

Stocks

DGEN 0.59%
2,951.66

CSCX 0.02%
4,922.17

Asian Markets

MUMBAI 6.03%
14,809.49

TOKYO 3.71%
11,787.51

SINGAPORE 1.83%
2,792.75

SHANGHAI 3.60%
3,820.05

Currencies

	Buy TK.	Sell TK.
USD	68.20	69.20
EUR	106.79	111.41
GBP	135.69	140.90
JPY	0.70	0.74

SOURCE: STANDARD CHARTERED

Commodities

	Buy TK.	Sell TK.
Gold	\$1,032.70	\$1,111.80
Oil	(per ounce)	(per barrel)

SOURCE: AFP

More News

Less storage space upsets potato growers

As the country experiences potato output this year just double the quantity it can preserve in 271 cold storages, preservation of this item will face a setback, according to industry insiders.

B-3

International



A journalist reports the financial news in front of the window of the security company in Tokyo yesterday. The benchmark Nikkei-225 index dropped 45.09 points or 0.37 percent to close at 11,787.51, ending below 12,000 points for the first time since August 2005.

Gold hits record high above \$1,032

Gold jumped to a record high 1,032.70 dollars on Monday as investors sought a safe haven against a backdrop of tumbling world stock markets, a falling dollar and record oil prices, dealers said.

B-4

Bangla Biz Lexicon

Jute-fibres from the jute plant are used for making rope and rough fabrics. Once the main export product of the country it was known as the golden fibre of Bangladesh. The jute industry has declined in recent years.

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EU mulls check on every frozen shrimp container

Bangladesh export likely to face setback: EU may discuss the issue April 2

SAJADUR RAHMAN

The European Union is considering checking every frozen shrimp container shipped from Bangladesh in an effort to detect harmful germs, a move which will seriously hamper the country's second largest export earner.

"If the EU tests all containers of Bangladesh, it will take about two months to reach buyers from EU ports. So, the move will ultimately encourage buyers to switch to other countries," a frozen food exporter said.

The EU plans to discuss the issue of testing every shrimp container from Bangladesh at its meeting on April 2 in its headquarters, sources said.

Currently, the EU checks shrimp containers from Bangladesh on a random basis.

Both the government and exporters said they hope the EU will not impose such a decision since Bangladesh is trying to comply with the EU standards for shrimp export.

"We've bought a testing machine worth Tk 3.5 crore as per the EU suggestions. The



File photo of shrimps, Bangladesh's second largest export earner. The European Union may check every frozen shrimp container shipped from Bangladesh to detect harmful germs, a move which will seriously hamper the country's export.

machine has been installed and operated by local technicians trained in India," said a leading shrimp exporter preferring anonymity.

"But the EU is unwilling to

accept the test reports conducted by local technicians. Now we've decided to get the technicians trained in the United Kingdom," he added.

The exporter lamented: "We

admit that we lack quality technicians for the work, but I think we need some time as we are trying our best to comply with EU standards."

Bangladesh earned Tk 3,702

crore from frozen fish and shrimp export in 2006-07 fiscal.

Bangladesh's largest export earner apparels fetched Tk 51,891 crore in 2006-07 fiscal year.

According to Bangladesh Bank data, during the first six months of the current fiscal year, the country earned Tk 1,974 crore from export of frozen fish and shrimp.

A member of Bangladesh Frozen Food Exporters Association said the government and exporters are trying to persuade the EU not to include the issue on the agenda of the meeting.

The exporter however blamed the government for its negligence to recruit quality technicians to do the testing.

"We've bought a machine and installed it in the Department of Fisheries Office. But the government fails to recruit efficient technicians," he said.

When asked on the weakness of the test reports, a scientific officer at the Department of Fisheries, said: "We're conducting the tests as per formats set by the EU."

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Dollar falls to fresh lows

AFP, Tokyo

The dollar plunged to a fresh record low against the euro and to the weakest level in 12 years against the yen in Asian trade on Monday as fears about the health of the US economy escalated, dealers said.

An emergency rate cut by the US Federal Reserve only added to the sense of crisis after the near-collapse of US bank Bear Stearns, they said.

The euro struck a new lifetime peak of 1.5905 in Tokyo morning trade, up 1.5 percent from its level of 1.5669 late on Friday in New York.

The dollar fell to as low as 95.75 yen, a level not seen since September 1995, down almost 3.5 percent from its level of 99.18 in New York late Friday. The euro slid to 152.66 yen from 155.46.

"The market's insecurity and worries over the US economy sent the dollar plummeting," said Masaki Fukui, senior economist at Mizuho Corporate Bank.

In a rare Sunday evening announcement, the Federal Reserve said it was cutting by a quarter-point to 3.25 percent its primary credit rate, which is offered at the Fed's discount win-

dow for institutions "in sound condition."

The move came amid growing concerns about the health of the US financial system following the woes of Bear Stearns.

Analysts said the rate cut had underscored the extent of the problems facing the world's largest economy due to a housing slump and credit crunch sparked by a wave of defaults on subprime, or high-risk, mortgages.

"Investors seem to have taken these moves as evidence of the deepening of the credit crisis," NTT Smarttrade director Takashi Kudo said.

"Investors also seem to think that the Fed's action was a little too late and reactive," he said.

Asian stock markets plunged Monday after losses on Wall Street Friday when Bear Stearns said that it was getting an emergency loan from JPMorgan Chase backed by the Federal Reserve due to liquidity problems.

JPMorgan Chase announced Sunday that it would acquire Bear Stearns for about two dollars a share, making the sale worth about 236 million dollars, a tiny fraction of the stock market value of 3.54 billion dollars on Friday.

Mobile phone subscriber growth slows in February

STAR BUSINESS REPORT

The rate of subscriber growth in the mobile telephone networks slowed somewhat in February, with the country's six mobile operators adding 1.14 million new users compared to 2.05 million in the previous month.

According to the latest figures released by the Bangladesh Telecommunication and Regulatory Commission (BTRC), up to February 2008, the total mobile phone subscriber reached 37.55 million, increased by 68 percent compared to the same period a year earlier. The total mobile phone subscriber was 22.38 million by the end of February 2007.

In January, the subscriber acquisition number increased due to Eid festival, said industry sources.

"But the downward trend in February is a concern for the industry," said a high official of a mobile phone operator, adding that inflation as well as the downward trend in the overall

economy may have forced people to prioritise spending on essentials such as food.

Grameenphone, the leading operator in the market, added 0.32 million customers in February, which is 0.08 million less than that in the earlier month. In January 2008, 0.40 million subscribers were added to the Grameen networks. In total, the company's subscribers reached 17.20 million by the end of February.

Grameen's close rival, Egyptian owned Banglalink's subscriber growth rate marked a rise in February compared to any other operator in the market. The company added 0.43 million subscribers in the month. In January it added 0.37 million subscriber to its network. The company's total subscriber reached 7.88 million by the end of February 2008.

AKTEL added 0.08 million to its network in February 2008, which is five times lower than its nearest rival Banglalink. The company's total subscribers were 7.36 million by the end of

February 2008.

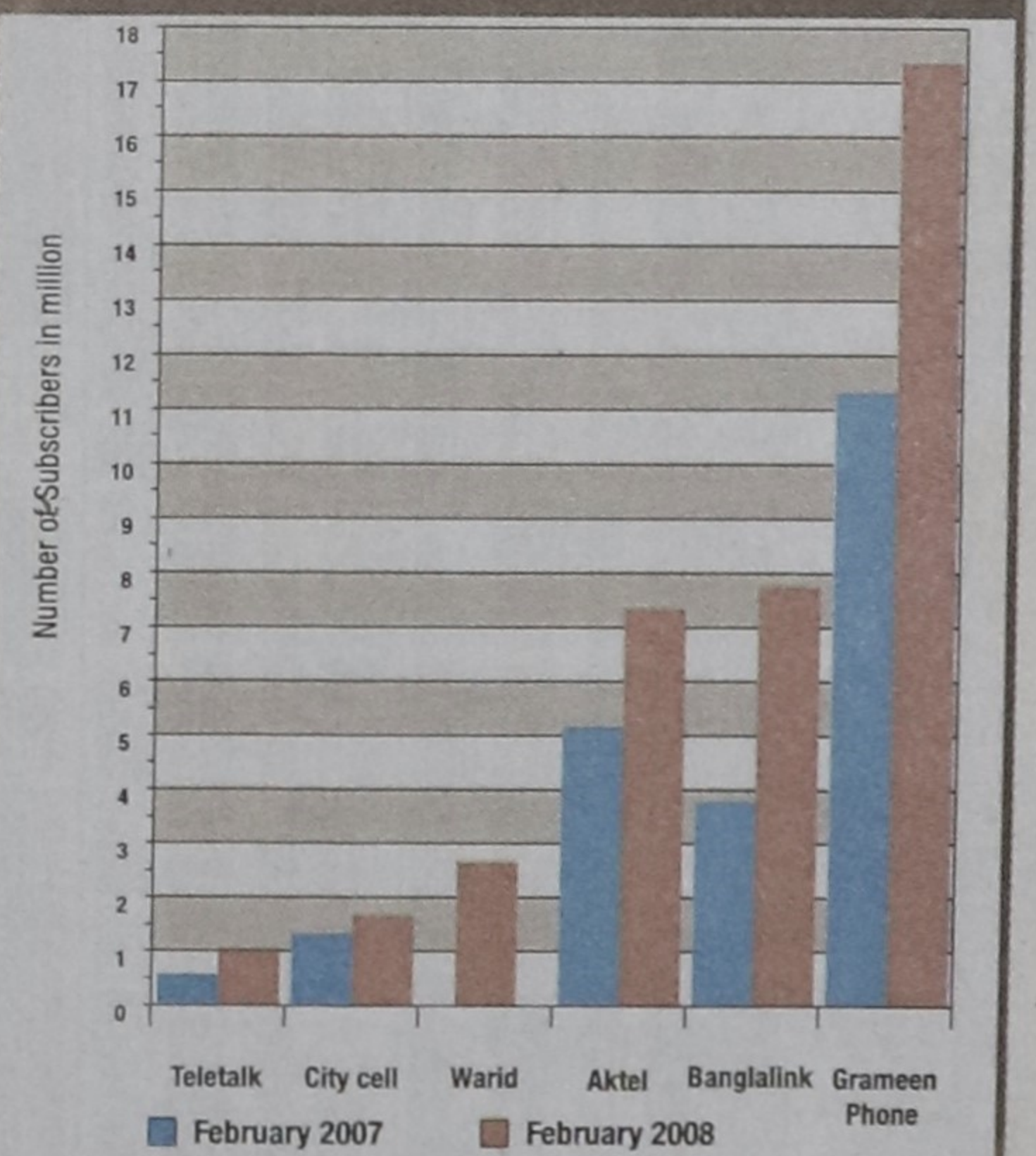
According to the BTRC, in terms of subscriber base, top three companies Grameen, Banglalink and AKTEL dominated more than 95 percent market shares. And the three other operators including Citycell, state owned Teletalk and UAE based Warid hold the rest 5 percent market shares.

The top three operators hold 32.44 million out of 37.55 million subscribers till February 2008, whereas the rest three hold only 5.11 million.

According to BTRC, the state-run Teletalk fail to add any subscriber in February 2008. The company's total subscribers were 1 million in February.

Citycell's subscribers increased to 1.51 million in February from 1.45 million in January 2008. Warid subscribers reached 2.60 million at the end of February 2008. The company's total subscribers were 2.37 million by the end of January 2008.

MOBILE SUBSCRIBERS IN BANGLADESH



Sources: BTRC

RMG exports to Germany now recovering

STAR BUSINESS REPORT

The sliding garment exports to Germany, the second biggest export market of Bangladesh, is gradually recovering from late last year, says Holger Fraider, deputy head of the mission, German Embassy in Dhaka.

The labour unrest in the readymade garments (RMG) sector, he says, had shaken buyers' confidence driving them away to other countries last year. Consequently bilateral trade with Germany

dipped by 8.8 percent.

"But from late last year, old buyers started coming back to Bangladesh," said Holger without specifying export figures as these are still not available.

"We don't know the exact reasons, but buyers who went away previously are coming back to Bangladesh. May be it's because Bangladesh is giving the best deals and the port is functioning better than before," Holger told some journalists in the city yesterday.

The two-way trade in 2007

amounted to 1.71 billion Euro compared to 1.88 b Euro in 2006. Bangladesh export to Germany in 2007 amounted to 1.50 b Euro, showing a 4.8 percent decrease and Bangladesh import from Germany amounted to 215 million Euro, showing a decrease of more than 29 percent during the period.

About 96 percent of Bangladesh exports to Germany consisted of readymade garments articles, followed by seafood (1.5 percent) and jute and jute prod-

ucts (less than 1 percent).

But this scenario would improve this year, Holger expressed his hopes, "buyers are gaining confidence."

Among German goods sold in Bangladesh, the largest single product group is machineries for textile, leather and other industries amounting to one third of the German exports to Bangladesh in 2007. Telecommunication equipment amounts to 12 percent followed by electronic equipment with 11 percent. The chemical product accounts for 7 percent

and medical equipment for 5 percent.

The bilateral trade with Germany has developed well from 2002 to 2006 registering a very respectable 88 percent increase in just 4 years. In 2006 alone the bilateral trade increased by 29 percent. Bangladesh exports to Germany increased by 33 percent and imports from Germany increased by 18 percent.

Meanwhile, the German Office for Foreign Trade assigned its correspondent Boris Alex to study Bangladeshi investment

market. Boris is now in the city to meet various business leaders and government officials as part of the job.

According to Boris, Germany may be interested in investing in power, infrastructure, textiles machinery etc.

"Bangladeshi GDP is close to that of India. Business is happening here," he said, adding that investors feel confident when there is political stability and continuity of policies.

Last year two German ship-

ping companies signed agreements worth around \$150 million with Ananda Shipyards Shipways Ltd (ASSL) to build 10 ships. Of these, 4 ships are container vessels with capacity for 6100 tonnes each and 6 ships are bulk vessels with capacity for 5500 tonnes each. The ships have to be built by June 2010. Komrowki Maritim GmbH and Wessels Redeegei GmbH signed the deals with Ananda after inspecting their ship building facilities and structures in Bangladesh on the river Meghna.