

Export gets boost on apparel recovery

July-August earnings clock 7.72pc growth

MONJUR MAHMUD

A significant recovery in the global apparel market pushed Bangladesh's export earnings up by \$95 million in the first two months of the current fiscal year posting a 7.72 per cent growth over the same period of last year.

The earnings amounted to \$1315 million in July-August of 2003-04 fiscal, which was \$1221 million during the corresponding period of 2002-03. However, the income fell short of target by \$33 million or 2.44 per cent.

Earnings from readymade garment, knitwear, frozen foods, tea, leather, home textile, chemical, petroleum and engineering products increased substantially while raw jute, jute goods, handicrafts and

electronics failed to achieve targets. "In fact, two major sectors -- woven garment and knitwear -- have performed very well, recording 7.76 and 9.23 per cent growth during the period," said Dr Towfique Khan Majles, a director of the Export Promotion Bureau (EPB).

He said home textile emerged as a significant contributor in export earnings in the recent months. "We earned \$18.29 million from this sector that shows a 34.49 per cent growth over the previous year's income," he added.

The government has set a \$7,439 million export target for the FY04.

In the first two months, woven garment exports fetched \$662.57 million, up by \$48 million from July-August of last year. Earning from

knitwear was \$364.61 million, showing an increase of \$30 million over last year's income.

"RMG exports faced a major setback in the US market after the September 11, 2001 incident. But orders from this market shot up substantially in recent months," SM Nurul Hoque, acting president of Bangladesh Garment Manufacturers & Exporters Association (BGMEA) told The Daily Star yesterday.

Besides, apparel exports to Canada has also gone up after the North American country offered duty and quota free access of Bangladesh products to its market from January this year, he said.

He mentioned that BGMEA is organising a single country fair in Toronto and Montreal beginning

tomorrow to attract more buyers. Exporters are hoping more orders from Canada in the coming months.

During July-August, frozen foods worth \$68.74 million were exported posting a growth of 2.49 per cent, also exceeding the target by 2.52 per cent.

Leather exports fetched \$33.34 million with a 10.69 per cent growth while jute goods brought \$36.99 million, down by 27.21 per cent from last fiscal's same period. Raw jute worth \$6.68 million was exported against the target of \$19.39 million.

Tea exports amounted to \$4.31 million in the July-August period of FY04, up by 48.62 per cent from the target --\$2.90 million. Earning from this sector was \$1.65 million in July-August last year.

Call money rate plunges to 1.5pc

BSS, Dhaka

The call money rate hit its historic low at 1.5 per cent yesterday as surplus liquidity has become a great concern to most banks, fund managers of different commercial banks said.

"The banking sector is suffering various problems due to surplus funds that are costly. But the demand for credit and investment is very low due to high interest rates and too cautious policies," they said.

In most deals, the call money rate ranged between 2.50 per cent and 3.50 per cent, managers said.

The volume of trade was very low as a few private banks and leasing companies took call money loan today. The call money rate hit its earlier record low at 2.5 per cent and its record high at 35 per cent this year.

Workshop on credit risk management

A workshop on credit risk management, organised by Citibank NA Bangladesh, was held yesterday in Dhaka.

Bangladesh Bank Deputy Governor Mohammad A (Rume) Ali inaugurated the workshop, says a press release.

Fifty-eight senior officials from different nationalised commercial banks and private commercial banks participated in the workshop.

Neaz Habib, senior executive vice-president of Eastern Bank Limited, Ali Reza Ittefak, deputy managing director of Arab Bangladesh Bank Limited, Rajeev Bhatnagar, country risk manager of Citibank NA Bangladesh, Abrar A Anwar, head of Corporate Bank of Citibank NA Bangladesh, and Yusuf Saeed, head of Structured Finance of Citibank NA Bangladesh, conducted the workshop.

Mamun Rashid, chief executive officer of Citibank NA Bangladesh, was present in the inaugural session.

Award giving ceremony of Palli Daridro Foundation

Award giving ceremony of Palli Daridro Bimochon Foundation (PDBF) was held in Dhaka on Friday.

Best officers and employees of the PDBF were awarded at the ceremony, where Hedayetul Islam Chowdhury, secretary of Rural Development and Co-operatives Division of the Ministry of LGRD and Cooperatives and chairperson of PDBF Board of Governors, was present as chief guest, says a press release.

Robert Beadle, counsellor and head of Development Co-operation of Canadian High Commission in Dhaka, and AQ Siddiqui, managing director of PDBF, were also present at the function.

Certificates and special bonus were distributed among 40 field officers and organisers of PDBF.

Workshop on quality management

Bangladesh Society for Total Quality Management (BSTQM) and KATALYST jointly organised a workshop on quality management system in Dhaka recently.

The aim of the workshop was to bring together market players in the field of Quality Management System (QMS) services in Bangladesh, to discuss the constraints impinging on the QMS market and to generate ideas that provide ways to address those constraints.

Consultants, members of certifying bodies, members of the academia, and other stakeholders attended the workshop.

Repo auction

UNB, Dhaka

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

Eight bids of 2-day tenor amounting to Tk 880 crore were received of which five bids of 2-day tenor amounting to Tk 615 crore were accepted.

The rates of interest against the accepted bids ranged from 2.05 per cent to 2.45 per cent per annum, said a press release of the central bank.



PHOTO: CITIBANK NA

Bangladesh Bank Deputy Governor Mohammad A (Rume) Ali speaks at the inaugural session of a workshop titled "Credit Risk Management" organised by the Citibank NA Bangladesh in Dhaka yesterday. Mamun Rashid, chief executive officer of Citibank NA Bangladesh, and Mahbubur Rahman, head of Financial Institutions of the bank, are also seen in the picture.

Saudi Arabia to recruit more manpower from Bangladesh

UNB, Dhaka

Saudi Arabia expressed its eagerness for taking skilled and semi-skilled manpower from Bangladesh very soon.

Recruitment of such people, who include doctors, nurses, engineers, technicians, architects and teachers, will be in addition to the ongoing process of employing general workers, said an official announcement yesterday quoting the visiting Saudi Minister for Labour and Social Affairs.

"The scope of manpower export by Bangladesh to Saudi Arabia is widening further," said the Saudi

minister, Dr Ali bin Ibrahim Al-Mansur.

He disclosed the Saudi decision at a meeting with State Minister for Expatriates Welfare and Overseas Employment Maj (ret'd) Kamrul Islam at a city hotel yesterday.

The visiting minister said Bangladeshi architects, doctors, nurses and those skilled in laboratory and hotel management would again be given scope for working in the Kingdom of Saudi Arabia.

The Saudi minister assured the Bangladesh state minister of setting up a training centre in Dhaka and increasing salary of Bangladeshi workers in his country.

Saudi Labour and Social Affairs Secretary Ahmed bin Abdul Aziz Al-Mansur, Assistant Secretary Mutlaq bin Mutlaq Al-Hantush, Director General of International Organisations under Labour and Social Affairs Ministry Abdul Aziz bin Ibrahim Al-Hadiq, Chief of Council of Saudi Chamber of Commerce and Industry Walid bin Abdul Latif Al-Suaaidan and Adviser to the Saudi Minister Muhammad bin Abdul Aziz Al-Hazza were present at the meeting.

Senior officials of the Expatriate Welfare and Overseas Employment Ministry were also present.

Anti-dumping actions fall this year: WTO

REUTERS, Geneva

The World Trade Organisation (WTO) reported Friday that trading nations have cut back sharply this year on anti-dumping actions -- measures that slow the flow of low-cost imports competing with local products.

In the first six months of this year, it said, a total of 18 countries had started 79 anti-dumping investigations against exports from 30 countries, well down on the 149 investigations of the second half of last year and 104 in the first half.

The United States, one of the most consistent users of such actions which aim to establish if other countries are selling their goods abroad at below production cost, began 16 cases between

January and June this year, the WTO said.

This put it top of the investigation league, just ahead of India -- a recent convert to the value of anti-dumping actions -- which launched 12 investigations and China, itself a frequent target of such measures, which began 11.

In theory, selling at below production cost can allow an exporter to corner a market in another country by undercutting local competitors and perhaps putting them out of business. Prices of the imported goods can then be raised to make profits.

Anti-dumping measures are allowed under WTO rules but frequent resort to them by the United States has long been criticised by developing countries who argue

that Washington uses them to shelter US industry from genuine competition.

US agreement to discuss adjustments to tighten the rules was a key element in convincing poorer WTO nations to agree in 2001 to the launch of the Doha Round negotiations aimed at shaping a new global trade treaty by the end of next year.

That effort is effectively on ice following the collapse of a WTO ministerial conference in Cancun, Mexico, in September which was to have drawn up the guidelines for the last months of the negotiations.

Anti-dumping investigations are usually started at the instigation of producers arguing that their goods are being unfairly undercut on their domestic markets and involve lengthy studies and visits to countries whose exports are under fire.

Dollar firm against taka

BSS, Dhaka

The US dollar remained firm against the Bangladesh taka but was mixed against major currencies in inter-bank trading yesterday, which was depressed by holiday in international markets, dealers said.

The dollar was traded at between 58.4250 taka and 58.4350 taka per unit in line with its previous day on Thursday, dealers of leading commercial banks said.

But the US unit dipped to 109.23 yen against 109.53 on Thursday in New York while the euro slipped to 1.1778 dollars from 1.1786 dollars.

The dollar was being quoted in late trading at 1.3127 Swiss francs from 1.3128 Thursday and the pound was at 1.6948 dollars after 1.6949, dealers said.

The demand for foreign currencies was lower as most international markets remained closed due to weekend holiday in most international trading centers.

But the dollar was firm as many dealers see its upward trends in the near term when international currency analysts are divided over the dollar's rise in the coming days.

Market participants are unlikely

to push aggressively ahead of next week's crucial US data the Fed meeting and gross domestic product, dealers said.

The US Fed is expected to leave interest rates unchanged Tuesday but it could also indicate a positive outlook for the US economy, they said.

But some analysts said the dollar, undervalued by economic fundamentals, has been pushed lower by speculators and may be "coiled like a spring that is ready to snap higher during the months ahead."

New Chairman, vice-chairman of Padma Islami Life Ins



Chairman Vice-Chairman

Abu Taher has been elected chairman of Padma Islami Life Insurance Ltd while ATM Rafique vice-chairman of the company.

The two were elected at a meeting of the Board of Directors of the company held in Dhaka recently with ABM Taleb Ali in the chair.

Earlier, the 3rd annual general meeting of the company was held with ABM Taleb Ali, chairman of the company, presiding.

The company had earned a 154 per cent more premium in 2002 compared to 2001. The life fund of the company had also increased manifold.

The audit report and financial statements of the company for the year 2002 were approved.

Housing fair in Ctg ends

CU CORRESPONDENT, Ctg

The four-day housing fair in Chittagong that concluded on Friday received huge response from the prospective buyers of land, shops and apartments as well as building materials.

The fair was scheduled to end on Thursday but the organisers extended it for a day seeing the visitors' keen interest in the products displayed in the exhibition and the participants' attractive sales promotion offers.

People intending to purchase land, flat and construction materials flocked to the fair at the Engineers Institution auditorium, collected catalogues from the stalls and talked to the exhibitors for booking.

Ainul Haque, managing director of Equity Property Management Limited which participated in the fair, said they have received a good number of booking orders from the clients and achieved their target.

Executives of other participating firms also expressed their satisfaction over the orders placed by buyers at the fair.

Real estate developers and building materials companies took part in the fair showcasing their products at 57 stalls.

S' Arabia set to join WTO next year

REUTERS, Geneva

Saudi Arabia, long set firm against opening its borders and its strictly Islamic society to foreign influences, was Friday officially reported heading to enter the World Trade Organisation (WTO) early next year.

The chairman of entry talks, which have dragged on for seven years, said the kingdom was on track to wrap up entry negotiations by the end of this year and indicated it could be admitted to the currently 146-member WTO soon after.

DCCI Software Fair 2003 begins

ICT needs policy support to up software export

Speakers observe at seminar

STAR BUSINESS REPORT

Bangladesh's information and communication technology (ICT) sector needs huge investment and long term policy support from the government to compete with other countries in software export, speakers said at a seminar yesterday.

They said both government and private sector entrepreneurs should come forward in making investment to attain required growth in ICT sector and take a share in the global market where countries like India is securing a strong position.

The observations came at a seminar on 'Information Paradox and Possible Solution and DCCI Software Fair 2003' organised by Dhaka Chamber of Commerce and Industry (DCCI) in collaboration with GTZ (German Technical Co-operation).

The seminar was organised on the occasion of DCCI Software Fair 2003 that began at DCCI auditorium in Dhaka yesterday.

Speaking at the seminar Science and ICT Minister Abdul Moyeen Khan underscored the need for making huge investment in ICT sector. "Malaysia has invested more than half a billion dollars in this sector in the last five years," he said.

The East Asian country is performing well because of its colossal investment in the sector and good projection of their work, the minister observed.

"We also need huge investment both from government and private sector and effective projection to promote ICT sector," he said. "It will create more working opportunity for software developers, engineers and other professionals."

The minister stressed the need for capacity building of the software industry in terms of quality and reliability to face the stiff competition.

Echoing the minister's observation, Brac University Vice-Chancellor Professor Jamilur Reza Chowdhury said investment and establishment of e-governance are essential to flourish the ICT sector in Bangladesh.

"Though we are lagging behind India, we are making progress in software development," he said. "If the government and private sector provide sufficient support to the ICT industry, Bangladesh will do better even than India."

DCCI President Matiar Rahman said the government must create an open, competitive, secure and enabling environment for attracting

investment from public and private sector, both local and foreign, in this vital sector.

Akhtaruzzaman Manju, president of Internet Service Providers Association of Bangladesh, suggested the government to merge the Telecommunications ministry with the Ministry of Science and ICT for smooth handling of ICT matters.

Sabur Khan, convenor of ICT Standing Committee of DCCI and president of Bangladesh Computer Society, viewed that the government should formulate long term policy and undertake appropriate planning to boost the sector.

K Atique-E-Rabbani, director of DCCI, presented keynote paper while Bangladesh Association of Software and Information Services (BASIS) President Habibullah N Karim also spoke at the seminar.

Later, the Science and ICT minister formally inaugurated the two-day software exhibition. A total of 25 software companies are participating at the show which will remain open from 10am to 4pm today.



PHOTO: CREDIT AGRICOLE INDOSUEZ

Gerard Marchand, country manager of Credit Agricole Indosuez, Bangladesh, and Amittha L Gooneratne, managing director of Commercial Bank of Ceylon Limited, exchange documents after signing a sale/purchase agreement on Wednesday in Dhaka. The Commercial Bank is expected to commence operations in November.

Free trade under fire, says IMF economist

REUTERS, Washington

The public must be persuaded of the benefits of free trade to stem a growing tide of protectionism, the International Monetary Fund's new chief economist said Friday.

Raghuram Rajan told a Dallas conference on economic freedom that service-sector workers in the developed world, once free market supporters, were starting to turn against open borders as developing countries grow more sophisticated and competitive.

"The big change now is that many sectors that used to be non-traded are now becoming traded,"

Rajan told a conference sponsored by the Federal Reserve Bank of Dallas. A text of his remarks was released in Washington.

An accountant in the Philippines can do taxes for a client from another country via the Internet and for less money, he said.

"This may alter the balance of forces for free trade and even in developed countries," said Rajan, who co-authored the book Saving Capitalism from the Capitalists.

He said six US states were currently threatening to create laws that blacklist businesses that outsource jobs.

With some 2.6 million US nonfarm jobs vanishing since the start of 2001, the movement of work to cheaper foreign markets, and free trade as a whole, have become hot election issues.

Many Democrats vying to unseat President George W Bush from the White House have backed away, at least partly, from free trade ideals or called for changes to key trade pacts.

"The attitude of the largest economy in the world is particularly important in determining whether protectionism will come to dominate the world over," Rajan said.