

Asian Markets

MUMBAI ▲ 1.47%
9,976.78

TOKYO ▼ 1.12%
8,568.02

SINGAPORE ▲ 0.41%
1,782.09

SHANGHAI ▲ 0.54%
1,975.01

Commodities

Gold ▲
\$833.20
(per ounce)

Oil ▼
\$44.64
(per barrel)

SOURCE: AFP
(Midday Trade)

More News

Mass awareness stressed to ensure consumer rights

Mass awareness and strong movement are necessary to ensure consumer rights and implement the 'Consumer Rights Protection Ordinance' in the country, a press conference on Monday in Dhaka was told yesterday. The Consumers Association of Bangladesh organised it at its auditorium.

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International

US scamster boasted about profit



The money manager accused of duping investors in one of Wall Street's biggest Ponzi schemes once boasted to the Securities and Exchange Commission about how much money he earned and formally advised the US government on ways to protect investors from scam artists.

More China rate cuts likely in near term

The head of China's central bank said Tuesday that interest rates would likely be cut in the short term as Beijing moves to boost consumer spending to offset slowing exports. "I estimate that from this year to early next year there will be, overall speaking, pressure for a rate cut," said Zhou Xiaochuan, governor of the People's Bank of China.

Asean nations press on with trade pacts

Six southeast Asian nations signed trade agreements on Tuesday paving the way for a single market in the region, pressing on with the pacts despite the postponement of a key summit. The economic ministers of Brunei, Cambodia, Indonesia, Laos, Singapore and Malaysia signed three separate deals covering trade in goods, investment and services.

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Contact Us

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

RMG exports to US faring fine

REFAYET ULLAH MIRDHA

Export of readymade garments (RMG) to USA, one of the major export destinations for Bangladeshi apparels, will maintain its previous growth also in October as sales of low-end products in this particular market are still high, exporters said.

Exports of trousers and sweaters, two major items from Bangladesh, will boost the export volume in the US market, said Anwar-Ul-Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Parvez said although Export Promotion Bureau (EPB) is yet to publish its monthly export figure for October, the trend shows that the export of trousers and sweater will be higher this month compared to the previous months.

"The export of apparel items in November will be better than the same period of the last fiscal year," Parvez said, adding that in December the export of such items may be slowed down due to sluggish production.

But after January, growth of apparel export will get momentum, as the factories are now busy with making products to be shipped for the next season (summer), he said.

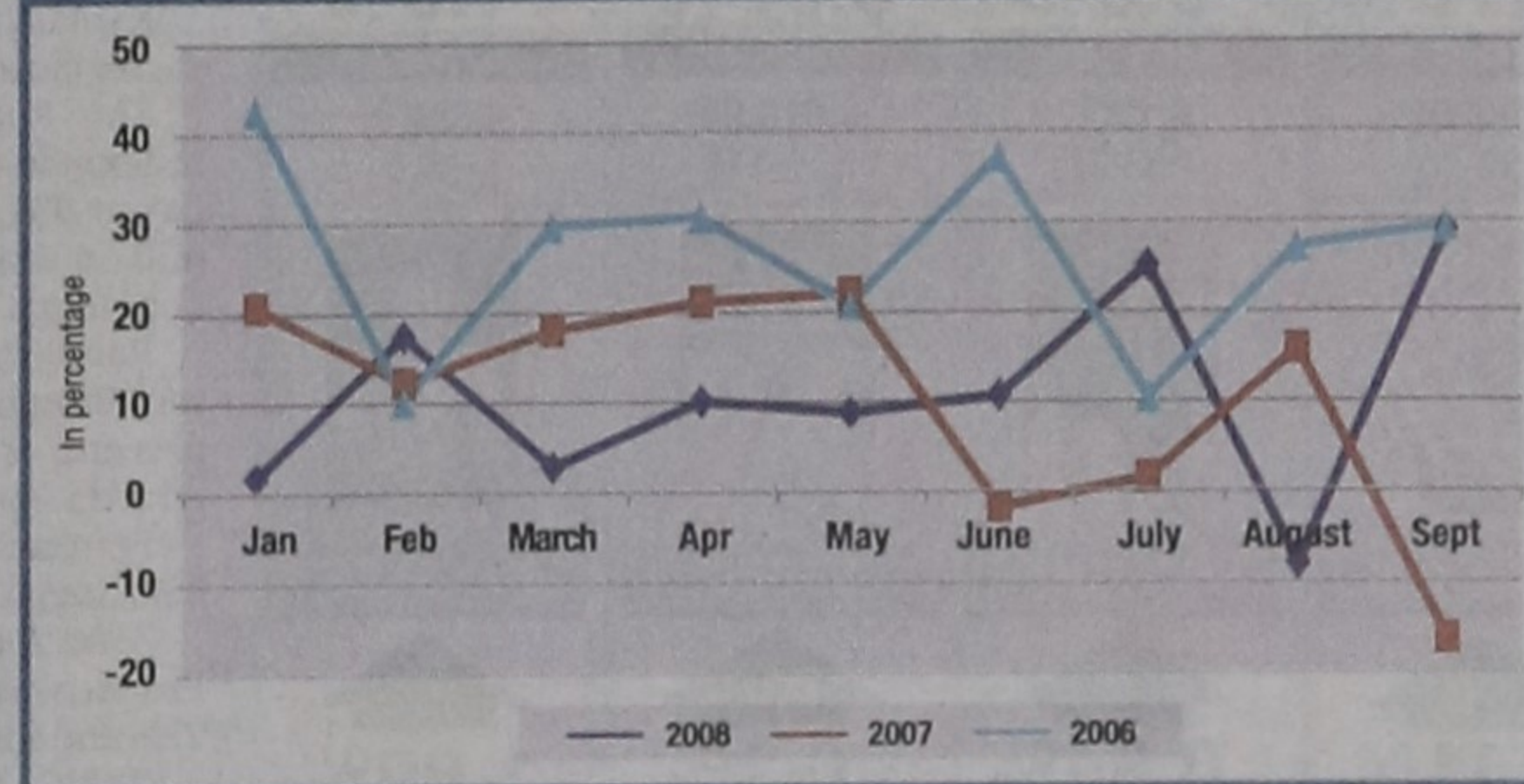
"Still I believe export of local RMG products will not be hampered by the global financial recession. But if the crisis prolongs, export may be affected to some extent," Parvez said.

According to statistics from the BGMEA and USITC (United States International Trade Commission), apparel exports to USA from Bangladesh increased by 28.72 percent in the first quarter of the current fiscal year, whereas the export of such item posted an 8.21 percent negative growth in August, and in July the growth was 24.93 percent.

In September 2007 export of apparel items to USA registered a 16.44 percent negative growth, while in August the growth was 15.58 percent and in July it was 1.43 percent, the BGMEA statistics said.

The BGMEA data said in the first quarter (July-September) of the current

US IMPORTS OF APPARELS FROM BANGLADESH



fiscal year a total of \$774.25 million worth trousers were exported from Bangladesh. The figure was \$2.512 billion in the last fiscal year.

In the first quarter of the current fiscal year sweaters worth \$741.87 million were exported, which was \$1.474 billion

in FY2007-08.

Parvez said in the first quarter of the current fiscal year shirts worth \$305.18 million were exported from Bangladesh. The amount was \$918.6 million in FY2007-08.

In July-September of this fiscal year, T-

shirts worth \$689.6 million were exported, while the figure was \$2.765 billion last fiscal year.

Jackets worth \$286.46 million were exported in the first three months of the current fiscal year, while the amount was \$1.181 billion in FY2007-08, the BGMEA data said.

In the first quarter of the current fiscal year, other apparel items worth \$559.00 million were exported against \$1.850 billion of last fiscal year.

Parvez said in 2008-09 exports of trousers and sweaters will increase more than expected, as the demand for low-end items did not drop in major markets and for prolonged winter in the western world.

MA Mazed, deputy managing director of the IRIS Group, one of the leading sweater exporters, said the importers place orders but they want to pay comparatively low price.

"The flow of foreign orders is good but the price offered is low," Mazed said.

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Janata Bank to take Tk 900 premium for shares

SAJJADUR RAHMAN

Janata Bank has decided to take Tk 900 as premium against its share's face value of Tk 100 only, says the bank's managing director and chief executive officer.

"We have set a higher premium price considering the bank's asset and brand values," SM Aminur Rahman told The Daily Star.

He said the bank is at the final stage to issue shares of a nominal value of Tk 100 each at a subscription price of Tk 1,000. The Tk 900 difference will go to the share premium account.

The bank is likely to hit the stock market in the first quarter of 2009, the bank's top official said.

Janata Bank will be the second state-owned commercial bank to be listed with the country's stock market after Rupali Bank. Rupali was listed with the stock market in 1986 as part of its privatisation process prescribed by the World Bank.

Bangladesh's capital market is dominated by the presence of financial institutions and presently shares of some 46 private commercial banks are being traded on both Dhaka and Chittagong stock exchanges.

According to sources in the finance ministry, the other two state-owned banks Sonali and Agrani would also go for initial public offerings after Janata Bank.

The bank, which was transformed into a public limited company on November 15 last year, has a total asset of Tk 24,406 crore as of December 31, 2007.

The government corporatised Janata along with Sonali and Agrani aiming at bringing efficiency, transparency and accountability to the bank as well as listing with the stock market.



SM Aminur Rahman

STAR

An independent management and board of directors in accordance with the Banking Companies Act of 1994 are now operating the bank.

Investment Corporation of Bangladesh (ICB), licensed as issue manager, will deal with the IPO of Janata Bank.

"An agreement between Janata Bank and ICB will be signed tomorrow," SM Aminur Rahman said.

"We will soon give the bank's balance sheet to the ICB and the Securities and Exchange Commission (SEC) for assessment," Rahman added.

Janata Bank has Tk 800 crore in authorised capital and Tk 259 crore in paid-up capital.

At the end of June, total deposits of

Janata Bank were Tk 20,278.85 crore and total advances were Tk 13,277.82 crore. Classified loans and advances stood at Tk 2,027.22 crore.

The return on investment (ROI) and return on assets (ROA) were 6.52 and 2.38 percent respectively.

Janata Bank, which had been nationalised as per the Bangladesh Bank (Nationalisation) Order 1972 immediately after the country's independence, has 849 branches including four overseas branches at the UAE. It is linked with 1,202 foreign correspondents all over the world and 42 exchange houses.

A total 13,000 people have been employed in the bank.

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Siemens bribed officials in Bangladesh

Company pleads guilty to graft charges

STAR BUSINESS DESK

German industrial giant Siemens agreed to pay nearly one billion euros (\$1.4 billion) to US and German authorities on Monday to settle a sprawling corruption scandal that also involves allegations of bribing public officials in Bangladesh.

From the mid-1990s until last year, units of the company paid kickbacks and bribes to win contracts from Iraq's government in the United Nations oil-for-food programme and for projects including commuter rail in Venezuela, mobile-phone networks in Bangladesh, power plants in Israel and traffic-control systems in Russia, Bloomberg reports.

Siemens set up a network in Bangladesh for state-run mobile operator TeleTalk in early 2003.

Siemens Chief Executive Officer Peter Loescher had acknowledged that the legal problems could have proved far more costly had it gone to court, AFP reports.

He said he was "happy and relieved to have negotiated this fantastic outcome in record time".

"This is for everyone at Siemens the best Christmas present," he told Tuesday's issue of the mass-market daily *Bid*.

Under the German settlement, prosecutors said Siemens would pay 395 million euros, on top of a fine of 201 million euros last year over charges it had run an elaborate bribe-and-kickback system to secure foreign contracts.

Under a separate US court settlement Monday, Siemens pleaded guilty to corruption charges and agreed to pay 800 million dollars to avoid prosecution.

The group was fined 450 million dollars and agreed to a 350-million-dollar settlement with the US Securities and Exchange Commission (SEC), according to court documents.

The scandal could have cost the company even more dearly, however, with speculation running rampant for months that the SEC alone could levy fines of several billion euros.

The 161-year-old conglomerate with activities from nuclear power stations to trains and light bulbs has acknowledged that up to 1.3 billion euros may have been used illegally to win foreign contracts.

Siemens, which employs some 400,000 people worldwide, found in an exhaustive internal investigation that the practice was widespread across its numerous divisions.

US authorities said Siemens had used slush funds, off-book accounting and delivered suitcases full of cash to bribe officials to secure contracts in Argentina, Bangladesh, Iraq and Venezuela.

"Today's filings make clear that for much of its operations across the globe, bribery was nothing less than standard operating procedure for Siemens," Acting US Assistant Attorney General Matthew Friedrich said in a statement.

Prosecutors have investigated around 300 people in connection with the affair and US authorities refused to rule out charges against Siemens executives.

"This investigation continues," Friedrich told a news conference when asked if some company officials could be indicted.

The case far surpassed the amount of money involved in similar corruption cases prosecuted by US authorities, said Linda Chatman Thomsen, director of the enforcement division of the Securities and Exchange Commission.

"This pattern of bribery by Siemens was unprecedented in scale and geographic reach," she said, saying the company had sought to bribe officials in Asia, Africa, Europe, the Middle East and the Americas.

The German group recently took provisions of one billion euros against potential fines in both Germany and the United States.

Since it erupted in late 2006, the scandal led to the resignation of a string of top managers, including chief executive Klaus Kleinfeld and his long-term predecessor and chairman of the board, Heinrich von Pierer.

WITH DETAILS FROM AFP AND BLOOMBERG

Plot aspirants struggle as Rajuk sets tight deadline

KAWSAR KHAN

The aspirants for getting allotment of Rajuk plots are facing sufferings to submit their applications and deposit money due to inadequate time and a lengthy procedure.

After announcing plot allotment plan on November 24, this time Rajdhani Unnayan Kartipakkha (Rajuk) gave a 25-day timeframe, of which 10 days were holidays, to submit applications.

To add to their woes, Rajuk brought changes to the application form on December 3, meaning people who applied before this time had to submit applications afresh.

The applicants complained the time was too scanty to complete the lengthy application procedure.

In the previous years the duration for submission of applications were between three and six months.

"I have been in the queue for over five hours to submit my application form and deposit money, but my turn

is yet to come," said an applicant, who took a one-day leave from his office to complete the task.

He said many people would not be able to submit applications due to the timeframe in which the public offices including Rajuk were closed for at least 10 days for Eid, Victory day and weekly holidays.

During a visit to Rajuk office on Monday it was seen that hundreds of people were standing in queues.

Jahirul Islam, an employee of a private IT company, said he experienced a lot of stresses as he had to collect his tax identification number (TIN), stamps and buy application form from a bank.

Many plot aspirants also said they found it very difficult to collect stamps and had to buy two stamps worth Tk 150 at the demand Tk 800 and Tk 1,500 for the between drive.

Although the demand for non-judicial stamps was high, Rajuk on Monday allowed applicants to pay Tk 150 court fees instead of submitting

stamps. But the decision was taken at the time when only two working days were left for submitting applications.

Applicants criticised the late decision of Rajuk saying people could avoid hassle and save money if it took the decision earlier.

"The present government should complete the procedures of plot allocation, otherwise political influence may dominate the procedure if a political government handles it," said Golam Mostafa, an applicant.

A Rajuk high official also echoed Mostafa's view. When asked whether the deadline for application submission would be extended, he said, requesting anonymity: "Probably deadline will not be extended as the government wants to allot plots during its tenure."

He was also hopeful that this time plot allotment process would be fair as political government is not handling it.

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Citi to sell Japanese unit



AP, Tokyo

As part of a global restructuring, Citigroup will sell its Japanese trust banking unit to Mitsubishi UFJ Trust and Banking Corp, the US firm's Japanese subsidiary said Tuesday.

The all-cash deal, valued at 25 billion yen (\$277.6 million), is expected to close around April 1, Nikko Citi Holdings Inc said.

The decision by Citigroup to unload NikkoCiti Trust and Bank-

ing Corp comes as the ailing US banking giant struggles to survive the global financial crisis. The New York-based bank averted collapse in November after Washington extended a last-minute lifeline worth \$20 billion.

Since then, Citigroup has said it plans to cut about 50,000 jobs worldwide, on top of 22,000 cuts previously announced. It sold off its German retail banking unit earlier this month.

All current staff at NikkoCiti Trust and Banking will keep their jobs under new ownership, Nikko Citi said. The trust bank employed 136 people as of September 30.

"In addition, the parties have agreed to seek opportunities to cooperate both in Japan and across the global that will leverage MUTB's core strength in Japan and Citi's global expertise and footprint in transaction services," Nikko Citi in a statement.

NikkoCiti Trust and Banking was established in 1993 as Nikko Trust Banking Corp, but was renamed in 2001 after Citigroup took over.

Mitsubishi UFJ Trust and Banking is a wholly-owned unit of Japan's top banking group, Mitsubishi UFJ Financial Group Inc, with 28 trillion yen (\$310 billion) in managed assets.