

Export up 4.4pc in Q1 Knitwear sector continues to grow

STAR BUSINESS REPORT

Exports saw 4.4 percent rise in the first quarter of the current financial year despite continuous fall in earnings from the woven products.

During July-September period of the 2005-06 fiscal, exports fetched \$2,473 million, which was \$2,368 million during the same period of the last financial year, according to Export Promotion Bureau (EPB) statistics.

Exports fetched \$905 million in July, \$848 million in August and \$720 million in September 2005.

Woven garment products continued to show a negative trend during the period earning \$967 million, down from \$1,052 million during the same period of last fiscal.

On the other hand, knitwear products maintained strong growth during July-September period of FY06 fetching \$919 million, up by 17.95 percent than the last fiscal's same period.

According to Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), knitwear exports saw a rise in some major markets after quota phase-out from January this year.

The exporters hoped the trend in knitwear sector will continue in the coming months as it has a strong backward linkage support. Besides, the BKMEA went for an aggressive campaign in some major markets including the US to increase its income from this sector.

"Bangladesh exports continue to see a positive growth in the quota-free regime due to substantial rise in income from the knitwear sector. Readymade garment still contributes around 75 percent to the total export earning and diversification in its basket is yet to take place," said an EPB official.

Knitwear apart, export earning from jute goods, raw jute, leather, chemical products, ceramic tableware,

agricultural products, petroleum by-products, computer services, bicycle, textile fabrics and handicrafts recorded growth during July-September period of the current financial year.

On the other hand, earnings from some major areas including frozen food, electronics, tea, and home textile dropped during the same period of this fiscal.

Frozen food exports amounted to \$123 million during July-September period of FY06, down by 2.72 percent over the last fiscal's corresponding period.

Jute goods fetched \$78.49 million in the first three months of the current fiscal, recording a 14.15 percent growth than the same period of last fiscal.

Chemical products worth \$53 million were exported during July-September period of this fiscal, marking an 8.48 percent rise than last fiscal's same months.

Fidelity Assets launches deposit scheme

STAR BUSINESS REPORT

Fidelity Assets & Securities Company Limited (FAS), a concern of Nitol-Niloy Group, yesterday launched a deposit scheme styled 'Magic Return' by which a client will get double return of his/her initial deposit within a certain period of time.

Under the new scheme, the clients can deposit minimum Tk 10,000, officials of the non-banking financial institution said.

State Minister for Finance and Planning Shah Md Abul Hussain formally launched the deposit scheme at a programme in Dhaka. FAS Chairman Abdul Matlub Ahmed, Managing Director Hasan Iqbal and Deputy Managing Director NS Kabir also attended the function.

Speaking at the function, the state minister said the scheme will help the low, middle and high income people to save a certain amount of money for future.

He asked the company to invest the deposited money in good products or projects, which will create a good business opportunity.

Responding to the demands for flexibility in term deposit and cash transactions in the leasing companies made by Ahmed, the state minister said he will request the Bangladesh Bank to look into the issues.

Ahmed, also the chairman of Nitol-Niloy Group, said under the scheme, the clients can also take 80 percent of their deposited money as loan with a soft interest rate.

BP to spend up to \$8b on green energy

REUTERS, London

Oil major BP plans to spend up to \$8 billion over 10 years developing alternative energies such as wind and solar, capitalising on growing interest in low carbon power, the group said on Monday.

A new unit called BP Alternative Energy will manage a fleet of projects that BP said had the potential to deliver sales around \$6 billion a year within a decade.

BP said an initial \$1.8 billion would be invested over the next three years, spread in broadly equal proportions between solar, wind, hydrogen and gas-fired power generation.

HSBC chairman to resign in May

AP, London

Banking group HSBC Holdings PLC announced Monday that Chairman John Bond will resign in May after seven years in the position and he will be replaced by current Chief Executive Stephen Green.

Green will hand over the CEO position to Michael Geoghegan, 52, the current chief executive of HSBC Bank, the group's principal subsidiary in Britain.

HSBC secured the support of major shareholders before announcing the appointment of Green, 57, because promotion to chairman from the position of chief executive goes against corporate governance recommendations.

Deputy Chairman Brian Moffat said Green, who joined HSBC in 1982 and was appointed chief executive in 2003, was the "outstanding candidate" following a thorough selection process.

Bond joined HSBC in 1961 and worked in Asia for 25 years and the United States for four years, before coming to London in 1993 when he took on the role of chief executive of HSBC Holdings. He became chairman in 1998.

Geoghegan's position at the helm of HSBC Bank will be filled by another long-serving employee, Dyfrig John.

DaffodilPC assembling plant opens

The inaugural ceremony of the new assembling plant of DaffodilPC brand computers was held recently in Dhaka.

Md Sabur Khan, chairman of Daffodil Group, inaugurated the plant at a function, says a press release.

The plant, with the capacity to assemble 300 personal computers a day, has all the facilities of international standard including three-tier quality control system.

Yunus for conversion of micro-finance institutions into banks

STAR BUSINESS REPORT

Grameen Bank Managing Director Muhammad Yunus yesterday said micro-finance institutions should be converted into micro finance banks as the conventional banks have very poor investment in rural areas.

The conversion will bring more people under banking network, said Yunus, a micro-finance pioneer in Bangladesh.

Yunus was speaking at an international conference on micro and SME finances in Dhaka.

He also called for immediate establishment of a micro-credit regulator. "The central bank is incapable of regulating the micro-credit operation as dealing of it is very risky due to its collateral free character," Yunus told the conference.

South Asia Enterprise Development Facility (SEDF), a subsidiary of the World Bank Group, is

organising the conference titled 'Bridging the Gap between Micro-Finance and SME Finance' at Bangladesh-China Friendship Conference Centre.

The Asian Banker Singapore Chief Executive Officer Emmanuel Daniel moderated the opening session where Bangladesh Bank Governor Dr Salehuddin Ahmed, IFC Director Lawrence Carter and SEDF Programme Manager (Finance Markets) Gilles Galludec also spoke.

Yunus said the draft micro-credit law still awaits government approval. Describing the necessity of a separate specialised agricultural bank without political intervention, Yunus said distribution of funds from existing agricultural banks is guided by political motivation.

Bangladesh Bank Governor Salehuddin Ahmed said high interest rate hampers smooth growth of SMEs.

The governor said micro-finance is

gradually transforming into SME finance, which will hopefully help bridge the gap between micro and SME finance.

Local and international business entrepreneurs and representatives from financial institutions, NGOs, micro-finance institutions, regulators and donors are participating in the conference.

In the first day of the conference, three working sessions discussed topics titled 'Market and Market Needs', 'Strategies to Build the Bridge', and 'Institutional Perspective'.

In the second day, issues titled 'Necessary Steps to Manage the Change', 'Women Entrepreneurship and Transition from Micro to SME finance', 'Solutions, Instruments and Technology to Improve Operations' and 'Pillars of Conducive Regulatory Environment for Non Traditional Sectors' will be discussed.



Grameen Bank Managing Director Muhammad Yunus speaks at an international conference titled 'Bridging the Gap between Micro-Finance and SME Finance' in Dhaka yesterday.

WTO draft offers no roadmap Says Indian chamber

ANN/ THE STATESMAN

The Federation of Indian Chambers of Commerce and Industry (Ficci) has expressed disappointment over what it called "the directionless approach" of the first draft for the Hong Kong WTO ministerial conference.

Criticising the postponement of modalities in important areas such as agriculture and non-agricultural market access (NAMA), Ficci said the draft, released on Sunday, should have been more than a mere compilation of "chairmen's reports".

"Such an approach, without any substantive guiding parameters or roadmap in the main text, has somewhat diluted the importance of the work carried out so far in the WTO," the chamber said.

"The draft has also failed to adequately reflect several constructive proposals given by developing coun-

tries on different multilateral trade-related issues."

According to Ficci, the draft could have been structured differently to

Merck to cut 7,000 jobs by 2008

AP, New York

The embattled drugmaker Merck & Co said Monday that it will cut about 7,000 jobs, or 11 percent of its work force, and will close or sell five of its 31 manufacturing plants by the end of 2008 in moves that it says will save up to \$4 billion.

The announcement comes as the company faces the loss of patent protection for its top-selling cholesterol drug Zocor in 2006.

recognise the degree of convergence as highlighted in the annexed reports. In other words, the areas of convergence could have been brought forward in the main text and thus could form the basis of further discussions.

Giving an example, the chamber said in case of domestic support in agriculture, the chairman's report itself says there was an undeniably significant convergence on the range of cuts for domestic support.

But it does not say whether despite this convergence these ranges of cuts could be a way forward for negotiations; instead the draft merely takes note of the Chairman's report.

Ficci also expressed concern over the failure of the draft to resolve the issue of paragraph eight flexibilities for developing countries.

SAFTA NEGOTIATION Experts' last round meet begins today in Nepal

STAR BUSINESS REPORT

The last round meeting of the committee of experts (CoE) on Safta negotiation begins today in Nepalese capital Kathmandu aiming to keep maximum flexibility in settling outstanding issues.

Seven foreign ministers of the South Asian Association for Regional Cooperation (Saarc) member countries on the eve of the two-day Dhaka Summit on November 12-13 directed the CoEs to break stalemates in the negotiation.

"All the parties of the South Asian Free Trade Area (Safta) may submit proposals to withdraw more products from sensitive lists," a high official of the Ministry of Commerce said Saturday.

The official who is also a member of Bangladesh delegation said that the scheduled two-day meeting might be extended for another day to resolve all the issues.

He said CoE of other countries may reach a compromise deal on Rules of Origin (RoO) and revenue compensation mechanism at the meeting.

As the technical experts need political directives to break the deadlock, the CoE had forwarded the draft to the Saarc Standing Committee comprising foreign secretaries of seven Saarc nations during the recently concluded 13th Saarc Summit.

Dhaka int'l trade fair from Dec 10

UNB, Dhaka

The twice-deferred 11th Dhaka International Trade Fair (DITF) will begin on December 10.

Prime Minister Khaleda Zia is expected to open the month-long fair at Sher-e-Bangla Nagar as chief guest.

Organised by Export Promotion Bureau (EPB), the fair will be participated by companies from 12 countries including host Bangladesh.

The other participating countries are Austria, China, India, Italy, Iran, South Korea, Myanmar, Pakistan, Singapore, Thailand and the UK.

Earlier, the fair was deferred twice to facilitate holding of 13th Saarc summit in Dhaka.

EPB sources said the DITF would be participated for the first time by delegations from different foreign chambers and business associations.

Myanmar Chamber of Commerce, Yunnan Chamber of Commerce of China, Haidrad Chamber and Karachi Chamber have already confirmed their participation in the DITF.

Besides, two business delegations from Myanmar and Malaysia will also visit the exhibition. The organisers have asked 49 Bangladesh missions abroad to encourage business delegations to participate in the Dhaka fair.

India, Pakistan, Iran and Thailand will have special pavilions, comprising a number of stalls in each, at the fair ground to display their products.

Meanwhile, the organisers have decided to deploy mobile courts at the fair venue to check robbing the visitors by the fast food shops through forcing them to pay abnormal prices for the food items.

China mulls cutting trade surplus

ANN/ CHINA DAILY

China will try to boost its imports and keep the momentum in export growth in the coming months, aiming to reduce a rapidly-growing trade surplus that has drawn fire from its major trading partners.

The State Administration of Foreign Exchange (SAFE), China's foreign exchange regulator, said Sunday the nation is expected to continue to witness a "sizeable" surplus in its international payments during the second half of this year, which will push its forex reserves to higher levels.

In the first report on the nation's international balance of payments (IBP), which was released Sunday, the administration said the surplus in its current account, which covers mostly trade in commodities and services as well as current transfers such as remittances from overseas Chinese, ballooned by 801 per cent on a year-on-year basis to US\$67.3 billion in the first half of this year.

SAFE said it will publish half-year IBP reports on a regular basis from this year onwards.



Md Sabur Khan, chairman of Daffodil Group, inaugurates an assembling plant of DaffodilPC brand computers in Dhaka recently. The plant will have the capacity of assembling 300 personal computers a day.