

RMG exports rise to EU, decline to US

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

STAR BUSINESS REPORT

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 downtrend 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 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, agri-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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Nitol Group yesterday signed a contract with local software firm Technoheaven Company Ltd and US-based Bengal Communications International Inc, to operate land-line telephone in the country's eastern region covering greater Sylhet.

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

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.

He urged the government to form a telecoms infrastructure company to enable public and private operators to use infrastructure from a single source.

Speaking at the function, Mahmudur Rahman, executive chairman of the Board of Investment (BoI), called upon the business

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.

Bank holiday on Wednesday

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on Wednesday on the occasion of "Pahela Baishakh", first day of Bengali new year, said a central bank release.

National Housing opens branch in Ctg

National Housing Finance and Investment Limited, a leading financial institution in Bangladesh, has opened a new branch in Chittagong.

M Haider Chowdhury, chairman of the company, inaugurated the branch, says a press release.

Managing Director of the company Ansar Uddin Ahmed and Deputy Managing Director Shabbir Ahmed were also present at the inaugural function.

To mark the occasion, the clients of the newly opened branch will get waiver of usual loan processing fee with applicable interest rate at 13.75 percent from the opening day until May 14.

National Housing provides long term loans of up to 15 years to individuals for construction of houses, purchasing apartment, renovation, extension or addition to existing houses or apartments, and purchasing housing plots and commercial spaces.

Eastern Bank launches executive loan

Eastern Bank Limited (EBL) has launched EBL Executive Loan, a new consumer lending product.

K Mahmood Sattar, managing director and CEO of the bank, launched the product at the bank's head office in Dhaka recently, says a press release.

Launching the product, the managing director underscored the need for developing more consumer products in order to meet the diversified financial needs of the customers.

EBL executive loan is for any purpose of salaried executives with easy repayment schedule of either 12, 24 or 36 monthly installments.

The loan amount ranges from Tk 50,000 to Tk 300,000.

New office bearers of ICAB Dhaka regional committee

Abdul Momin Khan Lohani and Md Shahadat Hossain have been elected chairman and secretary respectively of the Dhaka regional committee (DRC) of the Institute of Chartered Accountants of Bangladesh (ICAB) for the year 2004.

The election was held at DRC's 24th annual general meeting held recently at the ICAB auditorium with its outgoing chairman Syful Islam in the chair, says a press release.

The other members elected to the DRC for 2004 are Anisur Rahman, Md Ragib Ahsan and H Md Harun-or-Rashid.

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

STAR BUSINESS REPORT

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, convener 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 agen-

cies 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.

Philips Corner opens at Meena Bazar

STAR BUSINESS REPORT

Meena Bazar, a big shopping mall at Dhanmondi in Dhaka, yesterday opened 'Philips Corner' for its customers looking for home appliances.

A wide range of household appliances of the renowned brand, Philips, are available at the exclusive section to cater to the customers' day-to-day needs.

Customers can now buy appliances like iron, toaster, blender, juicer, rice cooker, hair dryer, kettle and many other products from the store.

Obaidur Rahman Khan, executive director of Transcom Electronics Limited, formally inaugurated the Philips Corner yesterday in presence of Quazi Shahed Ahmed, chairman of Meena Bazar and editor of daily Ajker Kagoj.

Earlier, Transcom Electronics and Meena Bazar struck a deal to set up the corner at the superstore. Obaidur Rahman Khan and Quazi Shahed Ahmed signed the agreement on behalf of their organisations.

Transcom Electronics Business Development Manager Arshad Hoq, Marketing Manager Yeamin Sharif Chowdhury, Sales Manager Mahmudun Nabi Chowdhury, Accounts Manager Nazmul Kabir, Philips Brand Manager Mohammad Moshtaque and Sales Officer Azizur Rahman, and Meena Bazar Consultant Quazi Jamil Islam and Operations Manager Saleh Mujahid were present at the function.

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.



PHOTO: STAR

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.

Thai-US FTA talks face obstacles

ANN/ THE NATION

Thai 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 Apiradi 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 the US 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.

With the stalemate at the World Trade Organisation, Thailand finds it hard to avoid the culture of FTAs, which have been proliferating worldwide in recent years.

It's an irony that while WTO negotiators have sometimes spent years painstakingly reaching an agreement on a single technical word, trade negotiators around the world have had no problems signing roughly 150 bilateral trade agreements with one another in the past few years.

The Thai government has been quick to catch up. Thailand last October struck an FTA on fruit and vegetables with China. Next month the Commerce Ministry will also ink a deal to conclude an FTA with Australia, the first-ever across-the-board FTA between Thailand and an industrialised country.

But in contradistinction to the Thai-Australian FTA, trade negotiators may not treat the Thai-US trade talks purely as a business agreement, especially now that the US has entered a presidential-election year.

China factory output up

REUTERS, Beijing

Chinese industrial output raced ahead in the year through March as factories stepped up production of phones, steel and other goods, with analysts seeing a slowdown in a few months because of moves to cool growth.

Output in March was 19.4 percent higher than a year earlier -- strong growth but slower than the 23.2 percent in the year through February, the State Statistical Bureau said Friday.

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

lending.

Industrial output, already strong, accelerated in 2003. Every month from September to February saw 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.

Cement output in the first three months was up nearly 24 percent, while steel production was nearly 30 percent higher, it said.

First-quarter mobile phone production jumped 42 percent from a year earlier, car output climbed 37 percent and digital camera output nearly doubled.

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, Dew 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.