

## \$58m exports rise in July-August

### Woven continues downtrend, knitwear maintains growth

MONJUR MAHMUD

Exports grew by US\$ 58 million in the first two months of the current financial year.

During July-August period of the 2005-06 fiscal year, exports fetched \$1753 million, which was \$1695 million during the same period of the last financial year, according to Export Promotion Bureau (EPB) statistics.

Exports fetched a record \$905 million in July and the income was \$848 million in August 2005.

Woven products continued to show a negative trend during the period earning \$701 million, down from \$772 million during the same period of the last fiscal.

However, knitwear products were able to maintain strong growth during July-August period of FY06 fetching \$663 million, up by 19.57 percent over the last fiscal's same period.

Exports of knitwear products in some major markets have increased substantially after quota phase-out from January this year, according to Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"The present trend will continue in the coming months as we have strong backward linkage support," said Md Fazlul Hoque, president of BKMEA.

Knitwear apart, export earnings from jute goods, raw jute, leather, chemical products, ceramic tableware, agricultural products, petro-

leum by-products, computer services, textile fabrics and handicrafts recorded growth during July-August period.

On the other hand, earnings in some major sectors including frozen food, electronics, footwear, engineering products, tea, home textile and bicycle recorded negative growth during the same period of this fiscal.

Frozen food exports amounted to \$85.49 million during July-August period of FY06, down by 1.58 percent than last fiscal's corresponding period.

Jute goods export fetched \$52.86 million in the first two months of the current fiscal, recording a 13.70 percent growth than the same period

of last fiscal.

Chemical products worth \$39.63 million were exported during July-August period of this fiscal, marking an 11.85 percent rise than last fiscal's same months.

Price index of both primary and manufacturing products dipped substantially in the first two months of FY06.

"Bangladeshi products are facing fierce competition in the global market. Exporters are being forced to export more products for earning the same amount as prices in the international market are showing a downward trend," said an EPB official.

## Yuan hits new high against dollar

AP, Shanghai, China

The Chinese yuan on Friday climbed to its highest level against the U.S. dollar since Beijing revalued its currency in July but has still only gained about 0.32 percent since then.

The yuan closed at 8.0840 to the dollar, its strongest level since China revalued it by 2.1 percent on July 21 to 8.11 and began linking its value to a basket of currencies instead of just the dollar. The yuan closed at 8.0862 on Thursday, also a record high.

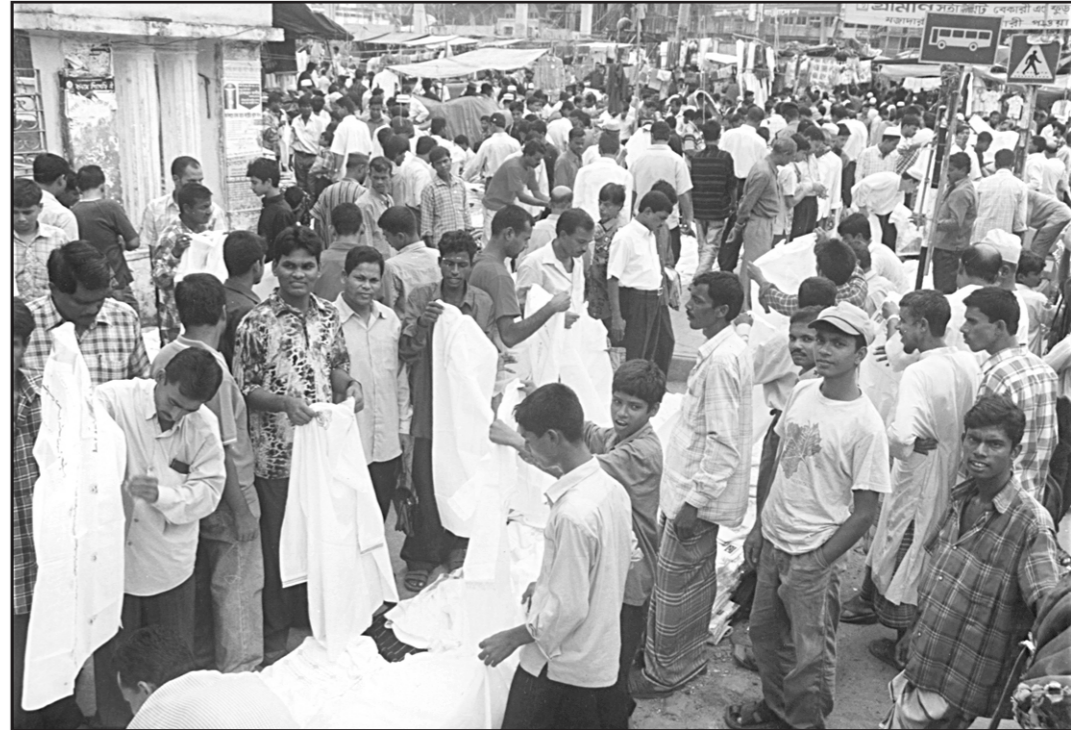
Speculation has been building that China might take another major step in relaxing controls on its tightly restricted currency before a visit by President Bush to China next month.

The Bush administration has been lobbying for faster reforms, contending that the yuan is still undervalued against the dollar by as much as 40 percent, making Chinese goods artificially cheaper in overseas markets.

A spokesman for the People's Bank of China, the country's central bank, refused comment Friday on a report by the Financial Times that U.S. Treasury Secretary John Snow was pressuring Beijing for another revaluation.

Chinese officials have repeatedly insisted they will allow the yuan's value to adjust gradually.

Trading in the yuan is restricted and its value is only allowed to move within a 0.3 percent range of its opening level each day.



As Eid shopping gets momentum, traders offer shirts at a fixed rate of Tk 150 to low-income people on the footpaths in front of GPO in Dhaka yesterday.

PHOTO: STAR

## Dhaka int'l trade fair begins Dec 12

BSS, Dhaka

The deferred 11th Dhaka International Trade Fair-2005 (DITF) will begin at Sher-e-Bangla Nagar on December 12, official sources said yesterday.

The month-long regular annual DITF is aimed at providing a venue to both the local and international buyers and sellers to meet and see one another's products that would help boost exports.

The Ministry of Commerce and Export Promotion Bureau, joint organisers of the fair, have invited applications from interested local and foreign government, non-government firms and organisations for allocation of pavilions, mini-pavilions and stalls of different sizes to participate in the exposition.

The fair will showcase a wide range of Bangladeshi products, including readymade garments, world class ceramic and melamine wares, environment-friendly jute and jute products, leather and leather goods, handicrafts, carpets, footwear, software, frozen foods, plastic goods, agricultural commodities and jewelry.

EPB sources said 16 countries, including China, Malaysia, United Arab Emirates, Kuwait, Egypt, Singapore, Myanmar, India, Pakistan and Japan have already confirmed their participation in the fair.

The sources said the government has taken an 'aggressive' export policy to enhance export on the basis of 'export or perish' to fulfil the target of earning US\$ 10.11 billion during 2005-06 fiscal year.

Commerce ministry sources said woven knitwear, footwear, jute and agricultural products and raw jute have achieved their export targets.

The 11th DITF was scheduled to be held in February-March but it was deferred twice because of security arrangements for the Saarc summit.

Analysts say Bangladesh can boost its exports to the middle eastern countries by shipping new items such as halal beef, tea, melamine and plastic goods, fruits and vegetables.

Gulf countries can be the main destinations for Bangladeshi quality products, they said.

Quality products are essential to increase exports in the competitive global market in the era of globalisation, they said.

## China replaces US as Australia's largest import source

AFP, Sydney

China overtook the United States as the main source of Australia's imports for the first time in the 12 months to the end of September, official figures showed Friday.

The Australian Bureau of Statistics data showed China, including Hong Kong, accounted for 14.3 percent of Australian imports, ahead of the United States on 13.9 percent.

It said Chinese imports totalled 21.8 billion dollars, more than doubling in value over the past four years, while US imports were worth 21.2 billion dollars.

CommSec chief equities economist Craig James said it was a milestone for the Australian economy and meant local companies would face a more competitive atmosphere.

"The continued influx of high quality Chinese goods at cheap prices will keep downward pressure on margins for Australian manufacturers and retailers," he said.

"The bottom line is that companies will need to get used to super-competitive markets."

James said China's importance to the Australian economy would continue to soar in the coming years.

## Microsoft earnings up on server sales

AP, Seattle

Microsoft Corp said earnings for its fiscal's first quarter rose 24 percent, thanks in part to healthy server sales. But its sales outlook in the current quarter concerned some analysts and shares fell slightly Thursday.

For the quarter ended Sept. 30, the Redmond-based software maker earned \$3.14 billion, or 29 cents per share, up from \$2.53 billion, or 23 cents per share, in the same period last year.

The most recent results included a charge of 2 cents per share to account for a legal settlement with RealNetworks Inc. The results for the year-ago period included a one-time charge of \$359 million, or 3 cents per share, to account for a legal settlement with Novell Inc.

Without the one-time charge, the company would have earned 31 cents per share. Analysts polled by Thomson Financial were expecting earnings of 30 cents per share on revenue of \$9.78 billion.

Revenue for the quarter rose to \$9.74 billion from \$9.19 billion in the same period last year.

For the current fiscal second quarter ending Dec. 31, Microsoft said it expects to earn 32 cents or 33 cents per share, on revenue of between \$11.9 billion and \$12 billion.

## BIRD FLU THREAT

# Strong safety measures needed to save poultry

BDNEWS, Dhaka

The country's poultry industry requires strict precautionary safety measures to protect the industry from the consequences of bird flu that has already affected many parts of the world.

Although poultry export did not increase in recent time due to upward trend in local consumption, the export may see a significant increase in next year for disruption in supply from some major sources caused by the avian-flu, said Kazi Zahidul Hasan, managing director of Kazi farm.

Strong precaution on bird flu is necessary not only for local market but also for access to the potential international market, he added.

He said the recent outbreak of bird flu is likely to create a big export market for new countries as major Asian, European and African poultry supply sources have been affected.

A recent study conducted by the Centre for Policy Dialogue (CPD) said

Bangladesh's poultry export would increase by 2.4 times to US\$ 2.96 billion from 0.88 billion in fiscal year 1999-01 if the WTO reached a consensus on withdrawal of agri-subsidy and agricultural export-subsidy at the upcoming ministerial meeting in Hong Kong.

Vice Chairman of Export Promotion Bureau Mir Shahabuddin Mohammed said the government for the first time provides 25 percent cash subsidy for the poultry exporters from current financial year to boost export.

Bangladesh has already got a positive impression in international poultry markets for banning import of chicks from 13 Asian countries soon after the disease broke out in the region, said Morshed Alam, president of Bangladesh Poultry Association.

Brazil, the world's second largest exporter of poultry, increased its export by 44 percent in terms of value in 2004 as Thailand and China were affected by bird flu in 2003, reported Food and Agriculture Organisation

(FAO).

Alam said, Thailand and China, world's leading poultry exporters, suffered significantly in poultry export last year and would continue to suffer for the next three years.

According to Asian Development Bank (ADB), recent outbreak of bird flu could cost US\$ 290 billion in the Asia-Pacific region only.

The government last week imposed ban on import of chicks from four European countries - Turkey, Greece, Romania and Russia -- and one Central Asian country, Kazakhstan, where bird flu has broken out recently.

Bangladesh mainly exports poultry products to Middle Eastern countries.

## Toshiba's profit jumps by 46pc

AP, Tokyo

Toshiba Corp said Friday its net profit jumped 46 percent in the July-September quarter from a year ago, thanks to increased demand for flash memory chips and improved profitability of its personal computers.

Toshiba posted a group net profit of 23.57 billion yen (\$204.42 million) for its fiscal second-quarter, up from 16.16 billion yen a year earlier.

Group sales grew 4.4 percent to 1.601 trillion (\$13.89 billion) from 1.534 trillion yen.

## Vodafone to invest \$1.5b in Indian cellphone co

AFP, New Delhi

Vodafone will invest 1.5 billion dollars for a 10 percent stake in Bharti Televentures, the flagship company of India's largest private telephone group, the British telecommunications giant said on Friday.

"We are entering a relationship with a major company which shares our vision and values and understands as we do the enormous potential of mobile telephony in society," Vodafone chief executive Arun Sarin told a press conference.

Vodafone will buy a 4.4 percent stake from Bharti Enterprises and another 5.6 percent from investment firm Warburg Pincus. Bharti Enterprises will maintain a controlling state of 45.9 percent in Bharti Televentures Ltd.

"Vodafone has made a total investment of approximately 1.5 billion dollars to acquire around a 10 percent interest in Bharti Televentures Ltd.," a company statement said.

"This transaction is consistent with Vodafone's strategy of developing our global footprint in growth markets where we can create value for shareholders."

Bharti Televentures had 14 million mobile phone customers as of September 2005 and owns the largest network of mobile services across India.

Vodafone has 165 million customers worldwide.

The deal makes Vodafone a partner with Singapore Telecommunications, with Southeast Asia's biggest telephone company already owning a 15 percent stake in Bharti Televentures.

"Bharti is all set to go to the next level. I think this company needs all the expertise and I don't think there is a better company than Vodafone to do that," said Bharti chairman Sunil Mittal.

Mittal said one reason for choosing Vodafone as a partner was its leading role in pushing forward third-generation (3G) devices.

He said he was hopeful the Indian government would soon open up the local market for 3G technology.

Vodafone launched its 3G services in November 2004, and plans to bring out a Christmas range of 3G handsets to further boost sales in the technology.



PHOTO: NCC BANK

M Wazhiullah Bhuiyan, chairman of NCC Bank Ltd, inaugurates the 38th branch of the bank in Rajshahi city on Tuesday. Other senior officials of the bank were also present at the inauguration.