

# Star BUSINESS

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## Securitisation deal of Brac receives int'l awards

Brac's microcredit receivables securitisation transaction has been selected as 'Securitisation Deal of the Year 2006' by IFR (International Financing Review), 'Best Domestic Securitisation Deal of the Year 2006' by The Asset Magazine and only Securitisation Deal among the 10 most outstanding deals of 2006 compiled by CFO Asia.

IFR Asia, The Assets and the CFO Asia are all well recognised global business and financial magazines.

This was a unique securitization for the micro-finance sector globally and first-of-its-kind transaction out of Bangladesh, done for one of the world's largest Micro-finance Institutions (MFIs) - Brac, according to a press release.

The transaction has received significant visibility and the structure has the potential of being replicated around the world for MFIs.

This transaction, denominated in Bangladeshi taka (BDT), will provide an aggregate of BDT 12.6 billion (US\$180 million) of financing for Brac over a period of six years. Under the programme, BDT 1 billion (US\$15 million) will be disbursed every six months to Brac, with a maturity of one year.

RSA Capital is the lead arranger and Citibank, NA Bangladesh (Citigroup), FMO (Netherlands), and KfW (Germany) are the co-lead arrangers. Two local banks -- Pubali Bank Ltd and The City Bank Ltd -- also invested in the certificates, along with Citibank, NA Bangladesh.

The structure is secured by a pool of microcredit loans from Brac and it received an AAA rating by Credit Rating Agency of Bangladesh Ltd.

## Mixed reaction to sales at Dhaka int'l trade fair

STAR BUSINESS REPORT

Participants at the Dhaka International Trade Fair (DITF) 2006 have vented mixed reaction to sales, although stalls at the country's largest trade show have been witnessing increasing number of visitors for the last few days.

Many shoppers are crowding the month-long fair, which is scheduled to conclude on January 2, as Eid-ul-Azha nears, said the participating firms yesterday.

"As people could not come to the fair yesterday [Thursday] due to hartal, a huge number of people are thronging today [Friday]," said a ticket counter official of the fair, which is being held at Sher-e-Bangla Nagar in the capital.

Salespersons at the stalls said despite a good number of visitors these days, the sales performance is below expectations. But they hope for the best in the next few days as Eid is approaching.

"Our company has spent nearly Tk 35 lakh on building and decorating the stall. But we will not be able

to make desired profits due to poor sales," said a salesman of a stall, displaying furniture.

"However, our goal is to publicise products," he said adding that the fair is the best place for advertising new products.

A salesman at a foreign stall displaying curtains and carpets said his firm sells goods worth Tk 10,000-Tk 12,000 a day. But last year the daily sales volume of the firm was Tk 30,000, he added.

Some other participants expressed satisfaction over sales. "So far we have sold 400-500 units of motorcycles to few NGOs alone," said a salesman of a foreign company. He also said his company has announced discounts for customers at the fair.

Officials at Banglalink and Teletalk stalls said their sales are quite satisfactory. 'Silver Number' service is wooing a huge number of customers, said a salesman of state-run mobile phone company Teletalk. Under the service, customers will have the option to choose a number.

Stalls displaying jute products said

they are happy with the sales. Jute products including bags, wallets, showpieces, ornaments, clothing, shawls, shoes and carpets, are on display.

A total of 25 firms under the Bangladesh Jute Mill Corporation (BJMC) are taking part in the fair this year, up from only six last year.

**REFRIGERATORS IN DEMAND**  
The refrigerators are in demand. A large number of visitors are showing interest in new model refrigerators, the participants said.

"The reason for high sales of fridges is the Eid-ul-Azha, when meat of sacrificed animals needs to be preserved," said a salesman of Singer.

"Everyday we sell 15-25 units of fridge," he said.

"We are displaying 44 different models of refrigerators and the prices range from Tk 12,900 to Tk 31,800," an official of Walton said adding that everyday they sell more than 10 units.

An official of Samsung said that they also sell 10 to 30 units of refrigerator each day.

## India hints at major tax incentive for selective exporters

PALLAB BHATTACHARYA, New Delhi

Indian Finance Minister Palaniappan Chidambaram has hinted at major tax incentives for high employment-generating export sectors in the coming budget and said he is not worried about the country's widening trade deficit.

Speaking at a pre-budget meeting with exporters, he said the government was working on concessions for certain employment-generating sectors to give those a boost.

Although he did not disclose the sectors, which could get the tax benefits, finance ministry officials indicated that the sectors could be readymade garment, textile, leather, footwear, toys, gems and jewellery.

The exporters urged the finance minister to continue with some existing export promotion schemes and demanded removal or rationalisation of levies that erode the global competitiveness of Indian exports.

They also insisted that the government scrap customs duty on import of capital goods from the current level of five percent under Export Promotion Capital Goods Scheme.

Chidambaram said his responsibility as a finance minister is to strike a balance between the interest of exporters, domestic industry and government's revenue collection.

India's export in the first eight months of the current financial year which began in April this year stood at \$79.6 billion and import during the same period at \$115.3 billion.

The finance minister said the trade deficit was not a cause for worry and there was no need to discourage imports.

Meanwhile, Commerce Minister Kamal Nath said employment gener-

ation and competitiveness were the two main challenges of the export sector and it is important to balance exporters' needs with the interests of the domestic industry.

## Alltex Industries approves 8pc dividend

Alltex Industries Ltd, a home-textile manufacturer and exporter, approved an 8 percent dividend for its shareholders for the year that ended on June 30, 2006, says a press release.

The dividend was approved at the 22nd annual general meeting (AGM) of the company held in Narayanganj on Thursday.

Presided over by Alltex Managing Director Fahim Uddin Ahmad, the AGM was attended, among others, by Deputy Managing Director Imtiaz Uddin Ahmad and Additional Director MAMohsin.

## Thai-Japan FTA likely next year

AFP, Bangkok

Thailand plans to sign a free-trade agreement (FTA) with Japan next year that was nearly completed under the government of deposed premier Thaksin Shinawatra, the finance minister said Friday.

"We will speed up completing the FTA with Japan within this government," Pridiyathorn Devakula told a public hearing on the proposed Thai-Japan trade deal.

"It is the only bilateral FTA that this government will proceed (with)," he said.

## Oil prices steady

AP, Vienna

Oil prices were steady in Asian trading Friday after falling more than \$1 in the previous session on forecasts of warmer-than-average weather in the U.S. Northeast and as shipments returned to normal in the U.S. Gulf Coast region.

Light, sweet crude for February delivery rose a penny to \$62.67 a

barrel in electronic trading on the New York Mercantile Exchange, midmorning in Singapore. The contract on Thursday fell \$1.06 to settle at \$62.66 a barrel.

Oil prices came under pressure after the National Weather Service forecast Thursday that temperatures in the Northeast will remain above normal through the first days of January.

## Weekly Currency Roundup

December 17-December 21, 2006

### Local FX Market

Demand for US dollar was relatively higher throughout the week and USD strengthened against Bangladeshi taka.

### Money Market

In the Treasury bill auction held on Sunday, bid for BDT 9,000.00 million was accepted, compared with total of BDT 5,680.00 million in the previous week's bid. Weighted average yield was almost unchanged.

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.25-6.75 percent.

### International FX Market:

The yen ticked higher against the dollar and euro on Monday as investors awaited the Bank of Japan's interest rate decision this week and clues on the 2007 monetary policy outlook. The dollar trimmed its Friday gains, while the euro found support after European Central Bank President Jean-Claude Trichet said the ECB would do what was needed for price stability and that euro zone rates remained accommodative. The BOJ is set to leave rates on hold at 0.25 percent on Tuesday, after a series of weak data slashed expectations for a hike. Investors were awaiting the post-decision news conference by BOJ Governor Toshihiko Fukui to see if he flags the possibility of a January rise.

The euro approached a recent record high against the yen and rose versus the dollar after a buoyant German Ifo sentiment survey on Tuesday, while the yen suffered as doubts grew about a January rate rise in Japan. The Ifo index of corporate sentiment came in stronger than expected to hit its highest in at least 15 years, reinforcing expectations for a European Central Bank rate hike next year. The Bank of Japan left interest rates on hold as expected but the central bank's governor Toshihiko Fukui said domestic consumption and consumer prices had softened, which prompted investors to scale back expectations for tighter policy there.

The dollar softened against the euro on Thursday ahead of U.S. data on growth and manufacturing that could help the market to assess whether the Federal Reserve may cut interest rates next year. The yen hit a record low against the euro for a third consecutive day on expectations the Bank of Japan could skip raising rates to 0.5 percent in January. The euro also hit 6-1/2 year highs against the Swiss franc for a fourth day on more bullish expectations for rates in the euro zone than in Switzerland. Traders said that the euro was the safest buy among major currencies as the European Central Bank is expected to keep raising rates after lifting them to 3.5 percent this month.

-Standard Chartered Bank



PHOTO: STAR

Visitors look at a giant-screen television set at a stall at Dhaka International Trade Fair-2006 in the capital yesterday.

## STOCK