

Local firm to set up 2 RMG units in Adamjee EPZ

Local business house Maksons Group is going to set up two readymade garment (RMG) units -- one for denim woven and another for knit -- in Adamjee Export Processing Zone with an investment of US\$ 19.35 million.

The units are M/s Uni Dress Ltd and M/s Alliance Composite Industries, says a press release.

Uni Dress will invest \$ 15.17 million to make 4,12,500 dozens of heavy denim trousers annually and is expected to create 1,866 jobs for locals.

On the other hand, Alliance Composite will invest \$4.176 million to produce around 5,50,000 dozens of knit garments and 1.914 million kgs of knit fabrics a year and offer jobs to 770 Bangladeshis.

Two separate agreements to this effect were signed between the Bangladesh Export Processing Zones Authority (Bepza) and Uni Dress Ltd and Alliance Composite in Dhaka on Thursday.

Masud Ahmed, Bepza member (Investment Promotion), and Mohammad Ali Khokon, managing director of Uni Dress Ltd, and Shafiqul Islam of Alliance Composite signed the lease agreements on behalf of their sides.

Ashraf Abdullah Yussuf, Bepza executive chairman, among others, was present at the signing ceremony.

Discussion on developing packaging sector held

A packaging institute and an information centre are urgently needed to develop the packaging sector in the country, said DCCI president at a discussion on Wednesday.

MA Momen, president of Dhaka Chamber of Commerce & Industry (DCCI), was speaking at the discussion on 'Development of Packaging Sector of Bangladesh' in the capital, says a press release.

Jacky Charbonneau, senior adviser, Packaging, BASS, International Trade Centre (ITC), presented a paper on 'EU Quality Support Programme for Bangladesh on Packaging Component'.

Charbonneau also emphasised the need for establishing a packaging institute, focusing on developing infrastructure and taking related training to help the country's packaging industry grow.

Arup K Sengupta, international packaging consultant, ITC, and KMH Shahidul Haque and Shekil Choudhury, DCCI directors, were also present.

2nd Abu Dhabi World Leadership Summit in Nov

A daylong leadership and knowledge-sharing meeting styled 'Abu Dhabi World Leadership Summit' will kick start on November 21 at Emirates Palace in Abu Dhabi.

Global Events, an event management company, is arranging the second version of the summit, says a press release.

The summit emerged as one of the world's largest annual leadership meet, attracting more than 1300 likeminded, successful business and political delegates last year.

Global Events anticipates this number to reach the 2000 mark this year.

The summit is being held under the patronage of Sheikh Mohammed bin Zayed Al Nahyan, crown prince of Abu Dhabi, deputy supreme commander of the UAE Armed Forces, and chairman of the Abu Dhabi Executive Council.

This year the distinguished speakers on the list includes George Bush Sr., former president of the United States, Khaldoon Al Mubarak, chairman of the Abu Dhabi Executive Affairs Authority, Lee Kuan Yew, Singapore's first prime minister and current minister mentor, Sheikhha Lubna Al Qasimi, UAE minister of Economy, and Gerhard Schröder, former chancellor of Germany.

From Bangladesh those who are interested to participate in the summit are to register their names with and pay specific amount of fee to Triune (Pte) Ltd, which represents Global Event in Bangladesh.

Get more revenues to offset loss from fuel, fertiliser subsidies

BB advises govt

JASIM UDDIN KHAN

The Bangladesh Bank has advised the government to find new internal sources of revenue to offset an accumulated loss stemming from petroleum fuel and fertiliser subsidies.

The central bank in a paper has come up with the suggestion to maintain the pace of ongoing economic growth and control inflation against the backdrop of a high-powered meeting on 'Government's fiscal policy and monetary and transaction rate policy of the Bangladesh Bank'.

The meeting of the coordination council, headed by Finance Minister M Saifur Rahman, will be held tomorrow at the finance ministry conference room.

The government has estimated Tk 52,542 crore revenue at an

annual growth of 14 per cent in fiscal 2006-07. The budget deficit is estimated at 17,198 crore, of which Tk 8,364 crore is to be collected from external sources and the remaining Tk 8,834 crore from internal sources.

The BB also suggested an effective administrative measure to establish a sustainable market system at import and distribution stages.

Referring to media reports, the central bank said the ultimate benefits of the fuel and fertiliser subsidies and removal of import duties on some essential products did not reach retail consumers.

An immediate initiative to check the smuggling of subsidised fertiliser and diesel and maintain smooth supply chain of products will help check inflation, the central bank said.

"Trends of earning high margin of profit at import, distribution, and marketing stages by some large importers and influential businessmen, illegal toll collection at transport sector, and smuggling of subsidised diesel and fertiliser are the reasons for continuing buoyant inflation rates (7.14 per cent) in May 2006," the BB paper added.

The BB forecasts a complex macroeconomic situation if the government fails to manage the fiscal deficit originated from the subsidies given to the state-owned corporations.

The central bank said it will concentrate its attention on funding productive sectors, although it maintains cautious monetary and credit supply policy.

Buyer-seller meet today to boost Dhaka-Delhi trade

STAR BUSINESS REPORT

A two-day 'Buyer-Seller Meet cum Exhibition' begins in Dhaka today to boost trade between Bangladesh and India.

State Minister for Finance Shah Mohammad Abul Hossain will inaugurate the event at the DCCI auditorium, which will be attended by Indian Deputy High Commissioner in Dhaka Sarbajit Chakravarti, Economic Minister DN Srivastava and DCCI President MAMomen.

Chemicals and Allied Products Export Promotion Council (CAPEXIL) of India, Indian High Commission in Dhaka and Dhaka Chamber of Commerce and Industry (DCCI) are jointly organising the meet.

A 13-member Indian delegation led by CAPEXIL Chairman Samir Kumar Ghosh will take part in the event.

The Indian team will also showcase a wide range of products, including automobile tubes, rubber moulded automobile parts, v belts for off-road equipment, paper, paper products and stationery/office supplies, books, magazine, journals, green marble, tiles and slabs.

Blocks, safety fuse, industrial ancillary supplies, manganese dioxide, manganese oxide, adhesives and high and low tension porcelain electrical insulator will also be exhibited on the sideline of the meet.



Visitors through the venue of a three-day real estate fair styled 'Abasan Mela (BD-Red Fair)-2006' at the Institution of Engineers, Bangladesh in Chittagong yesterday. The show comes to a close today.

WEEKLY ROUNDUP

DSE turnover up 16.53pc despite fall in indices

SARWAR A CHOWDHURY

Turnover on the Dhaka Stock Exchange went up by 16.53 per cent last week, although the bourse witnessed a fall in indices.

The total turnover in terms of value on the DSE was Tk 267.16 crore last week against Tk 229.26 crore in the previous week.

The turnover on Monday rose to Tk 79.87 crore, which is a single day highest after 1996.

Total transactions on the DSE also went up by 38.84 per cent last week. A total of 3,24,18,088 shares of 262 issues were traded on the premier bourse last week while 2,33,48,864 shares changed hands in the previous week.

Of the issues traded, 57 closed higher, 157 ended lower and 16 remained unchanged.

The DSE General Index lost 24.80 points, or 1.58 per cent, to

close at 1543.99 points on Thursday, the last working day of the last week, from 1568.79 points on August 17.

DSE All Share Price Index also shed 2.27 points, or 0.18 per cent, to close at 1241.76 points last week.

Besides, DSE 20 Index, comprising blue chips, also declined by 34.79 points, or 2.41 per cent, to close at 1407.97 points last week from 1442.76 points.

Market analysts said although the market witnessed a bullish trend in the earlier weeks mainly due to pre-election investment spree, coupled with a series of positive corporate results, the market experienced a bearish trend last week, as institutional investors such as banks and financial institutions were less interested in investing in the market.

The institutional investors faced liquidity crisis last week. "The gov-

ernment and Bangladesh Bank withdrew a huge amount of money from the money market through reverse repo, treasury bills and government bonds, resulting in a liquidity crisis among the banks and financial institutions, which play an important role in keeping the market vibrant," said DSE Chief Executive Officer Salahuddin Ahmed Khan.

The top ten turnover leaders in the week were Dhaka Electric Supply Company Ltd (Desco), Summit Power, Padma Textiles, Rupali Bank, Heidel Burg Cement, Jamuna Bank, S Alam Steels, Beximco Pharma, Pubali Bank, and Lafarge Surma Cement.

Desco, the state-owned power company, topped the list of turnover leaders with 899,150 shares worth Tk 34.13 crore, accounting for 12.78 per cent of the total market turnover.



PHOTO: BEPZA

Bepza signed two separate lease agreements with M/s Uni Dress Ltd and M/s Alliance Composite Industries on Thursday in Dhaka. Under the deals, the companies, concerns of local Maksons Group, will invest \$19.35 million in Adamjee EPZ. Bepza Executive Chairman Ashraf Abdullah Yussuf, Member (Investment Promotion) Masud Ahmed, Managing Director of Uni Dress Mohammad Ali Khokon and Shafiqul Islam of Alliance Composite, among others, were present at the signing ceremony.

US, Asean favour WTO talks to resume by end 2006

AFP, Kuala Lumpur

The United States and the 10-nation Southeast Asian bloc said Friday they will cooperate in a bid to revive stalled global trade talks by the end of the year.

"They pledged to continue their close cooperation on all WTO issues ... to putting the Doha Development Round back on track before the end of 2006," Asean and the United States said in a joint statement after economic talks here.

US Trade Representative Susan Schwab said it shared a commitment with Asean to see if there was

any way possible "for us to achieve a successful outcome to the Doha negotiations."

"Asean and the United States agreed to work to ensure that the flexibility provided for in the non-agriculture market access and agriculture does not undermine substantial improved market access," she said in a statement.

"All of us are concerned about these potential loopholes," she added.

The faltering World Trade Organization (WTO) Doha trade round was suspended last month amid a bitter dispute between Europe and the United States over

farm tariffs and subsidies.

Economic ministers from Australia and New Zealand said after a meeting with their Asean counterparts that key members of the global trade body must exercise leadership to kick start the negotiations.

"A viable deal will also need to deliver real reform of agriculture subsidies," they said in a joint statement.

Japan on Thursday said stalled global trade talks must re-start by mid-November this year and that a breakthrough in market access and agriculture should be forged in 2007.

S'pore, China agree to launch FTA talks

AFP, Singapore

Singapore and China on Friday agreed to launch negotiations for a free trade agreement after the completion of a joint study on the economic benefits, the city-state's trade ministry said.

The decision was made at a meeting of the Joint Council for Bilateral Cooperation co-chaired by Chinese Vice Premier Wu Yi and Singapore's Deputy Prime Minister Wong Kan Seng in Beijing.

It was reaffirmed when Wong called on Prime Minister Wen Jiabao later Friday, Singapore's trade ministry said in a statement.

"Building on existing frameworks of cooperation, the enhanced liberalisation in goods, services and investments are expected to benefit the people and economies of both countries," the statement said.

"The FTA will also provide businesses and investors with improved policy regimes to enhance trade and investment.

"Beyond direct economic benefits... the China-Singapore FTA will also contribute to regional economic integration by injecting additional momentum into the establishment of the China-ASEAN Free Trade Area."

The Association of Southeast Asian Nations groups Singapore with nine other countries.

"The China-Singapore FTA will be a positive development and will further cement our bilateral relations, elevating our strategic and economic ties to new heights," the statement said.

Bilateral trade in 2005 reached a record of 33.15 billion US dollars, up 26 per cent from 2004. China is now Singapore's fourth largest trading partner while Singapore is China's seventh biggest trading partner.

US backs greater IMF say for China

AFP, Washington

The US government is backing a bigger IMF role for China heading into the global body's annual meeting next month in Singapore, an official said Thursday.

But the administration could run into trouble with congressional critics of Chinese trade practices.

Treasury spokeswoman Brookly Mclaughlin confirmed the thrust of an interview given to the Washington Post by Tim Adams, the deputy Treasury secretary for international affairs, who endorsed China's claim for more IMF voting rights.

"But it's not just China," she said.

"He (Adams) expressed support for the idea of providing a small ad-hoc increase to the four countries that are underweight in every variable of

the current quota calculations -- China, South Korea, Turkey and Mexico -- as part of a first step toward broader IMF reform."

At the annual meetings of the International Monetary Fund and World Bank, the Fund says it will press ahead with plans to revamp its voting structure to give more influence to fast-developing countries.

But some US critics oppose any increase for China's IMF influence unless the booming country takes rapid steps to revalue its currency, whose relatively cheap value has encouraged an explosion in Chinese exports.

Under one bill sponsored by two influential senators, the US administration would be compelled to veto any increase in the IMF vote of a country with a "fundamentally misaligned" currency.

In his Washington Post inter-

view, however, Adams said the currency debate was intrinsic to IMF reform.

"We need to fix it, if this is going to be the institution leading the charge on currency regimes and so forth," he was quoted as saying.

"This institution needs to be seen as credible so all participants feel that it truly represents them."

Despite its newfound status as the workshop to the world, China has less voting power at the IMF than Belgium and the Netherlands combined. The Fund remains dominated by the United States, European countries and Japan.

Adams said that at the September 19-20 meetings in Singapore, "hopefully we'll be able to bless" a deal that would give China, South Korea, Mexico and Turkey "a down payment" in terms of their IMF power.