

Banks to remain open today instead of Saturday

STAR BUSINESS REPORT

Bangladesh Bank has directed all scheduled banks to keep their branches open today, which is a public holiday.

But it has cancelled its previous notice on keeping banks' branches open on Saturday.

Earlier on Wednesday, the BB asked banks to keep their branches open in industrial areas, such as the capital, Ashulia, Tongi, Gazipur, Savar, Narayanganj and Chittagong, where most of the country's garment factories are located.

Normal banking and business activities have seriously been disrupted by continued blockades since November 26.

Food subsidy fight derailing WTO deal

Defiant India rejects proposal on food security

REFAYET ULLAH MIRDHA, from Bali

India's refusal to budge on some rules governing food subsidies means the ninth WTO Ministerial Conference might end today in Bali without any landmark global trade deal.

"Agriculture sustains millions of subsistence farmers—their interests must be secured. For India, food security is non-negotiable," Indian Commerce and Industry Minister Anand Sharma said yesterday in his opening speech to the WTO's ministerial meeting.

"This is a fundamental issue. We will never compromise," he told reporters later on.

With national elections looming, India next year plans to fully implement a welfare programme to provide cheap food to 800 million people that it fears will fall afoul of WTO rules, which curb farm subsidies to 10 percent of production.

The programme, which relies on large-scale stockpiling and purchases at minimum prices, is a central plank of the govern-

ment's bid to win a third term in office next year.

A proposal led by the US offered to waive the 10 percent rule until 2017, but India has rejected it demanding that the exemptions continue indefinitely until a solution is found.

The reason India's defiance is proving to be a deal-breaker is that all member countries must agree to the terms of the Bali package.

Unsurprisingly, the neighbouring country is increasingly finding itself isolated among developing nations in the 159-member WTO, many of which fear New Delhi is threatening a bigger deal for the sake of scoring political points at home.

If completed, the Bali package centring on trade facilitation, food security and LDC package could add nearly \$1 trillion to the world economy.

Sharma, however, said that domestic politics were not a factor in its WTO stance, instead framing the issue as a divide between industrialised countries and a developing world.

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Reforms to widen market access for LDCs: analysts

REFAYET ULLAH MIRDHA

Global trade related institutions need reforms to ensure greater market access for least developed countries, a trade analyst from Bangladesh said yesterday.

Reforms are needed because basic commodity prices are increasing and the world is witnessing frequent financial crises, said Mustafizur Rahman, executive director of Centre for Policy Dialogue, at a trade and investment symposium on the sidelines of the ninth WTO Ministerial Conference in Bali, Indonesia.

"We want to use trade to alleviate poverty in the upcoming MDG (millennium development goal)-2 as this could not be used in the MDG-1 effectively," said Rahman, adding that the MDG-2 is scheduled to start from 2015 and will continue till 2030.

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Bheramara power tender awards hit controversy

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The North-West Power Generation Company (Nwpgc) has controversially qualified two tenders and disqualifies two others in the technical evaluation bids for the Japan-funded Bheramara 360-megawatt power project.

An evaluation report oddly mentions that none of the bidders met the qualification criteria set by the tender rules. Then it contradictorily qualified Japanese bidders Marubeni and Sumitomo and disqualified Japanese-Korean Mitsui-Posco and Spanish Duro Felguera.

Among the ones who qualified, Marubeni's bid had serious shortcomings according to the tender's conditions. In contrast, the Mitsui-Posco and Duro Felguera bids had negligible shortcomings.

The financial offers of the two technically qualified bidders would be opened after the project's financier Jica accepts the evaluation, said an Nwpgc official.

This was done to oust bidders that proposed using General Electric (GE) and Siemens turbines for the power plant, the official added; Mitsui had proposed equipping the plant with a GE turbine, Duro Felguera with Siemens.

On the other hand, Marubeni proposed using a Mitsubishi Heavy Industries (MHI) turbine and Sumitomo Alsthom. GE and Siemens turbines are cheaper than that of the MHI and Alsthom in terms of price and maintenance.

Nwpgc took a few months to make this evaluation and sought clarifications from the four bidders two times.

According to the evaluation, Mitsui and Duro Felguera were disqualified on the grounds that their GE and Siemens turbines did not meet the 'vibration' requirements of the tender. GE is the world's largest turbine manufacturer while Siemens is the second largest.

Other reasons shown for the disqualification include—the filter system of gas turbine air intake is not washable, explosion proof motors are provided as optional items, piping, cables and installation of generator control panel will be provided by a third party.

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## Manpower outflow hit by political unrest

BELAL HOSSAIN BIPLOB

Escalating political turbulence since the end of October has been eating into manpower exports, and, in turn, remittances, the country's second highest source of foreign currency.

"The current picture of manpower exports is alarming," said Shamsun Nahar, director general of Bureau of Manpower and Employment (BMET).

She cited the drop in outbound workers during the ongoing series of blockade as a case in point. On Sunday, when the opposition-called blockade was in force, only 918 workers left the country for foreign jobs. In contrast, on November 24, when there was no political agitation, the figure was 1,934.

It is in November's figure, though, when the political unrest was surging, that a better picture can be seen: 29,428 migrants left the country during the month against 31,281 a year ago.

The reason for the drop, Nahar says, is that political turmoil has been impeding the migrant workers from travelling to Dhaka to complete their immigration procedures.

The migrants need to give their fingerprints and receive clearance from BMET after completing all other procedures to leave for their new jobs abroad. "These steps can only be done in Dhaka," she added.

Usually buzzing with aspirant migrant workers, the BMET office and the expatriates' welfare ministry seemed deserted in the last few days. With not much workload, the officials were seen in a relaxed mood.

Hasan Maruf, a director of workers' welfare fund under the expatriates' welfare and overseas employment ministry, said very few people are coming in of late to give their fingerprints.

## Garment wage gazette published

New pay effective from Dec 1

STAR BUSINESS REPORT

The government yesterday published a gazette notification on minimum wages for garment workers, making new pay effective from December 1, Labour Secretary Mikail Shipar said.

The gazette is available on the labour ministry's website. There is no change in the provisions the stakeholders had earlier agreed on, Shipar said.

On November 21, the wage board finalised the salary structure increasing it by 77 percent to Tk 5,300 a month.

Under the new wage structure, a Grade-7 worker will receive Tk 3,000 in basic salary in addition to Tk 1,200 in house rents, Tk 250 for medical purposes, Tk 200 for transport and Tk 650 as food subsidy.

## Inflation rises as shutdown rips supply chain

Economists say the rate may go up further if political unrest lingers

REJAUL KARIM BYRON

Inflation rose by 0.12 percentage point to 7.15 percent in November, compared to the previous month, mainly due to a supply chain disruption amid political violence and shutdowns.

Economists warned the rate will go up further if shutdowns and blockades continue.

But officials at Bangladesh Bureau of Statistics said inflation did not go up much despite political unrest and will remain contained in future.

Food inflation increased by 0.17 percentage point and stood at 8.55 percent in November, while non-food inflation rose by 0.04 percentage point to reach 5.08 percent, according to BBS.

The uptick in inflation is mainly driven by rising food prices probably caused by supply chain disruptions, Hassan Zaman, chief economist of

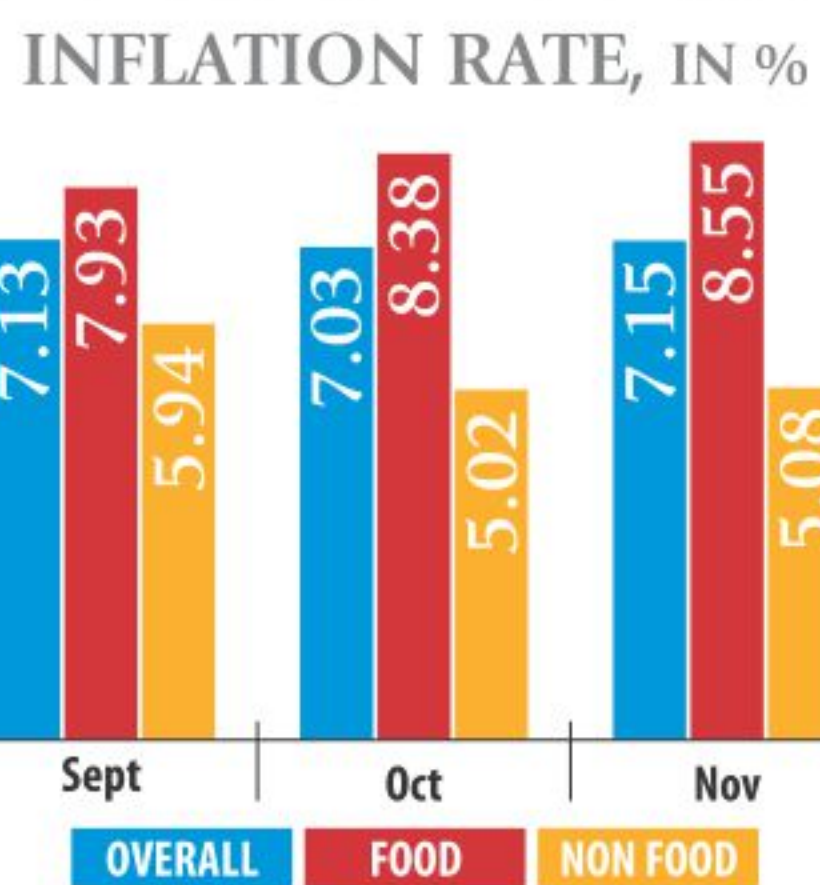
Bangladesh Bank, said.

He said, "Safety nets which cushion the impact on the poor such as the Open Market Sales of subsidised rice may need to be scaled up if this continues."

Zahid Hussain, lead economist of the World Bank in Dhaka, said, as import commodities could not be transported properly from land and sea ports due to shutdowns and blockades, inflation rose more in rural areas compared to urban areas.

Hussain also said, despite a slow credit growth and stable exchange rate, non-food inflation rose due to supply chain disruptions and an increase in the cost of commodities.

According to the BBS, overall inflation in rural areas increased by 0.14 percentage point in November, compared to that in October, but in urban areas it increased by 0.06 percentage point.



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