

Star BUSINESS

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Exports post 26.42 percent growth in July of FY07

MD HASAN

Export earning reached US\$1.143 billion in the first month of the 2006-07 fiscal year posting a 26.42 percent growth over the previous fiscal, thanks to good performance by woven garments, knitwear, leather and home textile.

The country, however, fetched 0.79 percent less than the amount targeted at \$1152.50 million from export during the period.

Significant rise in knitwear, frozen foods, light engineering, home textile, agro-processed food contributed to the overall export growth in July of the 2006-07 fiscal over the same period of the previous fiscal, according to Export Promotion Bureau (EPB).

The knitwear sector showed outstanding performance in the month of July. The item's export

grew by 31.19 percent fetching \$452.95 million, which exceeded the target set for the first month. With 24.57 percent growth, woven products, one of the major export earners, continued to see the positive growth fetching \$451.91 million during the period.

"We are the highest exporters during the period and also have been able to exceed the target of woven garments earnings at the onset of the fiscal", said Fazlul Haq, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"The performance is outstanding for the knitwear sector. But it could be better if the unrest of the apparel sector did not occur," he said.

\$51.93 million was earned from export of frozen food, another major foreign exchange earner, registering a 6.68 percent growth during the

period.

Light engineering products, including motor parts, iron chain, fetched 21.33 million showing a growth of 319.88 percent over the target of \$11.99 million during the month of July.

"The shortfall is not significant if we review the overall performance," a high official of EPB said, expecting to achieve the target in case of continuation of the present trend.

Product diversification and maintaining global standard can help increase the country's export in the days to come, he felt.

Textile fabrics worth \$18.12 million were exported during the period registering the highest 279.87 percent growth.

Jute goods, leather, raw jute, textile fabrics, petroleum by-products saw positive growth during the period compared to the same period

of the last fiscal, but all these products have failed to achieve the target set for July in FY2006-07.

Leather fetched \$25.96 million during the period showing a 38.53 percent growth. Raw jute and jute goods exports also rose by 112.75 and 4.82 percent in the first month of the current financial year.

Pharmaceuticals, chemical fertiliser, tea, ceramic, melamine did not see expected growth during the period.

Agricultural products, including vegetables and tobacco, worth \$10.98 million were exported during the period, but failed to achieve the target of \$11.99 million during the period.

Export volume rose 22.42 percent while price index dipped 4.00 percent during the first month of the current financial year.

New trade body launches today

STAR BUSINESS REPORT

In a bid to provide better business advocacy to the country's businesspeople, a new trade body, International Business Forum of Bangladesh (IBFB), is set to be launched today.

US Ambassador Patricia A Butenis is scheduled to be present at the launching programme as chief guest, while European Commission Head of Delegation Stefan Frowein is also attending it, said IBFB President Mahmudul Islam Chowdhury at a press conference at the National Press Club in Dhaka yesterday.

He said IBFB is a non-profit organisation comprising local and foreign business owners and executives. Formed recently under the Companies Act 1994, the IBFB already has 50 registered members, he added.

He further said the new trade body would work for solving the problems of the businesspeople by bringing them to the notice of the government directly, which the existing trade bodies can hardly do.

"At present, the FBCCI leaders at their meetings discuss the problems and if they think the problems could be placed before the government, they do so," he said, adding that the process is very time-consuming.

Mahmudul Islam Chowdhury, the first mayor of Chittagong City Corporation, said they want that the problems of the businesspeople be resolved as quickly as possible.

"There must be some easier ways for the businesspeople to solve their problems," he said.

The IBFB president said the new trade body would also carry out a greater business advocacy for a better business policies, act as a central clearinghouse of information relating to those policies, contribute to policy making and establish business agenda based on the needs and priorities.

The other board members of the IBFB are: ATM Shahidul Alam (vice president), Tanveer Imam (treasurer), Fahim A Faruk Chowdhury, Hafizur Rahman Khan, Farhad Ahmed Akanda and Syed Enamul Hoque Murad (directors).

People's motivation stressed to mobilise internal resources

CAs demand exemption of VAT

STAR BUSINESS REPORT

Chairman of the National Board of Revenue (NBR) yesterday called upon chartered accountants to motivate people for paying more taxes as it is a mandatory option.

"A tremendous pressure is there on the government to mobilise more revenue from internal sources as the donors and multilateral agencies suggested reduction in customs duties to facilitate free movement of goods," Mohammed Abdul Karim said.

He was speaking at a seminar on "Salient Features and Implications of Changes Made in the Income Tax Ordinance 1984, The Customs Act 1996 and Vat Act 1991 by Finance Act 2006 and SROs Issued Thereunder" held at the Institute of Chartered Accountants of Bangladesh (ICAB) auditorium in Dhaka.

The seminar organised by the ICAB was chaired by Sheikh A Hafiz, member council and past president of ICAB.

The revenue board chief said

only 20 lakh people have taxpayers' identity numbers (TIN) and out of them only nine lakh people submitted returns.

Karim said country's tax GDP ratio is one of the lowest in the world. He urged the chartered accountants to perform their duties honestly to contribute in mobilising more revenue from internal sources.

Expressing his grievance, the NBR chairman said only few companies pay taxes out of 62,000 companies listed with the NBR.

The ICAB members demanded of the NBR to exempt the chartered accountant firms from the VAT net saying that the chartered accountants are not ultimate consumers of the services they offer.

They, however, urged the NBR to reconsider the new rules regarding imposition of minimum tax on companies considering turnover assessment.

They also recommended for making mandatory the conduct of VAT audit by a CA firm in the interest of mobilising more revenue from VAT wings of the NBR.

AS Zahir Mohammad, member (income tax policy) of NBR, and ASM Nayeem, president ICAB, also spoke on the occasion.

Md. Jainul Abedin, member council and past president of ICAB and Abdul Khalek, director (finance) and company secretary, Berger Paints Bangladesh Ltd, presented keynote papers at the seminar.



PHOTO: STAR

Participants in the seminar on "Salient Features and Implications of Changes Made in the Income Tax Ordinance 1984, The Customs Act 1996 and Vat Act 1991 by Finance Act 2006 and SROs Issued Thereunder" held yesterday at the Institute of Chartered Accountants of Bangladesh (ICAB) auditorium in Dhaka.

Pran to export \$1.5m products to Ghana

STAR BUSINESS REPORT

Pran Exports Ltd (PEL), a concern of Pran Group, will export products worth \$1.5 million to Ghana in the next one year.

An export agreement to this effect was signed yesterday between the PEL and Ghana-based Transit Stop Over Ltd at Dhaka Reporters Unity.

Hasan Mahub of the PEL and Nana Fii Agyeman of Transit Stop Over Ltd signed the deal on behalf of their companies while Eleash Mridha, executive director of Pran, and Kamruzzaman Kamal, general manager (Marketing), among others, were present.

"Under the deal, we will import juice, soft drinks and confectioneries", Nana Fii said, adding that in near future the company might import spices, pickle, jam and jelly from Pran as these products are

witnessing increasing demand in Ghana.

Executive director of Pran said, "In our product line we have already 170 items, which are being sold in local and foreign markets."

"As there is no standard lab facilities in Bangladesh, we are facing problems in testing our products before exporting those to the EU markets", he said stressing the need for a standard testing laboratory and a designated authority to issue health certificate.

The Pran officials also informed the signing ceremony that the company exports its products to 65 countries in Asia, Europe, Africa and Australia.

WB asks Nepal to punish loan defaulters

XINHUA, Kathmandu

A World Bank official has urged the Nepali government to punish loan defaulters to justify the market economic system in the country, state-run The Rising Nepal reported here Wednesday.

"The 'defaulter' issue is no longer the issue of survival of the banks, but the issue of survival of market system in Nepal," the English-language daily quoted Ken Ohasi, the World Bank chief in Nepal, as saying.

Nepal Rastra Bank (NRB), the central bank of Nepal, has recently made public 57 business houses that defaulted about 357 million US dollars and posed a great threat to Nepali economy. The default loans account for a third of Nepal's annual revenues.

"The defaulting of huge bank loans conveys the message that the rich do have access to thousands of dollars and they are free to do anything with that loans, whereas the poor people are deprived of a small amount of credit," Ohasi said.

"This will ultimately arise the question about the significance of free market system in Nepal," he said.



PHOTO: STAR

Hasan Mahub of Pran Exports Ltd (PEL) and Nana Fii Agyeman of Ghana-based Transit Stop Over Ltd exchange documents after signing an agreement in Dhaka yesterday. Under the deal, the PEL will export products worth \$1.5 million to Ghana in the next one year.

IFIC SHARES

Salman to dispose of remaining stakes

STAR BUSINESS REPORT

Beximco Group Vice Chairman Salman F Rahman, also a sponsor director of International Finance and Investment Corporation (IFIC) Bank, has intended to dispose of his remaining 81,869 shares in IFIC Bank.

According to a news bulletin released in the Dhaka Stock Exchange (DSE) website, Salman has expressed his intention to sell the remaining shares of the bank at prevailing market price through the stock exchange.

Salman had 1,62,616 shares of the bank in his own name and disposed of 80,747 shares in August this year.

Other two directors of IFIC Bank R Rahman and Iqbal Ahmed who

were also sponsor directors of the bank, disposed of their holding shares in the bank last month.

Although Beximco Group held 28 percent shares of IFIC, but it had no representation in the board of directors of the private bank due to a High Court order.

Meanwhile, Golam Halim, another sponsor director of IFIC Bank, has also expressed intention to sell his entire holdings of 22,547 shares of the bank in the odd lot market of DSE at prevailing market price within the next 30 working days.

Five months back, Islam Group, which had owned 26 percent of the total shares of IFIC Bank, disposed of its shares.

Pakistan becomes Asem member

PTI, Islamabad

Pakistan has been admitted as a member of Asem, a club of European and Asian countries which aims at strengthening trans-continental ties.

The announcement was made at Helsinki on Monday following the sixth Asem Summit, the Foreign Office here said in a statement.

The membership of Pakistan from the Asian side was endorsed by the Asean grouping and China, Japan and Republic of Korea.

"The Government of Pakistan is grateful to the support extended by all Asem members," the statement said.

The Asia-Europe Meeting or Asem is an informal process of the dialogue and cooperation initiated in 1996.

US raises corn, soybean output forecasts

XINHUA, Washington

Productions of corn and soybean in the United States this year are likely to be bigger than estimated earlier, the Agriculture Department predicted Tuesday in its monthly crop report.

The new report predicts that the nation's soybean production this year will be at 3.1 billion bushels (one bushel soybean = 27.216 kilograms), up 165 million bushels, or about 6 percent from last month's forecast.

Soybean price is forecasted at to 4.90 dollars to 5.90 dollars a bushel this year, down 10 cents from month ago estimate, compared with last year's average of 5.68 dollars. Corn production is predicted at 11.1 billion bushels (one bushel corn = 25.402 kilograms), up 138 million bushels, or 1.2 percent from last month's forecast. Prices for corn are unchanged at 2.15 dollars to 2.55 dollars a bushel, compared with an average of 1.99 dollars last year.

Groups mull boycott of IMF, WB

AFP, Singapore

Non-governmental organizations are discussing a boycott of the IMF and World Bank meetings in Singapore to protest the city-state's hardline stand against activists, organizers said Wednesday.

"We are still in the process of discussing it. We will make a decision by tomorrow afternoon or tomorrow night," said Lily Nacpil, international coordinator of Jubilee South, one of the groups calling for the boycott.

She said a boycott would apply to the official programme of seminars and meetings between the

International Monetary Fund and World Bank and groups critical of their policies.

Nacpil said the boycott would protest Singapore's blacklisting of 28 anti-globalisation activists even though they had been accredited by the IMF and World Bank. Police cited security reasons for the decision.

Activists are also protesting the Singapore government's refusal to waive a long-standing ban on outdoor protests during the IMF and World Bank event.

At least 14 NGOs have signed a draft statement calling for the boycott, and activists said they hoped that number would grow.

Citibank seminar on Trade Risk Management

Citibank, NA Bangladesh organised a daylong seminar on "Trade Risk Management" on Tuesday, says a press release.

The objective of the seminar was to discuss complex global trade environment, the recent trends in trade atmosphere as well as future challenges and mitigate trade risks.

Senior officials of finance and commerce ministries, Bangladesh Bank, different private commercial banks and nationalised commercial banks, among others, attended the seminar.

MA Momen, president of Dhaka Chamber of Commerce and Industry (DCCI), was present as chief guest at the inaugural session.

The DCCI president said, "Bangladesh holds huge potential for being a country to head towards US\$11 billion of exports." He also stressed the need for remaining more vigilant on the current trends and alleviating the risks associated with the trade environment.

"Citigroup with its 1004 offices across the world and the bank's locally based specialists has the ability to identify and report on the critical trends that impact on doing business within the global trade environment," said Mamun Rashid, Citigroup country officer (Bangladesh), while concluding the seminar.



PHOTO: CITIBANK NA

MA Momen (C), president of Dhaka Chamber of Commerce and Industry, speaks at a seminar on "Trade Risk Management" organised by Citibank, NA, on Tuesday. Senior officials of Citibank, NA Bangladesh are also seen.

One Bank arranges Tk 26cr syndicated loan for ALLTEX

One Bank Ltd, as the lead banker, has arranged a syndicated term loan of Tk 26 crore for ALLTEX Industries Ltd, a 100 per cent export-oriented textile firm.

Trust Bank Ltd, Prime Finance and Investment Ltd and Fareast Finance and Investment Ltd are the partner institutions in this regard, says a press release.

An agreement to this effect was signed recently between the organisations.

ALLTEX Industries, located at Rugganj in Narayanganj, produces a range of home textiles and is a member of Bastu Shilpa Group.



PHOTO: ONE BANK

Senior officials of One Bank Ltd, ALLTEX Industries Ltd, Trust Bank Ltd, Prime Finance and Investment Ltd and Fareast Finance and Investment Ltd, among others, pose for photographs at an agreement signing ceremony recently. Under the deal, One Bank Ltd, as the lead banker, has arranged a syndicated term loan of Tk 26 crore for ALLTEX Industries.