

Stocks

DGEN ▲ 1.30%
2,768.51

CSCX ▲ 1.03%
5,530.38

Asian Markets

MUMBAI Closed

TOKYO ▲ 6.41%
7,621.92

SINGAPORE ▲ 4.14%
1,666.49

SHANGHAI ▲ 2.81%
1,771.82

Currencies

	Buy Tk	Sell Tk
USD	68.40	69.40
EUR	83.80	88.38
GBP	105.70	110.76
JPY	0.73	0.77

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲
\$744.90
(per ounce)

Oil ▲
\$63.70
(per barrel)

SOURCE: AFP

(Midday London Trade)

More News

Timepieces stand test of time



Ranjana Fatema is deep in thought as she ponders over what to give her cousin as a wedding gift. She realises that gold ornaments would be too expensive for her, especially after a spike in world gold prices.

B-4

Bangladesh can cash in on global crisis: UK envoy

The current global economic crisis may be a blessing for Bangladesh, said British High Commissioner to Bangladesh Stephen Evans yesterday. He said the looming global recession had dwindled the real purchasing power of developed country's consumers and consequently they would be forced to go for relatively cheaper goods.

B-3

International

Dutch insurer Aegon gets 3b euro cash injection

The Dutch state gave a three-billion-euro (3.75-billion-dollar) cash boost to insurer Aegon on Tuesday in the latest bid to shield a financial institution from the world financial crisis. "With this capital injection, Aegon remains a healthy and well-run insurance group," the finance ministry said.

B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Exporters see silver lining

REJAUL KARIM BYRON and
REFAYET ULLAH MIRDHA

Garment exporters and major buyers say the global economic crisis will not affect Bangladesh's readymade garment sector as it exports mainly basic products.

"Buyers will flock to Bangladesh for cheaper RMG products as major competitors such as China, India and Vietnam make mainly high-end garments," said an official of a buying house, requesting anonymity.

He said the sales of cheaper RMG products increased both in Europe and the US by 20 percent following the global financial turmoil.

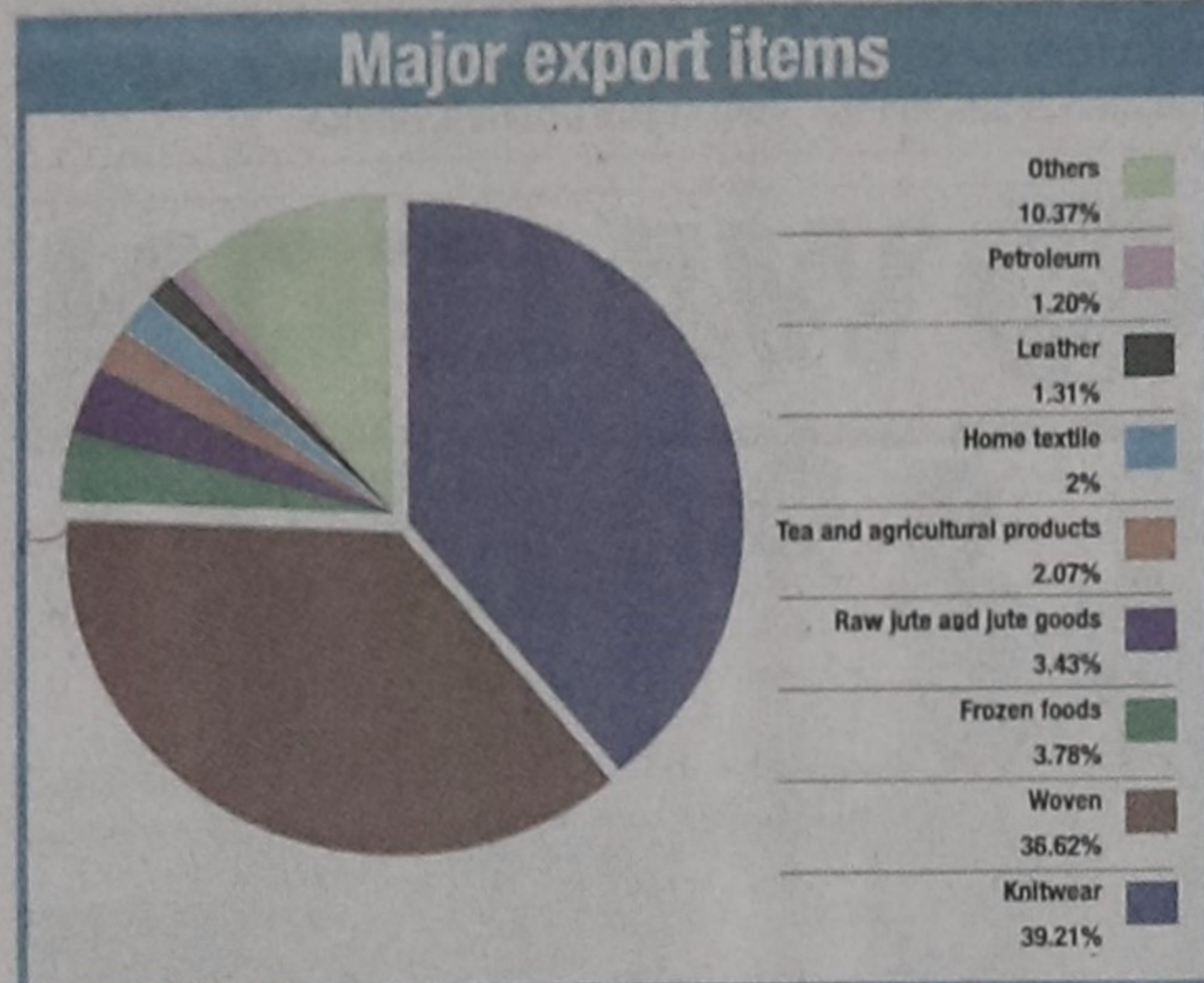
Manufacturers said only 5 percent of Bangladesh's readymade garments are high-end.

KI Hossain, a local buyer, said the global financial recession might be a boon for Bangladesh and a bane for competitors.

"The number of orders we are receiving from foreign buyers is still high as the buyers now look to cheaper RMG products," he said.

"I don't see any negative impact of the financial turmoil on the export of Bangladeshi readymade garments," said a senior official of an international buying house in Dhaka.

Talking to The Daily Star, Ghulam Faruque, chairman of SQ Group, one of the largest sweater exporting groups in Bangladesh, said: "Till now, the situation is good as the flow of



foreign orders has been the same. It was rather higher in some cases."

"The bad impact of the global recession may be felt in February or March if the situation in the western financial markets does not improve," Faruque said.

KM Rezaul Hasanat, managing director of Viyellatex Group, said the buyers of high-end readymade garments of India and China would now outsource products from Bangladesh.

The orders are usually low from August to October and start peaking up from November. "So, we should not be worried about orders," Hasanat said.

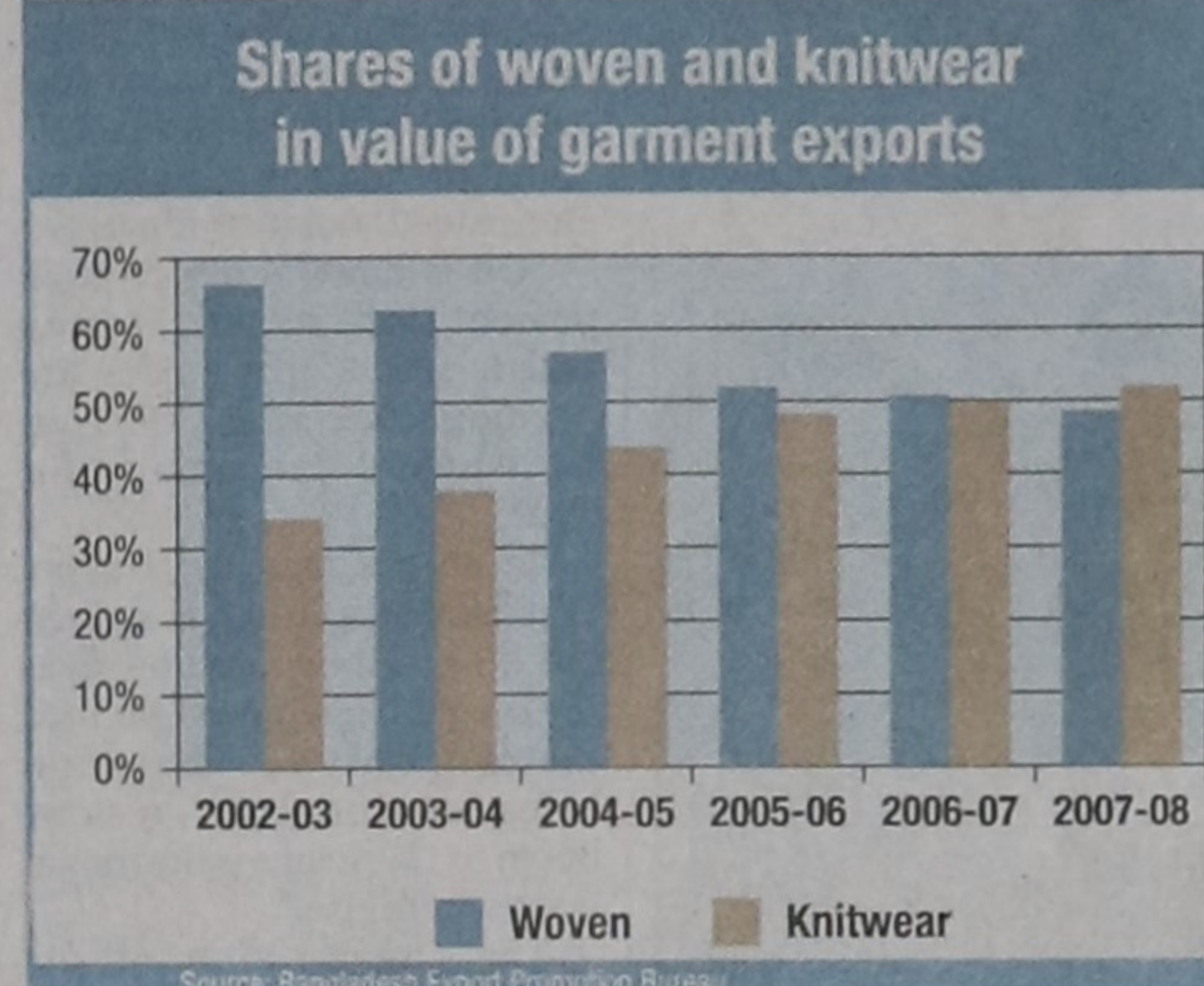
He cautioned that some 'so-called' buyers might want to take the opportunity of the recession.

"They may demand rebates or concession. We must handle such a situation smartly," Hasanat said. He said he did not receive any fewer orders than before.

A recent study of the International Monetary Fund (IMF) said Bangladesh's abundant and relatively low-cost labour made it an attractive destination for investors.

"Its success in the garment industry, which was the starting point in the industrialisation process for many of the East Asian economies, will make it attractive to investors as will its growing domestic market and good access to the huge Indian market," said the IMF study report.

According to the study released a week ago, "Although competition is becoming more intense, Bangladesh's strong



market position does not look like diminishing in the short term."

Bangladesh set an export target at \$16.298 billion for fiscal 2008-09, with the readymade garment sector to

earn the highest amount of foreign currency. Of \$16.298 billion, \$12.267 billion is expected to come from two main sub-sectors of RMG: knitwear and woven. refaat@thedailystar.net

BB may pick S&P, Moody for sovereign rating

SAJJADUR RAHMAN

The central bank is at the final stage to hire two international credit rating agencies -- Standard & Poor's and Moody's Investors Service to conduct a credit rating for Bangladesh.

A five-member technical committee, comprised of officials from Bangladesh Bank (BB), Ministry of Commerce and the Institute of Chartered Accountants of Bangladesh, sits today to recommend these two firms to the BB governor for their appointment. The central bank chief will finalise the appointment of the two among the three invited to do the credit rating.

Another firm, Japan Credit Rating Agency did not respond. "The technical evaluation committee has decided to recommend Standard & Poor's and Moody after scrutinising their proposals," a senior BB official said yesterday.

The move for Bangladesh's first-ever credit rating, initiated by the central bank in May to ensure a better credit rating for the country, will help attract foreign investment and mobilise resources from the capital market as well, experts believe.

Such rating was earlier arbitrarily practiced by donors and individual enterprises.

"We need a credit rating for the country so that any organisations or countries cannot do such rating solely on

Bangladesh based on their own perceptions," a BB senior official remarked.

In this context, the BB governor's observation is: "Some ratings unnecessarily branded Bangladesh as a high risk country."

On appointment of the recommended firms, the central bank will issue work orders to them after completing negotiations with them on prices and time duration in a month.

There foreign banks -- Citibank NA, Hongkong and Shanghai Banking Corporation (HSBC) and Standard Chartered Bank will offer advisory services to the BB in the total process of completing the task.

Standard & Poor's and Moody's Investors Service will be allowed to do the credit rating job independently, if appointed. However, the reports to be submitted by these firms will be assessed by the central bank for a better rating of the country.

Although credit rating for business organisations is common globally, country-wise credit rating is a bit new. Besides developed countries, some Middle East and many African countries have their own country credit ratings.

Credit rating generally reflects a country's overall economic situation, but socio-political issues also get high focus.

sajjad@thedailystar.net

Consumer law violators to face jail

SOHEL PARVEZ

The much-awaited consumers' rights protection law has come into effect with the provision of Tk 2 lakh in fine or three years in jail or both for traders adulterating food and medicine or cheating people by any means.

The new law, first ever in Bangladesh and gazetted on October 13, also allows consumers to lodge cases against unscrupulous traders and manufacturers engaged in adulteration, cheating and forgery.

"It's an achievement of our years of struggles. The new law has, at least, given us the right to file cases against cheating and adulteration by dishonest businessmen," Borhan Ahmed, president of Consumers Association of Bangladesh (CAB), told The Daily Star yesterday.

The law -- Consumers' Rights Protection Ordinance 2008 -- has come into force after President Iajuddin Ahmed signed the draft in mid-October. In the last 18 years, successive governments took initiatives to frame the law to ensure rights of consumers and protect market manipulations such as adulteration, hoarding and charging extra price.

But their attempts failed mostly due to oppositions by powerful business lobbyists, said the CAB president.

The ordinance came into effect amid consumers' worry about melamine-tainted milk powder after the High Court had imposed a ban on display and sale of eight milk powder brands suspected to be containing melamine.

"The melamine issue would not emerge so prominently if the law was enforced a couple of years ago. Now we want

The new law, first ever in Bangladesh and gazetted on October 13, allows consumers to lodge cases against traders and manufacturers engaged in adulteration, cheating and forgery

immediate implementation of the law," said Borhan Ahmed, who was partly unhappy over the government because of not keeping provisions to form a consumers' court to file cases directly.

"It would be much better if consumers could file complaints with a consumer court directly," he said.

Consumers will have to file complaints against traders, manufacturers or service providers with the Directorate of

National Consumers' Rights Protection to be formed under the law.

The directorate, to be looked after by a National Consumers' Rights Protection Council, will act to prevent anti-consumer practices such as adulteration of food and medicine, forgery and charging extra price for a product.

The directorate will also be liable to look after whether consumers are being cheated by traders through fake or misleading advertisements. Non-delivery of products and services against payment and malpractice of showing low weight will also be treated as anti-consumer practices.

It will also be responsible for playing a surveillance role over service sectors such as private healthcare centres, transports, telecom service providers, and hotels and restaurants.

The law allows the director-

ate to temporarily shut down any shop, factory or warehouse if it detects any anti-consumer practices there. It will also be able to impose ban on production, import and marketing of any product hazardous to health, the law says.

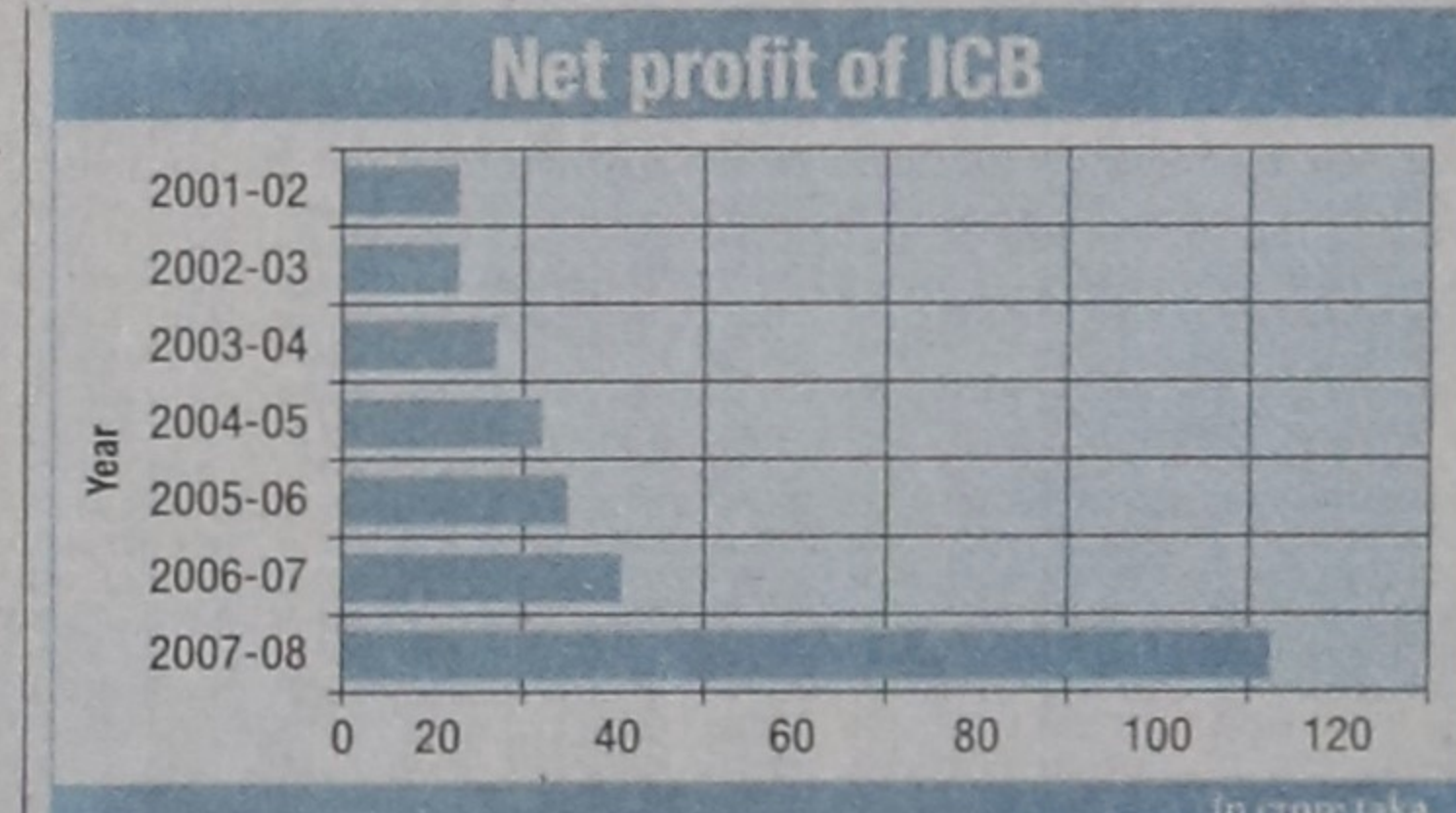
Under the new law, traders will have to face one year in jail or Tk 50,000 as fine or both for violation of packaging rules, non-display of price list and charging extra price for a product.

For adulteration of food, medicine and other products, traders or manufacturers will also have to face a fine of up to Tk 2 lakh or three years in jail or both.

A fine of up to Tk 2 lakh or at least one year in jail or both will be applicable for cheating by showing fake advertisement to sell a product and service.

sohel@thedailystar.net

ICB seeks to manage EEF



STAR BUSINESS REPORT

The Investment Corporation of Bangladesh (ICB) is keen to manage the Equity and Entrepreneurship Fund (EEF), as the government wants to separate the EEF management from the central bank.

"We have submitted a proposal to Bangladesh Bank, seeking to manage the EEF," said ICB Managing Director Ziaul Haque Khondker.

"If the management of the EEF is transferred to us, we will set up a new subsidiary to manage the fund," he said in a post-AGM press briefing in Dhaka yesterday.

The government had earlier decided to separate the EEF management from Bangladesh Bank for better implementation of the fund.

The government formed EEF in 2000 to extend equity support to eligible companies in agriculture, ICT and food processing to encourage investors to invest in the sectors.

The central bank is trying to

find a suitable organisation for the management of EEF.

Asset Management Company Limited (AMCL), a subsidiary of ICB, plans to launch a new Tk 100 crore mutual fund for non-resident Bangladeshis, responding to expatriates' interest to invest in securities.

The move came after the success of the previously launched two NRB mutual funds.

The ICB AMCL First NRB Mutual Fund, which was floated in 2006, was oversubscribed by more than nine times and the ICB AMCL Second NRB Mutual Fund, launched this year, was oversubscribed by more than 15 times.

AMCL will manage the ICB AMCL Third NRB Mutual Fund and mobilise it in the primary and secondary markets.

"We are trying to launch the third NRB mutual fund," Wahiduzzaman Khondker, chief executive officer of ICB AMCL, told the press briefing.

Highspeed teams up with Japan firm

Adviser says competition to bring down shipping costs

STAR BUSINESS REPORT

Highspeed Group has signed an agreement with Japan's Mitsui OSK Lines, known as MOL, to start direct shipping business in Bangladesh from January next.

"The Bangladesh-Japan joint-venture, first ever in shipping sector, aims to provide competitive and premium shipping services to Bangladeshi traders," said Mahmudur Rahman, chairman of HighSpeed Shipbuilding and Engineering.

"The direct operation of MOL from Bangladesh will definitely help improve the overall shipping services in the country," Rahman said at a function on Monday marking the 47th anniversary of HighSpeed Group at its shipyard at Fatullah.

Under the agreement, HighSpeed's sister concern Bird Bangladesh Agencies Limited will own 70 percent stake in the venture and MOL the rest.

MOL will launch a couple of new



The picture shows a vessel of Japan's Mitsui OSK Lines, known as MOL. Highspeed Group has signed an agreement with MOL to launch direct shipping business in Bangladesh.

vessels on the feeder lines such as Chittagong-Singapore, Chittagong-Colombo and Chittagong-Port Kelang.

The Japanese company will employ some officials from its country to ensure efficient services.

MOL is the leading shipping line in Japan, which mainly carries iron ore and crude oil products for the Japanese market. It is also famous for car, dry

cargo and container carrying business.

This company was founded in 1964 following the merger of Osaka Shosen Kaisha (OSK) and Mitsui Steamship, formerly Mitsui Line.

The company's total assets stood at 2000 billion yen at the end of September. "MOL's superb business expansion was possible as the company increased its vessels and investment in other infra-

structures," Mahmudur Rahman added.

Hossain Zillur Rahman, commerce adviser, Masami Tamura, counsellor for development cooperation affairs, Japan Embassy, Dhaka, Captain Kamal, general manager of HighSpeed Group, Prof Kabirul Haq Chowdhury of Bangladesh University of Engineering and Technology (Buet) and Mominul Islam Patwari, chairman of Islami Bank attended the anniversary programme.

Hossain Zillur hoped that the shipping cost would come down, as the venture with MOL in Bangladesh would bring solid competition among the shipping lines.

The adviser also assured the ship-building sector of continued government support.

"The country has a long history of manufacturing ships. And now an opportunity has come to regain the reputation and establish Bangladesh as a major shipbuilding country," Hossain Zillur said.

However, he reminded the ship-builders that they would face challenges in maintaining quality of services and producing skilled manpower.

For registration
dcci50.com
9552562
0179 214 8268
Registration closed on 30th Nov 2008

2 days to go
international business conference

conference venue - bccfc
gala night at Lalbagh Fort
Oct 31 - Nov 1

DCCI
Dhaka Chamber of Commerce and Industry