It will also be applicable to goods imported in bulk, according to the rules.

October 2010, as the authority could not enforce it due to absence of the rules.

put a extra price burden on them due to high prices of the bags.

"It will make a positive impact on the industry," said Najmul Huq, chairman of Bangladesh Jute Mills

An advisory panel headed by Textiles Secretary Md Ashraful Moqbul will determine the amount of food grains and other items to be packed by jute sacks next month based

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BB gives green light to ninth new bank

STAR BUSINESS REPORT

Bangladesh Bank yesterday decided to grant a licence to NRB Global Bank, taking the number of new banks to nine, a spokesman for the central bank said.

BB took the decision at its board meeting yesterday with Governor Atiur Rahman in the chair, said AFM Asaduzzaman, general manager of BB.

Nizam Chowdhury, a US-based expatriate and chairman of NRB Global Bank, also confirmed The Daily Star on the central bank's approval.

"We hope we can hit the market next month after completing the formal procedures," said Chowdhury.

On February 5, five banks -- NRB Commercial Bank, NRB Bank, Union Bank, South Bangla Agricultural Bank and Meghna Bank -- got final approvals for licences.

Later, two more banks -- Midland Bank and Farmers' Bank -- also received the go-ahead.

The central bank issued 'letters of intent' in April 2012 to the sponsors of nine proposed banks, including three to be set up by non-resident Bangladeshis.

With all nine new banks, the total number of scheduled

banks in Bangladesh would be 56. Bangladesh is a fast growing economy with 6 percent

plus growth on average for the past one decade. The size of Bangladesh's gross domestic product would stand at

around \$120 billion at the end of 2013-14.

Govt's growth target achievable: BEA



Abul Barkat, president of Bangladesh Economic Association, and Toufic Ahmad Choudhury, general secretary, attend a press conference in Dhaka yesterday.

STAR BUSINESS REPORT

The Bangladesh Economic Association yesterday said the country can attain the targeted 7.2 percent GDP growth in the next fiscal year provided the government tackles 14 specific issues.

The issues include raising both public and private sector investment, reducing dependence on the banking sector for addressing budget deficit, stressing on the release of foreign aid and loan in the pipeline and accelerating implementation of annual development programme.

Productive use of remittance, adequate credit supply to the private sector and expansion of tax net are not less important.

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Govt seeks amnesty for Bangladeshis in Kuwait

ministry.

BELAL HOSSAIN BIPLOB

Bangladesh has appealed for general amnesty for its workers in Kuwait in the wake of deportation of illegal migrants by the Gulf state.

It appealed for an amnesty similar to one granted by Saudi Arabia in May.

Foreign Minister Dipu Moni will visit Kuwait today to hold discussions with the country's ameer, prime minister and deputy prime minister.

She will discuss recruitment of more skilled and semi-skilled workers, including doctors and engineers, from Bangladesh by waiving the current ban

on recruiting Bangladeshi workers. The minister will also talk about setting up an oil refinery and considering deferred payment on Bangladesh's import of petroleum products from

Kuwait, said officials in the foreign

However, Kuwaiti newspapers have recently reported that the government deported hundreds of foreign workers for staying without legal visa or residency papers in the last few months.

"We conveyed our concern that legal workers should not be deported, and the deported people should be given their salaries and dues from their sponsors," said KM Ali Reza, first secretary (labour) of Bangladesh Embassy in Kuwait.

"Since a crackdown started April, only around 150 Bangladeshis have been deported," he told The Daily Star over phone.

Currently, around two lakh Bangladeshis are working in the oil-rich country before a ban on recruitment from Bangladesh seven years ago in 2006.

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Fresh worker protests over unmet demands

STAR BUSINESS REPORT

Hundreds of workers of Utah Fashions commissioner of police. blocked Gulshan Link Road in Dhaka in the morning, protesting the shutdown of their factory with no prior notice.

Five workers were hurt and three were sent to Dhaka Medical College Hospital for treatment after police charged batons and fired rubber bullets to disperse the agitated workers.

"They vandalised the windowpanes of several nearby factories in the area," said

Moniruzzaman, officer-in-charge of Tejgaon Industrial Police. Later, they were joined by workers of some other factories and together, they

demonstrated in front of the Utah gate.

"As the crowds became rowdy, police

fired around 30 rounds of rubber bul-...... lets," said Biplob Kumar Sarker, a deputy Though the situation came under

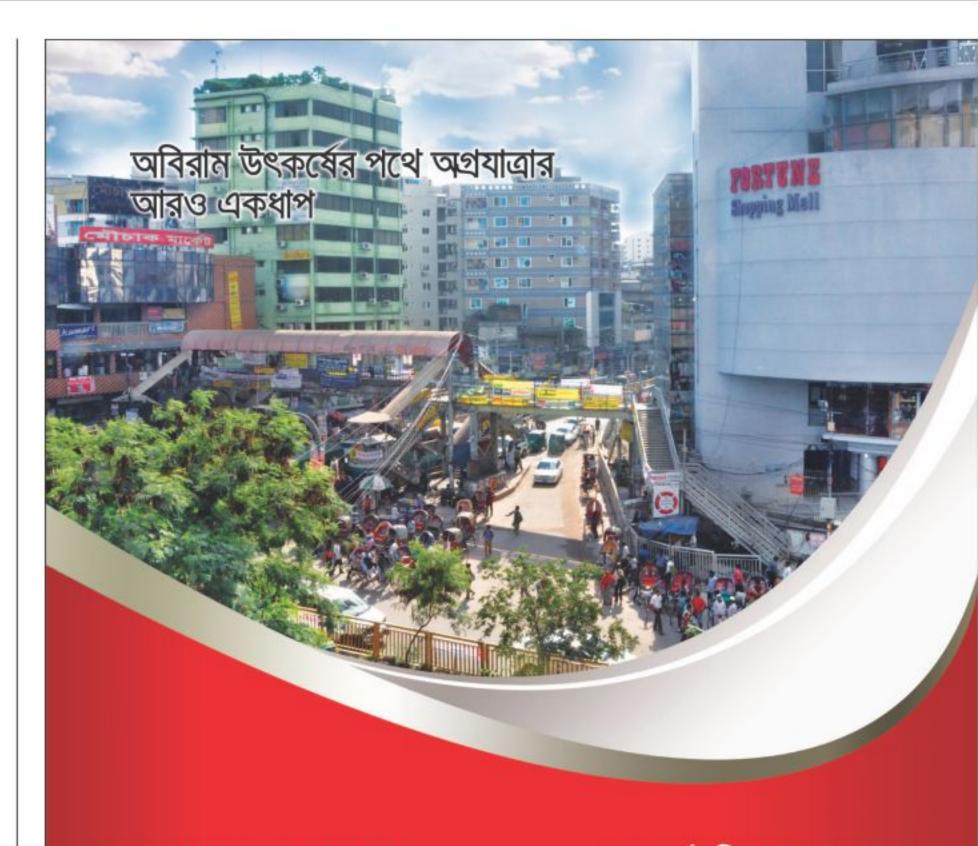
control around 9:30am, some workers blocked one side of the road in Tejgaon. Later, Sarker assured the workers of a

meeting with the garment authorities regarding the workers' demands. In Gazipur, workers of the Uni Gears

garment factory began demonstrations at around 7:45am, demanding an attendance bonus hike and introduction of lunch bill. Later, they took to the Dhaka-

Mymensingh highway in Gazipur and vandalised the windshields of some vehicles and halted vehicular movements for around an hour.

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সমৃদ্ধির সোপান মাত্র ৫ বছর ৬ মাসে আপনার জমাকৃত টাকা দ্বিগুণ হয়।

স্বাচ্ছন্যু প্রতিদিন ১ লক্ষ টাকা জমা করে ৩ বছর পর্যন্ত প্রতি মাসে *১,১২৫ টাকা করে মুনাফা বুঝে নিন।

সোনালী দিন স্বল্প টাকা মাসিক জমার ভিত্তিতে মেয়াদান্তে পেনশন আকারে আকর্ষনীয় মুনাফাসহ প্রাপ্য টাকা তোলা যায়।

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The rules gazetted early this month will come into effect

Businesses have largely been ignoring the law passed in

But rice millers expressed concern that the use of jute sacks would

Association (BJMA).

on the annual availability and production of jute and sacks.