

Electronic transactions of treasury bills begin

System connects BB with 31 banks, financial institutions

STAR BUSINESS REPORT

Electronic transactions of treasury bills and other government securities through central depository system began yesterday.

Transactions under the new system that connected Bangladesh Bank with 31 commercial banks and financial institutions will be conducted by Central Depository Bangladesh Limited (CDBL).

Bangladesh Bank (BB) Governor Fakhrudin Ahmed inaugurated the electronic registration system at the bank's head office in Dhaka.

BB Deputy Governor Nazrul Huda, CDBL Chairman Samson H Chowdhury, Managing Director MA

Samad and high officials of central bank and CDBL were present.

The central bank opted for the electronic registry for treasury bills to foster development of a secondary market for T-bills.

Transactions in the full-fledged secondary market will start through CDBL after appointment of primary dealers from intending banks and financial institutions, sources said.

Launching the system, the BB governor said transactions of government securities in the secondary market will now be easier and speedier than before.

"Introduction of the electronic system will help in eliminating the need to issue and keep track of

paper certificates in transaction process," he said.

It will also help in making electronic transfers of ownership arising from secondary market transactions and eliminating the need to present certificates upon maturity.

Under the electronic transaction system, general investors will also be able to participate in trading of government bonds.

Experts say such inclusion of the general investors in the bond market will facilitate investors with wide variety of options to invest their savings and funds.

People will be able to transact treasury bills and government

securities through primary dealers by using their pension funds, said a central bank official.

He said besides electronic transaction, manual system will also remain in use for transaction.

Using the system the central bank can witness transactions of all banks. "However, commercial banks will not be allowed to see other banks' transactions. A bank can only see its own transaction," the central bank official added.

Speaking at the launching, the CDBL chairman said electronic transactions in capital market will start next month.

Dhaka Bank, EBL to lend Tk 250m to Malek Spinning

Dhaka Bank Limited and Eastern Bank Limited have agreed to provide Malek Spinning Mills Limited with Tk 250 million term loan.

An agreement to this effect was signed between the organisations in Dhaka on Thursday, says a press release.

A Matin Chowdhury, managing director of Malek Spinning Mills Ltd, Shahed Noman, managing director of Dhaka Bank Limited, and K Mahmood Satter, managing director of Eastern Bank Limited, attended the ceremony.

The money will be utilised for the expansion of the mill.

The total cost of the project is Tk one billion (Tk 100 crore) with a debt financing of Tk 400 million.

Malek Spinning Mills Limited is engaged in the production of export quality yarn for the RMG industry and the company's production capacity is expected to increase substantially with the implementation of the project.



A group of foreigners at a stall at the three-day Bangladesh Apparel and Textile Exposition -- Batexpo 2003 -- at Sonargaon Hotel in Dhaka yesterday.

Trust Bank opens branch at Dhanmondi

The Trust Bank Limited has opened a new branch at Dhanmondi in Dhaka.

With this, the total number of branches of the bank stands at 13, says a press release.

Army chief Lieutenant General Hasan Mashhud Chowdhury, also chairman of the bank, inaugurated the branch at Peelkhana in Dhanmondi on Sunday.

Major General Jalaluddin Ahmad, vice chairman of the bank, Major General Md Jahangir Alam Chowdhury, director-general of Bangladesh Rifles, Brigadier General Hameed-Ai-Hasan, Colonel Md Ataur Rahman, directors of the bank, Iqbal U Ahmed, managing director (current charge), other senior executives of the bank were present.



Bangladesh Bank Governor Fakhrudin Ahmed formally inaugurates the electronic transactions of treasury bills and other government securities through central depository system in Dhaka yesterday.

Repo auction

UNB, Dhaka

The reverse Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Two bids of 1-day tenor amounting to Tk 90 crore were received but that were not accepted, said a press release of the central bank.

Japan, ROK agree to start FTA talks

AFP, Bangkok

Japanese Prime Minister Junichiro Koizumi and South Korean President Roh Moo-Hyun agreed on Monday to start formal negotiations this year toward a free trade agreement, a Japanese official said.

"Both sides confirmed their agreement to begin negotiations on an FTA (free trade agreement)," the official said.

Negotiations would start this year and aim to wrap up in 2005, a joint statement said.

South Korea is Japan's third largest trading partner, while Japan comes second in importance for South Korea, with trade of about 45 billion dollars in 2002.

IMF sees South Korea's recovery from year-end

REUTERS, Seoul

The International Monetary Fund representative in Seoul reaffirmed Monday its view that South Korea's economy was likely to recover toward the end of this year after recent slow growth; hit by weak consumption.

Kenneth Kang said South Korea's gross domestic product growth rate was expected to recover to 4.5 to 5.0 per cent next year after posting a much lower 2.5 per cent rise this year. South Korea's 2002 GDP was up 6.3 per cent on the previous full year.

"Based on our most recent World Economic Outlook, we expect the economy to begin to recover toward the end of this year, led by exports and stabilisation in consumption," Kang told reporters.

Professional management a must for RMG industry

Batexpo-2003 seminar told

STAR BUSINESS REPORT

Speakers at a seminar in Dhaka yesterday observed that ready made garment industry of Bangladesh must improve management efficiency to manufacture cost-effective products.

They said efficient management is a must to sustain the competitive global market as productivity increases when a factory is run professionally. It also helps the industry reduce wastage in all stages of production.

The observations came at the seminar on 'Professional Management in the Garment Industry' at Sonargaon Hotel. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) organised the seminar in collaboration with DHL on the occasion of Batexpo 2003 that began yesterday.

Earlier, Prime Minister Khaleda

Zia formally inaugurated the biggest exposition of ready made garment (RMG) products and accessories.

Speaking at the seminar, Professor Muzaffer Ahmed of the Institute of Business Administration, Dhaka University, said professional management is needed not only for increasing productivity but also for reducing cost of finance.

"To help the apparel sector a separate RMG bank and insurance company are also needed, which will reduce the cost of finance," he suggested.

Stressing the need for a training institute for garment workers, Prof Ahmed said BGMEA should take initiative to establish such a training centre.

BGMEA Vice-president SM Nurul Haque said RMG sector in Bangladesh should attain a standard in professional management to meet the challenges in the quota-free regime after 2004 and to over-

come the existing limitations.

Akbar Hassan, CEO and managing director of Briddhi, a local industrial and marketing consulting firm, presented keynote paper at the seminar.

He said it would be difficult for Bangladesh to even retain its present position in the quota and duty free markets as buyers are getting more demanding day by day.

That is why, the exporters must ensure the right products, at the right time, at the right place and in an undamaged condition, he suggested.

Hassan said most companies in other exporting countries are preparing themselves for the expected increase in market competition by improving quality and efficiency of their workforce through professional set up.

Emirates readies sales force for business growth

Emirates Airline is preparing its sales force to manage the planned growth of its business in the near future, while offering the highest standards of service to customers in the aviation industry.

A new chapter for Emirates and commercial aviation starts in just a few weeks, when the airline makes the world's longest-range aircraft, the Airbus A340-500, available to passengers travelling to Australia, says a press release.

Emirates is the world's launch airline for this new state-of-the-art four-engine airplane, which will be progressively pressed into service on other routes.

US, China to study moves towards floating yuan

REUTERS, Bangkok

US President George W. Bush and Chinese President Hu Jintao agreed Sunday to set up an expert group drawn from both governments to study moving toward floating China's yuan, a US official said.

In talks in Bangkok on the sidelines of a Pacific Rim summit this week, Hu warned Bush that a rapid shift in the value of the yuan could cause instability in Asia and that Beijing would be cautious about moving too quickly to float its currency, the senior administration official told reporters.

"China... is cautious about moving too quickly towards that goal and feels that rapid changes in the renminbi could lead to unstable conditions not only in China but in Asia more generally," the official said.

Bush told his Chinese counterpart that he supported a strong US dollar, the official said.

"The president said that we are in favour of a strong dollar policy and we look for exchange rates that are based on the market situation, (Hu) said that is, indeed, China's goal too," the official said.

As an interim step, the official said Bush and Hu "initialed" an agreement to set up a so-called experts group to see how China could move more rapidly towards a genuine floating exchange rate. "So we're going to have consultations with them."

New Product

Mitsubishi Outlander



Rangs Limited, sole distributor of Mitsubishi vehicle in Bangladesh, has introduced a new car -- Mitsubishi Outlander.

Introducing the car in Dhaka recently, Aftab Ahmed, deputy general manager and head of operations of Rangs Limited, said the Outlander may cost Tk 22 lakh.

The Outlander is a sophisticated, modern all-wheel-drive with innovative style and a distinctive sports utility vehicle (SUV) with powerful 2.4 litre SOHC engine, says a press release.

Evermarch to set up toner, ink plant in Bangladesh

STAR BUSINESS REPORT

Evermarch Holdings (Singapore) Pte Ltd, a leading computer accessory company, has decided to set up an ink and toner manufacturing plant in Bangladesh.

The company is also going to launch Evermarch brand products in local market, according to a press statement of Evermarch Bangladesh, an associate of Evermarch Singapore.

Specialised in printer supplies, computer accessories and stationary, the company also provides maintenance services and parts for inkjet and laserjet printers.

It has a plant in Suzhou, China, for manufacturing various HP, Canon, Lexmark, IBM, Samsung and Epson model ink and toner

cartridges, thermal transfer fax film and bar-code film.

After launching its products in Bangladesh, the company will provide after sales printer maintenance and repair services to the customers.

The ISO 9001 & 14001 (UKAS standard) recognised Evermarch products are fully warranted to be free from defects in material and workmanship, the press release said.

"The prices are up to 40 per cent less than the original brand, depending on the models, but the customers are getting the same quality and assurance," it added.

The company offers a wide range of products as a 'better economical alternative'. The customers will get one stop service at the

company's sales point for the entire printer consumable needs.

It often becomes unaffordable for people in the subcontinent especially in Bangladesh to pay a high price for the original brand products. Sometimes they pay the same amount of a branded product but get a low quality and imitation brand product.

Evermarch, established in 1983, assures its customers of giving a true value for their money, a better quality and high-tech product with full warranty, the press release said.

These products are more economical and affordable to the general public, comparatively to the genuine brand products in the market, it added.

Australia sees export hike from Thai free trade pact

REUTERS, Canberra

Australia hailed Monday the conclusion of a free trade pact with Thailand, saying the agreement with its 12th largest export market would significantly boost trade, particularly for its car and wine makers.

Prime Minister John Howard said the in-principle agreement, sealed with Southeast Asia's second-biggest economy on Sunday, would tighten Australia's trade ties in the region after talks to liberalise world trade collapsed in Cancun, Mexico, last month.

This is Australia's third free trade pact. Canberra signed an agreement with Singapore earlier this year and has a long-standing accord with trans-Tasman neighbour New Zealand.

It is also in talks with the United States on a free trade deal.

"What we've achieved today is a real economic advance, a very important economic agreement between two countries," Howard

told Australian radio on Monday from Bangkok, where he is attending the Asia Pacific Economic Cooperation summit.

With world trade talks stumbling, the United States announced it would also start talks with Thailand over a free trade pact. Two-way trade between Australia and Thailand was valued at A\$5.95 billion (\$4.1 billion) in the year to June 2003, according to the government figures, weighed slightly in Thailand's favour.

Thailand is Australia's 12th largest export market taking vehicles, aluminium, cotton copper, wool and dairy goods, and the 13th largest source of imports, such as seafood, heating and cooling equipment, computers and crude petroleum.

The deal will eliminate over half of Thailand's 5,000 tariffs on imports from Australia when it comes into force within the next five months, with virtually all other tariffs to go by 2010.

Howard said more than A\$700 million (\$480 million) of Australia's exports to Thailand would benefit from the tariff cuts.

The deal includes the removal of an 80 per cent tariff on large-car exports, halving tariffs on medium-sized passenger vehicles, and upfront tariff cuts on wine -- more than 15 per cent of the current rate of about 55.2 per cent. The deal will substantially improve access for Australian dairy products, beef and pork, and axe tariffs on wheat and bakery products, wool, cotton, lead, zinc and aluminium.

In turn Thailand will gain improved access for its textile and clothing exports to Australia and preferential access for its light trucks.

Australia is hoping to use a visit by US President George W. Bush this week to add momentum to its talks with the United States, its second-largest trading partner, for a free trade pact that the two nations hope to seal by the end of the year.

Asia, Americas urged to step up economic cooperation

AFP, Bangkok

Asia and the Americas are competitors in the economic arena but there is much the two sides can do together to push for free trade and stimulate closer trading ties, Mexico's President Vicente Fox said Monday.

"America and Asia are confronting important challenges and opportunities to strengthen our trading and our investments," Fox told more than 400 top business executives at a forum of the Asia-Pacific Economic Cooperation (Apec) leaders' summit.

"We must strive to attract investors' attention so that each makes the most out of their competitive advantages," Fox said.

He also called on the two sides to strengthen trading relations through the "rapid lowering of trade barriers and duties."

"Although there are marked differences among the countries and economies of APEC, the devel-

oped and developing economies in this area still maintain relatively high levels of protection in their specific sectors," he said.

In his speech, Fox declared his country's goal to be the gateway for Asia into the America's region and vowed to adopt a pro-business policy to make Mexico an attractive place for Asian investors.

"The enormous border we share with the United States offers investors in Mexico an immediate access to the world's largest market and at the same time it grants access going south," he said.

"I invite you to consider us your allies and to explore jointly the enormous opportunities we offer as a continent."

In his speech, Fox highlighted the agricultural and food sectors as the key stumbling blocs to more free trade and urged for a way to be found so that the World Trade Organization's (WTO) multilateral trading process could move forward.

"The agricultural and food sectors are key to open markets and are key to developing trade agreements throughout the world," he said.

"According to our point of view, this will be the largest challenge... to be able to move with WTO and to move ahead with regional agreements and bilateral agreements."

Attempts by the WTO to set up a new multilateral trade accord stumbled last month partly due to the huge agricultural subsidies given to farmers in the developed world, a policy which less developed economies said hurt their farm sectors badly.

Fox, who was in the Thai capital to attend the annual Apec leaders' summit, called on the Pacific Rim grouping to reiterate its support to the stalled talks, describing it as an important step to break the impasse.