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Vegetable export needs freightage cut, testing

MD HASAN

High freight cost, lack of testing laboratories and other infrastructural facilities are some of the hindrances that are holding back Bangladesh's potential of becoming a major frozen vegetable exporting country.

"Bangladeshi frozen vegetables are already being exported to the UK market. With growing demand, it can be a major commodity for the country but it is losing competitiveness due to high freight cost," said Moinul Islam Chowdhury, managing director of Eurasia Food Processing Ltd.

The company can't increase export volume despite having huge demand, he mentioned.

Bangladeshi exporters have to pay $4800 to $5800 a container as freight charge for exporting their products while its competitors pay only $1000 to the same markets, exporters said adding that India, Malaysia, Pakistan and Singapore are dominating the global market.

Eurasia Food Processing Ltd is a Bangladesh-UK joint venture company, exporting frozen vegetables to the UK and the US since 1993 and the company has so far exported 369.58 tones frozen vegetables to these markets.

Growers can not recover their production cost in many cases and huge quantity of vegetables are wasted during peak season every year due to lack of processing plants and marketing facilities, exporters said.

"If the government takes initiative to cut freight charges, it is possible to increase our export volume from existing 10 percent in the UK market," said Md Akmal Hossain, managing director of Hortex Foundation, which promotes fruits and vegetable exports to the global market.

"We have to make the exporters aware of pre- and post-harvest processing to develop the sector," he recommended.

"We also need to concentrate more on export diversification in the post-MFA era and processed vegetables can help in this regard. We need to establish more laboratories and cold storage to boost frozen vegetable export," Akmal felt.

Hortex Foundation has selected three local companies -- Kuliarchar Cold Storage Ltd in Kishoreganj, SAR & Company in Chittagong and Frozen Fish and Frog Leg Ltd in Khulna -- to promote frozen vegetables export.

The vegetables Bangladesh is now exporting include hyacinth bean seed, stem amaranth, olive, spinach, teasel gourd, jack fruit seed, pointed gourd, okra, red skin potato, bitter gourd, ridge gourd, plantain and radish.

"Demands for frozen vegetables in the world market are increasing day by day because of its 'ready to cook' quality," observed Mujibul Haque, proprietor of Elite Express, another company that exports frozen vegetables.

Fresh vegetable exporters usually can not maintain the lead-time and quality because of limited cargo space, which encourages the entrepreneurs to export processed agri-products, Mujibul said adding that setting up of international standard testing laboratories can increase export to a great extent.

Bangladesh's income from both fresh and frozen vegetable exports has increased to $46 million from $13 million in the last three years and the growth was 84 percent in the 2004-05 fiscal year.

2-day ICT, development fair begins today

UNB, *Dhaka*

D.Net, a development research network, will celebrate its fifth anniversary today through a two-day 'Development and ICT Fair' at BRAC Center Inn at Mahakhali in Dhaka.

D.Net Chairman Dr Taufic Ahmed Chowdhury will inaugurate the fair as the chief guest while Country Manager of Microsoft-Bangladesh Feroz Mahmud will attend the function as special guest.

Three seminars on 'ICTs and Human Resource Development', 'ICTs and Localisation', and 'ICTs and Human Rights' will be held during the fair.

D.Net in association with the Voluntary Association of Bangladesh (VAB), a non-profit organisation of the non-resident Bangladeshis (NRBs), is working to bridge the digital divide among urban and rural children and youth in terms of computer skill. Currently, D.Net runs 20 Computer Literacy Centres (CLCs) across the country.

In 2006, D.Net will launch another 25 CLCs while its aim is to establish 1000 CLCs across the country.

DCCI decries central bank's credit contraction move

Fears it would deter industrial, export growth

UNB, *Dhaka*

Dhaka Chamber of Commerce and Industry (DCCI) decried Bangladesh Bank (BB) initiative to control inflation by way of cutting down credit flow to 3.3 percent as the DCCI leadership feared it would deter private-sector development, especially small and medium enterprises engaged in export business.

In a statement Thursday, DCCI President MA Momen noted that recent hike in prices as well as the dollar value already affected production cost.

"In such a situation, instead of making available credit facilities at a lower interest rate, further curtailing credit availability to the private sector by the BB will not only hamper growth of industry but also hamper the production of import-substitute and export-oriented industries," he said.

Hoping that the central bank will reconsider its decision, as proposed, the DCCI president observed that country's entrepreneurs would further face difficulty and competition both domestically and in the international market due to this decision.

In the recent Monetary Policy Statement (MPS), the BB proposed to control inflation by reducing credit flow within June to 3.3 percent, as inflationary pressures on the economy have recently increased.

PHOTO: BANGLALINK

Lars P Reichelt, chief executive officer of mobile phone operator Banglalink, and Masudur Rahman, managing partner of Agrani Communications, exchange documents after signing a distributorship agreement recently. Under the deal, Agrani Communications will also set up 'Banglalink Points' across the country. Mehboob Chowdhury, chief commercial officer of Banglalink, and Mahbubur Rahman, CEO of Agrani, among others, were present at the signing ceremony.

New BAIRA office bearers

President

Secretary General

MAH Selim and Ali Haidar Chowdhury have been elected president and secretary general of the executive committee of the Bangladesh Association of International Recruiting Agency (BAIRA) for 2006-08.

The election for the 27-member committee was held on Tuesday in Dhaka, says a press release.

India plans to liberalise textile machinery import

Eyes joint ventures to modernise local equipment

PALLAB BHATTACHARYA, *New Delhi*

India is planning to liberalise imports of textile machinery and encourage joint ventures for domestic manufacturing to meet shortfall in demand.

"The domestic textile machinery manufacturers cannot meet the demand of the sector. We are looking at easing imports of machinery to ensure that the demand is met," Joint Secretary in Textile Ministry Qaiser Shamim had said last week.

He said the government was working for more joint ventures between foreign machinery manufacturers and Indian players.

Textile industry sources said more and more Indian textile companies are bidding for acquisition in Europe and the US in search for modernisation of machinery to meet the growing demand for textiles in quota-free international regime.

There had already been a spurt in acquisition by Indian companies. Three months back, export major Orient Craft acquired Levi's unit in Spain for Rs 60 crore and this was followed by two more such deals, including by GHCL, which acquired US company Dan River for $17.5 million.

Vardhaman Polytex Ltd, the flagship firm of Oswal group, acquired two units in Hungary and Czech Republic in the last two years.

Textile industry watchers said the acquisitions gave Indian companies the modern machineries at competitive prices and also market network in some cases.

The supply constraint at home has aggravated since the onset of quota-free regime, which triggered a spurt in demand for Indian textiles abroad. India has only one textile machinery manufacturer.

According to Northern Indian Textile Mills' Association Secretary KJS Ahulwalia, five to six more companies were looking at overseas acquisitions as a more viable option for machinery modernisation.

CTG INT'L TRADE FAIR

Thailand to take part as partner country

BDNEWS, *Chittagong*

Thailand will participate as partner country in the 14th Chittagong International Trade Fair (CITF) scheduled to begin February 15.

Thailand is taking part in the fair as partner country for the fourth consecutive time.

Thai Ambassador to Bangladesh Suphat Chitranukroh announced this while he called on Saifuzzaman Chowdhury, president of Chittagong Chamber of Commerce and Industry (CCCI), at the latter's office on Wednesday.

Thai envoy said the diplomatic and trade relationship between the two friendly countries has increased significantly over the years.

Janata Jute Mills declares 30pc dividend, 100pc bonus share

Janata Jute Mills Ltd has declared a 30 percent dividend and 100 percent bonus share for its shareholders for the fiscal year 2004-05.

The dividends were approved at the company's 22nd annual general meeting (AGM) held recently in Dhaka, says a press release.

Chairman of the company Mofizur Rahman presided over the AGM, which was also attended by Managing Director Najmul Huq and Director Syeduzzaman Khan.

PHOTO: GRAMEENPHONE

Officials of mobile phone operator GrameenPhone Ltd brief businesspeople about the company's new 'Business Solutions' product at a reception on Monday.

Nokia still leads mobile phone market

ABU SAEED KHAN

Nokia Corporation, the world's largest mobile phone maker, has shipped a record volume of 265.2 millions handsets, a 28 percent annual growth, and keeps on leading from far ahead than its nearest rival with 33.3 percent global market share in 2005, according to an official announcement.

Net profit in Q4 of 2005 came to 1.07 billion euros (US$1.32 billion), down from 1.08 billion euros a year earlier. Nokia's net sales grew by nine percent to 10.3 billion euros (US$12.66 billion), from 9.46 billion euros in the last quarter of 2004.

Annual net sales grew 16 percent to 34.2 billion euros (US$42 billion) and net profit was up 13 percent at 3.6 billion euros (US$4.4 billion). Nokia has, however, suffered one percent drop in Q4 earnings due to the increased sales of its low-cost handsets in the emerging markets, which has negatively impacted its average selling price.

Average selling price (ASP) of Nokia handsets had dropped to 99 euros in Q4, down from 102 euros in the preceding quarter and 111 euros in the Q4 of 2004. The company expects the ASP will be either flat or slightly down in the Q1 of 2006.

Nokia's Chief Executive Jorma Ollila, however, remains unconcerned, "The fall in the ASP will, of course, continue for a while, and that's a good thing because in the emerging markets a majority of handsets are being sold to people who have never conducted a single telephone conversation in their lives." He said the price really has to come down so that Nokia can serve the great majority of the world's population.

In 2005, Europe accounted for Nokia's 42 percent net sales (41 percent in 2004). Asia-Pacific contributes 18 percent market share, up from 16 percent in 2004 while its penetration in China rose to 11 percent in 2005 from 10 percent in 2004. Middle East and Africa account for Nokia's 13 percent net sales, up from 12 percent in 2004. Nokia has lost two percent market in North America and one percent in Latin America.

The company has gained market share in Asia-Pacific as a result of the rapid growth of the Indian market and Nokia's strong position in that country, driven by much the similar competitive strengths as in China.

In Middle East and Africa, Nokia's volume growth was somewhat below regional industry volume growth, resulting in a loss of market share in Latin America, and Nokia's mobile device volumes grew, although much less than the overall market, resulting in a substantial market share loss in 2005.

Nokia also makes cellular mobile network equipment and its 2005 net sales increased two percent to 6.6 billion euros, compared to 6.4 billion euros in 2004. Operating profit of this unit for 2005 has, however, declined to 855 million euros from 884 million euros in 2004.

Nokia has predicted that the mobile phone market would grow by more than 10 percent in 2006, adding that its aim was to increase market share both in handsets and networks, but gave no figures.

Five-day week for Malaysian banks

ANN/ THE STAR

The Malaysian banks will implement a five-day working week from Feb 1 in a bid to encourage electronic banking and give bank employees more time off.

A few bank branches in areas where business volume is high will open on certain Saturdays.

Association of Banks in Malaysia (ABM) executive director Wong Suan Lye said that the banks were adopting a five-day week in line with the public sector's five-day week.

However, the minimum banking hours per week would not be reduced, she said in a statement on Wednesday.

"With the five-day work week, the recommended banking hours will be from 9.30am to 4pm.

"In addition, banks may operate their branches beyond these hours to meet the needs of their customers.

"Banks will also open selected branches on specified Saturdays," she said, adding that the respective banks would announce the details.

Cheques received on Saturdays (including cheques deposited at self-service terminals as well as cheques received by branches that are open on Saturdays) will be processed the next working day. There will be no clearing of cheques on Saturdays, she added.

"In line with the global trend towards electronic banking, commercial banks have been investing substantially in self-service terminals and e-banking centres, as well as infrastructure for Internet and telebanking.

Nepal's trade deficit widens by 51pc

XINHUA, *Kathmandu*

Surge in imports and less than expected performance of major exportable commodities in the international market have widened the Nepal's trade deficit by 51 percent during the first four months of 2005/06 fiscal year, according to a central bank report reaching here yesterday.

According to the report from Nepal Rastra Bank, the central bank of the country, the deficit for the period is valued at 35.74 billion Nepali rupees (510 million US dollars).

During the same period of 2004/05, trade deficit was 23.66 billion rupees (338 dollar, down by 8.3 percent as compared to the similar period of the previous year.

A significant surge in imports by 36.5 percent and relative to a rise in export by 17.2 percent widened trade deficit in four months of the 2005/06 fiscal year, which started on July 16, 2005, the report stated.

Oil prices climb above $67

REUTERS, *London*

Tension in leading oil producers Nigeria and Iran pushed prices back above US$67 a barrel on Friday as high stockpiles in the United States failed to calm investor nerves.

US light crude was up 83 cents to $67.09 a barrel by 0952 GMT, while London Brent crude climbed 85 cents to $65.77.

"The US inventory data clearly worried the market, but the Iranian and Nigerian situations are providing support to prices," said Tobin Gorey of the Commonwealth Bank of Australia.

Prices hit a four-month peak of $69.20 for US crude on Monday, but fell steeply after US inventory data on Wednesday showed crude stocks were 11 percent higher than a year ago.

Top oil exporter Saudi Arabia also sought to soothe consumers, saying it would fill any supply gap and that the Organisation of the Petroleum Exporting Countries would keep pumping nearly flat out.

"There seems to be no reason to reduce, so Opec will continue the way it is right now," Saudi Oil Minister Ali al-Naimi told reporters on Friday in New Delhi.

Oil prices have risen in response to fears any outage would quickly erode the ample supply cushion.

A five-week campaign of sabotage and kidnapping by the Movement for the Emancipation of the Niger Delta has led to the shut in of more than 220,000 barrels per day of Nigerian oil.

Nigerian oil minister Edmund Daukoru said the country would not address security in the oil-producing southern delta region until four hostages held by militants were released.

He also predicted fellow Opec producer Iran would be unlikely to halt oil supplies in response to mounting pressure over its nuclear program, though the market is still concerned about possible disruption of Iran's 2.4 million bpd of exports.

Supplies have also come under pressure in Europe after blasts cut a pipeline supplying gas to Georgia, where temperatures are below freezing.

Interfax news agency said Russia would restart deliveries on Saturday, a week after the explosions.

India unveils reform package to attract FDI

OUR CORRESPONDENT, *New Delhi*

India unveiled a slew of big-ticket reforms to attract foreign direct investment with a first step towards partially opening the retail market to investors from abroad.

A meeting of the cabinet on Tuesday night presided by Prime Minister Manmohan Singh approved 51 percent FDI in retail outlets for single brand products, Commerce and Industry Minister Kamal Nath told reporters here.

This means multinationals will now be permitted to invest in retail stores of premium brands like Nike, Adidas, Gucci, Reebok, Chanel and Louis Vuitton, which had so far been allowed only through franchisee route.

Although Left parties, which provide crucial support to the Manmohan Singh government, have been opposing FDI in retail business, Nath said FDI in single brand products would not displace jobs or affect the local industry but help generate employment.The cabinet also decided to allow 100 percent FDI through the automatic approval route in gas pipelines, wholesale and export trading on cash-and-carry basis, power trading, development of new airports, warehousing and processing for coffee and rubber, diamond mining, industrial explosives, market study and financing for petroleum sector, hazardous chemicals and coal mining for captive use.

The commerce minister made it clear however that retailing of multiple brands would not be allowed even if they are made by the same manufacturer. But there would be no restriction on the number of retail outlets that can be opened, he added.

He said the permitting FDI in single brand products was not prelude to anything as the bigger issue of FDI in retail sector was still under consideration of the government.

The cabinet also decided to permit 100 percent FDI in distillation and brewing of potable alcohol, Nath said.

However, unlike other sectors where FDI is allowed without clearance by bureaucrats, foreign direct investment in retail would be permitted after a nod from the government, Nath said.

The latest round of liberalization of foreign direct investment regime is the first "comprehensive" review of FDI policies in 15 years, Nath said.

"This is the first time in 15 years that the whole FDI policy has been reviewed in an integrated manner to remove anomalies and inconsistencies. This is not so much to revise caps as to simplify and rationalise the procedures," said an official statement.