

Star BUSINESS

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Zhu Xian takes over as WB country director
UNB, Dhaka

World Bank's new Country Director for Bangladesh Zhu Xian assumed his responsibilities here yesterday with an optimistic notion about Bangladesh's future.

"I saw at first hand the spirit of Bangladeshi people during my pre-assignment mission last December. This has really energised me," he said in a statement on his assumption of the office.

A Chinese national, Xian, 52, who joined the bank in 2002, said Bangladesh's recent macroeconomic and policy reforms are producing visible results in terms of sustained growth and social progress.

"Maintaining momentum on reforms, strengthening the state and its institutions, and removing constraints to growth for poverty alleviation will be the key," he added.

Before joining the WB, Xian worked for 15 years as a civil servant with the Chinese finance ministry holding several senior positions and was actively involved in China's market-driven economic reforms.

Most recently, Xian served as World Bank Country Director for Papua New Guinea and Pacific Islands in the East Asia and Pacific region.

US, Malaysia begin FTA talks

AFP, Kuala Lumpur

The United States and Malaysia on Monday kicked off a make-or-break fifth round of trade talks, imperilled by sensitive issues and a row over a Malaysian energy deal with US oil firm.

The talks, which are a last-ditch attempt to strike a free-trade agreement (FTA) before a March deadline, are being held in the resort town of Kota Kinabalu on Borneo island.

No details of the discussions were made available, but US officials said they would hold a press conference when they conclude at the end of the week.



New GM of Motorola SE Asia

Sabbir Ahmed Khan has recently been appointed general manager and regional director of Motorola South East (SE) Asia region, covering Bangladesh, Bhutan, the Maldives, Sri Lanka and Nepal.

A Master in physics from Jahangirnagar University, Khan worked for Bangladesh Telecom Ltd as executive director prior to joining Motorola in 1998 as a project manager, says a press release.

Ericsson, world's largest

New import-export policies approved

Limit on engine sizes of reconditioned cars to go

REJAL KARIM BYRON

The limit on sizes of engines of importable reconditioned cars under the new Import Policy for 2006-2009 will go.

The Advisers Committee on Economic Affairs approved the 3-year policy yesterday.

The committee also gave nod to the proposed Export Policy and the Export Development Strategy Paper (EDSP) for the same term.

Besides withdrawal of the ceiling on the engine sizes of such cars, the safety standards of food imports would strictly be followed.

As per the proposed changes in the import policy, there will be no restriction on importing the 1649CC second-hand and reconditioned cars, and five-year old such vehicles, instead of the current four-year limit, might be imported.

Motorcycles with engine sizes of 150CC can also be imported, while the current limit is 125CC.

Without Letters of Credit (LC), the import-limit would be raised to

\$35,000 from the current limit of \$25,000, according to the proposals, while readymade garment exporters would also be able to import 0.3 per cent of sample textiles instead of the current limit of 0.2 per cent.

The new measures under the proposed policy include prohibiting the import of condensed sugar, regulations for compulsory tests to assure authorities that formalin has not been used in imported fish, and certification that imported meat from the European Union does not contain mad-cow virus.

The proposed export policy outlines plans to encourage export by declaring an annual "Product of the Year" award, and notable women exporters would be awarded with a "National Export Trophy" or identified as commercially important person (CIP).

To increase non-tax revenues, increasing import-related licence and registration fees would also be considered under the proposed policy changes.

The proposed export policy also states that the number of "thrust sectors" would be raised from five to six, while special development sectors would be reduced to nine from ten.

Under the proposed export policy, several measures would be taken to improve Bangladeshi exporters' global competitiveness by reducing the "cost of doing business" through simplifying procedures to release export goods and comprehensively improving the export infrastructure.

Meanwhile, the finance ministry has proposed the EDSP to address the new and complex challenges stemming from the end of the Multi-Fibre Agreement.

The EDSP proposes diversification of exports by providing special facilities for exporting certain products such as readymade garments, leather and leather goods, frozen food, ICT goods and services, light industry goods, pharmaceuticals, tea and jute products.

6-month exports grow 26pc

UNB, Dhaka

The country's export earnings increased by about 26 percent to \$6,220 million during the first half of the current fiscal year.

The export figure was also 3.6 percent higher than the target of \$6,006 million set for the period (July-December '06), according to the figures compiled by the Export Promotion Bureau (EPB).

The December 2006 exports rose to \$1,175 million exceeding the target of \$1,056 million.

Both volume and value of exports were up during the first half of the year to the satisfaction of the national exchequer. The price of export items increased by less than one percent while the volume rose by 25 percent. The price of export items, particularly the manufactured ones, increased marginally (0.46 percent).

"We tried to hold our buyers at the cost of profit margin during the period of volatile political situation in the country," a prominent apparel exporter said.

He said the volume of apparel export did not decline to that extent but they had to slash the price from the cutting and making charges.

Woven garments registered 24 percent growth to US\$2,368 million during the July-December period, which is six percent up from the strategic target of US\$2,234 million for the period.

Knitwear exports were up 32 percent to US\$2,362 million crossing the target of US\$ 2,328 million by over one percent.

Frozen foods, engineering products, home textiles, footwear, ceramic products, handicrafts, cut flower and agro-processed foods have done well and exceeded the target for the period.

Leather, raw jute, bi-cycle, textile fabrics, petroleum by-products, melamine tableware, camera parts, leather bags and parts and computer services have battered the performance but could not achieve the target.

Pharmaceuticals, chemical fertilizer, agri-products, jute goods, tea and electronics lagged behind the target and last year's performance as well.

Corporatisation of NCBs not imposed by donors

Says BB governor

STAR BUSINESS REPORT

Bangladesh Bank Governor Salehuddin Ahmed yesterday denied the government was corporatising the three nationalised commercial banks, to satisfy the World Bank and International Monetary Fund, instead pointing to the benefits the move would bring to the entire banking sector.

Responding to allegations that corporatisation had been imposed on the government as a condition for gaining development partner financing, the governor said the strength of the country's foreign currency reserves meant there was no pressing need for donor funds.

"Our foreign currency reserve situation is good. We no longer need to depend on any donor agency for maintaining the stable reserve situation. So there is no need for the government to follow the suggestions of the said organisations," Ahmed said.

The three NCBs affected are Janata, Sonali and Agrani.

The governor made his comments at a seminar organised by the Bangladesh Women Chamber of Commerce and Industry (BWCCI) on 'Access to Finance and Women Entrepreneurship Development' held at CIRDAP auditorium in Dhaka.

Bansal also said his company is now engaged in network expansion activities with the leading operators of the country and it has recently signed a \$150 million deal with Warid Telecom.

Ericsson maintains cellular infrastructure of 60 operators around the globe and will provide Warid Telecom with similar services, which would be a unique example in Bangladesh.

"We have been negotiating with different other operators here so that they hand over the maintenance of their network bases to us," Bansal said.

Roberto Mina, director, among others, was also present at the press conference.

6-month exports grow 26pc

STAR BUSINESS REPORT

Operations of the lone public sector inland container depot (ICD) in Dhaka's Kamalapur area, are returning to normal, easing what had become a bottleneck for imports and exports in Bangladesh.

Congestion at the depot escalated due to the failure of handling equipment for almost two weeks, however, following the deployment of the army and other measures, the backlog of containers has been removed.

"The depot had been able to send all the containers of exportable items, stockpiled for some time, by three trains to Chittagong. On the other hand, release of import goods continued until 8 pm last night," said Madhusudan Das, deputy traffic manager of the Chittagong Port Authority, posted at the Kamalapur ICD.

A total of 129 TEUs (twenty equivalent unit), 81 of which loaded ones, were delivered yesterday.

Shipping and Communication

Congestion at Kamalapur ICD eases

Probe report likely today

STAR BUSINESS REPORT

Adviser Major General (Rtd) M A Matin visited the ICD on Sunday noon and asked the port authority to bring equipment from the ports of Chittagong and Mongla here to remove the congestions quickly.

Two forklifts arrived from Mongla port yesterday and a load handling equipment may reach Dhaka from Chittagong today, which, Madhusudan hoped, would improve the situation further.

The normal operation at the depot remained deadlocked for around one week as the three straddle carriers installed by the private firm went out of order, resulting in stockpiling of over 4,179 containers, which led to a hindrance in export-import activities.

Making an observation that installation of some hired equipment would not bring a permanent solution to the container handling problem, the leaders of the Customs Agents Association demanded cancellation of the agreement with GATCO and appointment of a new company for an improvement in the situation.

Beximco group, IFIC Bank shares continue to fall following arrests

DSE turnover hits Tk159.20cr

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TK 32.80 and Tk 33 on both bourses respectively. Beximco Synthetic and Beximco Fisheries lost 2.19 percent and 5.2 percent respectively on the DSE.

The group's real estate entity, Shinepukur Holdings, suffered a 2.58 percent fall on the DSE and 3.36 percent on the CSE.

Shares in IFIC Bank fell by 7.56 and 8.64 percent to close at Tk 730.25 and Tk 732 on the DSE and CSE respectively.

The falls were in contrast to a generally steady day on the bourses with the DSE General Index up 18.43 points, or 0.98 percent, finishing at 1883.62 points while the CSE Selective Categories Index gained 0.11 percent to close at 2753.50 points.

Total turnover on the DSE again posted an all time high at Tk 159.20 crore, surpassing the previous highest of Tk 158.74 crore on January 31.

The DSE All Share Price Index increased by 12.90 points, or 0.84 percent, to close at 1540.23 points while CSE All Share Price Index increased by 0.06 percent to close at 4215.78 points.

Of the 209 issues traded on the DSE, 70 closed in gains, 125 suf-

fered losses and 14 remained unchanged while of the 100 issues on the CSE, 42 gained, 50 declined and eight remained unchanged.

Brac Bank, which debuted on the bourses last Wednesday, maintained its top position among the turnover leaders for third consecutive day and also gained in share prices.

The turnover of the bank totaled at Tk 25.50 crore against 404,350 shares on the DSE and Tk 6.60 crore against 105,250 shares on the CSE.

The share prices of the bank advanced by 9.36 percent to close at Tk 645.25 on DSE and 9.75 percent to close at Tk 646.75 on the CSE.

Commenting on the yesterday's market, DSE Chief Executive Officer Salauddin Ahmed Khan said the market is behaving in a stable mood.

"But, we found that some shares were being traded overpriced recently, which is not good for the market," he pointed out.

The investors should invest on the securities after analysing the price-earning ratio of the shares, he suggested.

Cellphone subscription to reach 60m by 2011

Says Ericsson Bangladesh MD

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Ericsson Bangladesh MD Arun Bansal speaks at a press conference in Dhaka yesterday.

telecoms infrastructure provider, organised the press conference in Dhaka to describe its overall growth, market share and activities in the country.

Analysing Bangladesh's current cellphone market growth, Arun Bansal, managing director of Ericsson Bangladesh, said, "Bangladesh is one of the largest growing markets in the world where

Ericsson supplies 70 per cent of the total mobile phone infrastructures and technology.

While mobile phone subscription is showing single digit growth globally, it is double digit in the case of Bangladesh, he said.

Ericsson also increased its direct purchase of materials and services to Tk 200 crore and the headcount from 110 to 581, he added.

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The governor made his comments at a seminar organised by the Bangladesh Women Chamber of Commerce and Industry (BWCCI) on 'Access to Finance and Women Entrepreneurship Development' held at CIRDAP auditorium in Dhaka.

Selima Ahmed, president of BWCCI, chaired the seminar where Atiur Rahman, chairman of Unnayan Shannay, and Hossain Zillur Rahman, executive chairman of PPRC, spoke among others.

Salehuddin said all the formalities to corporatise the three NCBs would be completed soon. The work was going on smoothly and does not need to be sent back to the advisory council for approval, he added.

"The corporatisation will create a level playing field for all banks. The NCBs have long faced problems under state ownership. Now the management can do their business independently and this will increase management accountability," the governor said.