

# Star BUSINESS

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Set up separate container yard in Ctg: BGMEA

UNB, Dhaka

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) made a strong plea for establishing a separate container yard in Chittagong for efficient handling of apparel exports as the sector fixed an export target of \$15 billion within five years.

"We're in discussion with the government about the BGMEA container yard and hope to see a positive result shortly," outgoing BGMEA president SM Fazul Hoque told senior journalists at Hotel Sonargaon yesterday.

He said an agreement has already been signed with the government to set a garment village on 300 acres of land in Munshiganj where 390 plots would be created for relocating garment factories from in and around the crowded Dhaka city.

Hoque said BGMEA is also trying to reactive its effort through lobbyists to get the trade bill passed for duty-free access of products of Bangladesh and other developing nations to the American market.

About some international campaigns against the Bangladesh garment industry with allegation of using child labour, he said it was being done with a motive to give benefit to Bangladesh's competitors like Pakistan, Sri Lanka, Vietnam and Cambodia. He said China and India are also the competitors of Bangladesh on different counts.

In support of his contentions, Hoque said Bangladesh's annual apparel export is worth \$ 8 billion while Pakistan's \$ 3 billion, Sri Lanka's \$ 4 billion, Vietnam's \$ 5 billion and Cambodia's \$ 2.2 billion. If the campaign saw success anyway, the competitors would stake a claim to Bangladesh's export volume.

About the current political situation, the BGMEA president lamented that they had to pass through a very hard time in past eight to 10 months and said, "We want healthy politics and a situation where politicians will run the country and we will do our business."

Asked if international buyers would feel encouraged to buy garments from Bangladesh in absence of democracy and elected government, the export-industry leader said democracy should function within the ambit of the constitution and they want elections in fairness.

New MD of Crystal Ins



Md Abdul Latif Miah has recently taken over as the managing director of Crystal Insurance Company Ltd, says a press release.

Prior to this assignment, he was a general manager of Sadharan Bima Corporation.

Latif started his insurance career in 1967 in the then Premier Insurance Company of Pakistan Ltd and after liberation war he was absorbed in Sadharan Bima Corporation in 1973 as an officer.

More China-HK FTA to boost yuan

AFP, Beijing

China and Hong Kong may expand their free trade pact by the middle of the year, giving a boost to the yuan as a trading currency, Chinese state media reported Tuesday.

The new deal may allow Hong Kong businesses to use the Chinese currency when settling some transactions, such as imports from the mainland, the China Daily reported, citing an unidentified official.

The official told the paper it was likely the expanded agreement would be signed before the 10th anniversary in July of Hong Kong's handover from British to Chinese rule.

According to mill officials, out of

RUPALI BANK HANDOVER

## Buyer seeks extra time

Privatisation Commission wants the process to be completed this month

SARWAR A CHOWDHURY

The buyer of Rupali Bank yesterday asked for extra time to complete the sale process, although the Privatisation Commission is ready to hand over the state-run bank this month.

The commission instead requested it to complete the process this month.

The Saudi buyer wants to settle some issues on the 26 percent shares that it purchased in the second phase, sources said.

Two representatives of Saudi prince Bandar Bin Mohammad Bin Abdul Rahman Al-Saud told the commission yesterday that they will soon communicate their decision on completing the sale process.

The commission has fixed its deadline to hand over the ownership of Rupali Bank to its buyer by March 14.

"We've completed the process on our part. Now the handover

depends on the Saudi prince," Privatisation Commission M Abu Solaiman Chowdhury told reporters.

"There are no major hurdles between us. There are only a very little negligible issues that can be resolved within the timeframe of March 14," Chowdhury said, adding, "I also hope that today's [yesterday's] meeting is the last meeting before handing the bank over to the Saudi prince."

The commission chairman said the final Sales and Purchase Agreement (SPA) will be signed as per the memorandum that was designed earlier for 67.26 percent shares of the bank.

Replying to a query, Chowdhury said the Saudi prince will have to operate the bank after taking over as per the Bangladesh Bank's guidelines.

The government decided to privatise the state-run Rupali Bank as part of the financial reform and

banking sector modernisation. The Privatisation Commission invited bids from seven selected organisations listed through a scrutiny from among those interested, both from home and abroad.

On August 27 last year, the commission declared the Saudi prince the highest bidder. On October 5, 2006, the then prime minister Khaleda Zia okayed the bid of \$330 million to buy 67.26 percent stake in Rupali Bank. The present government earlier in the last month approved a proposal to sell its remaining 26 percent shares in Rupali Bank to Saudi prince Bandar for \$128 million.

The World Bank and the International Monetary Fund have long pushed for the privatisation of all four state-owned banks. The other nationalised commercial banks--Sonali, Janata and Agrani--have recently been corporatised by the caretaker government.

Traders to restart import of essentials

STAFF CORRESPONDENT, Bogra

Business leaders in the northern and southern districts yesterday said they would soon restart importing daily commodities, including rice, lentil and onion, to ensure smoother supply in markets.

The assurance came when they held a daylong meeting with the members of joint forces at Bogra cantonment. Local traders and representatives from FBCCI (Federation of Bangladesh Chambers of Commerce and Industries) attended the meeting.

Members of the joint forces also assured the traders that honest businesspeople will not be harassed.

Import of essential commodities has dropped sharply in recent days in the wake of the ongoing drive against hoarding of essentials and food adulteration.

Among others, Rajshahi Divisional Commissioner Md Anis Uddin Manzur, Brigadier General Mohammed Shamim Chowdhury, Brigadier General AKM Farid Uddin Ahmed, Deputy Inspector General of police, Rajshahi AKM Shahidul Haque, FBCCI Vice presidents Mohammed Ali, Dewan Sultan, Kustia Chamber President Lakshmi Narayan, Bogra Chamber President Md Fazlur Rahman Paiker, Sirajganj Chamber President Anisur Rahman, Pabna Chamber President Abdul Latif Biswas, Naogaon Chamber President Md Shamsul Haque and Khulna Chamber President Nazrul Islam were present.

Bank Asia recommends 25pc stock dividend

The Board of Directors of Bank Asia Ltd has recommended a 25 percent stock dividend (one share for every four shares held) for the year that ended on December 31, 2006.

The recommendation was made at a meeting of the Board in Dhaka on Sunday, says a press release.

The Board also approved the audited accounts of the bank and decided to hold the bank's eighth annual general meeting on April 30 this year.

The record date (instead of book closure) has been fixed on March 29, 2007. The shareholders whose names will appear on the register of members as on March 29, 2007 will be entitled to the bonus shares.

The Board also decided to hold an EGM (extra-ordinary general meeting) of the bank on the same date to consider enhancement of authorised capital from Tk120 crore to Tk445 crore and demat of shares.

Citi partners with FDC, BWTP to strengthen microfinance in Asia

Asia's microfinance industry will benefit from a new regional programme announced Monday by Citi, the Foundation for Development Cooperation (FDC), and the Banking with the Poor Network (BWTP), says a press release.

A grant worth \$570,000 from the Citigroup Foundation will be used by FDC and BWTP to expand the provision of microfinance services across 10 Asian countries including India, Indonesia, Philippines, Sri Lanka and Vietnam.

The two-year programme will promote public-private partnerships and industry best practices that will help existing microfinance providers to expand the reach and range of services delivered to the poor. These efforts are also aimed at stimulating the development of more internationally recognized and commercially viable microfinance providers in Asia such as ASA, Brac and Grameen Bank in Bangladesh.

South Asia is generally viewed as the birthplace of microfinance, and thousands of microfinance institutions (MFIs) are now operating in Asia, but the Asian Development Bank estimates that around 200 million poor and low-income households in the Asia region may not have access to financial services. To reach more microfinance clients, many Asian MFIs need to build their capacity through partnerships and strategic alliances, and by adopting best practices.

European Union Trade Commissioner Peter Mandelson said after meeting Lamy that the EU was digging in its heels in the deadlocked round of talks on reducing barriers to trade in agriculture, industrial goods

Exports up 21pc in Jul-Jan

STAR BUSINESS REPORT

Exports surged 21 percent in the first seven months of the current fiscal year led by the garment sector, despite fears that the turbulent political situation would disrupt trade.

According to figures published yesterday by the Export Promotion Bureau, export earnings in the period from July-January reached US\$ 7040 million, due mainly to continuing strong growth in ready made garment (RMG) exports.

"Despite witnessing political disruption during different periods our buyers did not lose their faith in us and this is due to the deep-rooted client relationship that have been established and the competitiveness of the sector," said SM Fazul Hoque, outgoing president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He, however, said the figures should not blind the government to the problems the sector faced at the country's main export port, Chittagong. "The government needs to find a permanent solution at Chittagong Port so that the activities of the premier port will never be hampered in future."

Export earning from woven garments grew by 19 percent reaching \$ 2699 million while knitwear exports shot up by 26 percent, reaching \$ 2637 million during the period.

From woven and knitwear exports, earnings from frozen food, home textiles, footwear, petroleum by-products, ceramic products, handicrafts, cut flower, agro processed goods and engineering products also registered significant increases, contributing to the overall export growth. All the products also exceeded the export target for the period.

The value of exported pharmaceuticals, chemical fertilisers, tobacco and vegetables, tea and electronics declined and also failed to reach the export target during the period.

The EPB officials said one of the reasons for strong export growth was the technical support provided for export diversification, low interest bank loan facilities, and cash incentives to exports.

EPB has fixed a target of export earning at \$ 12,500 million in FY 2006-07. In FY 2005-06, export earnings, for the first time, reached over \$ 10 billion, totaling \$ 10.53 billion. During the 2004-05 fiscal, the country earned \$ 8.65 billion from exporting.

Local exporters, however, pointed out that prices of products dropped substantially in the global market, and they had to sell more goods last fiscal year to get the same amount they earned a year back.



PHOTO: BANK ASIA

The audited accounts of Bank Asia Ltd for the year that ended on December 31, 2006 was approved and signed at a meeting of the Board of Directors of the bank on Sunday in Dhaka. Chairman of the bank M Syeduzzaman, Vice Chairman A Rouf Chowdhury, directors Mohd Sufwan Choudhury and Jahir Uddin, and President and Managing Director Syed Anisul Huq are seen in the picture.

Microcredit fair pulls huge crowd

STAR BUSINESS REPORT

Sejuti Chakma from Chittagong Hill Tracts displayed embroidery products with a smile yesterday at the four-day microcredit fair at Bangladesh-China Friendship Conference Centre in Dhaka.

Sharing her experiences with microcredit she said, "I took a loan of Tk 5,000 in 2003 and began embroidery work."

Microcredit has created a huge impact on her life, said Sejuti. "I now earn Tk 10,000 per month and employ 10 women on contract basis."

Sejuti's microcredit associates have brought many products such as food items, handicrafts, wood-work, metal work, ornaments, utensils, embroidery works, traditional tribal dresses, pickles and many others to the fair, and these have attracted a huge number of visitors.

A total of 82 NGOs are showcasing their products and activities in 131 stalls. The fair is open to visitors from 10am to 8:30pm. The Daily Star, Channel i and the Ittefaq are media partners of the fair. The fair is open to all without any entry fee.

"We know that the rural women have changed their lives using

Dutch-Bangla trade show to be held in Dhaka

UNB, Dhaka

Bangladesh and the Netherlands will jointly organise trade show here to strengthen trade communication between the two countries.

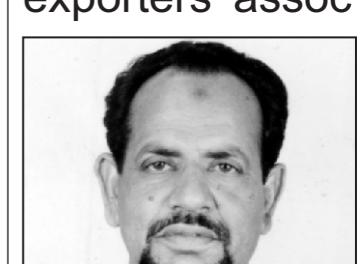
This was disclosed when Ambassador of Netherlands Kees Beemsterboer paid a courtesy call on Agriculture Adviser Dr CS Karim at the latter's secretariat office at the Agriculture Ministry yesterday.

They discussed the issues on bilateral interests, particularly, Dutch support and co-operation in the environment and poultry sectors of Bangladesh.

The ambassador urged the ambassador to supply food-testing kits to Bangladesh to identify food adulteration.

The Netherlands would look into the matter and take further steps to comply with the adviser's request, the ambassador replied.

New executives of frozen food exporters' assoc



Kazi Belayet Hossain, managing director of Sobi Fish Processing Industries Ltd, has been elected the president of Bangladesh Frozen Foods Exporters Association (BFFEA) for the next two years.

The 12th general election of the organisation was held on Saturday where Maqsudur Rahman, managing director of Mahi Fish Processing Ltd, was also elected the senior vice president, says a press release.

Other office bearers are: Vice Presidents: Mahmudul Hasan and SK Md Abdul Baki. Members of the Board of Directors are: Quazi Monirul Haq, MMA Salam, S Humayun Kabir, Syed Abu Astar, Md Ferdous Alam, SK Kamrul Alam, Ashim Kumar Barua, Syed Ziaul Huq, Abul Musir Rubel, Mustafa Arif Chowdhury and Md Shahjahan Hossain.

The annual general meeting will be held on March 24.

## Magura Textile Mills still struggles to make profit

Privatisation demanded

HOSSAIN SERAJ, Magura

After reopening for the fourth time in September last year state-run Magura Textile Mills (MTM) is still struggling to make a profit, incurring losses of Tk10 lakh in four months.

The troubled factory has been shut down three times in 1999, 2002 and 2005 since its inception in 1985, and has incurred an accumulated loss of around Tk105 crore.

The situation became so bad earlier that officials and employees of the mill did not get their salaries for around 24 months from October 2004 to September 2006.

The mill, which is under Bangladesh Textile Mills Corporation (BTMC), was reopened on September 4 last year under new working arrangements in which the mill is now producing yarn with the cotton supplied by Ali Traders (AT) of Magura.

Under the new system, the mill is earning Tk 6,000 per bale for producing yarn for AT. But in the last four months, instead of making profit, the mill incurred a loss of around Tk 10 lakh.

The lone large factory of the district, with 25,056 spindles was set up on 16 acres of land in Vitasair area in Magura town at a cost of Tk 37.77 crore. The mill's total workforce is currently around 300.

Despite incurring continuous loss, the mill authorities still hope to make profit within a very short period. The factory will run profitably after it will be able to produce 165 bales of yarn a month, authorities said. In January the mill produced 123 bales.

According to mill officials, out of



Workers at Magura Textile Mills.

AFP, Sydney

It is up to the United States to make key concessions to revive stalled global trade talks or for nations to take a break in the negotiations, French Trade Minister Christine Lagarde said Tuesday.

Speaking on a visit to Australia, Lagarde said the European Union had made key concessions in a bid to breath life into the Doha round of the World Trade Organisation (WTO) and it is time for its partners to step up to the plate.

Earlier on Monday, the European Union called for more movement from its partners in World Trade Organisation talks after WTO chief Pascal Lamy injected a sense of urgency into attempts to revive the negotiations.

European Union Trade Commissioner Peter Mandelson said after meeting Lamy that the EU was digging in its heels in the deadlocked round of talks on reducing barriers to trade in agriculture, industrial goods

and services.

"In my view, Europe has a responsibility to lead," he told journalists, acknowledging calls for more cuts to EU agricultural import tariffs and subsidies.

"It's in Europe's interest for these