

FRANKFURT FAIR Bangladesh firms get Tk 8cr order

UNB, Dhaka

Bangladesh received spot and prospective orders worth Tk 8 crore in the just-concluded Frankfurt International Trade Fair held in Germany.

The event, 'Ambiente-2006', is known as one of the biggest fairs of gift items and handicrafts in the world.

Under the auspices of Export Promotion Bureau (EPB), six local companies exhibited their products in the fair held from February 10-14.

The companies are Expert Leather Products, Mela, Eshana Jute Products Limited, Jahan Metal, Sopura Silk Mills Limited and The Source.

The exhibitors displayed handicrafts and gift items like leather goods, including leather bags, purses, jute bags, including fancy bags and shopping bags, hammocks, silk products, including silk fabrics, scarves, silk ladies wear and shirts, table covers, mats, dining-table items, recycled glass products, home textiles, decorative fishing nets and baskets.

The companies also received more than 300 business queries and established 75 new business contracts.

SEC fines M Hossain Garments directors

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday fined directors, managing director, and company secretary of M Hossain Garments Washing and Dyeing Limited Tk1 lakh each for violation of SEC directive.

The capital market watchdog also fined a depository participant (DP), M Shamsur Rahman and Co, Tk10,000 for holding client shares in the clearing account on record date.

The SEC in a statement said M Hossain Garments Washing did not disclose price sensitive information such as dividend and book closure date of the company's annual general meeting for the year 2003 and violated the SEC directive.

Local firms take part in US RMG fair beginning today

UNB, Dhaka

Bangladesh takes part in a four-day international apparel show in Las Vegas, USA, beginning today.

Around 300 internationally reputed apparel manufacturers of 35 countries will exhibit their finished products in the fair titled 'ASAP Global Sourcing Show'.

A total of 39 local exporters from Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) are expected to participate in the fair.

The Export Promotion Bureau (EPB) will lead the Bangladesh pavilion where participants will showcase their RMG products under different categories, including shirt, T-shirt, polo shirt, pants, seawater, pullover, jacket and children's dress.

Bangladesh has been given the status of 'focus country' in the fair for its significant participation. The organisers have sent the profiles of participating Bangladeshi companies to their enlisted 20,000 international buyers.

Malaysia eyes 20m tourist arrivals in 2007

AFP, Kuala Lumpur

Malaysia is hoping to attract some 20.1 million tourists in 2007, up from 15.7 million in 2004 and hopes to increase revenues by 50 percent, officials were quoted as saying Sunday.

The government is hoping the increased numbers of tourists will bring in a record 44.5 billion ringgit (12.0 billion dollars) next year, up from 29.7 billion ringgit in 2004, tourism ministry secretary-general Victor Wee was quoted as saying by the official Bernama news agency.

Manpower export shows uptrend

RAFIQ HASAN

The country's manpower export has been showing an upward trend since October last year after posting a 19 percent decline in the first half of 2005, according to sources in the ministry of expatriate welfare and overseas employment.

In the first half of 2005, some 22,252 people went abroad against 21,178 in October 2004 while 19,626 in November 2005 against 14,854 in November 2004, and 26,273 in December 2005 against 21,515 in December 2004.

The upward trend continued in the first month of 2006, the source said adding that manpower export increased by 25 percent in January as 21,039 people went abroad for job purposes against 16,860 in January 2005.

In the first half of 2005, manpower export from the country fell by 19 percent compared to the corresponding period of the previous year.

"We are observing a good trend in both manpower export and remit-

tance earning as many countries have started recruiting a large number of Bangladeshi workers," said Muhammad Quamrul Islam, state minister for expatriate welfare.

He said the share of skilled manpower export rose to 54 percent recently from 42 percent earlier, marking an upward trend in remittance earning.

According to sources, remittance earning increased by 27 percent to \$4.2 billion in 2005 from \$3.58 billion in 2004.

He, however, said although manpower export declined for a certain period, remittance earning did not fall. "Remittance continued rising as the number of skilled workers increased and government took effective measures for stopping illegal channel of money transfer".

Earlier, expatriates used to send money through unofficial channels but now the trend declined following the passage of money laundering act, he said.

Islam hoped the upward trend in both manpower export and remit-

tance earning would continue in the coming months.

According to sources, work stoppage and unruly activities by some Bangladeshi workers abroad also caused decline in manpower export last year. The Bangladeshi workers agitated in Kuwait, Jordan and Brunei protesting harassment by employers and irregular payment of salaries.

A good few Bangladeshi workers also came back home following chaotic situation in their workplaces.

The government earlier issued strong warning against expatriate Bangladeshis who were creating disturbance in foreign land through work stoppage and agitation programmes.

The government is now preparing a manpower export policy to bring discipline in the sector, banning strike and work stoppage abroad by expatriate Bangladeshis.

The manpower export policy is in the final stage now and will be declared very soon, said a high official of the expatriate ministry.

Chinese urged to invest in Bangladesh's textile sector

STAR BUSINESS REPORT

Bangladeshi businesspeople yesterday urged their Chinese counterparts to invest in Bangladesh especially in the textile sector to increase trade and investment between the two countries.

They said there is vast potential of setting up composite textile mills in Bangladesh to meet existing demand for about three billion metres of fabrics used in the local garment industry.

They were speaking at a meeting in the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) with a 19-member business delegation of China visiting Bangladesh.

In response, the Chinese entrepreneurs expressed their interest in investing in Bangladesh.

"We came here to get a picture of investment friendly sectors in Bangladesh and we found that there is a huge opportunities to work together," said Xu Huijuan, vice-director of Bureau of Foreign Trade and Economic Cooperation of Jiangsu Province of China, who is leading the delegation.

"After a visit to the Bangladesh Export Processing Zones Authority and Dhaka Export Processing Zone in the morning (yesterday), we realise that a tremendous development has been made in Bangladesh," she said.

Replying to another query, she said China has emerged as a number one import source of Bangladesh because of cheap and quality Chinese products.

Addressing the function, FBCCI President Mir Nasir Hossain said with a liberal investment policy Bangladesh offers a unique opportunity for setting up new industries.

In 2004-05, China exported goods worth US\$1613.49 million to Bangladesh and imported only \$57.82 million goods from Bangladesh.

Bank Asia holds annual confce

The 'Annual Conference-2006' of Bank Asia Ltd was held on Friday at Dhaka Sheraton Hotel.

M Syeduzzaman, chairman of the bank, inaugurated the conference. Vice Chairman Arifur Rahman Sinha, directors Mohd Safwan Chowdhury, Rumea A Hossain, Faisal Samad, and President and Managing Director Syed Anisul Huq were also present, says a press release.

In the conference, M Syeduzzaman highlighted the need for diversifying the portfolio towards SME banking, retail banking and rural credit and developing new products in these areas.

Syed Anisul Huq emphasised the need for proper usage of technology to maintain the bank's edge.

The chairman referred to the bank's social welfare activities in the areas of treating blindness, scholarship programme for the rural poor, poverty alleviation schemes, and urged the management to find out new areas of such activities.

Senior management personnel, branch managers and employees of all levels of the bank were present at the conference where the bank's performance for the year 2005 was reviewed.

China's biggest state bank aims to go public in 2006

CEIS, Beijing

Industrial and Commercial Bank of China Ltd (ICBC), the biggest state bank in terms of assets, said that it was endeavouring to go public at an "appropriate time" this year.

The bank was kicking off preparations for stock market listing, a spokesman, surnamed Wang, told the bank's annual meeting, but did not confirm whether it would sell shares in domestic or overseas markets, a topic which is arousing great interest among industry observers.

The bearish domestic market is an obvious concern for such a banking heavyweight as ICBC but it has seen an upward trend in recent months on the back of policy support.

Wang said ICBC would launch its Initial Public Offering (IPO) with a "rational" size, structure and price.



President of Metropolitan Chamber of Commerce and Industry (MCCI) Latifur Rahman speaks at the inauguration of a two-day career fair, organised by Institute of Business Administration (IBA) of the University of Dhaka, in the capital yesterday. Dhaka University Vice Chancellor SMA Faiz is also seen.

MCCI chief seeks role of national companies for economic growth

IBA career fair begins

STAR BUSINESS REPORT

President of Metropolitan Chamber of Commerce and Industry (MCCI) Latifur Rahman yesterday underscored the need for a greater role of the national companies for the country's economic development.

"I have respect for multinational companies but the national companies have to achieve the ultimate economic growth and take the country forward," Rahman said. He was speaking as a guest of honour at the inaugural ceremony of a two-day career fair, organised by Institute of Business Administration (IBA) of the University of Dhaka at its auditorium in the capital.

Professor SMA Faiz, vice chancellor of the University of Dhaka, spoke at the function as the chief guest.

Lauding the contribution of IBA in the Bangladesh corporate world, the MCCI president said business needs professional managers when it grows.

Pointing to the changing corpo-

rate scenario, he said business had been family managed before but professionals now manage it and Bangladesh is not different in this regard.

Rahman said IBA has produced a lot of talents and they are now playing very important role in Bangladesh's corporate world.

"Job switching is a reality. When you switch...do so but make sure that you are able to contribute to the organisation," the MCCI president advised the IBA students inspiring them to dream big.

The institute organised the 'IBA Career Fair 2006' for the first time in an effort to make arrangement for its students to interact with senior corporate leaders. A total of 16 leading local and multinational companies are participating in the fair.

SMA Faiz said IBA is the best institute in the country. "The teaching method of the institute is prepared in a way that does not make its students bookish," he added.

Speaking at the function,

Professor Iftekhhar Ghani Chowdhury, director of IBA, mentioned the IBA students are dominating the job market.

Professor Golam Mohammed Chowdhury, chairman of Internship and Placement Programme, termed job switching a problem for organisations.

Some organisations opt for making contract but it does not work, he said.

"We also assist organisations in recruitment of graduates and try to narrow the gap between our graduates' expectations and employers' requirements," he added.

Companies participating in the fair are ACI Ltd, Aktel, Apollo Hospitals, Asiatic Marketing Company Ltd, BATB, Beximco Pharmaceuticals Ltd, Brac, CityCell, Dhaka Bank Ltd, Eastern Bank Ltd, GrameenPhone, Marico, Novartis Bangladesh Ltd, Standard Chartered Bank, Prime Bank Ltd, and Siemens.



M Syeduzzaman, chairman of Bank Asia Ltd, speaks at the 'Annual Conference-2006' of the bank held on Friday at Dhaka. Arifur Rahman Sinha, vice chairman, Mohd Safwan Chowdhury, Rumea A Hossain and Faisal Samad, directors, Syed Anisul Huq, president and managing director, among others, were present at the conference.

Macroeconomic performance of South Asian economies

Following are the conclusions of a keynote paper on 'Macroeconomic Performance of South Asian Economies: A Comparative Perspective on Bangladesh', prepared by Dr Debapriya Bhattacharya, executive director, and Dr Fahmida Khatun, senior research fellow of Centre for Policy Dialogue (CPD). The paper will be presented today at a dialogue on 'Growth and Equity in South Asia: How has Bangladesh Performed?' at CIRDAP Auditorium in Dhaka.

The reform measures initiated in the 1980s and the 1990s contributed towards achieving stability in macroeconomic performance in the South Asian economies. However, macroeconomic stability turned out to be not adequate to unleash the growth potential in these countries. The obtained empirical results lead us to reconsider the often emphasised positive relationship between macroeconomic stability and growth. In this regard, the study offers the following findings.

First, South Asia, at various points in time over the last two decades, has embarked on market oriented policy reforms (adjustment policies) aimed at achieving macroeconomic stability leading to accelerated growth. These were initiated often in the backdrop of macroeconomic crises. In these almost identical reform packages, macroeconomic stability had been accorded the centrality and had been underscored as the major prerequisite (determinant) of accelerated growth. All South Asian economies during the 1990s and early 2000s (post-reform period) did in fact improve their macroeconomic performance. For example, inflation rate, current account deficit, fiscal deficit and dependence on foreign borrowing decreased in almost all countries. During this period, volatility of most of these variables also declined.

Second, notwithstanding general improvements in terms of achieving higher average values and stability of macroeconomic variables, not all regional countries could improve their output and per capita GDP during the period under review. For example, Bangladesh

and India managed to increase their real GDP growth and per capita GDP, whereas Nepal and Pakistan could not.

Third, even, among the South Asian countries which experienced improvements in output growth and income, it is very difficult to establish any association between the achieved macroeconomic stability and demonstrated growth. For example, Bhutan with highest volatility in case of a number of variables recorded the highest GDP growth among the regional countries. Whereas Bangladesh having enjoyed least volatility of most variables has experienced a moderate growth during the period under review. Country-wise variable specific analysis, at best, remains ambiguous in establishing the examined relationship.

Fourth, pooled regional data do not reveal any systematic relationship between macro-stability variables and growth performance. This implies that whilst macro-stability may be important for growth, there could be other and more important country specific variables for driving the growth dynamics. Consequently, it is imperative to device, being informed by contextual reality going beyond the macro-stability dogma, reform agenda for growth and poverty alleviation. This becomes particularly pertinent as most of the South Asian countries are currently initiating or already implementing their national poverty reduction strategies (PRS) which often contain a disproportionate emphasis on macroeconomic stability.

Fifth, among the South Asian countries, behaviour of the

Bangladesh economy appears to be the most compatible with the general levels of the macroeconomic stability approach. Comparative analysis of the macroeconomic performance of the country reveals that Bangladesh is currently the most macroeconomic stability endowed country in the South Asian region. However, even with such sterling performance in the macroeconomic front, Bangladesh could not be the fastest growing country in the region. Consequently, one will have to take a more in-depth look into the country's economic performance to identify the appropriate and relevant underlying elements of a national pro-poor growth agenda. It may be mentioned that our empirical analysis suggests that the unobserved country-specific variables affecting growth of output and income of Bangladesh are similar to those of Pakistan and Bhutan.

Finally, if macro-stability or lack of volatility cannot adequately underwrite accelerated growth dynamics in South Asian countries, then what are those factors which could explain better the determinants of the envisaged higher levels of output and income? Admittedly, a large part of these factors are possibly captured by the currently reigning analytical concepts of good governance, institutional reforms and capacity building. Whatsoever, fact remains, one would possibly need to constantly articulate and rearticulate national strategy to pursue accelerated growth and poverty alleviation in the era of macroeconomics consensus.