QUOTA-FREE MARKET

Knitwear sees good days for costly China apparels

observed.

SARWAR A CHOWDHURY

IDLC launches

Industrial Development Leasing Company of Bangladesh Ltd (IDLC) recently launched asset-backed zero coupon bonds worth Tk 190

The debt instrument initiated by

bonds against its lease receivables,

Insurance Ltd subscribed to the

issue under private placement.

CRISL to carry

out credit rating

The Credit Rating Information and Services Ltd (CRISL) will carry out

the credit rating of Bangladesh

Finance and Investment Co (BFIC)

A memorandum of understand-

Managing Director and Chief

Executive Officer (CEO) of BFIC

GM Salehuddin Ahmed and

President and CEO of CRISL

Muzaffar Ahmed signed the MoU on

behalf of their organisations, the

Emirates flies

to Sydney

via Bangkok

via Bangkok from March 29.

Emirates is going to start its thrice-a-

week flights from Dubai to Sydney

Initially the service will be oper-

ated on Tuesdays, Thursdays and

Saturdays before starting daily

flights from May 1, says a press

Pakistan seeks

refined, raw

sugar trade

REUTERS, London/New York

sources said on Tuesday.

sources told Reuters.

prices.

prompt delivery

trade sources said.

New York.

"It is confirmed that only TCP is

allowed to import refined sugar duty

free, and the quantity is 150,000

tonnes." a trade sources said

adding that the decision was taken

this week at a meeting of the gov-

ernment's Economic Coordination

Another trade source also con-

firmed Pakistani authorities would

import 150,000 tonnes of white

sugar duty free, in a move aimed at

checking a rise in domestic sugar

sugar tender was expected to be for

been damaged by dry weather,

to buy around 50,000 tonnes of raw

sugar, and have booked around

200,000 tonnes of raw sugar out of

planned imports of 250,000 tonnes

of raws, according to trade sources

contacted by Reuters in London and

plan to import one million tonnes of

white sugar to cover supply short-

ages and check rising domestic

prices, but trade sources believe

Pakistan's needs will be far below

The decision to import sugar was

taken at a meeting chaired by Prime

Minister Shaukat Aziz last Thursday,

and the imports would be on top of

plans announced last month to

import 250,000 tonnes of raw sugar.

hurt," a trading house broker in the

to the cash news from south Asia.

"We're seeing mostly rolling, but

Last week Pakistan announced a

Trade sources said the refined

Pakistan's current harvest has

Pakistanis are making enquiries

ing (MoU) to this effect was signed

recently between the two compa-

nies, says a press release.

release added

Commercial Bank of Ceylon Ltd,

asset-backed

zero coupon

issued to mobilise funds.

says a press release.

of BFIC

bonds

Financial Institutions Development Bangladesh's knitwear export sees Project (FIDP) of Bangladesh Bank bright prospect following the price and assisted by World Bank is hike of Chinese apparels in the quota-free market. The Investment Corporation of

As price of Chinese apparels Bangladesh (ICB) will act as the increased by 5 to 10 percent on trustee while IDLC will issue the average, foreign buyers are looking for cheaper apparels from countries like Bangladesh, said Fazlul Hoque, president of Bangladesh Knitwear BRAC Bank Limited, The City Bank Manufacturers and Exporters Ltd, Green Delta Insurance Association (BKMEA). Company Ltd and Reliance

"Even foreign buyers who did not make any order from Bangladesh before, are also showing their

interest in Bangladeshi items," he

Citing an example, Hoque said, "I attended a business meeting recently in Paris where a company named Saralee, an EU-based renowned apparel buyer, confirmed to buy 10 million pieces of T-shirt from Bangladesh within next year".

It is a positive sign for Bangladesh that new buyers like Saralee are eyeing Bangladeshi products, Hoque, also the owner of Knit Fashion. said.

"Not only Saralee, almost all of them who joined the meeting showed their keen interest for

Bangladeshi apparel items," he coming days, he hoped adding, "It also proves that we are still competi-Apart from price hike of Chinese tive in the post multi-fibre arrange-

apparels, social compliance issue of ment regime. Knitwear exports grew by 37.88 percent fetching US\$1402.34 reason for targeting Bangladeshi items. "Social compliance issue in million in the first half of 2004-05 fiscal, which was \$1017.07 million China is messier than in Bangladesh," the BKMEA chief during the same period of last fiscal. according to the Export Promotion Moreover, foreign buyers are not Bureau (EPB) statistics.

Knitwear sector experienced or an average 28 percent export growth in the last 10 years, industry sources said.



Finance and Planning Minister M Saifur Rahman, Post and Telecommunications Minister Aminul Huq, State Minister for Energy and Mineral Resources AKM Mosharraf Hossain, State Minister for Power Igbal Hassan Mahmood and Pran Group Chief Executive Officer Amjad Khan Chowdhury are seen at the inauguration of Pran Agro Industrial Park

Pran Agro Industrial Park

Bangladesh badly needs to diversify exports

Speakers observe at Ctg seminar

STAFF CORRESPONDENT, Ctg

Bangladesh must find newer avenues of exports to keep its economy rotating and remain competitive in the global market, said speakers at a seminar in Chittagong yesterday.

Dependence on apparel sector, which is fetching annually about 76 percent of the total export earnings. is obviously not a good sign, they told the seminar on exports potential of new products.

Export Promotion Bureau (EPB) and BGMEA (Bangladesh Garment Manufacturers and Exporters Association) jointly organised the daylong seminar. BGMEA Director ANM Saifuddin presided over the seminar while EPB Director General Mostafa Mohiuddin presented the

BGMEA First Vice-president put

accent on effective measures to create new export markets.

Saifuddin criticised the role of EPB in diversifying export basket and said EPB failed to perform the

"The activities of EPB are largely restricted to organising seminars, meetings and workshops and they have done virtually nothing to expand the export basket of nontraditional products, which have good prospects," the BGMEA director observed

"We also need to develop sectorwise expertise and must maintain social and ecological standards of the markets when we go abroad with our products," Saifuddin sug-

EPB director general claimed to have achieved some successes in export earnings, although he admit-

ted failures in some specific fields.

China has also become another

much confident about China as the

country can any time impose heavy

export from Bangladesh is increas-

ing and will further increase in the

For these reasons, knitwear

"Export earnings in the first six months (July-December) of 2004-05 fiscal was \$4146.53 million. which is about 15.19 percent up over the corresponding period of last fiscal (\$3599.66 million)," he

He, however, admitted that the base of country's export is not strong enough and said: "We badly need export diversification and find out newer markets.'

Representatives of women entrepreneurs, bankers, nongovernment organisations and BGMEA members participated in the seminar.

BGMEA First Vice-president MA Salam and EPB Director in Chittagong Monzur Elahi also attended the meeting.

Pakistan, Lanka sign FTA

AFP, Islamabad,

Pakistan and Sri Lanka signed a free trade agreement yesterday and called for an early meeting of a South Asian summit, which was postponed after India withdrew.

"Today is a historic day," Pakistani Prime Minister Shaukat Aziz said after talks with Sri Lankan President Chandrika Kumaratunga, who arrived in Islamabad Monday on a three-day

"This is the first such agreement we have signed with any country," Aziz added at a joint press conference with Kumaratunga after talks on regional and international issues.

The two leaders discussed rehabilitation work in tsunami-hit areas of Sri Lanka, officials said, adding that Pakistan had offered to help repair mosques destroyed in the December

Pakistan and Sri Lanka also signed an agreement on exempting students from visa fees, a memorandum of understanding for technical assistance in gems and jewelry and cooperation in agriculture, along with an agreement on a 10-million-dollar credit facility for Sri Lanka.

the delayed summit of the sevennation South Asian Association for

The summit scheduled to take place in Bangladesh on February 6-7 was put off indefinitely after India

early as possible," the Sri Lankan president told reporters. "Both our governments are encouraging early resumption of the Saarc conference

Pakistan's President Pervez Musharraf said Tuesday during a meeting with Kumaratunga that he was dismayed by the postponement.

Hewlett-Packard CEO steps down

"While I regret the board and have differences about how to execute HP's strategy, I respect their decision," said Fiorina in a statement. "HP is a great company and I wish all the people of HP much success in the future. Robert Wayman, HP's chief

financial officer, was named CEO on an interim basis and appointed to the board of directors.

new CEO is underway.

Indian budget airline orders 10 Boeing planes

US aerospace giant Boeing has received an order for 10 of its 737-800 passenger jets worth 630 million dollars from new Indian budget airline Spicejet, a company statement said

"Spicejet has placed a firm order

Spicejet would begin domestic air services in May with three leased

Boeing 737-800s, it added. The no-frills airline plans to offer fares 30-40 percent below those of full-service carriers. It said it would keep overhead costs low by selling food and beverages on flights.

SpiceJet is one of nine low-cost

opens in Natore feed mill, plastic molding and milk collection units to produce wide

industrial zone, Pran Agro Industrial Park, was inaugurated in Natore on Tuesday. Finance and Planning Minister M

Bangladesh's first-ever agro-

Saifur Rahman formally inaugurated the park at Singradah, says a press release.

The park will be comprised of automatic rice mill, spice, peanut, honey, tomato, pickle, jam and jelly processing units, fruit pulping units, pulses mill, puffed rice mill, cattle

range of products, which will be exported. Speaking at the function, the

finance minister said only foreign aids and sanctions cannot reduce poverty. Rather, local entrepreneurs can alleviate poverty by creating employment and agro-based products can be a weapon to fight poverty, he added.

Post and Telecommunications

Minister Aminul Hug, State Minister for Energy and Mineral Resources AKM Mosharraf Hossain. State Minister for Power Iqbal Hassan Mahmood and Pran Group Chief Executive Officer Amjad Khan Chowdhury also attended the inaugural function.

The park is expected to create direct employment for 5000 people. Pran is the leading agro-based industrial group in Bangladesh.

Mercantile

as per law

Co-operative

Bank running

Atab polls on March 24

ICC-B lauds G-7 decision

to relieve the poor of

STAR BUSINESS REPORT

The election of the executive committee of Association of Travel Agents of Bangladesh (Atab) for the 2005-07 term will be held on March

Kazi Kamal Ahmed, election commissioner of the Atab election. announced the schedule at a press conference in Dhaka yesterday

The voters will elect a total of 29 executive committee members. 17 from Dhaka zone, six from Chittagong and six from Sylhet zone, who will elect president. general secretary and other office

bearers of the association. According to the association, out

debt burden

International Chamber of

Commerce-Bangladesh (ICC-B)

has lauded the G-7 decision to

relieve the developing countries of

sign, ICC-B President Mahbubur

Rahman in a press statement

issued yesterday said such a unique

gesture of the rich nations will

benefit the poor countries in great

proportion and help them achieve

the millennium goal of poverty

come up with appropriate mecha-

nism for a final decision at the next

G-8 Summit which is scheduled to

take place in July, 2005 in

Gleneagles. Scotland for its imple-

He hoped the G-7/8 nations and

Terming the decision a positive

STAR BUSINESS REPORT

their debt burden.

mission has primarily finalised 630 voters who will be eligible to vote. The final voter list will be published Speaking at the press briefing,

of 851 members, the election com-

Ahmed said the candidates can file their nomination papers until 2pm on February 19 and can withdraw their nominations by 4pm on March 3.

Vote casting will be held at the ATAB head office in Dhaka and will run from 9am to 4pm without any

The official polls results will be declared at 7pm on March 29 and the newly elected executive com-

mentation as quickly as possible.

Welcoming the decision by the

wealthiest nations to provide as

much as 100 percent multilateral

debt relief to the 37 most indebted

nations. Rahman also emphasized

the need to provide appropriate

development assistance to the

developing countries to come out of

passed the first hurdle of 2005, but

they need to move quickly to turn

their proposals into reality for the

worlds poorest," the ICC-B presi-

He also urged the G-7/8 leaders

to reduce their farm subsidies and

remove all tariff, para-tariff and non-

tariff barriers and give meaningful

free market access to the exports of

developing countries.

"G-7 finance ministers have

the vicious cycle of poverty.

Says chairman STAR BUSINESS REPORT Dhaka Mercantile Co-operative

Bank Ltd is running its business as per cooperatives law, which permits it to use the word 'bank' in its nameplate, said Abu Zafar Chowdhury chairman of the bank.

He said the bank was registered in 19/3 under the Bendal Co-operative Societies Act 1940 and was also upheld by 1984 Cooperative Societies Ordinance 1984 and Cooperatives Societies Act 2001.

He was speaking to reporters in Dhaka on Sunday just after Bangladesh Bank warned people through newspaper advertisements against depositing money with the Mercantile Co-operative Bank.

The Bank Company Act 1991, which made it mandatory for any institution to get license from the central bank for using the word 'bank' as its name, also kept co-operative banks and non-banking financial institutions registered with any other authority under any other law, Chowdhury said.

'Depositors are not only querying us, some of them even wanted to withdraw their money,' the chairman

Chowdhury has already met the officials concerned of the central hank to tell them that their warning was not substantiated by relevant clauses of cooperative act and even the Bank Company Act, the guide

book for regulating banks. The operative bank's deposit stood at Tk34.38 crore while it advanced Tk33.31 crore as of December 31, 2004. The bank runs

its small financing activities through 29 branches in and outside Dhaka.

UN body to monitor garment factories in Cambodia

AFP, Phnom Penh

The UN's labour body announced Wednesday it was expanding its monitoring of garment factories under a project aimed at improving labour standards in one of the world's poorest economies.

Cambodia, where garment exports represent 40 percent of the economy, is angling to survive the December 2004 end of the world textile export quota system by marketing itself as being a labourfriendly, socially responsible exporter.

being expanded and re-named the Better Factories Cambodia Project with the International Labour Organisation (ILO) and the Cambodian government working in partnership, the ILO said.

The Garment Sector Project is

The Dubai-Bangkok-Sydney daily service will also be extended to Auckland in New Zealand from that IDLC Pakistani authorities will tender to buy 150,000 tonnes of duty-free refined sugar and are scouting to import about 50,000 tonnes of raw sugar, US and European trade The state-run Trading Corporation of Pakistan (TCP) would announce the refined sugar tender via the domestic press, trade

Md Ziaul Haque Khondker, managing director of Investment Corporation of Bangladesh (ICB), S Reganathan, country manager of Commercial Bank of Ceylon Ltd, Rafat Ullah Khan, head of credit of BRAC Bank Limited. Abbas Uddin Ahmed, managing director of The City Bank Ltd, Nasir A Chowdhury, managing director of Green Delta Insurance Company Ltd, Anwar Hug, joint managing director of Reliance Insurance Ltd and Chairman of IDLC, and Anis A Khan, CEO and managing director of IDLC, pose for photographs at the launching ceremony of asset-backed zero

India likely to allow more FDI in retail, real estate sector

PALLAB BHATTACHARYA, New

India is likely to firm up its policy on allowing foreign direct investment (FDI) in its booming retail and real estate sector in the next couple of

Minister Kamal Nath disclosed this to reporters here yesterday on the sideline of a meeting of Indo-American Chamber of Commerce on infrastructure sector.

"We are examining all the parameters and hope to come out with a policy in the next two months," the minister said.

Asked if FDI in retail sector will be part of India's negotiations on services at WTO which have to be submitted before May 31 this year, he said, "We have had discussions with players in the retail sector. We want incremental FDI in this sector. However, we do not want FDI which would displace the existing investment."

the news from Pakistan cannot "Our offers in investing over-United States said, adding the trade seas (Foreign banks) and conand speculative buying which has sumption of services abroad would come into the market may be linked be driven by what we receive in business process outsourcing from

developed countries," Nath added. Although the Indian government liberalized FDI in telecom from 49 to 74 percent and 40 to 49 percent in civil aviation in the face strong resistance from Left Parties which

The consumer affairs ministry seems to be in favor of FDI in all segments of retail sector including food and grocery as this would help domestic producers to go for tieups with multinational giants who are already sourcing from local

The question, however, remains if FDI in retail sector would hurt small retailers. The government also has task to convince the domestic retailers.

A government mid-term review of the economy has suggested FDI in retail sector saying this will encourage value addition for agri-

is estimated at Rs 5,88,000 crore of which the unorganised sector is worth Rs 5,83,000 crore. The organized retail market includes food and grocery estimated at Rs 600 crore.

Nath said FDI in real sector should be driven towards construction and not just investment in land

India has seen a big jump in FDI inflow of two billion dollars in 2004 up from one billion dollar in 2003 in this sector, according to official

The government has succeeded in removing a lot of bureaucratic hassles in FDI approvals. A World Bank report on India's

investment environment in 2004 said labour laws, water supply and power situation are among the reasons impeding larger FDI Foreign investors are also

keeping a close watch on how finance minister keeps his words on hiking the FDI ceiling in insurance sector from 26 to 49 percent when he presents his budget in Parliament on February 28.

Aziz and Kumaratunga discussed Regional Cooperation (Saarc).

pulled out, citing security reasons. "We hope that we could hold it as

Hewlett-Packard Co on Wednesday said Chairman and Chief Executive Carly Fiorina has stepped down, effective immediately.

reduction by 2015. The company said a search for a the World Bank Group will be able to

Wednesday

for 10 planes valued at 630 million dollars at list prices and has options for 10 more. The first delivery is scheduled for 2006," the Boeing

Indian carriers which have applied for licenses in the past year as the country allows industry competition to cut fares and bolster air travel.

Tea prices keep soaring exporters were virtually inactive.

STAFF CORRESPONDENT, Ctg

weekly auction witnessed an upbeat trend here on Tuesday. Around 85 to 90 percent tea on offer this week was sold, although

coarse and end-season varieties were neglected, auction sources They said good liquoring types sold well in the market gaining Tk 5 to Tk 10 and occasionally Tk 15.

Other types were firm to Tk 5. The prices of plainer sorts were irregular whilst poor and end-season types were neglected and were sold at discount.

"The Blenders continued to dominate the market with Loos Tea Tuesday next (February 15). Traders giving good support and

Prices of tea kept soaring as the were most sought after and registered a further rise in price," said Amanat Hossain Arman, managing director of a brokerage firm. Arman said Pakistan and Confederation of Independent

Well-made good liquoring types

but were less active than the local The offering this week (sale no-40) was 21,500 chests, of which around 18, 500 chests were leaftea,

The average price for tea ranged from Tk 95 to Tk 97 against Tk 86.80 last week. The sale no-41 will be held on

States (CIS) took part in the auction

provide crucial support to Manmohan Singh government, the Commerce and Industry FDI in retail sector has been another ticklish issue However, the commerce ministry is upbeat about the possibility of employment-generation in branded retail sector, sources in the ministry said.