US retailers again call for GSP re-launch

REFAYET ULLAH MIRDHA

AMERICAN clothing retailers once again urged the Obama administration to renew expired and expiring trade programmes such as the Generalised System of Preferences for the sake of supporting trade-based jobs in the US.

"Not only do lapses in these programmes destroy US jobs and impose costs on US businesses, but they also cast doubt into US leadership on trade," the American Apparel and Footwear Association said in a letter to the US House of Representatives.

The US government suspended the GSP scheme for all countries in July, 2013.

During a review of US trade policy at the World Trade Organisation last month, these concerns were cited by a number of AAFA's trading partners, the letter said.

AAFA members need these provisions in order to make rational and predictable sourcing decisions on materials and components -- a complicated global process that occurs years in advance of actual manufacture, it said.

"Early action on this smaller trade package will support trade-based jobs in the US and will signal immediate re-engagement to our trading partners."

Bipartisan support for the trade package will also pave the way for swift action on more far-reaching Trade Promotion Authority, which is necessary to conclude ongoing negotiations with key trade partners in Europe and the Pacific Rim.

"At a time when other nations are rapidly forging special trade deals with each other or erecting new barriers to keep out US-made and US-branded products, we cannot afford to remain without this crucial authority."

Earlier in November last year, hundreds of small and big business enterprises in the US urged the Obama administration to restore GSP before the close of 2014 to keep their businesses afloat.

The US companies have been losing $2 million a day since the suspension of the scheme, according to the retailers.

So much that business units faced closure as they failed to remain competitive, the letter in November said.

First enacted in 1974, GSP eliminates import duties for American firms on certain products from nearly 122 developing countries.

After the Rana Plaza collapse, the United States Trade Representative on June 27 last year suspended the GSP status for Bangladesh citing serious shortcomings in workplace safety and labour rights.

The USTR also wanted the country to fulfil 16 conditions to renew the trade benefit; the country has already submitted progress reports to the USTR.

Bangladesh used to export a limited number of products under the GSP scheme, but its continuation is important for the country's image.

Every year, around 0.54 percent -- equivalent to $26 million -- of Bangladesh's exports to the US enjoyed duty-free access under the scheme.

Ninety-seven percent of Bangladesh's products enjoy duty-free access to the US market, but garment products, by far the country's largest export item, were excluded.

In fiscal 2013-14, the country exported goods worth over $5.58 billion to the US, with 95 percent of them being garment products, which were subjected to 15.61 percent duty.

Meanwhile, Nate Herman, vice-president of AAFA, in an interview with The Daily Star in Dhaka in December last year said they will urge the Obama administration to reinstate trade benefits for Bangladesh, as the country is an important sourcing destination for American customers.

"We will try to propose USTR to withdraw the GSP suspension on Bangladesh next year, if the GSP scheme is renewed again," he said.

AAFA is the highest trade body for apparel and footwear traders in the US, representing more than 1,000 retailers in the $361 billion US retail sales market.

The GSP is a programme designed to promote economic growth in the developing world by providing preferential duty-free entry for up to 5,000 products when imported from one of 122 designated beneficiary countries and territories.

The GSP programme also supports US jobs. American businesses imported $19.9 billion worth of products under the GSP programme in 2012, including many inputs used in US manufacturing, according to the USTR.

Products that are eligible for duty-free treatment under GSP include chemicals, minerals and building stone; jewellery; many types of carpets; and certain agricultural and fishery products.

World Bank sees growth pick-up for developing countries

Kaushik Basu

AFP, *Washington*

THE World Bank on Tuesday predicted a pick-up in economic growth for developing countries, spurred by falling oil prices and despite a slight slowdown in global engine China.

Developing countries' growth in gross domestic product (GDP) -- the broad measure of a country's output of goods and services -- was expected to hit an annual pace of 4.8 percent in 2015, up from 4.4 percent last year, and surge to 5.3 percent in 2016, according to the bank's latest forecasts.

"Following another disappointing year in 2014, developing countries should see an uptick in growth this year, boosted in part by soft oil prices, a stronger US economy, continued low global interest rates" and improvements in several large emerging-market economies, said the World Bank in a statement.

The update of its Global Economic Prospects report showed that momentum in the developing countries would like push growth in the global economy higher, to a moderate 3.0 percent in 2015 from 2.6 percent in 2014, despite persistent weakness in the eurozone and Japan.

For China, the leader of the emerging-market economies, "structural reforms, a gradual withdrawal of fiscal stimulus, and continued prudential measures to slow credit expansion will result in slowing growth to 6.9 percent by 2017 from 7.4 percent in 2014," said the anti-poverty development bank.

The GDP of the world's second-largest economy was projected to increase by 7.1 percent this year and slow slightly to a rate of 7.0 percent in 2016.

Another major emerging-market powerhouse, India, should be among the beneficiaries of the spectacular plunge in crude oil prices that have lost almost 60 percent of their value since June. The Asian giant, which is a net importer of crude oil, should see GDP accelerate to 6.4 percent this year from a 5.6 percent rate last year.

Weak oil prices also were expected to help Brazil, Indonesia, South Africa and Turkey fight inflation and reduce their current-account deficits, a major source of vulnerabilities to risks in the global economy, the World Bank said.

"What is critical is for nations to use this window to usher in fiscal and structural reforms, which can boost long-run growth and inclusive development," said Kaushik Basu, the World Bank's chief economist and senior vice president, in the statement.

Oil-producing countries, meanwhile, have been dealt a blow by the price plunge. Russia, which also is the target of Western economic sanctions, was expected to suffer a 2.9 percent economic contraction this year before crawling back into growth in 2016.

"In this uncertain economic environment, developing countries need to judiciously deploy their resources to support social programs with a laser-like focus on the poor and undertake structural reforms that invest in people," said World Bank President Jim Yong Kim.

Myanmar set to open first stock exchange by October

AFP, *Yangon*

MYANMAR'S deputy finance minister has said the country will launch its first official stock exchange by October, as the emerging economy takes another step towards opening up after decades of isolation.

Maung Maung Thein said the former junta-run nation was on track to launch the bourse in the country's main commercial hub of Yangon.

"Our target date is October 2015 at the latest. But it may be earlier," he told AFP on Tuesday from the capital Naypyidaw, adding that "no more than five companies" would be listed on the stock exchange to begin with.

Myanmar's central bank signed a joint venture agreement with Japan Exchange Group and Daiwa Institute of Research, the research arm of Daiwa Securities Group, last month to set up and run the Yangon Stock Exchange following years of discussions.

Myanma Economic Bank will own the controlling 51 percent-stake in the Yangon Stock Exchange Joint-Venture Company with the remainder divided between the Japanese partners, the state-backed Global New Light of Myanmar reported Wednesday.

The newspaper quoted Maung Maung Thein as saying Myanmar was one of only nine countries in the world, including North Korea and Brunei, without a stock exchange.

"We will be able to exit the list of countries with no stock exchange soon," he said.

Since the end of outright military rule in 2011, Myanmar has moved to liberalise its economy as part of wider reforms aiming to lure international companies as the once cloistered nation seeks to rebuild its economy.

Japanese businesses in particular have been active in the country with strong backing from Tokyo, which has cancelled billions of dollars of debt and offered massive aid grants.

In 1996, Daiwa and the central bank set up the Myanmar Securities Exchange Centre, which allows over-the-counter sales of shares in two firms, a Myanmar timber company and bank.

But the planned bourse would be Myanmar's first official stock exchange.

Samsung's first Tizen phones go on sale in India

REUTERS

Right, Hyun Chil Hong, president and chief executive of Samsung India Electronics, and Bollywood actress Huma Qureshi hold Samsung's new Z1 smartphones at its launch in New Delhi yesterday.

BBC NEWS

SAMSUNG'S first smartphones to be powered by its Tizen operating system have gone on sale.

The Z1 handsets are available in India for 5,700 rupees ($92; £60) and, according to the firm, offer faster boot times and longer-lasting battery life than many budget-priced rivals.

Samsung had previously planned to sell Tizen phones in Russia and Japan, but cancelled the launches.

One expert said the Indian move represented a shift away from Android. "Tizen is Samsung's big software platform bet," said Ben Wood from the telecoms consultancy CCS Insight.

"Until now, its software strategy has been predicated by the decisions Google has made with Android, and it's been able to use that relationship to enormously positive benefit.

"However, it's now finding it increasingly challenging to differentiate what it offers with Android-powered devices versus its rivals. Hence the difficulty it's having standing out from the crowd with its products and the related market share loss that it's suffered.

"By using Tizen, Samsung can make its phones very skinny indeed and there are also battery life advantages versus Android, which we've already seen with its Tizen-powered smartwatches."

Samsung is currently the world's bestselling manufacturer of handsets running Android,

However, the firm was a notable holdout when Google announced its Android One programme for India in September - an effort by the search giant to help manufacturers release low-cost "high quality" phones in the country by setting minimum standards and sourcing several of the hardware components for them.

Samsung's Z1 handsets features: a 4in (10.2cm) providing 480p resolution, a 3.1 megapixel rear camera and a 0.3 megapixel front one, four gigabytes of internal memory that can be further expanded via the addition of a microSD card, support for two SIM cards at once - a popular feature in the country as it helps users obtain the best rates by switching provider when crossing states.

The South Korean firm says it can provide up to eight hours of talktime or seven hours of non-stop video playback between charges.

To aid its appeal, the firm is also providing free access to Bollywood songs and movies for three months via tie-ups with local services Hungama, nexGTv and Box TV.

It has also struck a deal to provide 500 megabytes of included 3G data a month for half a year if the devices are used on Reliance or Aircel's local networks. By contrast Google's Android One scheme offers 200MB of Google Play downloads for six months if used on Bharti Airtel's network.

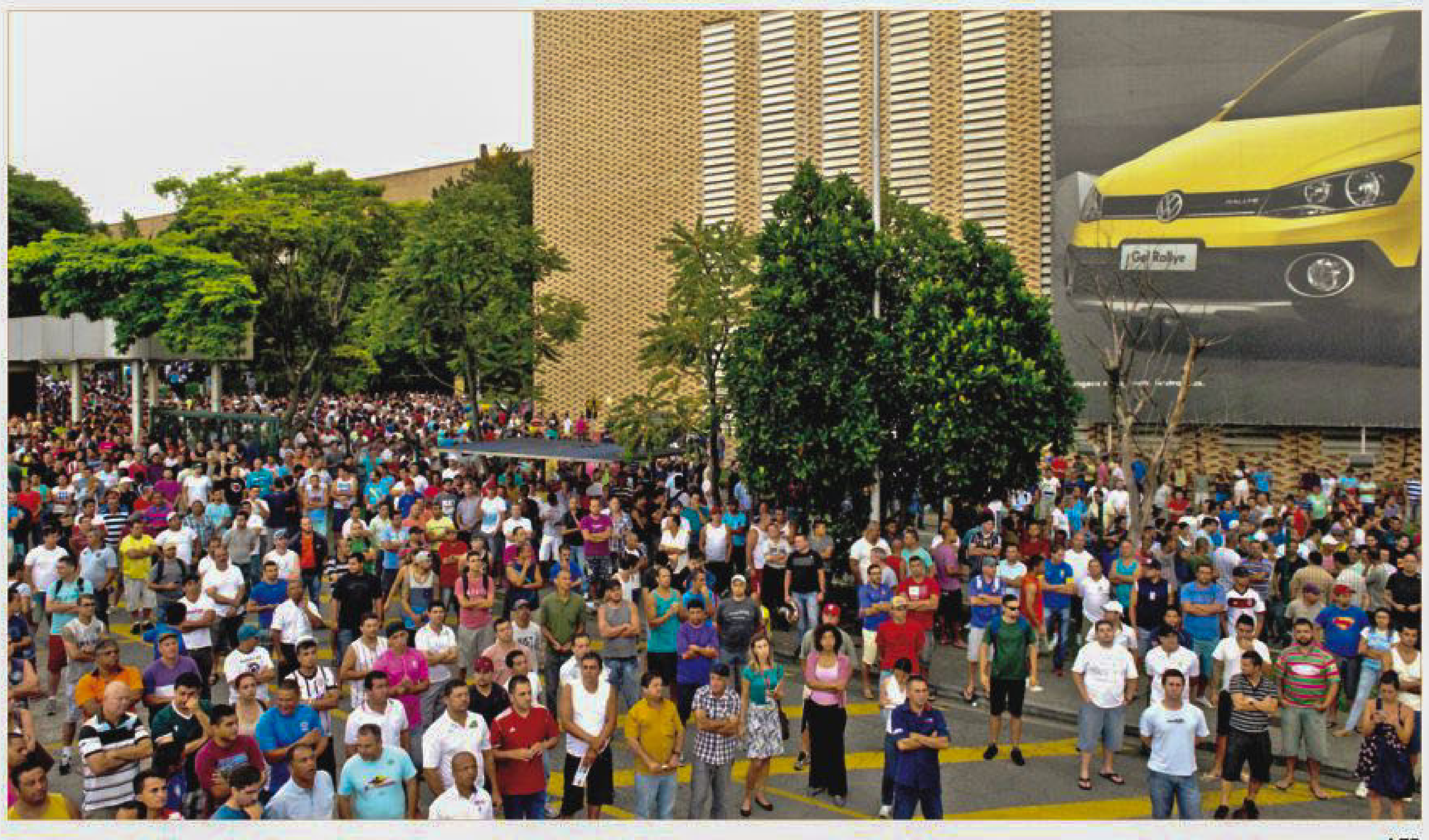
Samsung already uses Tizen to power several of its smartwatches - including its top-end curved Gear S - and cameras. It also announced at the Consumer Electronics Show (CES) in Las Vegas earlier this month that all its new smart TVs would run off the platform.

The open-source operating system is based on Linux and uses the web language HTML5 as the focus for app development rather than native code, meaning software writers should it easy to work with.

Huawei, Fujitsu, Intel and LG among other tech firms that have signed up to a consortium dedicated to supporting the software's development. But to date, Samsung has taken the lead in attempting to bring it to consumer devices.

"The challenge is that in the mass market smartphone space, any platform other than Android and Apple's iOS is struggling to get traction," said Wood. "Even with the enormous resources of Microsoft, Windows Phone has struggled to emerge as a third platform.

"India is, however, a logical place for Samsung to bring Tizen because it's such a cost sensitive market. If it can successfully ramp up volume in the country, there would be little reason for it not to bring it to other low-cost markets this year.



AFP

Workers of German carmaker Volkswagen listen to their union leaders during an assembly rally on the ninth day of an indefinite strike after 800 jobs were cut back by the company at the Anchieta plant in Sao Bernardo do Campo, 25km south of Sao Paulo, Brazil, yesterday. Workers went on strike on January 6 after the company said it would be cutting 800 jobs. The plant is the biggest of four Volkswagen has in Brazil, with 13,000 workers.

EU changes rules on genetically modified crop cultivation

BBC NEWS

THE EU has given governments more power to decide whether to plant genetically modified (GM) crops, which are highly restricted in Europe.

The European Parliament has passed a new law giving states more flexibility by a big majority.

A type of maize - MON 810 - is the only GM crop grown commercially in the EU.

Although Euro MPs and ministers have agreed to give states more flexibility, EU scientists will still play a key role in authorisations.

GM crops are used widely in the US and Asia, but many Europeans are wary of their impact on health and wildlife.

It is one of the toughest issues at the EU-US talks on a free trade deal, as farming patterns in Europe - including GM use - differ greatly from North America. The new law only applies to crops and does not cover GM used in animal feed, which can still enter the human food chain indirectly.

Last July the new EU Commission President, Jean-Claude Juncker, said the legal changes were necessary because under current rules "the Commission is legally obliged to authorise the import and processing of new GMOs [genetically modified organisms], even in cases where a clear majority of member states are opposed to their use".

Spain is by far the biggest grower of MON 810 in Europe, with 137,000 hectares, the European Commission says. Yet the EU total for MON 810 is just 1.56 percent of the EU's total maize-growing area.

MON 810 is marketed by US biotech giant Monsanto and is modified to be resistant to the European corn borer, a damaging insect pest. The maize variety is banned in Austria, Bulgaria, France, Germany, Greece, Hungary and Luxembourg.

Under the new law, the grounds for a ban on any GM variety will be expanded. National governments will in future be able to cite factors such as protection of a particular ecosystem or the high cost of GM contamination for conventional farmers.

But the Greenpeace environmental group says the legislation has shortcomings, as it "grants biotech companies the power to negotiate with elected governments" on GM crops, rather than with the European Food Safety Authority (Efsa).