

## Stocks

DGEN ▼ 0.97%  
2,662.05

CSCX ▼ 0.94%  
5,320.20

## Asian Markets

MUMBAI Closed

TOKYO ▼ 0.81%  
7,682.14

SINGAPORE Closed

SHANGHAI Closed

## Currencies

	Buy Tk	Sell Tk
USD	68.35	69.35
EUR	86.54	91.17
GBP	91.47	96.30
JPY	0.76	0.81

SOURCE: STANDARD CHARTERED

## Commodities

Gold ▲ \$900.66  
(per ounce)

Oil ▲ \$45.72  
(per barrel)

SOURCE: AFP

(Midday Trade)

## More News

Open up VoIP technology



Bangladesh should open up the voice over internet protocol (VoIP) technology, focusing on the private sector to extend affordable services to the mass, observes a US-based ICT expert.

B-4

Seoul to up zero duty facility for Dhaka

Korea will provide Bangladesh over US\$ 200 million as development assistance this year and also allow access of a greater volume of products to the Korean market.

B-3

## International

Indian-owned steelmaker Corus to axe 3,500 jobs

Indian-owned steel group Corus said Monday that it would cut 3,500 jobs worldwide, including 2,500 in Britain, following a strategic review sparked by the global economic downturn. Corus said the review, which is aimed at saving 200 million pounds (213 million euros, 276 million dollars) a year, will "put around 3,500 jobs at risk."

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# Vegetable exports slip

### Sliding pound, additional NTBs blamed

SOHEL PARVEZ

Fresh vegetables exports dipped 25 percent in the July-November period of the current fiscal year against the same period last fiscal, thanks to a sliding pound sterling and additional non-tariff barriers (NTBs) imposed on some items to enter one of the key markets -- United Kingdom.

"We are bearing the brunt of falling pound against taka," said Mohammed Monsur, owner of Monsur General Trading Company, one of the leading fresh fruits and vegetables exporting firms.

"Some additional declaration requirements on phytosanitary certificates have also affected exports," said Monsur, also general secretary of Bangladesh Fruits, Vegetables & Allied Products Exporters Association.

In the five-month period of the current fiscal, vegetables exports slipped by 25.33 percent to \$21.78 million from \$29.17 million a year ago.

Vegetables export, which has been on the uptick since its last fall in fiscal year 2005-06, began to face a downbeat trend this fiscal year after registering around 70 percent growth in fiscal year 2007-08.

"Once we got over Tk 135 for each pound, which now values below Tk 100. It's worrying," said the general secretary of the lobby

group for vegetables exporters who resumed export last month after suspending for around three weeks due to a decline in earnings on the back of pound.

The British pound, which was traded over Tk 135 each a year ago, started weakening since early August last year as UK economy was troubled by global financial rout.

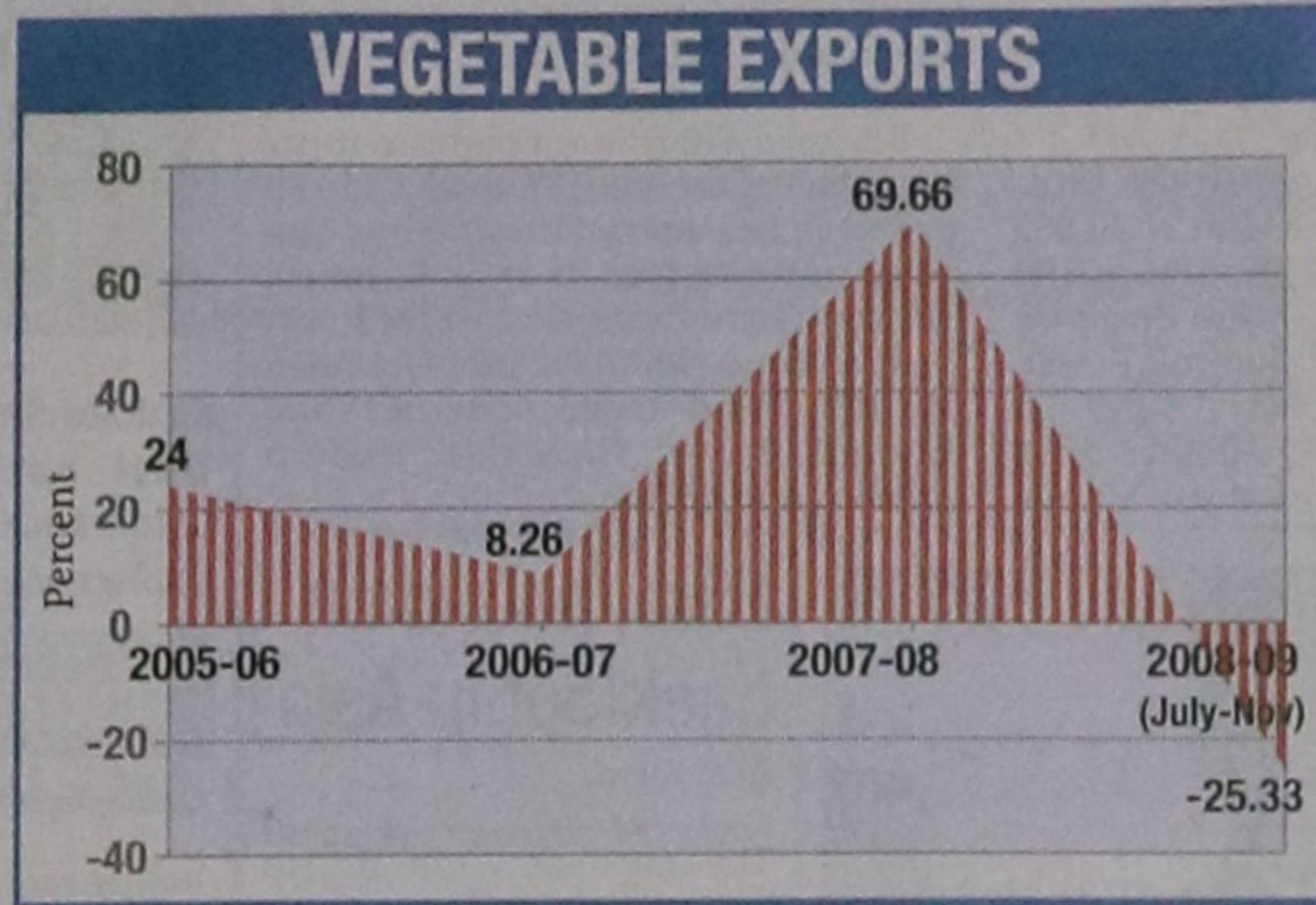
The pound stood over Tk 95 yesterday, down from Tk 106 on the same day in November 2008.

Besides a weakening pound, destruction of some shipments by British authorities for failure to comply with NTBs like additional declaration requirements on phytosanitary certificates for some vegetables such as lime, aubergine and cucumber also worsened exports.

The destruction of air-cargo shipments began mid-last year due to exporters' inability to show official certification to prove that there was no canker (one kind of bacterial disease) in various types of citrus like lime, one of the favourite vegetables of non-resident Bangladeshis in the UK.

Exporters also need to place certification declaring that the vegetables and fruits are treated with chemicals such as sodium orthophenylphenate, meaning these are germs-free.

But due to unavailability of the chemical in Bangladesh, quaran-



tine certificate provider -- Directorate of Plant Protection -- is now unable to treat exportable vegetables with the chemical and issue certificates.

However Md Abu Yousuf Miah, a quarantine pathologist, said the government has taken initiative to import the chemical and help continue exports with compliance.

"Our growers and exporters should be careful in producing germ-free vegetables and fruits for exporting those to developed countries meeting compliance issues," he said.

But the fear of destruction of the vegetables' shipments, especially of lime, by the UK authorities looms large among the exporters.

"These vegetables give us more

profit and their demand is high among Bangladeshi community in the UK," said Paritosh Chandra Das Manik, owner of Dip International that exports to the UK.

Bangladesh's fresh fruits and vegetables are exported mainly to the UK and the Middle Eastern countries with aubergine, lime, bottle guard, bitter guard, bean and cucumber being the main items.

Manik said Kenya, India and Malaysia are the main competitors of Bangladesh.

"Pound's depreciation has also affected our competitors. But the intensity of the impact on us is much greater than that on our competitors," he said.

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## Grameen Mutual Fund floats 3rd scheme this year

SARWAR A CHOWDHURY

The third scheme of Grameen Mutual Fund One will be floated this year following the success of earlier two schemes, a move that will strengthen the mutual fund's contribution to the country's stock market.

The AIMS of Bangladesh, the asset management firm of Grameen Bank, the sponsor of Grameen Mutual Fund One, will float the minimum Tk 300 crore scheme through initial public offering (IPO) and private placement.

"Launching of the third scheme is being designed under the sponsorship of Grameen Bank," said Yawer Sayeed, managing director of AIMS (Asset and Investment Management Services) of Bangladesh.

"It will be a remarkable addition in the capital market and mutual fund industry," he said.

The 'Grameen Mutual Fund One' was established under the Trust Act 1882, and registered under the Registration Act 1908 on May 09, 2001. The fund received SEC registration on August 27, 2001.

With a 15-year initial tenure, it is the first mutual fund that floats multiple schemes in Bangladesh.

The face value of per unit of the third scheme will be Tk 10.

Apart from the Grameen's third scheme, the AIMS plans to launch its own second mutual fund targeting the non-resident Bangladeshis (NRBs).

The size of the mutual fund, styled 'AIMS 2nd Probashi Mutual Fund', will be Tk 400 crore to Tk 500 crore.

Ten percent of the fund will be offered to the local investors through IPO, the AIMS MD said.

"We are committed to develop the mutual fund sector of Bangladesh capital market," he said, adding that the AIMS will go for sectoral and fixed termed mutual funds in future.

The more mutual funds come the more the market becomes vibrant, market analysts said, pointing to the fact that mutual fund's contribution is bigger than other securities in developed countries.

The contribution of the existing mutual funds in terms of the local stock market capitalisation is around 3 percent, which is more than 50 percent in many developed countries.

Presently, 14 mutual funds are being traded on the Dhaka Stock Exchange.

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# 40 firms join UN Global Compact network

STAR BUSINESS REPORT

More than 40 local organisations, including private sector companies, have signed up for UN Global Compact Local Network for Bangladesh -- the main UN instrument for promoting corporate social responsibility (CSR) -- launched at a programme in Dhaka yesterday.

Bangladesh Enterprise Institute (BEI), the CSR Centre and UNDP Dhaka office jointly organised the programme at Dhaka Sheraton Hotel.

Launched in 2000, the UN Global Compact, a brainchild of former UN secretary general Kofi Annan, has become the world's largest corporate citizenship and sustainable initiative with over 5,200 corporate participants and 1,500 stakeholders from more than 130 countries.

Commerce Minister Faruk Khan at the launching programme asked the business community to play a socially responsible role, saying they should be satisfied with low profit instead of going for profiteering.

"Every businessperson has responsibility to the society and in my opinion they are honest, industrious and competent," the minister told the media after the launch.

"Business community should come forward to promote good corporate practices to help the government boost the economy," he said.

The immediate past caretaker government allowed a 10 percent tax exemption against the expenditure of CSR activities to encourage business community to play a



Bangladesh Enterprise Institute President Farooq Sobhan (2-L) speaks at the launch of UN Global Compact Local Network for Bangladesh in Dhaka yesterday.

socially responsible role. On bringing down the prices of essentials, Khan said the market monitoring system has been strengthened.

Early this week, the government has vested the responsibility of a research work on basic commodity market upon the Bangladesh Foreign Trade Institute to prepare an effective market intervention guideline.

The commerce minister, referring to edible oil price, said prices at the retail level would come down soon as wholesale market recorded a cut recently.

Chaired by BEI President Farooq Sobhan, the function was also addressed by Prime

Minister Sheikh Hasina's Adviser on Private Sector Development Salman F Rahman, UN Resident Coordinator in Bangladesh Renata Lok Dessalinen and Head of Global Compact Networks Soren Petersen.

Termining energy shortage as one of the biggest problems, Salman F Rahman urged businesspeople to use alternative energy sources to meet the required demand.

Rahman also called upon the businessmen not to take any illegal means to win business deal. "We have a big responsibility in reducing corruption. If businessmen do not go for illegal means, ministers or bureaucrats can do nothing," he said.

## Global economy hit by massive job cuts

AEP, The Hague

The world economy was hit by a massive wave of job cuts on Monday with companies announcing plans to lay off tens of thousands of workers as US President Barack Obama warned of a crisis that could become "dramatically worse."

Dutch banking and insurance group ING announced 7,000 job cuts and a deal for the Dutch state to assume 80 percent of the risk on a 27.7-billion euro portfolio of troubled assets.

But shares in British bank Barclays shot up by 75 percent on unexpectedly strong profit expectations.

The deepening recession pushed the price of gold, seen as a safe haven in times of stress, up to 906 dollars an ounce, the highest level for three and a half months.

Meanwhile, British Prime Minister Gordon Brown insisted that the crisis should ultimately give birth to "a new global order."

"We could allow this crisis to

**ING**

**Dutch bank and insurance group announced Monday it would shed 7,000 jobs worldwide this year**

- Founded** Created in 1991 when postal bank NMB Postbank Groep merged with insurance company Nationale Nederlanden. Expanded with later acquisitions
- Business** Pioneer of "direct banking" - Telephone and Internet
- Reach** Present in over 50 countries
- Clients** 85 million worldwide
- Employees** 130,000 (2007)
- Capitalisation** 32 billion euros (2007)
- Turnover** 76.6 billion euros (2007)

**ING GROUP**

Received 10 billion euros cash boost from Dutch government in October 2008, to help it cope with financial crisis

**Net profit**  
In millions of euros

2006	2005	2006 (current)	2007
5,755	7,210	7,750	9,241

**Last quarters**

4th	1st	2nd	3rd
2,617	1,585	1,946	-585

AFP 26/01/09 1 Euro = US\$1.29 (current) Source: ING

nothing less than making the transition through a new internationalism to the benefits of an expanding global society."

Nowhere is the transition likely to be more painful than in the labour market, as the slowdown forces struggling enterprises around the world to slash their payrolls.

Japan's top 12 automakers expect to cut a total of 25,000 jobs between now and the end of March to cope with an industry slump, a survey said on Monday.

The companies plan to reduce their combined production by at least three million vehicles from their original target for this year, according to figures compiled by Jiji Press.

Toyota accounts for about half of the reduced output, with a plan to make 1.5 million fewer vehicles, Jiji said.

In Europe, huge cuts were unveiled in The Netherlands and Britain.

Dutch electronics giant Philips and banking group ING announced job cuts totalling 13,000 worldwide.

## Beximco Pharma to raise Tk 460cr from GEM

STAR BUSINESS DESK

Beximco Pharmaceuticals Limited (BPL) yesterday announced a subscription agreement with GEM Global Yield Fund Limited (GEM Global), USA to raise Tk 460 crore by issuing its shares or warrants.

Bangladesh's pharmaceutical giant approved the issuance of ordinary shares aggregating up to Tk 410 crore and warrants worth Tk 50 crore to GEM, according to a press statement.

The company intends to utilise the capital for its BMRE, diversification and working capital.

"The move is testimonial of international of foreign fund manager to Bangladesh market and reflects the tremendous confidence shown by foreign investors to Bangladeshi

market," said Salman F Rahman, vice chairman of Beximco Group.

The shares of BPL will be issued under the variable pricing method at 90 percent of the average market value on Dhaka Stock Exchange Limited (DSE), whereas the warrants will be issued at Tk 200 per warrant/share.

The shares/warrants will be issued to GEM under the Companies Act 1994, subject to approval of its shareholders in their extraordinary general meeting (EGM) and the approval of the Securities and Exchange Commission.

Beximco Pharma expects to increase its turnover and net profit to Tk 1,006 crore and Tk 203 crore respectively in 2010 as most of the additional turnover and profit comes from exports.