

Janata Bank to give Tk 400cr credit to flood affected farmers

Janata Bank has earmarked Tk 400 crore in credit to rehabilitate flood affected farmers this year.

The bank is also considering disbursing farm loans for the post-flood period, says a press release.

The nationalised commercial bank will reschedule the loans for crops and disburse loans for transplanted aman and boro, potato, maize, fish cultivation and livestock.

A microcredit mobile team from Janata Bank's head office will monitor the rehabilitation programme.

Private bank goes bust in India

AFP, New Delhi

Global Trust Bank, a private bank in India with 882,000 depositors, has been ordered to freeze all withdrawals for a period of three months by the Reserve Bank of India (RBI), reports said Sunday.

The RBI order led to panic as depositors all over India rushed to ATMs and branches of the bank on Saturday only to find a closed notice pasted on the front gates, the news papers said.

At some branches angry depositors ransacked bank offices, damaging computers and furniture, while at others staff was heckled, the Hindustan Times said.

During the three month freeze, depositors are allowed to withdraw only 10,000 rupees (217 dollars) from the Hyderabad-based bank.

Global Trust, with a deposit base of 70 billion rupees (1.5 billion dollars) of which 70 percent are deposits by retail investors, could have gone under due to a tightening of guidelines for ownership of private banks, as a result of which a major new potential investor backed off, reports said.

The RBI is considering various options including amalgamation of the bank with another bank, they added.

Siemens launches four new mobile sets

STAR BUSINESS REPORT

Siemens Bangladesh Limited yesterday introduced four new mobile handsets in the local market.

The sets -- CF62, C65, CX 65 and M65 -- were formally launched at a press conference held at Dhaka Sheraton Hotel.

Siemens officials said users of C65 can capture photographs as the set has integrated CIF camera along with Java, WAP and GPRS functions.

CF62 is a small, very light mobile phone set with attractive design and two screens for ensuring a vivid display, they added.

The Siemens officials said CX65 has also integrated camera for video and photography.

With improved resistance to water, shock and dust the M65 offers an integrated VGA video and photo camera, high-resolution colour display and full MMS functionality.

The handsets are priced at Tk 12,900, Tk 10,800, Tk 15,950 and Tk 19,900 respectively.

Siemens Bangladesh CFO Christian Laufer, General Manager (Consumer Product Division) Aminur Rashid, Product Manager (Mobile Phones) Salahuddin Taimur and Corporate Communication and Business Development Manager Aftab Mahmud Khurshid were present at the press conference.

Renault unveils new Iranian operation

AFP, Tehran

French carmaker Renault inaugurated its new Tehran headquarters on Saturday, part of its bid to establish itself as a major player in Iran's fast-growing automobile market.

On show was the Logan, a budget compact family saloon the company is set to produce here as part of a joint venture between Renault Pars, the car giant's Iranian concern, and the Automotive Industry Development Company, a grouping of Iran's two main state-controlled carmakers Saipa and Iran Khodro.

An initial agreement was signed in March, with 51 percent of the operation held by Renault.

The project involves the production of the Logan, to be branded here as the L-90.

Siemens Bangladesh Limited CFO Christian Laufer (2nd from left) along with other officials shows off newly launched mobile handsets at a press conference in Dhaka yesterday.

Knitwear exporters fear Tk 600cr loss

600 flood-hit units stop production

STAR BUSINESS REPORT

Knitwear exporters apprehend a major export slump this year as the current flooding has forced some 600 knit garment factories to stop production out of 750 units threatened by the deluge.

Workers' attendance in factories mostly located in Dhaka-Narayanganj area has come down to about 40 percent and the number is declining day by day as the flood victim workers are shifting their homes to other places.

The association demanded reconstruction of Panchaboti crossing to Shashongan road, the only route to enter the Narayanganj

industrial area, for easing transportation of export-oriented knitwear products.

Meanwhile, Bangladesh Textile Mills Association (BTMA) has initiated a survey on flood-affected textile mills across the country.

"We have sent a letter to all our members asking them to inform us their possible losses," MA Awal, chairman of BTMA, told The Daily Star yesterday.

The association will hold an executive committee meeting today to discuss the flood situation and condition of the textile mills.

Meanwhile, rural handloom sector is also facing a setback due to the countrywide flood. Most of the handlooms located in Sirajganj, Pabna, Narsingdi and Bikrampur areas have gone under water.



PHOTO: STAR

A man works at a tailoring shop, which is inches away from flood water, at Kamrangirchar in Dhaka yesterday. Flood has submerged most of the low-lying areas of Kamrangirchar including marketplaces disrupting business activities.

Little impact of flood on stock exchanges

Trade on DSE, CSE slides on investment switching to bank IPO

STAR BUSINESS REPORT

The prevailing flood situation has had little impact on the country's bourses, although trading on the Dhaka Stock Exchange (DSE) witnessed a slight fall in the past few days.

Though the DSE premises went under water yesterday, the flooding situation is hardly having any impact on the investors because of the bourse's automated trading system.

The bourses facilitate online trading, enabling brokers access to the main trading server through dial ups from remote areas.

The DSE sources attributed the decline in trade to decision by a key institutional player -- Investment Corporation of Bangladesh (ICB) which has switched its trading from DSE to Chittagong bourse.

But even the big ICB business on Chittagong Stock Exchange (CSE) failed to sustain the trade volume with the bourse's Sylhet operation

affecting by severe flooding.

"Presently, a declining trend in transaction is seen in both the bourses in Dhaka and Chittagong," DSE President Ahmed Iqbal Hasan told The Daily Star, adding that the main reason of this trend is a new IPO of a private bank, not the flood situation.

As EXIM Bank has floated its initial public offering (IPO), investors are concentrating their investment on the primary market. "As a result, secondary market is facing a lackluster trend," the DSE president added.

The share markets has been riding on bank stocks and any new IPO generates tremendous interest among the investors.

On Saturday, the first day of EXIM Bank's IPO subscription, turnover on DSE slipped to Tk 76,159,278 from its previous trading day's turnover of Tk 101,631,873 on Thursday, but rose to Tk 148,752,057.50 yesterday.

The CEO said two of CSE members stationed at Sylhet could not operate from their offices due to flood.

On the other hand, total turnover

at CSE decreased to Tk 25,264,982.90 on Saturday from its previous turnover of Tk 47,617,266.60, but increased to Tk 17,398,565.20 yesterday.

IPO subscription of the Export Import Bank of Bangladesh Limited (EXIM Bank) will continue until Wednesday.

Flood affects CSE's Sylhet operation

Meanwhile, the Chittagong Stock Exchange's (CSE) Sylhet operation is being badly affected by the devastating flood.

According to CSE Chief Executive Officer Waliul Maroof Matin, the bourse has six active members in Sylhet, but investment declined in the area due to the flood.

"Though there was no case of trade dispute, settlement of shares is under threat," he said.

The CEO said two of CSE members stationed at Sylhet could not operate from their offices due to flood.

JS body vents concern over BSCIC deficit

BSS, Dhaka

The Parliamentary Standing Committee on the Ministry of Industries yesterday expressed concern over the deficit amounting the Tk 67 crore of the Bangladesh Small and Cottage Industries Corporation (BSCIC).

The committee in its meeting held at the Jatiya Sangsad Bhaban yesterday also formed a subcommittee to look into the matter with Shah Nurul Kabir Shahin MP as convenor and Abdul Mottalib Akand as member.

With Committee Chairman Mahmud Hasan in the chair, the meeting asked the ministry to examine whether it would be possible to implement the recommendations of the committee to make the country's sugar mills profitable.

Among others, committee members Golam Mohammed Siraj, Abdul Mottalib Akand, Shahidul Islam Biswas, Shahidul Alam Talukdar and Shah Nurul Kabir Shahin were present.

State Minister for Agriculture Mirza Fakhrul Islam Alamgir attended the meeting on special invitation.

US rules out one-way concessions in trade debate

AFP, Washington

US President George W. Bush's administration, gunning for reelection November 2, has all but ruled out one-way concessions to get a global free-trade deal.

World Trade Organization negotiators in Geneva are discussing a proposed compromise, which must be endorsed by July 30, to pave the way to full-blown negotiations on reducing trade barriers.

A draft of the interim deal, which must be sealed by a meeting of the WTO's General Council starting July 27, notably advocates discussions to eliminate agricultural export subsidies.

Washington appears to be delivering a message that it will move but only in tandem with its partners, some of whom appear reluctant.

"While we have some important and difficult issues to resolve with the text that is currently being debated, we are prepared to work with others using the text as a basis for making progress if others are prepared to work on that same basis and without preconditions," US Trade Representative Robert Zoellick's spokesman, Richard Mills, said Thursday.

A broad agenda for negotiations was first agreed in the Qatari capital Doha in November 2001 but talks have been deadlocked since ministers from rich and poor countries clashed in Cancun, Mexico last year.

French President Jacques Chirac said Wednesday the latest proposal on agricultural trade was "unacceptable."

"I want the (European) commission to do everything to substantially rebalance this text, which is unacceptable in its current form," Chirac said in a statement released by his office.

Mills said he had no comment on Chirac's statement.

Tanneries forced to cut 50pc production

Flood may force 15-20pc export decline: Exporters

STAR BUSINESS REPORT

percent processing takes place.

The leather processors said they are not getting adequate hides and skins, basic raw material of the industry, due to disruptions in road communication across the country.

"Our production has fallen significantly as the supply of raw materials has declined by more than 50 percent," said Tipu Sultan, chairman of Bangladesh Finished Leather, Leathergoods & Footwear Exporters' Association (BFLLEFA).

Bangladesh annually produces about 223.71 million square feet leather including 117.54 million square feet crust leather and 106.17 million square feet various type of finished leather for export and local consumption, industry sources said.

"If the flood situation continues to worsen in next two or three weeks, the supply of hides and skins would fall further," Tipu Sultan told The Daily Star yesterday. "This will contribute to a further decline in our production."

Echoing the BFLLEFA chairman, his predecessor Rezaul Karim Ansari said the production shortfall indicates a decline in export in terms of volume. "The export may drop by 15 to 20 percent this fiscal," he estimated.

Export target of leather and leather goods sector has been fixed at \$230 million for the current fiscal year, Export Promotion Bureau (EPB) sources said.

From July 2003 to May 2004, Bangladesh exported 64.22 million square feet leather worth \$188.80 million, compared with \$173.75 million earned during the corresponding period of FY 2002-2003, EPB sources said.

Agriculture key stumbling block to WTO trade accord

Asia, 25 percent, and North America, 11 percent.

Government support for farmers, as calculated by the Organization for Economic Cooperation and Development for its 30 member states, was estimated at 257 billion dollars (229 billion euros) in 2003, equal to 32 percent of agricultural revenues, down from 37 percent in the 1986-1988 period.

There are currently sharp and growing disparities in the level of support. From 2001-2003 the level was around five percent of agricultural receipts in Australia and New Zealand, 20 percent in Canada, Mexico, Poland, Slovakia, Turkey and the United States, 25 percent in the Czech Republic and Hungary, 35 percent in the European Union and 60 percent or more in South Korea, Iceland, Japan, Norway and Switzerland.

WTO members will gather to mount yet another effort to salvage multilateral trade liberalization negotiations launched in 2001 in the Qatari capital Doha.

The most significant reductions in trade-distorting official assistance have been accompanied by the introduction of other less distorting forms of support, according to the OECD.

In 2000-2003 payments made according to the amount of land cultivated or to the number of animals raised came to 15 percent of all support compared to seven percent in 1986-1988.

The future of government support to agriculture in rich countries, blamed by the developing world for depressing prices and hampering the ability of poorer farmers to compete on world markets, threatens to be a highly contentious subject at World Trade Organization talks Tuesday and Wednesday in Geneva.

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