Star
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Exports grow by 10pc during July-Oct

MONJUR MAHMUD

Riding on a significant increase in the earning from ready made garment (RMG) products, the overall exports grew by 10.42 per cent fetching $2,414.96 million during July-October period of this year.

The export earning during the corresponding period of 2002-03 fiscal year was $2187 million. Exports fetched $516 million in October this year as against $460 million in the same month of last year, sources at the EPB said.

"Income from Canadian market has gone up by more than 100 per cent this year due to duty and quota free access there," said Quazi Moniruzzaman, president of Bangladesh Garment Manufacturers & Exporters Association.

He said earning from RMG rose to $174 million in the first four months of the current fiscal year which was $74 million during the same period of last year. "This has created a positive impact on the overall earnings," he added.

Woven and knitwear products contributed over 75 per cent to the total export income during the July-October period that saw a 17.91 per cent growth in knitwear and eight per cent in woven garment exports.

"The satisfactory performance in the overall export is mainly due to the growth in knitwear and woven garment sectors," said Towfique Khan Majles, statistics and research director of the Export Promotion Bureau (EPB).

Besides, some engineering products, home textiles, chemicals, ceramic and footwear items and agricultural products performed very well during the four-month period, he added.

Woven garment exports fetched $1119.31 million this year, up by about $83 million from last fiscal's same period. Knitwear exports amounted to $696.21 million this year, which is $105 million higher than last year's figure.

"The increased earnings mostly came from volume rise and it is difficult to sustain this level in the mid and long term," said Dr Mustafizur Rahman, research director of the Centre for Policy Dialogue, an independent think-tank.

Product diversification and capacity building to produce higher value products in the RMG, light engineering, pharmaceuticals, leather and agro-based sectors are major challenges for Bangladesh in the coming months, he felt.

Frozen foods worth $145.37 million were exported during July-October period marking a 5.46 per cent growth while leather exports fetched $65.47 million recording about 9 per cent growth over the same period of last year.

Raw jute worth $25.31 million were exported, up by 2.84 per cent from last fiscal's same period. The earning from jute goods was $78.12 million during the period.

Chemical products worth $49.97 million were exported in the first four months of FY04, marking 51.84 per cent growth from last fiscal's same period. Tea export also marked a 50 per cent rise fetching $7.55 million.

Call money rate steady

BSS, *Dhaka*

The inter-bank call money rate was steady yesterday as no bank faced liquidity problems thanks to higher inflow of funds from the government, fund managers said.

The inter-bank money rate touched its intra-day high at 6.50 per cent and ranged between 3.50 per cent and 5.50 per cent in line with its previous day's range, fund managers of leading market players said.

The demand for call money was low as most private banks and financial institutions had adequate funds to meet their needs when government paid its money borrowed earlier against its treasury bills, fund managers said.

Dollar steady against taka

BSS, *Dhaka*

The US dollar was steady against the Bangladesh taka yesterday but stumbled against major currencies on gaping US trade deficit in thin inter-bank trade.

Dealers said the dollar touched its high at Tk 58.4500 per unit and in most deals traded between Tk 58.4350 and Tk 58.4400 in line with its previous closing on Thursday last week, dealers of different commercial banks said.

The demand for the greenback remained strong from importers but the volume of trade was very thin because payments process was disrupted due to holiday in most foreign exchange markets abroad, dealers said.

Some banks bought dollar against local currencies as they had short-fall in dollar due to lower remittance earnings when pressure for import payment was higher, they added.

The volume of cross-currency trade was very thin while most dealers quoted rates of foreign currencies in line with the New York's closing on Friday.

Gold hits 8-year high as dollar plunges again

AFP, *London*

Gold prices soared to their best level in eight years as the continued weakness of the dollar made the metal an increasingly attractive proposition.

Meanwhile oil prices saw another week of modest gains, mainly after forecasts of more freezing weather in the United States looked set to boost demand for heating oils derived from crude.

GOLD: Gold prices rose to an eight-year zenith as negative sentiment towards the dollar showed no sign of abating.

Gold prices climbed to as high as 410 dollars at the Wednesday afternoon fixing -- the highest level since February 1996 -- before giving back some gains on profit-taking.

Having finally gained a firm foothold above the symbolic 400-dollar threshold the previous week, gold prices managed to stand their ground again in choppy trading.

By Friday afternoon, spot prices stood at 407.10 dollars an ounce on the London Bullion Market, against 403.00 dollars a week earlier.

"Gold continues to head higher on speculative and investment buying, aided by weakness of the US dollar," UBS analyst John Reade said at the start of the week.

DCCI goes to polls today

STAR BUSINESS REPORT

Breaking the tradition of nominating directors through consensus, the Dhaka Chamber of Commerce and Industry (DCCI) goes to polls today for the second time since its inception in 1958.

The first time DCCI had gone to direct polls in 1990 when the candidates failed to reach a consensus before election. A similar situation this year has led to holding of election in six out of eight vacant posts.

Two directors -- Hossain Khaled, former vice-president, and Absar Karim Chowdhury, incumbent vice-president of DCCI-- have already been elected unopposed from Trade and Town Group respectively.

Talking to The Daily Star yesterday, DCCI Election Board Chairman Manjurur Rahman said all necessary steps have been taken to hold a fair election.

Seventeen candidates -- 10 from General Group and 7 from Association Group -- are vying for the six posts -- four from General and two from Association groups.

Khondoker A Salam, AMH Rahman, Sabur Khan, Shezad A Khan, Bashirullah Bhuiyan, Osman Gani, Shah Alam, Abdul Aziz Sarker, Abdullah Al Rahim and Shahzada A Hamid are the candidates from General Group.

The Association Group candidates are Abdus Salam, Manjur Ahmed, Mohammed Bashirullah, Shafiqur Rahman, Delwar Hossain Sarker, Shanewaz Chowdhury and Suraiya Alam.

Voting will start from 9:30am and close at 5pm without any break. The number of voters is 3,115 -- 2,661 from General Group and 454 from Association Group.

The DCCI board of directors consists of 24 directors. According to the DCCI constitution, every year one-third of them retires and eight new directors replace them.

The 24 directors including the newly elected eight will select a president, senior vice-president and vice-president for one-year term.

The DCCI election board will announce final result on December 18, two days before the chamber's annual general meeting (AGM) billed for December 20. The incumbent president is expected to hand over the charge to new president at the AGM.

Cotton production to hit 1.2 lakh bales this fiscal

UNB, *Dhaka*

Some 120,000 bales of cotton are expected to be produced in about 65,000 hectares of land in the current financial year.

The country was producing about one lakh bales of cotton against annual demand for some 12 lakh bales in local cotton mills.

This was disclosed at a Board Meeting of the Cotton Development Board (CDB) held at the Agriculture Ministry yesterday with Agriculture Minister MK Anwar in the chair.

According to a scientific survey, one lakh hectares of land of the country are suitable for cotton production.

The Agriculture Minister directed agriculture scientists to expedite productive research on cotton to boost yield and asked the BARC to co-ordinate the cotton-research activities involving scientists of different disciplines "with a view to exploiting fully the potential of Bangladesh in cotton production".

Citing last ten years' statistics on cotton production in the country, the minister said per-unit yield of cotton decreased. "If it continues, farmers will loose their interest in growing cotton."

Th minister underscored the need for boosting cotton yield and imparting training to farmers on post-harvest techniques and pest management.

"Subsidy is not the end solution to increase yield and production," he said.

He asked the authorities to co-ordinate with the growers, traders and extension workers for better price of the produce.

Highlighting the importance of integrated pest management (IPM), the minister asked the extension department to take projects to implement IPM in all the upazila of the country.

$3b Japanese aid to SE Asia

ANN/ THE STRAITS TIMES

Japan has pledged more than $3 billion in aid to Southeast Asia and promised to work with the region to bolster security ties, liberalise trade and create a broad "economic partnership'' as a two-day summit concluded yesterday.

The generous assistance underscores Japan's continued commitment to Asean the theme of the historic gathering.

Prime Minister Junichiro Koizumi told a press conference after the summit: "Building on the results achieved in our relations over the past 30 years, I expressed my clear commitment that this policy of attaching importance to Asean will remain unchanged. This was welcomed by Asean leaders.'' He said the summit leaders "reaffirmed that we shall further develop our relations as a sincere and open partnership, acting together and advancing together''.

The Asean-Japan Commemorative Summit was hosted by Japan to mark the 30th anniversary of its ties with Southeast Asian nations.

Significantly, it was the first Asean meeting ever to be held in an Asean dialogue partner country.

The Tokyo Declaration issued at the end of the summit enshrines Japan's assurance of unwavering support for Asean and of giving "high priority'' to Asean's economic development and integration efforts.

A Plan of Action lists 100 concrete cooperative measures, ranging from economic development to political and security cooperation, the latter including cooperation in combating piracy, terrorism and people smuggling.

PHOTO: IFIC BANK LTD

Manzurul Islam, chairman of IFIC Bank Ltd, cuts tape to inaugurate the 60th branch of the bank at Pallabi in Dhaka on Wednesday. Among others, directors A Matin Khan and AR Malik and Managing Director Ataul Haq are also seen in the picture.

Khosru for simplified customs procedures

UNB, *Chittagong*

Commerce Minister Amir Khosru Mahmud Chowdhury asked for easing and quickening the customs procedures for all goods to help minimise production cost and make exports more competitive.

"Although our products are not inferior to those from India and China, we lag behind them in competition on the global market due to higher production cost," the minister said while visiting the Customs House and Port Building here yesterday.

Under a reform programme, the Customs House went Online switching to computerised systems, which brought dynamism in the customs activities, the minister was told.

Customs clearance now takes only 30 minutes instead of one hour as specified, while complexities and time consumption relating to export-import have largely been reduced.

About 70 per cent of the customs activities are now done in computerised systems and the whole work would be computerised by this month, it was told.

Bank holiday Dec 16

UNB, *Dhaka*

Bangladesh Bank and all scheduled banks will remain closed on Tuesday (December 16) on the occasion of the Victory Day, said a central bank press release.

DBH to provide housing loan to Sanmar clients

Delta Brac Housing Finance Corporation Limited (DBH) will give 70 per cent housing loan to the clients of Sanmar Properties Limited for their apartment purchases.

A memorandum of understanding (MoU) to this effect was signed between the two organisations in Dhaka on Tuesday, says a press release.

Ishtiaq H Chowdhury, head of Operations of DBH, and M I Khasru, director of Sanmar Properties Ltd, inked the deal on behalf of their organisations.

DBH, a leading housing finance institution in the private sector of the country, has already registered a commendable growth in business by sanctioning more than Tk 500 crore of housing loans to more than 7500 clients since its inception.

Sanmar Properties Ltd, a leading developer in Chittagong, is at present developing 14 projects in different locations in Chittagong. Of these, two projects have already been handed over.

Trade fair begins at C'nawabganj

UNB, *Chapainawabganj*

A month long industry and trade fair arranged by local trade body began here on Thursday.

Additional Deputy Commissioner (Revenue) Shamsul Alam inaugurated the exhibition at a ground adjacent to Boro Indara crossing in the town.

Municipality Chairman Mainuddin Mondal, police officials and trade leaders addressed the inaugural function of the fair where 66 stalls have been set up with products from home and abroad.

German chemical co to be set up in Dhaka EPZ

UNB, *Dhaka*

A chemical company will be set up in Dhaka Export Processing Zone (DEPZ) with an investment of US$ 3.11 million.

With 100 per cent local ownership, German Chemicals will produce annually 1.64 million kg of wetting agent, washing agent, fixing agent and softening agent. The company will create jobs for 39 Bangladesh nationals.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (BEPZA) and M/s German Chemicals in here yesterday.

AZM M Azizur Rahman, General Manager (Investment Promotion) of BEPZA and Arik Morshed, Chief Executive Officer of German Chemicals signed the lease agreement on behalf of their respective sides.

DSE to seek lifting of circuit breaker system

Bourse meets SEC today

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) officials will request the Securities and Exchange Commission (SEC) to withdraw present circuit breaker system when they meet SEC officials today.

DSE Councilor Anwar Hossain said the present circuit breaker system on individual shares leaves scope for market manipulators to take calculative risk by increasing share price to the ceiling

Under the circuit breaker system, share prices cannot cross a certain limit in a single trading day.

Hossain said SEC should replace the present system with a combined circuit breaker for index which will help the market get rid of volatile situation.

Earlier on December 7, SEC Chairman Mirza Azizul Islam assured DSE of withdrawing the circuit breaker system when he made maiden visit to the bourse.

Launching of quality initial public offerings (IPOs) by improving screening procedure, fate of 16 suspended companies, delisting rules and central depository system will also come up in the discussion, the councilor said.

DSE officials will request the capital market regulators to evaluate IPOs in the past ten years to find out faults in its screening procedure before permitting a company to go public.

SEC Chairman Mirza Azizul Islam will lead SEC while DSE Chairman Ahmed Iqbal Hasan will lead DSE team. DSE councilors and Chief Executive Officer Salahuddin Ahmed Khan will also attend the meeting.

Following DSE request for withdrawal of weighted average index in the earlier meeting on December 7, SEC withdrew the static index on December 8. In view of the fruitful meeting DSE officials are optimistic about today's meeting and hope positive outcomes.

PHOTO: DBH

MI Khasru, director of Sanmar Properties Ltd (3rd-L), and Ishtiaq H Chowdhury, head of Operations of Delta Brac Housing Finance Corporation Limited (DBH) (4th-L), exchange documents after signing a memorandum of understanding on behalf of the two organisations in Dhaka on Tuesday. Under the arrangement, DBH will provide 70 per cent housing loan to Sanmar clients for their apartment purchases.

Bourses plan to evaluate companies' status

Move to help investors, regulators

STAR BUSINESS REPORT

In a bid to help investors know about the current status of the listed companies, Dhaka and Chittagong stock exchanges will jointly take a move to evaluate the operations of all companies.

This was revealed in the first meeting of the consultative committee of Securities and Exchange Commission (SEC) held yesterday with its Convenor and SEC Executive Director Mansur Alam in the chair.

DSE CEO Salahuddin Ahmed Khan and CSE CEO Wali-ul-Maroof Matin, two other members of the three-member committee, attended the meeting held at the SEC office in Dhaka.

The bourses will talk with the management of the 16 companies whose trading was suspended by the SEC on December 3 amid abnormal price jump of those Z category shares, the meeting was told.

Explaining the necessity of status evaluation, the CEO of Chittagong Stock Exchange said there are some companies who are currently out of production but still their shares are being transacted in both the stock exchanges.

"So DSE and CSE should jointly ascertain functional status of listed companies to help SEC take necessary actions," he said.

However, he said the companies should be given chance to resume production to protect interest of investors as suspension of trading and delisting of companies make the investors panicky and deprive them of invested capital.

The non-operational companies may be given a deadline to resume production and if they fail to meet the deadline they can be delisted. "Then SEC to decide the fate of those companies," Wali-ul-Maroof Matin said.

DSE CEO Salahuddin Ahmed Khan said the consultative committee's recommendations will be forwarded to SEC commission meeting. The committee will meet at DSE office on December 20 to take further steps about suspended companies.

Start awareness campaign before launching CDS

SEC asks CDBL

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday asked the Central Depository Bangladesh Ltd (CDBL) to start awareness programme before launching central depository system (CDS) for electronic settlement of shares.

A meeting on preparation of introducing the CDS observed that launching of the system is being delayed due to lack of awareness among brokers, investors and other stakeholders.

The brokerage houses and investors are showing lukewarm response due to ignorance about the system, the meeting said.

SEC Executive Directors Monsur Alam and Forhad Ahmed, Dhaka stock Exchange CEO Salahuddin Ahmed Khan, Chittagong Stock Exchange CEO Wali-ul-Maroof Matin and CDBL Managing Director Mohammad Habibus Samad were present at the meeting.

Talking to The Daily Star after the meeting CDBL Managing Director Mohammad Habibus Samad said settlement through central depository system will be launched with Square Pharma by December 31.

He said CDBL has already started awareness campaign and it now likes to intensify it. CDBL has applied for business commencement licence from SEC to start CDS, he said.

Square Pharma signed an agreement with CDBL on December 7 for conversion of its physical share certificates into electronic ones in the CDS. For dematerialisation, the share certificates of the company have to be deposited with the head office of the company initially by investors, said the sources.

After verification, the shares will be dematerialised and shareholders have to open a beneficiary account with brokers who are depository participants (DP).

And as the process needs some time, share transactions of the company may be withheld for a certain period.