

RMG exports rise to EU, decline to US

Overall earnings register 13.88pc growth in eight months of current fiscal

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Readymade garment (RMG) export witnessed an uptrend in the European markets while the exports to the US dipped in the first eight months of the current fiscal.

However, the overall export earnings registered a 13.88 percent growth over the same period of last fiscal year.

Earning from RMG exports to some European countries including Germany, UK, Italy, France, Belgium and the Netherlands, increased during July-February period of 2003-04.

But earnings from garment exports to the US during the period

declined by 15.89 percent, compared to the earnings during the corresponding period of the last fiscal.

According to the Export Promotion Bureau (EPB), the country earned \$1066 million from RMG exports to the US during July-February period of this fiscal while the amount was \$1267 million during the same period of 2002-03 fiscal.

Officials of the EPB attributed the downturn in Bangladesh's readymade garment exports to the US market to stiff competition with China.

China's expanding market in the US also hurts other least developed countries (LDCs), an EPB high official said.

Three-fourth of Bangladesh's total export earnings come from RMG sector.

According to EPB statistics, export earnings increased by 58.44 percent in Germany, 24.79 percent in the UK and 26.2 percent in France during the eight months, compared with the same period of last fiscal year's same period.

The overall export to the US also dipped by 14.8 percent. The export figure of July-February 2003-04 is \$1247 million as against \$1463 million in 2002-03.

Earnings from export of woven garments witnessed an 8.74 percent growth, knit garments 25.09 percent, frozen foods 10.5 percent and chemical fertiliser 46.92 percent growth

during the eight-month period.

The overall export earning during the period was \$4792.74 million as against the target \$4867 million. The earning was \$4208.57 million during the same period of last fiscal.

The export targets in knitwear, home textiles, textile fabrics, ceramic tableware, tea, frozen food, agricultural products were achieved but woven garments, leather, jute goods, bicycle, chemical products, handicraft failed to reach the sector-wise targets.

Share trading settlement of 3 cos thru' CDS from Apr 27

BSS, Dhaka

The trading of de-mated shares of Industrial Development Leasing Company (IDLC) Bangladesh Ltd, Sandhani Life Insurance Co Ltd and Square Textiles Ltd will start from April 27 in both Dhaka and Chittagong stock exchanges.

The Securities and Exchange Commission (SEC) in an announcement yesterday declared these issues eligible for electronic transactions through the central depository system.

So, physical share certificates of these companies will not be allowed for trade from April 27.

Before start of electronic settlement of share trading through the CDS, both DSE and CSE will arrange spot trading for these scrips from April 20 to April 22. Trading of these scrips will be suspended from April 24 to April 26 for smooth conversion of paper shares into electronic ones.

New company plans to launch landline phones

Nitol Group signs contract with Technoheaven Co, Bengal Communications International

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contract signing ceremony in Dhaka.

The company will apply for licence in a day or two, officials said with a hope to start operation within six months after getting the permission.

"We had talks with several foreign companies and finally we chose Bengal Communications which has huge experiences and expertise in the telecoms industry. Our another partner Technoheaven is a leading software company in the country," Matlub said.

They have formed a joint venture company, Bangla Phone Limited with a planned investment outlay ranging between Tk 60 crore and 100 crore to launch the service under Public Switching Telephone Network (PSTN).

"We have decided to launch the service as there is huge pending demand for cheaper and more durable telephones in the country," Abdul Matlub Ahmad, chairman of Nitol Group, told reporters at the

community to involve more non-resident Bangladeshis (NRBs) in their businesses.

He appreciated Nitol Group for choosing a company run by NRBs as its partner.

Amjad H Khan, managing director of Bengal Communications International Inc, said the joint venture company would try to provide telephone connections at the shortest possible time with better quality internet facilities.

The contract signing ceremony held at Dhaka Sheraton Hotel was also addressed by Syed Abu Naser Bukhtear Ahmed, managing director of Southeast Bank Ltd and Habibullah N Karim, managing director of Technoheaven Co Ltd.



Obaidur Rahman Khan (2nd from left), executive director of Transcom Electronics Limited, looks at a product at the 'Philips Corner' that was opened at Meena Bazar shopping mall at Dhanmondi in Dhaka yesterday. Quazi Shahed Ahmed (left), editor of the Ajker Kagoj, is also seen in the picture.

New settlement period of share trade comes into force

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New settlement period of share transaction in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) came into force yesterday.

The new settlement period became effective in CSE for shares of both A and B categories. The DSE adopted the period for A category shares. The DSE however will implement the new settlement guideline for B category securities from April 17.

The Securities and Exchange Commission (SEC) reduced the period of settlement and clearance of share transaction by one day to increase market liquidity and make the secondary market vibrant, officials said.

The new settlement period - T+2 and T+4 -- will replace the existing duration - T+3 and T+5. Under the new duration of settlement, stock members and brokers will have to deposit shares and cash at settlement and clearing department in the

stock exchanges within two days of order placement (T+2) from general investors. And the stock exchanges will have to settle transaction within next four days (T+4).

Market analysts are of the opinion that the regulator should reduce the settlement and clearing period to derive maximum benefit from the central depository system (CDS) which facilitates electronic settlement of shares.

As only one company has come under the CDS, the market players want to take some time to introduce the reduced settlement and clearing period. However, officials of DSE and CSE want cut in settlement period.

DSE Chief Executive Officer Salahuddin Ahmed Khan said time for settlement and clearing must be cut to make the secondary market vibrant but it would have been fine had the CDS attained maturity.

Regarding delay to adopt the reduced period for A category shares, he said, "We received the order from the SEC late and we

need some time to introduce the new settlement period."

Earlier on March 13, the SEC decided to reduce the settlement period of securities of companies with strong fundamentals placed under A-category by one day and ordered the bourses to make the new settlement period effective from March 20.

Later on April 6, the capital market watchdog also decided to implement the new guideline for B category shares following a recommendation from the SEC consultative committee. The new settlement period will also be applicable for shares of G category, which has only one company - Lafarge Surma Cement Ltd.

Later, the capital market watchdog rescheduled the date on April 10 following requests made by the stock exchanges as they needed few more days to prepare themselves with the new period.

Move to sell Biman tickets thru' int'l body

Some travel agents oppose the idea

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A section of travel agents yesterday opposed a government move to assign an international agency to handle Biman ticket sales, a plan aiming at improving proceeds recovery from travel agencies.

Biman Bangladesh Airlines is planning to entrust its ticket selling job with the International Air Transport Association (IATA), a global body of airlines and travel agencies, to realise sales proceeds from travel agencies.

"We will be held hostage if the company, Bank Settlement

Plan (BSP), the ticket handling arm of IATA, starts its operation in Bangladesh," said Yakub Sharafati, convenor of a platform opposing the move to sell tickets through BSP, at a press conference in Dhaka.

Sharafati said introduction of the BSP will also affect Biman's ticket sale, as the national flag carrier will not have any direct communication with travel agents.

He alleged one of the general managers of Biman is involved in the move and he may join the BSP as consultant after his retirement.

"A total of 1,400 travel agents

are enlisted with Biman. Some of them may face closure," Sharafati said.

The agency commission reduction to seven percent from nine percent has caused loss to the travel agencies to the tune of Tk 8 crore a month, he said.

Sources however said 177 airlines across the world including global leaders sell their tickets through BSP which ensures 100 percent revenue recovery from ticket sales.

Appointment of BSP will also increase revenue collection and bring an end to offering illegal incentives to some agencies, the sources added.

Proton chief dismisses 'coup' report

AFP, Kuala Lumpur

The head of Malaysia's national carmaker Proton has dismissed a report of a bid to oust him and restructure the company, local newspapers said Saturday.

Proton chief executive Mahaleel Ariff was quoted by The Star as saying he was unaware of an attempted coup by chairman Abu Hassan Kendut, who reportedly aimed to take control of the company and its assets including a 3.4 billion ringgit (895 million dollars) cash pile as at end-December.

"I am still around," Mahaleel told the newspaper.

"I have served the company for nine years although my contract is due to expire... I will continue to work for the country as long as I am needed."

Some 80,000 people, comprising Proton workers and dealers, depend on the national car company for their livelihood and Mahaleel pledged to "safeguard" Proton because it was an important national asset.

"We must be proud that we are the first Islamic nation to produce a car with our own design and the first developing country to produce our own cars," he added.

Abu Hassan was nominated to the board by state investment arm Khazanah Nasional, which owns a 35 percent stake in Proton and is the single largest shareholder, followed by national oil firm Petronas.

Thai-US FTA talks face obstacles

ANN/ THE NATION

Thailand and US trade negotiators will start discussing a bilateral free-trade agreement (FTA) this June, but while the commerce ministry thinks of trade, the US Trade Representative may be looking for something slightly different; the debate is likely to focus on how to define what's free and what's fair.

Trade Negotiations Department director-general Apirad Tantraporn made the case that the FTA with the US should enable Thai exports, especially jewellery, leather products and processed agricultural produce, to freely enter the US market of 250 million consumers.

But in Congressmen have already made it clear that they want trade talks to be expanded to include other issues, namely the inclusion of human rights and economic reform, among others.

This is not to suggest that the FTA will end up as a zero-sum game, but the Thai government could go for a sound deal by striking a balance between free and fair trade on the negotiating table.

China factory output up

REUTERS, Beijing

Industrial output, already strong, accelerated in 2003. Every month from September to February saw growths successively faster growth from a year earlier.

Industrial output was 15.2 percent higher in March than in February, but the figures are not adjusted for seasonal patterns.

Factory production in the first quarter was 17.7 percent higher than a year earlier, strength the statistics bureau credited in part to heavy investment in industries such as metals and construction materials.

Brisk factory output, alongside surges in money supply and fixed-asset investment, helped fuel eye-popping economic growth of 9.9 percent in the year to the fourth quarter of 2003.

The government has slapped curbs on lending to sectors such as property and autos, and has twice in the past year limited the amount of funds banks have available for

HSBC takes part in int'l furniture fair

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh is participating in the three-day Bangladesh International Furniture Fair 2004 at Dhaka Sheraton Hotel.

The bank is offering its new Lifestyle Loan under its My Loan product range during the fair to facilitate the customers to buy furniture.

The customers require no personal guarantee to avail of the loan, says a press release.

India's inflation rises to 4.47pc

REUTERS, New Delhi

India's annual wholesale price inflation rose in the year to the week ended March 27 on the back of higher food and electricity prices.

Government data released yesterday showed inflation, as measured by the wholesale price index, rose to 4.47 percent.

It was the first rise after four consecutive weekly falls.

Inflation was 4.30 percent in the week ended March 20 and 6.49 percent in the corresponding week last year.

India's wholesale price inflation is widely tracked by economists because the data is released weekly and tracks a large basket of goods. The government also uses wholesale inflation to adjust allowances and salaries.

Analysts say inflation is likely to hover around four percent-plus in the short term as international oil prices and a booming economy are likely to exert upward pressure on prices.

The Indian economy, Asia's third-largest, is expected to grow at 8.1 percent in the fiscal year to end-March, up from 4.0 percent last year when the worst drought in 15 years cut growth.



K Mahmood Sattar (3rd from right), managing director and CEO of Eastern Bank Limited, hands over a sanction letter to Liaquat Ali Hossain, first customer of EBL Executive loan scheme, at the bank's head office in Dhaka recently.