

## Challenges of globalisation

# Garment, textile mill owners agree on common stand

UNB, Dhaka

Apparently ending their conflict of interests, the stakeholders of readymade garments and textile industries have agreed to evolve a common strategy to face the challenges of globalisation.

They have also decided to work with government functionaries to find ways for development of the industries through removing bottlenecks, including tariff anomalies and development of backward linkage industries.

The encouraging development came as the stakeholders yesterday met two senior ministers, agreeing to go for a common stand.

The trade bodies of readymade garments (BGMEA) and textiles (BTMA) had long been at loggerheads, particularly over Saarc cumulation issue. BGMEA favoured the issue while BTMA opposed it.

Now they have come closer over

new issues like global cumulation, a bit deviating from the controversial Saarc cumulation, and seeking a reserved market in the European Union.

Another issue is to cut interest rates on loans, especially for the sector.

"We'll have to take measures so that all the stakeholders can become cost effective internationally," Finance Minister Saifur Rahman told newsmen following the meeting with Bangladesh Textile Mills Association (BTMA) at his office.

He said a committee, comprising all the stakeholders and representation from the government, would be formed to devise a common stand.

"We'll consider interest rate cut if necessary," he said. The minister also assured BTMA to refer their concern over tariff anomalies on textile spare parts to the National Board of Revenue (NBR) for consideration.

The proposed committee will examine and suggest the government support measures, including a BTMA proposal to create a special fund of US\$1.5 billion to develop backward linkage industry for RMG at a concessionary rate.

BTMA President MA Awal said they would be able to meet the rest of the demand for woven cotton fabrics by the RMG industry by the next five years if the funds were available at concession.

He claimed that the local textile industry now meets 40 percent demand of the woven cotton fabrics. BGMEA president Quazi Moniruzzaman, however, set the level at 18-20 percent.

Later in the afternoon, a BGMEA team along with BTMA leaders met Commerce Minister Amir Khosru Mahmud Chowdhury at his office, deciding to forge a common stand on their causes.

"We've decided to devise a common strategy to tackle the crisis of the industry,"

Moniruzzaman told reporters following the meeting. They will evolve a strategy whether they will go for global cumulation or seek a reserved market in the EU market.

And the common strategy will be submitted to EU trade commissioner Pascal Lamy, who is expected to arrive here on January 17 and hold meetings with the government and the stakeholders.

The BGMEA president said they would take decision on the issue next week.

If they prefer global cumulation and the EU allows it, the imports for RMG from elsewhere in the world would be treated as value addition to our exports. Export to EU requires 50 percent plus value addition to get duty-free status.

If the EU allows a reserved market for the LDCs, it will mean that the export from the LDCs like Bangladesh gets an ensured market there and thus requires no value addition.

## Tallu Spinning Mills okays cash dividend

Tallu Spinning Mills Limited has approved cash dividend of Tk five per share for the shareholders.

The approval was made at the 14th annual general meeting of the company held in Chuadanga recently, says a press release.

Md Mozammel Haque, chairman and managing director of the company, presided over the meeting.

Among others, Md Rafiqul Haque, Md Atiqul Haque and Md Shaifur Rahman, directors of the company and SM Shahid-ul-Arafin, company secretary, were present.

## Confidence Cement share trading resumes

STAR BUSINESS REPORT

Share transaction of Confidence Cement began yesterday after the Dhaka and Chittagong stock exchanges lifted the suspension on the company's share trading.

Dhaka Stock Exchange (DSE) on December 17 temporarily suspended share trading of the company as Confidence Cement furnished conflicting information regarding its annual general meeting (AGM) and dividend. Chittagong Stock Exchange (CSE) followed the DSE move on December 18.

The withdrawal came following publishing corrigendum in newspapers to correct its advertisement which said the company might announce interim dividend, though its December 14 board meeting did not take any resolution on the issue.

The action was taken after the listing committee of DSE found contradictory information in the AGM notice given to the bourse and the communiqué published in newspapers.

DSE CEO Salahuddin Ahmed Khan said the embargo was lifted as the company has agreed to publish audited accounts, reschedule its AGM and meet other requirements as demanded by the bourse.

Meanwhile, DSE has granted delisting appeal of Highspeed Shipbuilding and Heavy Engineering Co Ltd. The company had no floor share trade for many years at the DSE.

The sponsors and directors hold 99.93 percent share of this company.

The company was the one of the 16 companies whose share trading was suspended by Securities and Exchange Commission on December 3 following abnormal jump in prices.

## Thailand sets rice export target at 8m tons

THE NATION/THAILAND

Encouraged by larger-than-expected growth in rice exports last year, the Thai government has set a historically high export target of eight million tons for this year.

Rachane Potjanasutorn, director-general of Foreign Trade Department, said yesterday that the country's total volume of rice exports last year saw a 4.68 per cent year-on-year increase to a record high of 7.58 million tons.

The value of these exports, meanwhile, increased by 19.5 per cent to \$1.86 billion.

The department had earlier projected the overall volume of exports for last year would be 7.3 million tons.

The record volume prompted the department to set an export target for this year of eight million tons of rice, worth \$1.9 billion.

"If successful, this would mark the first time in the Kingdom's history that the volume of rice exports reached eight million tons," Rachane said.

Thai jasmine rice in particular has received a warm welcome from the market with export prices jumping 60.59 per cent to \$538 per ton as of last month, compared with \$335 in the same period in 2002.

Farmers have also seen the price of paddy rice increase to \$221.50 per ton.

Prices of other rice strains, such as 100 per cent and 5 per cent white rice, have also increased, tracking jasmine price.

## Correction

Bank Asia Limited has contradicted its profit figures put in the news heading "Bank Asia sees uptrend in 2003" published on this page yesterday. The bank said its operating profit in 2003 was Tk 43.11 crore which was 87.69 per cent higher than 2002, instead of Tk 38 crore (59 per cent growth) as mentioned in the report.

# BB governor urges banks to bring in new products

STAR BUSINESS REPORT

Bangladesh Bank Governor Fakhruddin Ahmed has urged chief executive officers of different commercial banks to come up with diversified products for customers.

Fakhruddin said at present 49 commercial banks are in operation with almost same products.

Giving examples from developed nations, where banks are providing various products, the central bank governor said local banks should try to bring in enthusiasm in the market with newer products and services.

He was speaking at a roundtable on "The Changing Trends in

Banking and The Role of CEOs'. Brac University organised the seminar at Brac Centre Inn in Dhaka on Tuesday evening.

Faisal M Rahman, founding dean of Graham School of Management of Saint Xavier University in USA, presented the keynote paper at the programme. Jamilur Reza Choudhury, vice-chancellor of Brac University, moderated the roundtable.

The BB governor said banks are now focusing on better customer services and modern technologies to compete in a changing trend in banks.

While speaking on the role of the CEOs, Fakhruddin said first they should fix goals for the devel-

opment of their banks. Fakhruddin said it is true that there are problems in running organisations in Bangladesh but the CEOs should adapt themselves to the crises.

The BB governor also said the successful CEOs should have passion. "If anyone lacks passion he or she will never be able to give best in the job," he told the CEOs.

Presenting the keynote paper Faisal, who is now the CEO of Apac Group of USA, said a successful CEO should keep him in regular study for up to date information.

Managing directors and CEOs from 20 banks attended the roundtable.

## Reduction of agency commission Travel agents observe token hunger strike

STAR BUSINESS REPORT

Travel agents yesterday observed a token hunger strike in Dhaka as part of their agitation to protest the reduction of agency commission from nine percent to seven percent by the Board of Airlines Representatives (BAR).

During the two-hour strike from 10am to 12pm in front of the Jatiya Press Club, leaders of the Association of Travel Agents of Bangladesh (Atab) demanded keeping the nine percent agency commission unchanged.

Travel agents across the country will begin a strike for indefinite period from January 16 if the demand is not fulfilled by BAR by January 15, Atab President MA Muhaimein Saleh said addressing a rally there.

A large number of Atab members took part in the hunger strike.

The BAR decision on commission cut from nine percent to seven percent took effect from January 1 this year. Atab leaders said the decision has raised the passengers' travel costs as the agents can not offer them much commission.

"In fact, the commission cut has hit the lower class people who constitute 70 percent of our passengers," Saleh said.

On the other hand, he said, it allows foreign airlines to make extra profit of US\$ seven million annually. The foreign airlines dominate the Bangladesh market with 74 percent share and Bangladesh Biman has 26 percent share.

The Atab president urged the state minister for civil aviation and tourism to intervene in the matter for reconsideration of the BAR decision.

## DBTEL cellphone sets launched

STAR BUSINESS REPORT

Wintel Limited yesterday formally launched Taiwanese DBTEL cellphone sets in Bangladesh assuring the customers of high quality and after sales service.

As local distributor of the leading cell phone manufacturer of Taiwan, Wintel will market DBTEL 2048 sets with the package of GreenPhone from this month.

The sets will be marketed through other GSM (Global System for Mobile Communication) cellphone operators gradually.

Company officials at the launching of DBTEL 2048 said the handsets are light weight, durable and scratch and shock proof.

"The price is within the affordability of customers," Faisal Alim, managing director of Wintel, told a press conference organised to mark the launching of DBTEL handsets. "The sets are comparable with any other European brands."

The set has all standard features including auto redial, graphic display, vibrating alarm, 100 phone memory, call waiting and holding, instant memory checking, reminder calendar, battery signal indicator, calculator, alarm clock and games.

DBTEL 2048 with lithium ion battery has 180-minute talk time and 150-hour standby capacity.

The sets are capable of downloading logos and ring-tones. DBTEL, which also manufactures telephone equipment, has already conducted a study to make the handsets suitable for Bangladesh's weather and network.

In reply to a query, Fernando Fang, manager of Asia Pacific Sales of DBTEL said the company has a plan to invest in Bangladesh. "Bangladesh is a nice country for investment with huge potential for the growth of telecommunications."

Fernando Fang said DBTEL wants to be the number one handset maker in terms of quality. His company had previously produced handsets for big brands but they are now concentrating on promoting its own brand.

The Taiwanese company has produced handsets and equipment for US Motorola, Alcatel, Siemens, Philips, AT&T, Telit and many others companies.

Fernando Fang said DBTEL will prove its excellence by providing efficient after sales service to its customers.

ATM Mahabubul Alam, executive director of Wintel, and Noel Carey, managing director of Elite Dragon Asia Limited-Hong Kong, a subsidiary of Wintel, among others, attended the press conference organised at a city hotel.

## Citigroup ranked biggest bank

Citigroup, the holding company of Citibank NA, became the biggest bank of the world for 2003.

Global Finance has ranked Citigroup at the top measuring its total assets, which stands at \$1,097 billion from \$1,051 billion, says a press release.

Last year's leader, Mizuho Holdings, slipped to second position as its assets declined to \$1,030 billion from \$1,270 billion.

## Container shippers form association

Container shippers formed an association styled as International Containers Shipping Association (ICSA).

The members of ICSA will host a reception today in honour of the container shipping agents with a view to expanding its membership.

After the reception ICSA will finalise its business plan and commence its activities in support of the country's export and import trade.

Container shippers contribution to port revenue currently run in excess of Tk 3.5 billion and they also contribute freight tax in excess of Tk 750 million and corporate tax in excess Tk 200 million. The sector also earns foreign exchange to the tune of Tk 600 million.

Formation of ICSA will help boost the country's shipping sector.

## New brands & dev director of Lever Brothers



Naushad Chowdhury has been appointed the new brands and development director of Lever Brothers, an Anglo-Dutch multinational.

Prior to the new assignment, he was holding the position of marketing manager and media controller for the company, says a press release.

He is the first Bangladeshi to become brands and development director for the local operation of Unilever, a global giant in home, personal care and foods business.

## Call money rate steady

BSS, Dhaka

The inter-bank money market remained steady yesterday as most banks could overcome their cash problems, fund managers said.

The call money rate touched its intra-day high at eight per cent and in most deals ranged between five per cent and 7.50 per cent in line with its previous day's closing, fund managers of leading commercial banks said.

The banking system is now facing difficulties with huge surplus funds amounting about Tk 7000 crore due to thin credit and low investment. To increase investment and credit flow, banks already have cut interest rates in different portfolios.



PHOTO: WINTEL

Faisal Alim, managing director of Wintel, shows a mobile phone set of DBTEL, a Taiwanese handset maker, at a function held to mark the launching of the set in local market yesterday in Dhaka.

# FBCCI for halting BTTB's cheaper int'l phone calls

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has urged the government to suspend the internet telephony service launched by the state-owned Bangladesh Telegraph and Telephone Board (BTTB).

The BTTB has launched the service using the packet switching technology when the telecoms regulator is finalising a policy for voice over internet protocol (VoIP), FBCCI President Abdul Awal Mintoo told a parliamentary body meet yesterday.

The parliamentary standing committee on the Ministry of

Science and Information Communications Technology (ICT) invited the FBCCI president to express the views of the business community.

Mintoo said the BTTB has created an uneven competition between the public and private sector operators. It recently introduced a special access code for telephone call to US and Canada at a rate of only Tk 7.5 per minute, he mentioned.

He suggested bringing under a single ministry the telecommunications sector and the ICT as he said they are supplementary to each other.

Mintoo underscored introduction of electronic transaction,

lowering the licence fee for VSAT and facility of re-export of computer hardware and warehouse.

He said Bangladesh Telecommunications Regulatory Commission (BTRC) should be given more authority to enable it to act independently. The telecom regulator should gear up its activities, he thought.

Presided over by standing committee Chairman Md Nurul Islam Moni, the meeting was attended by, among others, Science and Information Communication Technology Minister Dr Abdul Moyeen Khan, State Minister for Education ANM Ehsanul Haque Milon and members of the committee.

# SEC sues top officials of Tripti Industries

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday filed a criminal case against chairman, managing director and directors of Tripti Industries Limited for 'act of deceit' in share sale.

SEC Deputy Director (Law) Mahbubur Rahman Chowdhury lodged the case with the Court of Chief Metropolitan Magistrate (CMM) of Dhaka.

The accused are chairman

Mohammad Bhai, managing director Mobarak Ali, directors Aziz Mohammad Bhai, Raja Mohammad Bhai and Munir Ali and another director Nasirullah Mirali and their agent Golam Mostafa and Associates.

After hearing, Metropolitan Magistrate Emdadul Haq took the case into cognisance and fixed January 14 for order on the issue.

In his complaint, Mahbubur Rahman said the accused had allured people to buy shares of

Tripti Industries Limited showing a 100 taka share as 225 taka with a premium rate of Tk 125 on March 30, 1997. Thus they showed shares worth Tk 16 crore to be Tk 26 crore and deceived people, the plaintiff said.

An SEC probe body formed at its surveillance meeting on November 20, 2000 found act of deceit in the procedure of share sale. In its report, the committee said officials of the company failed to show valid documents for sale of Tk 8.15 crore shares.

## India gold prices hit record high

REUTERS, Mumbai

Gold prices in India touched a record high Tuesday in line with a surge in global prices that recently took the yellow metal to a 15-year high in New York.

Soaring prices for gold have hurt retail sales and imports, especially during India's lean buying season, traders said. But demand in India, the world's largest consumer, could gradually pick up after about 10 days, they said.

Gold demand in Bombay, the country's financial capital, was barely 100-150 kg a day, against an average of about 600 kg. It was about 50 kg in the western city of Ahmedabad against normal demand of 300-400 kg per day, traders said.

"Trading volume has sharply fallen as buyers as well as sellers are scared of the price volatility," said Girish Choksi, an Ahmedabad-based bullion trader.

Traders said imports had fallen

drastically and a large portion of domestic demand was being met by recycled gold.

Pure gold opened at the highest level of 6,340 rupees (\$139) per 10 grams or about \$432 per ounce on Tuesday in Bombay, up from the previous day's open of 6,260 rupees.

Domestic prices follow world trends as India imports an average 1.6 tonnes a day to meet about 70 per cent of its annual gold demand of more than 800 tonnes.

## Body formed to keep Benapole port in operation for 24 hours

OUR CORRESPONDENT, Khulna

A nine-member committee has been formed to keep Benapole land port in operation round the clock.

Headed by deputy commissioner of Jessore, the other committee members are police super, representatives of five truck workers' unions, an official of Benapole land customs and one representative from both C&F agents' association and truck owners' association.

The decision was taken unanimously in a meeting chaired by the DC held on Tuesday night between truck workers' union and Jessore district administration.

The committee will also have a sub-committee with upazilla nirbahi officer (UNO) of Sharsha as its head.

The sub-committee will be empowered to resolve any dispute first before sending it to the nine-member committee.

## Repo auction

UNB, Dhaka

The Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

Six bids of 1-day tenor amounting to Tk 270.50 crore were received and that were accepted.

The rates of interest against the accepted bids ranged from 4.55 percent to 4.50 percent per annum, said a press release of the central bank.

## Eskayef Bangladesh holds annual sales confce

Eskayef Bangladesh Limited held annual marketing and sales conference on Tuesday.

Latifur Rahman, chairman and managing director of the company, inaugurated the daylong programme at the Pan Pacific Sonargaon Hotel in Dhaka, says a press release.

AM Faruque, executive director of Eskayef Bangladesh, and Abdus Sadeque, head of marketing division, also spoke.

Field and marketing personnel of the company participated at the programme.

PHOTO: ESKAYEF BANGLADESH

Latifur Rahman (centre), chairman and managing director of Eskayef Bangladesh Limited, directors Atiqur Rahman (left) and Saifur Rahman (second from left), AM Faruque (second from right), executive director, and Abdus Sadeque (right), divisional head of marketing of the company, are seen at the Annual Marketing and Sales Conference 2003 of Eskayef Bangladesh held in Dhaka on Tuesday.