

Remittance set to cross \$3b-mark this year

RAFIQ HASAN

Although remittance in November witnessed slight decline over the corresponding period of last year, officials hope the total earning will cross \$3 billion-mark at the end of the year.

"This is for the first time the country's total remittance is going to cross 3 billion dollar-mark in a year," said a high official with the Ministry of Expatriates Welfare and Overseas Employment.

According to available figures

from the Bangladesh Bank, the country fetched \$243.38 million in November in remittance against \$259 million in the same period last year.

In the last 11 months of this year, the total earning reached \$2,885.91 million, more than 10 per cent higher than the previous year's corresponding period earning of \$2,617.92 million.

The decline was attributed to usual dull season after Ramadan and the Eid-ul-Fitr. The expatriates sent huge amounts of money to

their families ahead of Eid. But the officials hope the flow of remittance in December will increase and go beyond \$250 million.

However, overseas employment during the period showed upward trend as 21,814 people went abroad for jobs in November against 21,801 people during the corresponding period of last year.

The total number of overseas employment in 11 months of this year reached 231,543 against 198,440 in the corresponding period of last year.

The overseas employment is likely to witness a significant jump next year as a number of countries have opened their doors to Bangladeshi workers. Malaysia had stopped recruiting new workers from Bangladesh in 1997. But, Malaysia is now likely to re-recruit new workers from next year.

Around 1.15 lakh Bangladeshi workers are in Malaysia and they send remittance worth Tk 200 crore a month.

Starting small to grow big

Bangladesh Women Chamber of Business & Industry reaches out to women entrepreneurs

CHARLOTTE JACQUEMART

The organisation is only a little more than two years old -- the chamber of business exclusively for women -- but the success in terms of membership and in the building up of the members' capacity is overwhelming.

Twenty-four enthusiastic women entrepreneurs gathered in Dhaka on June 25, 2001 to found Bangladesh Women Chamber of Business & Industry (BWCBI) with the goal to build up women in business, with a special focus on promoting women entrepreneurs intending to set up small and micro enterprises.

In the last two years they had to overcome many obstacles, the women entrepreneurs said.

Today, the women chamber counts already far more than 200 members. And there are new ones coming in everyday. "In two years

from now, we are going to count at least 500 members," Selima Ahmad, the first president of the chamber forecasts.

Many of the new members have just started their own small enterprises. They are running boutiques, designing and sewing clothes, and making herbal cosmetics. They are in the jute, silk flower and metal recycling business and keen to expand their businesses.

Some join the chamber because they know the body provides them with proper training in their sectors to enhance technical skills, others need support in marketing their products or managing their enterprises. The chamber also helps them in getting expertise and in building up a support network that enables small businesses to prosper.

Many entrepreneurs also face financial problems once they would like to expand their business. They get the orders from the

market, but not the required credit from banks. "If the business plan is properly done, we can bridge the financial gap of our members with a loan," Kamrul Hasan, the project coordinator of the chamber said.

One of those who profited already from the chamber's assistance is Anita Dasgupta who owns a boutique with handicrafts. The chamber gave her a loan of Tk 1 lakh at 9.7 per cent interest rate. "In five months I have paid back 65 per cent," Anita says proudly.

The chamber also helps the members to attend trade fairs at home and abroad to promote their products. "With the help of the chamber I took part in a trade fair in New York, where I got orders from Dallas," said an excited Zinet Fatema whose company is manufacturing accessories from recycled metal sheets.

As the association grows, the little showroom at its headquarters at Gulshan becomes too small. "We

are now looking for a bigger one," explains Selima Ahmad. For this purpose the chamber has to raise about \$5,000 from donors.

The yearly budget of the chamber is about Tk 11 lakh while it gets Tk 1,000 subscription from each member a year.

Already now, the chamber gets the support of some international organisations like Canadian International Development Agency (Cida), which helps the chamber run the headquarters. But the future looks even brighter, as Unifem, the United Nations Development Fund for Women, has had talks with the chamber and their members.

"We'll do everything possible to establish a powerful relationship with this body of business women. That's the sort of associations Bangladesh needs," says Nandita Barua from Unifem.



A vendor displays colourful mufflers in front of Bangabazar Market in Dhaka. As the winter sets in, sellers of warm clothes are doing brisk business. A muffler sells between Tk 40 and Tk 80.

South Asian Federation of Exchanges meet ends in Pakistan Regulators, bourses call for starting cross-border listing

STAR BUSINESS REPORT

The third annual general meeting and sixth theme conference of the South Asian Federation of Exchanges (SAFE) ended in Lahore, Pakistan recently with a call to start cross-border listing.

Representatives of regulators and stock exchanges of member countries--Bangladesh, Bhutan, India, Mauritius, Nepal and Pakistan -- attended the two-day meeting that ended on December 4.

They recommended harmonisation in listing regulations and urged member countries to recognise each other's listing regimes, according to a release issued by SAFE Secretariat, Chittagong.

The theme of the conference hosted by Lahore Stock Exchange was 'Strengthening Stock Exchange Listing Regimes and Regional Harmonisation'. The theme was based on the organisation's study project to assess the listing regulations of the member

exchanges in the light of international and regional practices.

The study, presented by Gerry Ritchie, international consultant of the project funded by First Initiative, recommended SAFE encourage the regional securities regulatory authorities to develop a region-wide memorandum of understanding (MoU) on regulatory cooperation and consider formation of a regional forum to promote coordination and cooperation among the regulators.

It also recommended establishment of SAFE listing standards harmonisation principles, as the next step in SAFE's efforts to promote a regional dimension to capital markets in the region.

Lahore Stock Exchange Chairman Naeem Ahmed Khan was elected chairman of the federation for the year 2004. CEO of Bombay Stock Exchange Manoj Vaish was elected new vice-chairman.

The other three members of the new executive committee are Moin

M Fudda, managing director and CEO of Karachi Stock Exchange, Tashi Yezer, CEO of Royal Securities Exchange of Bhutan, and Sunil Benimadhu, CEO of Stock Exchange of Mauritius.

Wali-ul-Marooof Matin, CEO of Chittagong Stock Exchange (CSE), was nominated secretary general of the federation by the newly elected chairman for another year. Chittagong Stock Exchange (CSE) has been acting as the SAFE Secretariat since inception of the federation in 2000.

At the conference, Chittagong and Colombo stock exchanges signed separate MoUs with Karachi, Islamabad and Lahore stock exchanges to work together towards harmonised development of the markets. Securities and exchange commissions of Pakistan and Sri Lanka also signed a MoU.

Saleh Ahmad Chowdhury, member of SEC, represented Bangladesh as capital market regulators at the meeting and conference.

IFIC Bank chairman re-elected



Manzurul Islam has been re-elected chairman of International Finance Investment and Commerce (IFIC) Bank Limited.

The Board of Directors of the bank re-elected him at an emergency meeting held in Dhaka recently, says a press release.

Manzurul Islam, son of the founder chairman of IFIC Bank Jahurul Islam, is also chairman of Islam Group.

Bangladesh team takes part in World Energy Council workshop

A three-member team from Bangladesh took part in the World Energy Council (WEC) workshop held from December 3 to 5 in Manila.

The Bangladesh team comprised Dhaka Electric Supply Authority (DESA) Chairman MA Rob, Rural Electrification Board (REB) Director Begum Mahmuda and WEC Bangladesh Committee Secretary General Tanvir Nawaz Khan, says a press release.

Bangladesh apart, delegates from Australia, Canada, India, Japan, US, New Zealand, Indonesia, Singapore, Pakistan, Nepal, Sri Lanka, the Philippines, Thailand, Brunei and Hong Kong attended the workshop.

Now is not the right time for China currency change: WB

REUTERS, Washington

A senior World Bank official said Wednesday now is not the right time for China to make big changes to its currency regime and said it is not totally fair for the United States to blame China for loss of exports.

The World Bank's newly named chief economist, Francois Bourguignon, has just returned from a trip to China and predicts that the country could become the World's largest economy by 2030.

"I have the feeling that this is not really the moment for a big change in the exchange rate regime," he told Reuters in an interview.

"Because the financial sector in China is underdeveloped, it would be difficult to move to a flexible foreign exchange rate regime right now."

He expects China will move to a flexible currency arrangement but not until around 2006, when according to WTO commitments, the country is to let foreign banks offer a full range of financial services.

Bush urged to develop world textile plan

REUTERS, Washington

Democratic leaders urged US President George W Bush Thursday to develop a plan to prevent millions of textile workers in the United States and developing countries from losing their jobs to China when a decades-old international quota system expires in 2005.

House of Representatives Democratic Leader Nancy Pelosi of California and other top Democrats asked Bush to organize a summit of industry and government officials from around the world to help craft a "comprehensive solution" to the problem.

They also called on Bush to end his administration's refusal to release a US International Trade

Commission study on the impact of ending the quota system.

"The secrecy concerning the impact of the expiration of the quotas on US jobs and businesses, and that of important trading partners, is unwarranted and harmful," they said.

World textile trade has been dominated since the early 1960s by a quota system that limits the amount of textile and apparel products that foreign producers can ship to large markets like the United States and Canada.

Under a deal struck in 1994, those quotas have been gradually phased out, with the last quotas due to expire at the start of January 2005. Although substantial US tariffs will remain on many textiles, US producers fear a flood of

imports from China when all quotas are removed.

Many developing countries, which are guaranteed access to a portion of the US market under the quota system, also fear they will be swept aside by China.

"The possibility of significant economic contraction and the loss of millions of jobs in developing countries should be alarming on many levels," the Democrats said. "Equally, there are likely to be substantial adverse economic consequences to US business and workers."

With only 13 months until the quotas expire, the United States and other governments appear to be taking no steps to address the potential crisis, they said.

Rich members to be asked to write off LDC debt

Group 77 meet begins in Morocco Dec 15

REUTERS, United Nations

Richer members of the Group of 77 developing nations will be asked at a conference next week to forgive debt owed by the least developed countries, Morocco's UN ambassador said Thursday.

Ambassador Mohammed Bennouna is the current chairman of the G-77, which has grown to 135 developing countries since it was founded in 1964. It next meets in the Moroccan city of Marrakesh from Dec. 15 to 19.

Bennouna told a news conference he hoped a resolution on debt forgiveness would be one of the practical measures that will be agreed at the meeting expected to focus on water, energy, technology

transfer and upgrading economic growth.

Industrial nations already have been pressed to forgive billions of dollars of loans to developing countries, and there has been some headway. For example, the World Bank this summer said the Democratic Republic of Congo qualified for \$10 billion of debt relief under its enhanced Heavily Indebted Poor Countries programme.

"We hope we will adopt very practical decisions in Marrakesh concerning this question, that means the renunciation of debt towards the least developed countries," Bennouna said.

He added, "We are asking not only the developed world, we are

asking the developing world to express its solidarity concerning the least developed countries."

The G-77 is a diverse group, made up not only of many African nations, which are among the poorest members, but India, South Africa and Brazil.

The World Trade Organization has been struggling to put free trade talks back on track since mid-September when a clash between rich and poor nations -- partly over farm subsidies -- led to the spectacular failure of a meeting in Cancun, Mexico.

"Some dissatisfaction with recent trends is expected to emerge in the G-77 declaration that will be issued in Marrakesh," Bennouna predicted in a statement.

Weekly Currency Roundup

Local FX Market

Dollar became stronger throughout the week against Bangladeshi taka. Increased demand for import and profit-remittance increased the demand for US dollar.

Money Market:

Bangladesh Bank borrowed BDT 8,716.50 million by the Treasury bill auction held on Sunday, compared with BDT 5,720 million in the previous week's bid. The weighted average yield of 28-D t-bill raised by 12 bps from the previous rate to move to 4.05 percent, while the yield other t-bills were stable.

The call money rate was steady this week. In the beginning the week the rate was 3.50-4.00 percent. It rose slightly by the middle of the week but fell back to 3.50-4.00 percent by the end of the week.

International FX Market

The dollar kept on breaking record lows against the euro at 1.2191 for a seventh session in a row in the middle of the week as last week's disappointing US jobs data suggested that the world's largest economy was not recovering as strongly as many had expected. The data sent the Wall Street shares lower and US Treasury yields posted their largest one day drop since September 11, 2001. The dollar extended its losses to a seven-year low against a basket of currencies early in Europe on Monday. Against the yen the dollar hit 107.51, a three-year low. However, dollar's decline against yen was somewhat hesitant due to widespread caution about yen-selling intervention by Bank of Japan. The focus is on the US Federal Reserve's rate-setting

FOMC meeting on Tuesday.

In the middle of the week, the dollar rebounded sharply from the previous session's three-year lows against the yen and also rose against the euro. Traders attributed this to a suspected bout of dollar-buying intervention by Japan. US dollar rose in Asian trade, after the US Federal Reserve upgraded its view of the economy on Tuesday and dropped its concerns about a deflationary threat. In the early European trade, dollar rose more than one yen, leaping above 108.00 yen. Dollar rose against the euro upto \$1.2161 but started to fall in the European trade.

The dollar inched further off record lows against the euro and held steady on the yen by the end of the week after a rebound a day earlier on suspected intervention by Japanese authorities. The dollar was half a percent firmer on the day, but still within striking distance of Tuesday's record low of 1.2276. Besides the US current account deficit, worries about Washington's handling of post-war Iraq have been cited as one of the main reasons for the dollar's weakness. US retail sales are due at 1330 GMT, along with weekly jobless claims. Sales are forecast up 0.7 percent on the month for November, compared with a 0.3 percent decline in October. Other US data includes business inventories for October and the Chicago Fed's Midwest manufacturing index.

At 1550 hour on Thursday, euro was at 1.2158/62, GBP at 1.7381/87 and yen at 108.30/35 against dollar.

-- STANDARD CHARTERED BANK



Islami Bank Bangladesh Limited Chairman Shah Abdul Hannan speaks at the 20th annual general meeting (Adjourned) of the bank held in Dhaka yesterday.

India economy may grow 7-8pc in next few years: ADB

REUTERS, New Delhi

The Asian Development Bank (ADB) expects India's economy to grow between 7.0-8.0 per cent in the next three to four years with the services sector emerging as the main driver, its chief India economist said Thursday.

The Indian government has pegged growth in Asia's third-largest economy at more than seven per cent in the current financial year after the best monsoon in a decade which is seen stoking domestic demand.

In its latest forecast, ADB has forecast the Indian economy to grow at 6.7 per cent in 2003.

"I think it is quite reasonable to expect that over the next three to four years we can look at very high rates of growth of seven to eight per cent," Sudipto Mundle told reporters.

The economy grew 4.3 per cent last year after the worst drought in 15 years destroyed crops in large parts of the country.

China's currency not costing US jobs: Greenspan

REUTERS, Washington

China's currency peg to the dollar puts its economy at risk of overheating, Federal Reserve chief Alan Greenspan said on Thursday, while dismissing US manufacturer charges that the tie has cost America jobs.

"A rise in the value of the renminbi would be unlikely to have much, if any, effect on aggregate employment in the United States, but a misaligned Chinese currency, if that is indeed the case, could have adverse effects on the global financial market and, hence, indirectly on U.S. output and jobs," Greenspan told the World Affairs Council of Greater Dallas.