

Indian textile expo begins today STAR BUSINESS REPORT

A three-day Indian textile exhibition-ITEXPO-2002-- begins at Sonargaon Hotel today.

The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC) of India in association with High Commission of India, Dhaka has

organised the exposition The objective of the show is to showcase the wide range of textile products of the Indian companies to Bangladeshi buyers, says Sanjeev Saran, chairman of SRTEPC of India, at a press conference held vesterday in the run up to the exhibition

The show will also cater to the need of flourishing garment sector of Bangladesh, Saran added. Deputy high commissioner of

India in Dhaka, minister of Economic and Commercial of High Commission of India, Dhaka RR Das and director of Indian textiles ministry KK Jalan were also present on the occasion.

Twenty leading Indian manufacturing companies from different product categories are participating in the exhibition.

Irag to grant Germany priority trading status AFP, Baghdad

Iraq will grant Germany priority trading status as a reward for anti-US protests in Berlin last month when President George Bush visited, Trade Minister Mohammad Mahdi Saleh said Sunday.

"Iraq has decided to include Germany among the countries accorded priority status for trade, he told reporters Saleh did not spell out the bene-

fits of priority status, which has also been granted notably to Russia and China "This is in consideration of the German people who demonstrated against the visit to Germany of

President Bush during a tour of Europe and against the US threats to strike Iraq," Saleh explained. Some 20,000 people turned out

in Berlin to protest US policies Saleh said the value of trade between Iraq and Germany had reached nearly 661 million dollars since the UN's humanitarian oil-for food programme began in 1996.

Philippine Jan-May portfolio net inflow \$167.3m REUTERS, Manila

Banks find more profit with SMEs

SEDF symposium told

STAR BUSINESS REPORT

Banks find it more profitable to work with the small and medium enterbanks prises (SMEs), said speakers at an international seminar in the city vesterday

They said bank loans and consultative services make the SMEs more profitable in developing countries. They also said lending to SMEs

not only benefit the enterprises but also the banks. They were speaking at a discus-

sion titled 'International Symposium on Profiting from Lending to Small and Medium Interprises', which was oraganised by South Asia Enterprise Development Facility (SEDF), a concern of World Bank Group.

The symposium also facilitated the Bangladeshi bankers to interact with executives of banks in South

Thailand and the United States, which have made lending to SMEs brand product here

the most profitable part of their Mahmudur Rahman, executive director of Board of Investment to the mark (BOI), in his address said banks focus on business not on collateral.

He also said the government must support the SMEs for their development.

Rahman assured the government and BOI will provide entrepreneurs with information for the development of SMEs

Dr Antonnie De Wilde, programme manager for SEDF, pointed out that there is lack of information about business in Bangladesh

He said there is a huge opportunity for local SMEs to supply basic raw materials to multinational com-Africa. Sri Lanka. the Philippines. panies which imports those to produce internationally recognised But, he said, the multinational

companies do not buy local products, as standard of those is not up The country should establish food quality assurance laboratories

to raise the standard of local products, he added Referring to the huge trade gap between Bangladesh and India, Wilde said Bangladeshi entrepreneurs could target the huge market

of neighbouring India to improve the situation in favour of Bangladesh. He said the IFC and SEDF could help the SMEs develop but local

SMEs should focus on the huge regional market. Jo' Schwenke, managing direc-

tor of Business Partners of South Africa, said before making investment investors or lenders look for a

viable business plan, good management and above all the vision and drive to succeed.

The rest is up to us. Based on the viability of the business and its risk profile, we structure a customised investment and management package unique to each of our clients," he added.

Ranjit Fernando, secretary of the ministry of enterprise development of the government of Sri Lanka, Charles Wendel, president of Financial Institutions Consulting in New York, and Aleksandra Skoric, an investment analyst with the small and medium enterprise department of International Finance Corporation (IFC), also spoke on the occasion.

Participants from India, Nepal, Maldives and Sri Lanka are participating in the two-day symposium.



PHOTO: STAF Mangoes from Rajshahi region have started arriving in the city. Popular varieties like lengra and himsagar sell between Tk 40 and Tk 50 a kg at Badamtali wholesale market.

Apparel exporters submit memo to PMO today

Seven-point demand on agenda

STAR BUSINESS REPORT

work together to attract foreign investment in Bangladesh, says a Failing to woo the heart of the finance minister, three associations This was agreed at a meeting of apparel exporters today will between the Executive Chairman of submit a memorandum to the Prime BOI, Mahmudur Rahman, and the Executive Chairman of BEPZA Brig Gen (Retd) M Mofizur Rahman in Minister's Office (PMO) in favour of their seven-point demand.

Only the knitwear exporters associated with the three associations -- the BKMEA, BTTLMEA and BGMEA -- will gather in front of the BTMC Bhaban at Karwan Bazar at 11.00 am and then march to the PMO in their fresh bid to win the heart of the policy planners.

Their demand includes payment of all outstanding cash incentive within June 30 and continuation of the incentive at the rate of 25 per cent till December 31, 2004.

They also demanded of the government to allow import of yarn against back to back LC (letter of credit) from India through Benapole land port to help the local exporters

survive the stiff global competition. To press home their demand knitwear industry owners, employees and officials will stage a onehour long sit-in in front of their respective factories on June 22.

The knitwear exporters said if the government does not fulfill their seven-point demand they would go for movement

We hope the government would take a positive decision regarding meeting our demand soon. Otherwise, we would be left with no other option, but to go for further programmes, they said

Last week Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Terry Towel and Linen Manufacturers and Exporters Association (BTTLMEA) and knitwear industry owners of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) through a joint press conference

announced a series of programme. Their demand also includes payment of cash incentive within seven days of submission of the application to the bank in the future. Otherwise, as an alternative, there should have an arrangement so that the commercial banks provide 90 per cent of the demanded cashncentive as interest-free loan to the

exporters. Besides, they demanded not to snap telephone, gas and electricity connections of the export oriented ndustries if they cannot pay the bills

till getting the cash incentive Earlier, the BGMEA, BKMEA and

BTTLMEA declared a series of agitation programme last month to fulfill their demands. However, the associations postponed the movement following a 'positive' meeting with Commerce Minister Amir Khosru Mahmud Chowdhury on May 28.



Mahmudur Rahman, executive director of Board of Investment (BOI), speaks at an international symposium oraganised by South Asia Enterprise Development Facility (SEDF) in the city yesterday.

Pak economists slam budget as anti-poor, IMF-sponsored

accordingly," Aziz added.

frontier with Afghanistan.

scattering from both countries.

ΑΓΡ, Karach

BOI agrees to support BEPZA for investment promotion

Board of Investment has agreed to

Processing Zones Authority and

Mahmudur Rahman said as

mother organisation, the Board of

Investment will initiate programmes for investment promotion of the

Brig Gen Mofiz briefed BOI chief

The meeting also discussed the

possibilities of increasing the facili-

ties and incentives being offered to

the investors after assessing the

facilities and incentives of other

members of BOI and BEPZA and

The meeting was attended by

about various incentives and facili-ties offered by BEPZA to its inves-

press release

the city on Saturday.

country including EPZs

competing countries.

senior officials of BEPZA.

Foreign portfolio investments in the Philippines saw a net inflow of \$167.3 million from January to May against a net outflow of \$13.6 million a year ago, the central bank said on Sunday.

Total inflows from January to May amounted to \$728 million, up 11 per cent from \$655.9 million in 2001. Outflow totalled \$560.7 million versus \$669.5 million last year.

Portfolio funds are usually invested in the stock market, government securities, mutual funds and insurance.

The central bank data was collated from reports from the five major custodian banks HSBC. Citibank Standard Chartered, Deutsche Bank and ING Bank.

Asia's biggest telecom fair begins this week in S'pore AFP, Singapore

Asia's biggest telecommunication fair will take place here this week on an upbeat note as industry players position themselves to cash in on a new generation of multimediacapable mobile phones.

Manufacturers and software developers are using the CommunicAsia 2002 show to promote Multimedia Messaging Service (MMS) technology, touted as the next big thing after the phenomenal success of Short Messaging Service (SMS)

MMS will allow color pictures, animation, recorded sound and even video to be transmitted, unlike SMS, which is limited to text and rudimentary images but has nevertheless become a money spinner for the mobile phone industry.

Moreover, MMS can be implemented on existing wireless systems even before operators roll out costly third generation (3G) platforms, whose commercial launch timetable has been clouded by financial problems.

The Asia-Pacific region is expected to be the main battleground in the mobile phone business in the next few years as handset sales taper off in more mature markets like North America and Europe

Economists Sunday condemned Pakistan's new budget as anti-poor, saying it would do nothing to help millions living below the poverty line as hostilities with India blight the nation's fortunes.

The document unveiled by Finance Minister Shaukat Aziz late Saturday was drawn up under the influence of international financial institutions and was likely to worsen the plight of the country's poor, they said.

Aziz announced a 742 billion rupee (12.32 billion dollar) deficit budget for the 2002-03 financial vear, saving that defence spending would stay high and could be raised

even further if the situation so demanded The government raised duties on edible oil, utility bills, cigarettes and cement and withdrew existing exemptions on 55 items which

An Asian Development Bank report said more than 30 per cent of would affect the common man,

The country's defence expenditure stood at 3.6 per cent of GDP

(gross domestic product) compared "This budget, I believe, is not to 4.1 per cent of GDP for the current likely to contribute towards accelerating economic growth or improving "However if the situation at the the human development indices, said Shahid Hasan Siddigui, chairborders continues to be tense and our forces remain mobilised, the man of the Research Institute of

defence outlays will be revised Islamic Banking and Finance. The budget provisions are within Pakistan has massive military the framework laid down by the International Monetary Fund (IMF) commitments with three quarters of under its poverty reduction and a million Indian troops eveballing a growth facility (PRGF) the World quarter-million of its own forces on the eastern border and operations Bank's structural adjustment facility, against Taliban and al-Qaeda he said.

ighters continuing on the western "We have already absorbed the extra burden of defence needs by Nuclear-armed rivals India and increasing the defence expenditure to 151.7 billion rupees from 134 Pakistan om recent weeks have come close to fighting a fourth fullbillion rupees in the current budget said economist Arshad Arif. scale war, sending foreign inves-

tors, diplomats and businesspeople But citing the finance minister's comments he said: I expect revisions in several budget targets in the next one or two months.

cater to the growing Asian immi-

grant populations across the globe

stepping stone," Kwek said, adding

that the company was pushing

'The Ásian market is always our

especially in North America

aggressively into Canada.

stream," she said.

US).

vear.

Singapore goes to foods to reinvent economy

AFP, Singapore

As Singapore searches for ways to reinvent itself, food is emerging as a new source of economic nourishment with exports growing while other sectors of the economy are in retreat.

Known more for being an exporter of high-end electronics and technology products, the city-state has begun to establish itself as a maker of high-quality processed and ready-to-eat food.

Manufacturers make no excuses for producing popular food items at a higher price than Asian rivals, saying they overcome the cost factor by focusing on the quality of the products and the country's

squeaky clean image. "We always have the upper hand because Singapore has a reputation for hygiene and quality," said Diana Kwek, a director at Thong Siek Food Industry Pte. Ltd., which makes fishballs and other seafoodbased products.

With a small domestic market of less than four million, Singapore food manufacturers said they had to turn overseas, with the result that

food and beverage exports grew revenues

50:50 here.

nearly two per cent last year while the overall economy shrank by the same amount.

Tee Yih Jia Food Manufacturing Pte. Ltd., which began 25 years ago as a local spring roll skin maker, now holds at least 50 per cent share of the global market, according to market development manager Laureen Goi.

The company, whose name means "number one corporation" in Mandarin, has expanded its range to include items such as the Indian roti paratha bread and ready-to-eat crepes

Nearly 90 per cent of the company's revenue comes from Last year, export sales exports. . Singapore totalled 122 million dollars (68.5 million US).

This is despite the fact that its products, sold mostly under the "Spring Home" label, are on averade 30 per cent more expensive than rival products.

Kwek, from seafood-oriented Thong Siek, said her company was working to make exports worth at least 50 per cent of income. Last year, exports totalled 32 million dollars accounting for 30 per cent of live below the poverty line, earning ABBL opens ATM less than a dollar a day.

service at its Uttara branch

tors

Arab Bangladesh Bank Limited has introduced ATM service at its Uttara Branch in the city, says a press release

Abu Haniff Khan, president and managing director (acting)opened the service at a function last week. The service will facilitate the

bank's customers for a twenty-four hour withdrawal of cash at their convenience.

Speaking on the occasion. Khan said AB Bank will present its customers ONLINE banking facility within the year 2002, through which any of the customers could be able to have his complete banking services from any point of its branches situated all over the country.

Among others, Iqbal U Ahmed, executive vice president, Credit Division, also spoke on the occa sion

Malek Shamsher and Md А Shafiquddin, executive vice presidents, were also present.

Indian software firm Polaris to give Japan's Shinsei Bank solutions

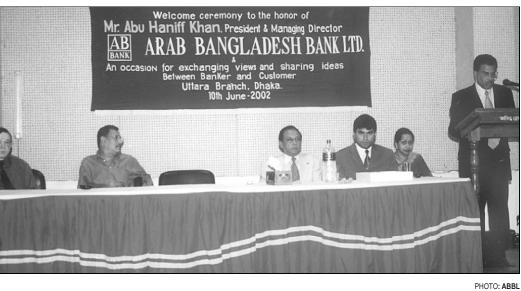
India's Polaris Software Laboratory said Friday it has struck a deal with Japan's Shinsei Bank Ltd. to provide retail banking products with a view to offering the service to other Japanese lenders.

range of solutions owned by its unit "We always have to make our-BankWare would be implemented in selves seen and our brand available Shinsei, the only major Japanese in these (Asian ethnic) markets bank owned by foreign investors. before we can get into the main-

other Japanese banks as well," the and beverage products worth 1.75 Indian firm said in a statement.

billion Singapore dollars (983,146 The growth was all the more range of services to their customers. remarkable as the export-

ing technologies form a key area of Shinsei's growth strategy, as it is looking at building the best technol-2001 trade fall by 9.4 per cent to 426 ogy platform of any bank in Japan,' billion dollars from the previous the firm said.



Abu Haniff Khan, president and managing director of Arab Bangladesh Bank Ltd, speaks at the opening of ATM service at its Uttara branch in the city last week.

Doubts grow over US economy as consumer sentiment falters

AFP, Washington

Doubts grew about the strength of the US economic recovery amid new data Friday showing faltering consumer sentiment and other reports indicating weaker than expected growth

Although the Federal Reserve reported growth of 0.2 per cent in industrial output in May -- a figure seen as positive, although below expectations -- a sharp drop in consumer sentiment cast doubt over the pace of US growth, econo-

The University of Michigan consumer sentiment index slumped to 90.8 from a 96.9 reading in late May. The fall was significantly larger than anticipated by economists who expected a figure around 96.

Economists are concerned that any retrenchment in consumer spending -- which accounts for twothirds of the US economy's gross domestic product -- may crimp the recovery from last year's recession.

"Clearly, consumer attitudes are showing signs of caving in under pressure from the dramatic erosion in the equity markets in the last few weeks," said Anthony Karydakis of Bank One.

"Whether this will translate into a substantial slowing in consumer spending over the next few months remains to be seen."

The faltering consumer sentiment report came on the heels of a report Thursday that showed a surprise 0.9 per cent drop in retail sales -- a sign that consumer attitudes may be manifested by lower

spending Some economists suggest that falling sentiment and sliding stock prices could produce a vicious downward cycle

But Bruce Steinberg, chief economist at Merrill Lynch, said that despite the turmoil on financial markets, there should be no panic when the data is seen in context.

"The US economy hit a speed bump in May but it is not rolling over." Steinberg said.

"The soft economic data reinforced the equity market's pain and the bond market's gain. But there are already signs the economy began to reaccelerate in June." Steinberg said he sees gradual

improvement in the job market, which he argued is the key to the recovery

"If job growth picks up, consumer spending gains will be healthy," he

said. "If it doesn't, they won't. It's as simple as that. Everything else, from the stock market to issues of indebtedness is a sideshow when it comes to the consumer.

Economists said the industrial output increase is a positive sign for the economy, despite the concerns over consumer attitudes.

"Since December, output is up almost two per cent, a very solid performance," said Joel Naroff of Naroff Economic Advisors.

"This report makes it clear that not only is the manufacturing sector back up and running, but investment activity is beginning to pick up, as well. There are some weak sectors remaining, but they are extremely few and far between.

Henry Willmore of Barclays Capital also saw it as a good report that showed gains in the key technology sector

"Although the headline number was lower than anticipated, most of the weakness was in utility production, which fell by 0.9 per cent," he said. "Most of the other industries reported increases in production. Notably, high-tech industries reported a 1.2 per cent rise.

mists said The major software house said a

"Shinsei and Polaris forsee partnership to offer solutions to Last year, Singapore posted a 1.9 per cent rise in exports of food

Polaris said its solution framework helps banks deliver a diverse

"This becomes critical as emergdependent country suffered severely from a global economic slowdown which saw its overall

AFP, Tokyo

