

## South Asian single currency needs strong groundwork

### Speakers observe at roundtable

#### STAR BUSINESS REPORT

Speakers at a roundtable yesterday stressed the need for taking adequate preparatory measures before introducing a single currency in South Asia.

The preparations include forging stronger economic ties between Saarc (South Asian Association for Regional Cooperation) nations, harmonisation of their key economic indicators and vigorous inter-state negotiations.

"Cooperation in matters related to trade, investment, and flow of people are some of the enabling trends that normally precede the creation of a common currency," said Veena Sikri, Indian high commissioner in Dhaka.

Speaking at the roundtable on

'Single Currency in South Asia', she said low tariff or tariff-free imports among the South Asian countries and freer investment norms and visa regimes are also required for the move.

Bangladesh Institute of Law and International Affairs (Billa) organised the discussion at its office in Dhaka. Jyoti Prakash Dutta, a professor of economics at the Chittagong University, was the keynote writer.

The Indian envoy said the countries might go for a 'parallel currency' before adopting a common currency, which would be created jointly according to certain rules.

Parallel currency can facilitate regional integration by funding provision of regional public goods in the areas of transport, communica-

tion, energy, IT, capacity building, biotechnology, food security, tourism and advanced science and technology, she added.

Quoting a study conducted by an Indian think-tank, she said the move towards common currency would help double the trade among South Asian nations to \$10 billion and make possible a GDP growth rate of 7-8 percent for each of the countries.

Taking part in the discussion, Prof Rehman Sobhan, chairman of the Centre for Policy Dialogue (CPD), suggested bringing macroeconomic stability and ensuring harmony among the South Asian countries.

"Before going for a single currency in the region, first we have to ensure harmonisation of the key economic indicators like fiscal deficit and inflation rate of the member countries," he

observed.

The CPD chairman proposed formation of a body comprising all the central bank governors of the region and hold discussions regularly to judge possibility of introduction of a single currency in South Asia.

In the keynote, Jyoti Prakash Dutta emphasised adequate groundwork for single currency and mentioned that the EU countries had been able to introduce their common currency, Euro, after negotiating for half-a-century.

Bangladesh Economic Association President Qazi Kholiqzaman also spoke in the roundtable chaired by Billa Director Wali-ur Rahman.

## Traditional Iranian foods available at Agora

Traditional Iranian foods are now available at Agora, a chain super-store in Dhaka.

To mark the launching of the sheermal foods a four-day special promotional programme was commenced on Saturday at the Agora outlets located at Dhanmondi and Gulshan, says a press release.

Under the promotional programme, Agora offers a lucky coupon to the customers who purchase goods of Tk 1000 including at least one sheermal food item.

The first prize of the coupon is a Persian carpet, second prize is dinner at Naseem Sheermal House for a family of four persons and third prize is special gift hamper of sheermal products.

The middle-eastern especially Iranian sheermal food items available at Agora include Sheermal Taافتan Kulcha and Aghasahi Tandoor, Besan-Suji-Queema and Alu Paratha, Dhooan and Karahi, Chicken, Beef Pasndey and special Niharee.

## NMCP consultant in Dhaka



W Dejong, a consultant from Netherlands Management Co-operation Programme (NMCP), has been deputed to Pharmaco International Limited, Dhaka.

Micro Industries Development Assistance and Services (Midas), local representative of NMCP, has taken this initiative with a view to improving technical and managerial competence of the company, says a press release. Dejong will stay in Dhaka for several weeks.

## China posts \$8.4b trade deficit in Q1

AFP, Beijing

China's trade deficit widened to 8.4 billion dollars in the first quarter as imports soared, fueled by the country's growing appetite for raw materials and energy to feed its booming economy.

The country reported a 540 million dollar deficit for March, after a whopping 7.8 billion dollar deficit in February, the highest monthly deficit in more than a decade, the People's Daily reported, citing customs figures.

In January, the country posted only a 20 million dollar deficit.

In the first quarter of 2003, China sustained a 1.03 billion dollar trade deficit although it had a trade surplus of 25.5 billion dollars for the year.

Imports are being driven by soaring fixed-asset investment — which was up 53 percent in the first two months of the year — and rising prices of raw materials and energy.

Imports surged 42 percent year-on-year in the first quarter to 124.14 billion dollars and were up nearly 43 percent to 46.4 billion dollars in March, on the back of higher imports of iron ore, crude oil, soybeans and edible oil, state press reports said, without giving a breakdown.



PHOTO: STAR

Bangladesh Bank Governor Fakhruddin Ahmed speaks at a meeting with newsmen held at the bank's conference room in Dhaka yesterday as Finance Secretary Zakir Ahmed Khan, left, and economist Wahiduddin Mahmud, right, look on.

## Textile fair begins today

#### STAR BUSINESS REPORT

A three-day textile fair, Texpangla 2004, begins today at Dhaka Sheraton Hotel to showcase exquisite products made of locally produced yarn and fabrics.

Prime Minister Khaleda Zia is scheduled to inaugurate the fair organised by the Bangladesh Textile Mills Association (BTMA).

'Made in Bangladesh' is the theme of the exposition that will emphasise the role textile products play in the national economy, BTMA Chairman MA Awal said speaking at a press conference in Dhaka yesterday.

He reiterated the local textile millers' demand for a \$1.5 billion special fund for the development of backward linkage industries to face the challenges in the international market in the quota free trade regime.

Highlighting the contribution of local textiles to export-oriented garment industry, Awal said EU

countries prefer least developed countries who produce international standard garment products using their own fabrics.

About Bangladesh's prospect of having a bigger market following the enlargement of EU with 10 more countries joining the economic bloc next month, the BTMA chief said, "It would be a very big market for Bangladesh."

Speaking on the issue of central bonded warehouse which is a long drawn demand of ready made garment exporters, he said there is no need of setting up a central bonded warehouse to reduce lead time of export.

"Setting up of backward linkage industry is only way to cut lead time," he suggested.

About Texpangla 2004, the BTMA leader said, "The exhibition will display world class textile products manufactured in Bangladesh."

In the exhibition a total of 32 companies will display cotton and

blended yarn for knitting and weaving, cotton and acrylic yarn for sweater, knitted fabrics, dyed yarn of cotton and blend, home textile, dyed and printed cotton and blended fabric.

Of the total RMG export of \$5 billion, the contribution of local textile mills is about \$2 billion, BTMA leaders said. They meet 90 percent of total requirements in knit and 40 percent of the total requirements in cotton fabrics.

BTMA Vice-chairmen Abdul Hai Sarker, Akram Khan and Anwarul Haque, Secretary General Shawkat Hossain and Executive Committee members MA Mannan, Tajul Islam Dhali, Ahmed Ali and Ashraf Hossain Bakul were present at the press conference.

The exhibition will remain open from 10am to 9pm until Thursday to the visitors.

## Internet fair begins Thursday

#### STAR BUSINESS REPORT

A four-day internet fair, organised by Internet Service Providers Association of Bangladesh, begins on Thursday at Osmani Memorial Hall in Dhaka.

Internet service providers, web developers and networking and multimedia software companies will display their products in the fair, the first of its kind in Bangladesh, organisers told a press briefing yesterday.

Azhar Chowdhury, convenor of the fair, said apart from 65 local companies three foreign firms — Speed Cast, GlobeTech Infosys and Eye Bill — will take part in the show, which will remain open to visitors from 10am to 8pm everyday.

Entry fee for the visitors has been fixed at Tk 10. But schoolchildren in uniforms will enjoy free-entry, said organisers, who expect 1 lakh visitors.

Eight seminars on information technology will also be held during the fair.

Akhtaruazzaman Manju, president of Internet service providers' association, who was also present at the briefing, said the fair will help popularise internet use in the country.

## Capital market witnesses buoyant trading

BSS, Dhaka

Capital market witnessed buoyant trading as share prices at both the Dhaka and the Chittagong bourses finished higher.

Prices of majority issues went up on increased demand for the scrips from the buyers. The benchmark share price index and the market capitalization as well at both the exchanges went up.

The DSE-20 Selective Price Index for blue chips yesterday jumped 19.92 points to 1392.94 from Sunday's 1373.02. The DSE General Index went up 14.40 points to 1047.51 from previous day's 1033.11.

A total of 2,039,990 shares worth Tk 154.58 million were traded at the DSE yesterday compared to previous day's 2,466,280 shares worth Tk 165.38 million. In all, 184 issues were traded, of which 90 gained, 67 suffered losses and 27 remained unchanged.

The CSE-30 Selective Price Index for blue chips gained 1.63 per cent to 1673.69 from Sunday's 1646.92. The CSE All Share Price Index inched up 1.59 per cent to 1746.34 from yesterday's 1719.07.

A total of 892,400 shares worth Tk 29.20 million were traded at the CSE yesterday from the previous day's 1,070,029 shares worth Tk 39.84 million. In all, 62 issues were traded, of which 34 gained, 12 lost and 16 remained unchanged.

The market capitalization at the DSE rose to Tk 107.7 billion from Sunday's Tk 106.34 billion. The market capitalization at the CSE went up to Tk 96.27 billion from Sunday's Tk 94.78 billion.

## Citigroup to buy out Indian affiliate e-Serve for \$127m

AFP, Mumbai

US banking giant Citigroup said Monday it plans to buy out its Indian affiliate, e-Serve International, an IT-enabled services company, for some 5.5 billion rupees (127 million dollars).

Citigroup now holds a 44.4 percent stake in e-Serve and plans to acquire the rest of the stake held by the public at a price of about 800 rupees per share.

"The price of 800 rupees per share presents a compelling opportunity for e-Serve's shareholders to tender their shares," Citigroup said.

The offer price represented a 27 percent premium to the closing price April 8, the last trading day before the offer was made, and a premium of 26 percent to the 52-week average price, it said.

"The price will provide e-Serve's shareholders with an opportunity to exit from a relatively liquid investment that has appreciated substantially in recent years," Citigroup said.

After the acquisition, Citigroup would delist the company from Indian bourses.

"As e-Serve's largest shareholder and sole customer, Citigroup has concluded obtaining full ownership of e-Serve and integrating it into its global operations will provide the company with increased flexibility to support its business and meet the needs of its customers," Citigroup said.

## MFI-bank loan syndication needed for SME growth

### DCCI seminar told

#### STAR BUSINESS REPORT

The government should allow loan syndication between micro-finance institutions (MFIs) and commercial banks to ensure credit flow to small and medium enterprises (SMEs), speakers at a seminar observed yesterday.

They said lack of access to credit is the main problem facing the SMEs, which provide over 87 per cent of total industrial employment in Bangladesh.

As microfinance institutions are based in rural areas, it will be suitable for them to provide the SMEs with loan solution. Syndication with commercial banks will help microfinance institutions to lower lending rates also, they said.

They said commercial banks tend to avoid advancing loans to SMEs in rural areas as they do not have monitoring logistics there.

They were speaking at a seminar

on 'Access to Finance for SMEs: Problems and Remedies' organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Addressing the seminar, Privatisation Commission Chairman Enam Ahmed Chaudhury said, "In spite of high interest rate microfinance bodies have emerged as major source for loans in rural areas. If innovation is brought in it can be a good source of fund for SMEs."

"We must get rid of politicisation of bureaucracy to ensure good governance required for sound financial sector. A sound financial sector can ensure product diversification in financial and banking services," he said.

Presiding over the seminar, DCCI President Fazle RM Hasan said acute financing problem in SME sector retards local investment and industrialisation.

Abdul Karim, managing director

of Midas, said the government should set up a credit guarantee fund to help SME entrepreneurs get loan with flexible collateral requirement.

Al-Ameen Chowdhury, former industries secretary, said the bank officials should sanction loan on the basis of merit of projects.

According to new definition, industries with investments of up to Tk 50 crore are considered SMEs. Around 95 percent of the existing industries in Bangladesh falls under this category.

AK Enamul Haque, professor of North South University, presented a keynote paper that made 16-point recommendations for SME growth.

Mohammad Hossain, former managing director of Sonali Bank, and Sajjad Zohir, senior research fellow of Bangladesh Institute of Development Studies, also spoke at the seminar.

## Take steps by 10 days to bring dynamism in TCB

### Parliamentary body asks govt

#### STAR BUSINESS REPORT

A parliamentary body yesterday asked the government to take initiatives by ten days to bring dynamism in TCB activities.

The parliamentary standing committee on commerce ministry made the recommendation following a report submitted by a sub-committee to help bridle the prices of essentials.

Established in 1972, TCB (Trading Corporation of Bangladesh) is a state-run agency responsible for

import of essential consumer goods and industrial raw materials.

It is possible to control essentials prices by making the TCB active, Committee Chairman Redwan Ahmed told newsmen after the meeting.

The government interference is still needed to bridle the prices, he added defending the committee's recommendation.

Commerce Minister Altaf Hossain Choudhury agreed with the recommendation, Redwan said.

However, another sub-committee

formed to find out the reasons behind the price-hike of essentials again failed to submit its report. The sub-committee was supposed to submit its report at yesterday's meeting.

Redwan said the sub-committee headed by Monirul Haque Chowdhury sought time to complete the report. The sub-committee will submit report in next meeting, he added.

## 'Bangladesh cellphone market holds huge potential'

### Ericsson's new MD for Bangladesh

#### STAR BUSINESS REPORT

The number of cellphone users in Bangladesh still remains below five percent despite 85 percent annual growth of the industry over the last three years, said a senior official of a leading telecoms equipment vendor in Dhaka yesterday.

Ericsson's South East Asia President Mats H Olsson was speaking at a press briefing organised to announce the appointment of Rafiah Ibrahim, a Malaysian, as its new managing director for Bangladesh.

There is still tremendous potential considering the fact that less than five percent of the total population of 140 million uses cellphones, Olsson said, adding that the number of mobile phone subscribers is expected to reach around six to eight million by 2006.

He also said there will be around two billion mobile phone users



Rafiah Ibrahim

worldwide by the end of 2008, and that around 80 percent of the growth will take place in the emerging markets.

While exchanging views, Rafiah,

who has 24 years of experience in the telecoms industry, said one of the key responsibilities of her company is to ensure that customers in Bangladesh get maximum benefit from its global leadership.

Focusing on Ericsson Expander solutions, she said this is a unique offering for new high-growth areas.

"This is an ideal solution for emerging markets such as Bangladesh, as it enables quick and simple network deployment," said Rafiah.

Ericsson has more than 70 percent market share in Bangladesh. Currently, the company supplies GSM (Global Systems for Mobile Communications) gears to GrameenPhone Ltd and Telecom Malaysia International Bangladesh, the service provider of AKTEL phone.

### QUICK START OF ADAMJEE INDUSTRIAL PARK PROJECT

## Revised plan to be sent to Planning Commission

#### UNB, Dhaka

A revised project concept paper (PCP), formulated by BSCIC for setting up Adamjee Industrial Park on the sprawling premises of Adamjee Jute Mills, will be sent to the Planning Commission from the Ministry of Industries within a week for a quick start of work.

The Ministry of Jute has been asked to "immediately" hand over the land of the closed Adamjee Jute Mills to BSCIC for beginning infrastructure construction for the conceived industrial park.

An inter-ministerial meeting held at the industries ministry yesterday

with Industries Minister Motiur Rahman Nizami in the chair took the decision to begin the project implementation without further delay.

If established, there will be 1,428 readymade, 81 weaving and 21 dyeing, printing and finishing industrial factories housed in the industrial park, creating job opportunity for over 9 lakh people, the meeting was informed.

The Bangladesh Small and Cottage Industries Corporation (BSCIC) will have to spend about Tk 92 crore on infrastructure building for the industrial park on 294.88 acres of land, apart from the value of the land.

The meeting expressed the hope that the entrepreneurs would come

forward to set up industries as the government, at their request, has already reduced the price of industrial plot to Tk 60 lakh from Tk 90 lakh per bigha.

"Without any logical cause, the implementation of the Adamjee Industrial Park cannot be delayed even by a day from the stipulated time," the industries minister said.

Deputy Minister for Industries Abdus Salam Pintu, Industries Secretary Shoaib Ahmed, Jute Secretary Abdur Rahim, chairmen of BSCIC and BJMC and senior officials were present at the meeting.