

JET
WASH ACTION

SANYO
Japan

New Jet Wash technology.
Micro-computer controlled fully
Automatic Washing Machine.

Transfin Trading Ltd.
Phone: 8115307-10, Fax: 8113062

Star BUSINESS

DHAKA WEDNESDAY MARCH 21, 2001

PRINTRONIX
Line Matrix Printer

- * 500 Line Per Minute
- * 1000 Line Per Minute
- * 1500 Line Per Minute

COMPUTER SERVICES
FOR COMPLETE SOLUTIONS
Tel: 8116215, 9119861

Exports keep showing strong growth Target beaten by 4.67 pc during July-January period

STAR BUSINESS REPORT

The country's exports till January of the current fiscal year fetched US\$ 3,855.20 million, which is 4.67 per cent above the target and 20.94 per cent higher than last fiscal's same period.

The target for the first seven months of FY01 was \$3,683.17 million, official sources said.

Exports increased by 18.65 per cent in terms of volume while the price index rose by 2.29 per cent during the period.

Except for raw jute and jute goods, all major export items including readymade garments

(RMG), knitwear, frozen foods, leather, chemical products, tea and handicrafts posted significant growths during the seven-month period.

RMG exports brought in \$2,037.36 million, showing an increase by 5.84 per cent from the target and a 16.77 per cent rise if compared to last fiscal year's corresponding period.

Knitwear worth \$866.76 million was exported during the period, which is only 0.4 per cent higher than the target. But it displays a 29.32 per cent surge from the same period of last year.

Frozen foods also showed out-

standing performance, fetching \$250.26 million, which beat the target by 22.57 per cent and was 30.99 per cent higher than the corresponding period of last year.

Jute goods worth US\$ 140.19 million were sold abroad against the \$175 million target. The earning is 19.89 per cent less than the target and also shows a 17.30 per cent drop from last fiscal's same period. The export volume of jute goods fell by 16.43 per cent during the period.

Leather worth \$131.09 million was exported during the period, exhibiting a 4.52 per cent rise from the target and 19.04 per cent jump

from last fiscal's corresponding period.

Chemical products worth \$59.11 million were exported against a target of \$58.33 million, which was up by 1.34 per cent from the target and 26.60 per cent higher than last year's corresponding period.

Raw jute valued at \$37.15 million went abroad during the July-January period against the target of \$43.75 million. This is 15.09 per cent less than the target and 0.13 per cent less than the corresponding period of last fiscal year. During the period, tea valued

at \$17.64 million dollars was exported against the target of \$17.50 million, marking a 0.80 per cent rise from the target and a massive 68.16 per cent jump from last year's same period.

Export earnings from handicrafts amounted to \$4.33 million against the \$4.08 million target. This also shows a 6.13 per cent rise from the target and 47.78 per cent surge from the corresponding period of FY 2000.

The United States was the leading market for Bangladeshi exports during the period, accounting for \$1,536.58 million or 39.86 per cent of the total exports.



Reid Lohr, Project Director of JOBS Project, and Kazi Abdul Mazid, Managing Director of Prime Bank Ltd, sign a memorandum of understanding on assisting small and medium enterprises at Sonargaon Hotel in the city on Monday.

StanChart, IFC, FMO hold int'l accounting seminar

A two-day seminar on 'moving to international accounting standards, regulation and corporate governance in financial services' has begun in the city.

The seminar has been organised by Standard Chartered Bank, International Finance Corporation (IFC) and FMO, says a press release.

The seminar will conclude today.

Dr Mohammed Farashuddin, Governor of Bangladesh Bank, inaugurated the seminar.

Muhammad A Ali, Chief Executive Officer of Bangladesh of Standard Chartered Group, Hafeezuddin Ahmed, Resident Representative of IFC in Bangladesh, and Gerrit M Van Kampen, Senior Investment Officer of FMO, and Managing Directors of a number of banks also attended the opening session.

In his inaugural address, Bangladesh Bank Governor said, the seminar would be useful for the professionals who have a practical interest in financial market development.

He stressed the importance of corporate governance in the financial sector. The seminar has involved presentations on how more developed markets have dealt with regulatory challenges posed by evolving market conditions, best practice corporate governance.

He further noted that the classified loans in the country had substantially declined between December 1999 and December 2000. In the same period, outstanding amount of insider's loan also declined from Tk 9.0 billion to 7.5 billion and the trend is going further down.

He said these are positive indicators that the banking industry is getting out of the default culture.

Dr Farashuddin also said that by meeting capital adequacy and ensuring full disclosures on the basis of International Accounting Standards, the banking industry of Bangladesh could arrive at a respectable level of playing.

Muhammad A Ali said Standard Chartered Bank's partnership with IFC and FMO has been rewarding in fulfilling its commitment to contribute towards the development of the banking sector of Bangladesh.

Hafeezuddin Ahmed hoped the seminar is expected to create an open forum for market participants to discuss the issues that are facing Bangladesh's financial markets in the context of moving to International Accounting Standards as well as the importance of corporate governance and recovery in this process.

OPEC to check excessive oil price hike

AFP, Madrid

OPEC will prevent the price of oil rising excessively, the secretary general of the organisation, Ali Rodriguez, told the newspaper La Gaceta here yesterday.

He said that the Organisation of Petroleum Exporting Countries was studying measures "to slow the high level of speculation" over the price of oil.

"Producing countries and private companies have sent us proposals along these lines," he said without providing details.

Ali Rodriguez said that a decision by OPEC on Saturday to reduce its overall output by one million barrels per day from April "is essential to avoid a collapse of prices in the spring."

In taking the decision, OPEC had taken account of the state of the US economy, he said.



Dr. Mohammed Farashuddin, Governor of Bangladesh Bank, addresses the inaugural function of the seminar on 'Moving to International Accounting Standards, Regulation and Corporate Governance in Financial Services' in the city yesterday. Also seen (from left to right) are Hafeezuddin Ahmed, IFC Resident Representative, Muhammad A. Ali, CEO Bangladesh of StanChart Group, and Gerrit M. Van Kampen, Senior Investment Officer of FMO.

Country exports Tk 100cr medicine per year

BSS, Dhaka

Health and Family Welfare Minister Sheikh Fazlul Karim Selim said here yesterday that the world bodies recognised Bangladesh as a quality drug manufacturing country which exported high-quantity drug worth about Tk 100 crore annually to the countries of Asia, Africa and Europe.

Side by side, the country's drug manufacturing companies have attained self sufficiency in producing raw materials for medicines which saved the country's hard-earned foreign currency, the minister added.

He was speaking as the chief guest at the annual conference of Bangladesh Aushad Shilpa Samity at a hotel here.

State Minister for Health Prof. Dr. M. Amanullah spoke on the occasion as special guest. Among others, the conference was also addressed by President of the samity Samson H. Chowdhury and Secretary General Dr. Momehul Hoq.

The minister said the drug manufacturing companies are very dynamic and have been producing quality medicines of international standard for which the international agencies including UNICEF have been buying huge quality of medicines from Bangladesh every year.

He said for controlling the quality of medicines, the present government modernised the two Drug Testing Laboratories of the

country. Selim said the government has formulated National Health Policy to gear up the country's drug manufacturing companies and drug administration to improve the quality of medicines produced in the country.

He urged the drug manufacturing companies to produce quality medicines to serve the humanity and contribute their mite in nation building activities.

The health minister said the government has stopped the import of 139 types of foreign medicines which saved Taka 140 crore and that the government was very much committed to protecting the country's drug manufacturing companies for their development.

One Bank opens its 5th branch at Savar

BSS, Savar

The fifth branch of 'One Bank' was inaugurated at a function here Tuesday by Science and Technology Minister Lt Gen (Retd) M. Noor Uddin Khan.

Addressing the function at Ganakpara here, the minister said the bank, set up in 1999, has already opened four branches in the country following liberal policy of the government.

He said during the last four years and nine months there has been visible progress in different sectors including the banking sector.

Chairman of One Bank Hefazur Rahman and Managing Director Nurul Azim also spoke.

Mahathir says stock market poor gauge of economy

AP, Kuala Lumpur

Malaysian Prime Minister Mahathir Mohamad said Tuesday that the sagging stock market is not indicative of the country's economic health and progress in corporate governance.

"That is a lazy kind of assessment coming from one set of figures from a source that is unreliable," said Mahathir, following a speech on corporate governance. "I would not like to take share prices as a measure that is perfect."

He noted the stock market's speculative nature: in the past, the index rose to over 1,000 points when corporate governance was less transparent.

"Look at the overall economy for the past 10 years at 8 per cent growth per annum," he said.

The Kuala Lumpur Composite Index has lost ground in recent weeks. At the close of Tuesday's morning session it was down nearly 1.4 per cent from Monday, and 7.3 per cent below its March 1 close of 708.00 points.

Asian firms face credit pressure from economic slowdown Standard and Poor's report says

AFP, Hong Kong

Asian corporations will face growing credit pressure from a regional economic slowdown, international rating agency Standard and Poor's said in a report on Tuesday.

The US-based agency said that nearly four years after the Asian financial crisis erupted, the region's economies were once again facing a potentially critical turning point.

"A sharp deceleration in demand from the United States, weakness in Japan's financial system, financing difficulties at a number of high profile companies, such as Hyundai Engineering and Asia Pulp and Paper Co. Ltd., and political problems in parts of the region have caused a marked increase in concern regarding credit risk," the Standard and Poor's report warned.

It said that as of March 15, of the 84 rated industrial and infrastructure companies in Asia, excluding Japan, 22 were either on negative outlook or on Credit Watch with negative implications. Standard and Poor's said com-

panies defaulting in Asia so far this year included telecom companies Bayan Telecommunications Inc. of the Philippines and Indonesia's Datakom Asia (P.T.). China power project company Panda Global Energy, and forestry firm APP China Group Ltd.

It said concerns started to emerge when companies began to miss earnings targets, citing semiconductor makers Taiwan Semiconductor Manufacturing Corp. and Singapore's Chartered Semiconductor Manufacturing.

They have all warned of a severe slowdown in sales to personal computer manufacturers and telecommunication companies.

"Since a significant per centage of their customers are from the US, a slowdown in the world's largest chip market is bound to have an adverse impact on their results," Standard and Poor's said.

As a result, the agency said it expected the trend of credit downgrades outpacing upgrades would accelerate in Asia as economies slowed.

It said economists around the region were also revising down-

ward their forecasts for economic growth next year.

"While no one is suggesting a collapse of the magnitude seen during the 1997-1998 crisis, companies will face growing pressure as markets slow down and competition intensifies," it said.

"Slower growth trends will lead to lower operating cash flows, and falling cash reserves, making it more difficult to pay interest on debt," said John Bailey, director at Standard and Poor's in Hong Kong.

"Although Asia is better protected than previously, and we are unlikely to see a repeat of the financial crisis of 1997-1998, it is still vulnerable to a US economic slowdown and reduced demand for Asian imports from Japan," he said.

"The region continues to be plagued by excess capacity, despite the strong growth rebound over the past two years, and restructuring in the corporate and banking sectors in some countries has not been deep enough to radically improve financial strength," said Bailey.

JOBS, Prime Bank sign MOU to assist SMEs

JOBS and Prime Bank Ltd signed a memorandum of understanding (MOU) on Monday to assist small and medium enterprises (SMEs).

The deal was signed at a city hotel on Monday to provide access to capital for SMEs and moveable asset based lending for entrepreneurs in Bangladesh, says a press release.

Reid Lohr, Project Director of JOBS Project, and Kazi Abdul Mazid, Managing Director of Prime Bank, inked the agreement on behalf of their respective organisations.

Senior representatives of the Prime Bank Ltd, the JOBS Project, USAID/Bangladesh and the Bangladesh Institute of Bank Management (BIBM) were, among others, present at the signing ceremony.

Small and medium sized enterprises (SMEs) are the principal employers and the backbone of the Bangladesh economy. However, they have limited access to financial support due to existing

complicated loan processing systems and certain collateral requirements of the banks.

The JOBS Project and USAID identified the lack of technical support coupled with easy access to credit as two of the main obstacles to economic growth in the country.

To amend this situation JOBS signed this MOU with the Prime Bank. The MOU ensures that many of the project's clients, who need working credit to develop and expand, and also meet the criteria set by the bank, can now seek financial support from the bank. At the same time many of the bank's clients who require technical support, which the project is able to provide can now access those facilities.

This exchange of expertise and services means that the Project and Prime Bank, truly a bank with a difference, can work in collaboration to bring about expansion and growth for the Bangladeshi economy and SMEs seeking to develop.

ASEAN meets on 'smart card' travel

AFP, Bangkok

ASEAN delegates met here Tuesday to discuss ways of standardising immigration laws so that "smart cards" could oneday replace passports and visas for member nationals, officials said.

Under the proposal to facilitate travel between member states, the cards would first be issued to government officials, then to business investors and finally tourists as the scheme became fully operational, they said.

Representatives from all 10 Association of Southeast Asian Nations (ASEAN) were to discuss "recommended measures towards harmonization of immigration regulations among ASEAN member countries," according to a statement.

At the Bangkok meeting, which runs through Wednesday, a proposed concept for a common ASEAN standard smart card will be introduced, it said.



Photo shows (from right) Md Anwarul Haque, Director, Al-Haj Akram Hussain (Humayun), Director, Md Aman Ullah, Director, and M Taheruddin, Managing Director of Mercantile Bank Ltd, sign the Balance Sheet of the bank for the year 2000 in the city Monday. Standing behind are Executive Vice-president Shahidul Haque, Deputy Managing Director Nurul Alam Chowdhury, Deputy Managing Director M Nurul Islam and Senior Vice-president Monindra Kumar Nath. The bank made a profit of Tk 19.21 crore before provision and tax during the year.

Asian GDP forecast cut as US economic beacon dims Reuters quarterly survey shows

REUTERS, Singapore

Economists have pared growth forecasts for Asia as its number one customer, the United States, takes a cyclical downturn after a decade of growth and as demand for electronic goods withers in the post-internet-mania era, Reuters latest quarterly economic survey showed.

With few exceptions, estimates for 2001 were revised down compared with a similar survey three months ago.

The region-wide study of over 120 analysts also showed growth rates are anticipated to be well down on those enjoyed in 2000 when the economic bounce saw gross domestic product in some countries getting back to pre-crisis levels, in terms of the headline numbers at least.

"Economic reports and the direction of GDP forecast revisions highlight that downside uncertainties to the near-term growth outlook remain large," said Bernhard Eschweiler, Asia-Pacific head of economic and market research at JP Morgan.

Recession in the first half of the year is a serious risk for the United States, Japan, Korea and Taiwan, while a recovery in the second half

of the year is only a forecast."

Since the last poll in December it has become increasingly clear US economic growth is slowing and maybe even grinding to a halt. Growth prospects have been pared back pretty much globally as sliding stock markets strip away the wealth effect on not only companies, but individuals as well.

Forecasts for Singapore and Malaysia were pared sharply to 5.3 per cent and 5.0 per cent respectively with slowing demand for electronic goods curtailing exports and therefore GDP.

Singapore is coming down from the high base of 9.9 per cent growth in 2000, with Q4 last year alone showing an 11 per cent rise from Q4 1999.

But the curtain was raised on a soft first half of the year at least, with a 9.9 per cent drop in January's manufacturing output, signalling coming weakness in the key electronics products sector.

It is a similar picture in Malaysia where a cooling manufacturing sector will limit growth as demand for electronic goods slows further.

There was broad-based gloom elsewhere with the 3.8 per cent forecast for Hong Kong not far ahead of the 3.7 per cent expected in Indonesia this year.

"We are more negative on the trade picture than before," said HSBC chief economist George Leung, who recently revised his 2001 year-on-year forecast to 2.2 per cent from 3.4 per cent.

"Originally we thought China would be a strong support to Hong Kong but we revised down our (Hong Kong) export numbers in view of poor demand.

The key reason Hong Kong was likely to see any growth at all this year was because the government plans to spend two per cent more of GDP in fiscal 2001/02 than in the current fiscal year. Hong Kong grew 10.5 per cent in real terms in 2000.