

Increased output seen key to RMG market edge

STAR BUSINESS REPORT

Raising productivity and aggressive drive for both product and market diversification are keys to being competitive in the global RMG market in case of economic recession, observed noted economist Wahiduddin Mahmud.

"Bangladesh has the capability of being competitive even in the age of recession, but there is a chance of a bit adverse impact of the global recession if we do not take early measures," Wahiduddin told a seminar in Dhaka yesterday.

The seminar on 'New Dimension in World Apparel Sourcing: Opportunities and Challenges for Bangladesh' was organised by the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) on the sideline of the 4th Knitexpo-2008 at the Dhaka Sheraton Hotel.

Wahiduddin, also a former adviser to the caretaker government, underscored the need for increasing the size of industries, suggesting the establishment of parks for the industrial units currently scattered in prime locations of cities.

He identified higher food price, weak infrastructures, irregular supply of power and gas and bad workers- management relationship as some major challenges for the future

growth of the local readymade garments (RMG) sector.

The seminar, moderated by BKMEA President Fazlul Hoq, was attended by Executive Director of Centre for Policy Dialogue (CPD) Mustafizur Rahman and Chairman of SQ Group Ghulam Faruk as special guests. M A Baset, the vice-president of the knitwear sector's trade body, presented the keynote paper at the seminar where a large number of manufacturers, foreign and local buyers and academicians were present.

Echoing Wahiduddin's view, Mustafizur Rahman said Bangladesh is also going to higher-end products gradually, which is a good sign for

remaining competitive in the global market.

Among the major challenges, according to the CPD official, an end to the Generalised System of Preference (GSP) in EU countries in the next 5-7 years is also included.

He feared that the proposed New Partnership Development Act (NPDA) for allowing duty-free entry of Bangladeshi products to the US market might not get the US Congress nod because of the latest financial recession, also termed as economic Tsunami.

He asked the manufacturers for ensuring better wages and working atmosphere to workers to gain a better share in the global RMG market.

On the market diversification, Mustafiz said Japan is a US\$9 billion knitwear market where China's share is more than 70 percent. "We can easily grab the Japanese market as the country produces quality knitwear items," he remarked.

Ghulam Faruk urged the government for playing a proactive role in maintaining the upward trend of the local RMG market.

"The Securities and Exchange Commission (SEC) should change some of its rules and regulations so that the apparel industries can easily float Initial Public Offerings (IPOs) on the stock market to raise capital for industrialisation," Faruk said.

Chairman of BRAC Bank Limited Muhammad A (Rume) Al inaugurates its 37th branch on Shymacharan Roy Road at Notun Bazar in Mymensingh town yesterday. AEA Muhaimin, managing director and CEO, Firoz Ahmed Khan, head of Retail Banking, Abedur Rahman Sikder, head of Marketing and Corporate Affairs, and other senior officials of the bank were present among others.



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Tk 1,000 note to hit market soon: BB

BSS, Dhaka

Bangladesh Bank will soon circulate Taka 1,000 notes, Governor Dr Salehuddin Ahmed said last evening.

"Soon we will hold a press conference to announce introduction of the new paper note," the central bank chief said on the sidelines of a programme, organised to honour noted postage stamp and currency designer KG Mustafa at the Cirdap auditorium in Dhaka.

Theme-O-Group organised the function to mark the publication of a book on artist KG Mustafa, who designed most of the postage stamps as well as paper notes and coins in the country since independence.

Salehuddin said the design of the new note has been done by four eminent designers, including Mostafa Monwar and Quaiyum Chowdhury. He, however, declined to give details before Bangladesh Bank formally launches the new note.

The governor said the central bank has always been successful in finding 'right' persons to design notes since the first currency was introduced in March 1972 in the country.

"We must thank our predecessors as they rightly chose KG Mustafa at that time," he said, adding that the culture of honouring distinguished citizens during their lifetime should be developed.

Eminent social scientist Dr Mizanur Rahman Shelly, Director General of Bangladesh Post Office, Mobasherur Rahman, former president of Dhaka Chamber of Commerce and Industry (DCCI) MA Momen and Managing Director of Mercantile Bank Dewan Mujibur Rahman also spoke on the occasion.

Artist KG Mustafa and author of the book, Siddique Mahmudur Rahman, also spoke at the function, chaired by President of Asiatic Society of Bangladesh Professor Serajul Islam.

Stocks boosted as US unveils new stimulus plan

AFF, London

World markets showed further signs of recovery Tuesday, with most Asian and European stocks rising on hopes of another US economic stimulus package and a thaw in frozen credit markets.

Investors took their cue from Wall Street where stocks soared overnight as Federal Reserve chief Ben Bernanke threw his support behind another government spending package to kick-start the world's largest economy.

"A strong finish on Wall Street last night as the previously frozen credit markets continue to thaw following recent government intervention has lifted sentiments in many Asian markets, and the gains look set to continue into Europe," said CMC Markets dealer Matt Buckland on Tuesday.

In Europe, Paris stocks surged 1.97 percent and Frankfurt shares gained 0.81 percent in early morning trading. London gained more than one percent at the open, before easing back to stand 0.06 percent down.

In Asia, Tokyo jumped 3.34 percent as Sydney gained 3.9 percent. But Seoul closed down 0.95 percent and Hong Kong stocks were down 2.02 percent.

"Short-term money markets are also relatively calm," said Masatoshi Sato, a broker at Mizuho Investors Securities. The global financial problems appeared to have receded somewhat for now, he added.

In Wall Street action on Monday, New York's Dow industrials index had leapt 4.67 percent.

But market watchers said recession fears in the United States, Japan and Europe, as well as jitters about the outlook for corporate earnings, may limit the scope for a further rebound on battered global stock markets.

China's weaker-than-expected economic growth figures released on Monday highlighted the extent to which the credit crunch has spread around the world.

"While the risks of financial meltdown are receding, the economic downturn is intensifying as data in the US, eurozone and Asia has shown

in the last few days," said analysts at UBS.

In the foreign exchange market on Tuesday, the euro fell to a 19-month low point of 1.3237 dollars in early morning trading, on concerns about slowing European economic growth, dealers said.

The single currency later stood at 1.3250 dollars, down from 1.3343 late in New York on Monday. The US unit rose on signals of a possible plan to stimulate the US economy as evidence mounts of a slowdown in Europe, traders said.

Governments have pumped billions of dollars into troubled banks in recent weeks while central banks have injected huge amounts of cash into money markets in an effort to ease a credit crunch.

The danger of a "global catastrophe" has decreased after world governments intervened to boost liquidity and confidence in the financial system, Australian central bank chief Glenn Stevens said.

Analysts agreed, noting that the cost of one bank borrowing from another had eased, suggesting that the credit crunch is abating somewhat.

Ericsson to help Bangla Trac in int'l call termination

STAR BUSINESS DESK

Bangla Trac Communications, one of the private international gateway operators in Bangladesh, has selected Ericsson to manage operations of its new switching infrastructure for international call termination.

Under an agreement signed between the two companies, Ericsson will provide operational readiness and manage the day-to-day operations of the new wireline network providing gateway services for incoming and outgoing international traffic.

By partnering with Ericsson, Bangla Trac is able to launch its international gateway services quickly, with high quality and performance, allowing it to reduce costs while maintaining customer satisfaction, said a statement.

Tarique E Haque, CEO of Bangla Trac Communications, said: "Our commitment is to provide customers with high-quality, flexible and reliable international gateway services."

"The combination of ser-

VICES and technology from Ericsson enables us to reduce costs and focus on our customers' needs by launching services faster and more efficiently," said Arun Bansal, managing director of Ericsson Bangladesh.

Singapore Airlines wins 'best airline' rank

STAR BUSINESS DESK

Readers of a leading travel magazine, Business Traveller Asia-Pacific, have voted Singapore Airlines as "Best Airline" for the 17th time, according to a recent poll.

The airline was also voted as the winner in four other categories in the annual poll: Best Asia-Pacific Airline, Best First Class, Best Business Class and Best Economy Class, the airline said in a recent press statement.

With 10 editions worldwide, Business Traveller is the world's leading publication geared towards frequent business travellers.

IT show from Oct 30

STAR BUSINESS REPORT

A nine-day information technology (IT) show styled "Elephant Road Computer Samity (ECS) IT Fair 2008" will begin in Dhaka on October 30.

"The aim of the fair is to introduce world's latest IT products and services to the new generation and involve them in technologies," said Towfik Ehsan, convener of the fair committee.

The show will also create a bridge between generations ranging from students to professionals, and businesspeople of older generation and new generation, he added.

He was addressing a press conference on 'Computer for Better Future' organised by Multiplan Centre Shop Owners Association in the capital yesterday.

The sponsors of the fair are globally renowned companies including ASUS, BenQ, Lexmark, Samsung and SR.

Computer Bichitra, a monthly computer magazine, will be the media partner of the fair, which will remain open from 10am to 8pm with an entry fee of Tk 10. However, school students will enjoy free access.



Biz Letters, Star Business, The Daily Star, 19 Karwan Bazar, Dhaka-1215

Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words.

BIZ LETTERS

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Mobile abuse among youngsters



through mobile phone. In the video mobile, they collect various nude pictures and sometimes they never hesitate to send to another video mobile. Such notorious and unethical activities go unabated to the guardians' much worries.

Meanwhile, the usage of MP3 players in mobile phone has become another concern. In the society, children and teenagers should be protected from high sound level. Because the usage of MP3 players at a high volume for a period of more than 5 hours a week can lead to permanent hearing loss for them. So, this alarming trend of cell phone abuse should be prevented. Guardians, teachers, law enforcing agencies and mobile companies should come forward to create awareness about the good and bad sides of using mobile phone. We hope that the latest cell phone service will bring the blessing, not curse.

MZ Haider
Narsingdi

Nowadays people cannot think without mobile communications even a moment. Mobile companies (multinational) are booming their business in Bangladesh.

Updated mobile technologies come one after another. But mobile companies have been adopting some detrimental business strategies to attract youngsters. Mobile phone, a wireless ultra modern technology, has brought about a radical change in our information and communication systems in Bangladesh.

A person can enjoy internet, audio, video, MP3 player, clock, games, light directions memory, recording, video, picture and so many multipurpose systems in a mobile phone.

But it is a matter of great regret that millions of youngsters are attracted in several misuses of mobile phone. They are killing their valuable times ignoring classes of school, colleges or home work by listening MP3 at a high volume in a body besides roads, beneath the trees, in shopping malls, or elsewhere.

The numbers are increasing day by day. Frequently, mobile companies appear with new dimensional facilities, which are lucrative for the teens. Our guardians, more or less, are not aware of their use of mobile phone. Even a section of school or college-going students has become addicted in pornography gaming

Renewable energy policy

Renewable energy industry is maturing fast in Thailand, Vietnam and Myanmar with the active help of their respective governments. Such support ranges from consultancy to loans through its financial institution partners.

In those neighbouring countries private companies are investing heavily to set up renewable power plants in collaboration with leading foreign companies like Austria-based GE Jenbacher GmbH, Denmark-based Scan Airclean and Advance Energy Plus.

Bangladesh's caretaker government should announce the renewable energy policy very soon to reduce our huge power generation deficit to some extent.

Tawfik Sattar
Dhaka

We need a new economic order

When the former Soviet Union broke down after 1990, many thought that this would surely be the end of communism and the people would see a communist-free world.

The strong believers of capitalism thought that it is their turn to make sure the entire world believe in the ideology of capitalism. Now what a turnaround we are witnessing!

The financial meltdown in the US and Europe has raised a question whether capitalism really is the best solution towards prosperity of any society.

A report showed that some Europeans have started rethinking

whether they could overcome this present financial turmoil through capitalism and this is why the people of Eastern Germany, once a communist region, began thinking about the disadvantages they had to bear after they got reunited with their West counterpart in 1989.

A recent survey found 52 percent of eastern Germans believe the free market economy is 'unsuitable' and 43 percent say they want socialism rather than capitalism. This is why people have started reading Karl Marx's book 'Das Kapital'.

The book is in very high demand and is now read by bankers and managers who try to understand what socialism is all about.

As we are witnessing downfall of some big financial institutions from the wealthiest capitalist nations on the planet, we ask today, is capitalism really perfect? Who would have thought that US economy would be in total chaos today? Who would have thought that the financial turmoil would lead up to unemployment and job cuts in the capitalist nations? Who would have really thought that a non-NATO state Russia would bail out a developed country and NATO member Iceland with 4 billion euros (\$5.4 billion) shore up its teetering financial system?

Now we can say, are we going to see dominance of communism over capitalism? For all these years, capitalist nations have ruthlessly dominated communist ideologies. Nations with communist ideologies were blocked from all types of financial and commercial aides. For the socialist states like Russia, "It is now the pay-back time!"

The Kremlin thinks that now is the time to buy assets cheaply, using the current financial crisis to emerge as a powerful global economic player. Following the Russian-Georgian war, the West is scared that the Kremlin will use its cash not just for economic purposes, but as an aggressive foreign policy tool as well.

Russian private and state-owned companies have already invested abroad extensively, often buying stakes in large foreign companies. Overall, the top 25 Russian companies hold \$59 billion in foreign assets and are the third-largest investors in emerging economies, following Hong Kong and Brazil. Even though the financial crisis has wiped out the Russian stock market, some of the best-run companies have endured a softer blow than their Western counterparts.

The leaders of the free world should come to realise what is best for their economy. The leaders of leading capitalist nations like USA and nations of Western Europe must have thought that no matter how volatile the economy becomes, they would surely survive. The present financial meltdown has proved them wrong.

It is true that the citizens of the world witnessed both forms of

socio-economic structure, capitalism and socialism, and in one sense it is true that these economic structures have either failed them miserably or they may have given them success over periods of time but at one certain stage they faltered for sure, which is the case with capitalism right now.

Can't the world think of a better system that stabilises economy and serve definitely not only the purposes of the wealthiest but also those of the people of all classes?

For this, renowned Muslim scholars all around the globe should come up and take advantage of the present global financial crisis to build an economic system compatible with Islamic principles. The world leaders should understand by now that the collapse of the capitalist system based on usury is nothing but a weak economic system. The Western system has collapsed. It is true that Islamic system will not only benefit us economically but it will also benefit us spiritually.

This is the time to re-think!

Minhaj Ahmed
Dhaka