



Stocks

DGEN ▼ 0.07%
2,653.11

CSCX ▲ 0.47%
5,274.74

Asian Markets

MUMBAI ▲ 2.25%
8,343.75

TOKYO ▼ 2.41%
7,198.25

SINGAPORE ▼ 0.80%
1,493.53

SHANGHAI ▼ 0.24%
2,133.88

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	86.38	91.00
GBP	93.45	98.33
JPY	0.71	0.74

SOURCE: BANGLADESH BANK

Commodities

Gold ▲
\$912.14 (per ounce)

Oil ▼
\$42.77 (per barrel)

SOURCE: AFP (Midday Trade)

More News

Govt to issue on-arrival visas to tourists

The government has decided to issue on-arrival visas to tourists to encourage more foreign backpackers to visit the country, said the civil aviation and tourism minister yesterday. "We have discussed the issue at the cabinet meeting early this month."

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International

Gates comes back on top



US tycoons are back on top with Microsoft founder Bill Gates again the world's richest man in a year when even billionaires felt the heat of the global recession, Forbes magazine said Wednesday.

Discord sets scene for G20 finance meeting

Deep splits over action to halt the raging economic crisis and a German-French drive to focus on cross-border rules for finance are souring the air before a G20 finance ministerial meeting near here Saturday. Just three weeks before a gathering of heads of state from the Group of 20 (G20) leading economies, discord seems to outweigh lip service to coordination.

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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

January exports upbeat

KAWSAR KHAN

Exports increased by 11.86 percent in January over the same month a year ago, while officials said the country would be able to meet the over \$16 billion export target for the current fiscal year despite being affected by the global financial downswing.

In contrast, exporters said it would be difficult to retain the export target as the placement of overall export orders declined drastically in February and early March.

In January, the country bagged around \$1.4 billion, while the earnings were around \$1.2 billion in the same month of last fiscal year, showing a 4.38 percent growth in the monthly target.

However exports failed to meet the target for the July-January period of the current fiscal year, fetching \$9.1 billion against the target of \$9.2 billion for the period, according to data received from Export Promotion Bureau (EPB).

During the seven-month period, export earnings witnessed an 18.16 percent growth over the same period of previous fiscal year, but fell short of the target by 0.45 percent.

The government fixed around \$16.3 billion export target for the current fiscal year (FY2008-2009).

EPB Vice Chairman Shahab Ullah said: "As Bangladesh mainly exports low-end products, it will be possible to retain the export target."

But some EPB officials said the



export sector is becoming vulnerable day by day as most of the products of main 21 export earners of the country, including products such as footwear, home textile and frozen foods, showed negative growth in the seven months of the current fiscal year.

Now the country's export sector is mainly dependent only on two products - woven garments and knitwear, and if they begin to show a declining trend, the whole export sector will collapse, said an official of EPB requesting not to disclose his name.

The EPB officials also said the country's garment exports are performing well till date as some orders from China have shifted to Bangladesh due to a product cost rise in Chinese market.

According to media reports, Chinese garment and accessory exports went down by 11 percent to \$14.62 billion in February, while its

overall exports fell by 25.7 percent to \$64.9 billion in the same month.

Apparel exports of some other competitors of Bangladesh such as Vietnam and Cambodia have also fallen because of their declining orders in key markets like the USA and European countries.

According to EPB statistics, woven garments have shown a 20.59 percent growth for the July-January period, bringing the earnings to around \$3.4 billion. Knitwear earnings also posted a 26.17 percent rise during the period and fetched around \$3.8 billion.

Despite having a robust apparel export growth, exporters forecast a gloomy future for the sector as they claimed that orders were going down.

"In January and February UD (utilisation of declaration) fell by 17.5 percent, meaning that we will witness a shrinking export trend for

RMG sector in the months to come," said Abdus Salam Murshedy, the newly elected president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

In such a situation, it will be very difficult to even reach the last fiscal year's export earnings, he claimed.

Talking on the same issue, Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), echoed the BGMEA president, saying despite shifting of orders from China to Bangladesh, exports might fall in the coming months.

"Our internal prediction is that exports may fall in future as placement of orders is reducing day by day," he said.

According to EPB data, a total of 11 products out of 21 major export earners showed negative growth in the seven-month period of the current fiscal year.

The products that posted negative growth include raw jute, handicrafts, jute goods, electronics, leather, frozen foods, ceramic products, petroleum by-products, engineering products, cut flower/ foliage, and agro-processed foods.

Tea showed growth but failed to achieve the export target.

Finance Minister AMA Muhith yesterday said the government would finalise a special economic assistance package this month to help the businesses affected by the global economic meltdown.

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Bangladesh's share in US RMG market widens

REFAYET ULLAH MIRDHA

Bangladesh's share in the US apparel market is getting larger as cheap clothing (basic garment items) sales in that market are increasing in global recession, market operators said.

Recession-hit retailers in the US and Europe are purchasing garments from Bangladesh in enhanced volume as the cost of the item is less here because of cheap labour and the better state of economy, reported some Indian dailies recently.

The strong presence of locally made garment items in US market, the largest importer, has surpassed even India, a stronger competitor, for the first time.

Bangladesh has now taken the fifth position, which was previously occupied by India, on the list of largest garment-exporting countries to the US.

While Bangladesh's share increased by 10 per cent, India's share went down by 3 per cent in the US market in August 2008, as some newspapers in India report.

The US imports of knitwear and woven garment from Bangladesh during July-December 2008 were more than



\$558 million and \$1.21 billion respectively, according to the Export Promotion Bureau (EPB) data.

USITC (United States International Trade Commission) says the total import of knitwear from the world in the US was 1.56 percent down during June-December in 2008, whereas knitwear imports from Bangladesh marked a 24.87 rise in the same period.

When global woven imports in the US for this period were 3.72 percent down, the item's import from Bangladesh increased by 12.02 percent.

The 5.1 percent rise in February 2009 retail sales of Wal-Mart, globally known for cheap clothing, reflects a strong presence of Bangladesh RMG products in the US.

However, the entire US retail sales of clothing marked a 2 percent drop during July-November in 2008, compared to the same period a year earlier.

The USITC data show a 5.60 percent decline in the US imports of knitwear from Cambodia in the July-December period, 4.60 percent increase from China, 0.13 percent decline from India, 12.56 percent increase from Indonesia, 2.38 percent decline from Pakistan, 0.06 percent increase from Sri Lanka, 10.93 percent decline from Thailand and 23.56 percent increase from Vietnam.

During the same period, the import of woven items by US from Cambodia declined by 6.30 percent, 5.13 percent increased from China, 9.51 percent declined from India, 8.25 percent declined from Indonesia, 4.33 percent increased from Pakistan, 3.85 percent declined from Sri Lanka, 6.57 percent declined from Thailand and 7.79 percent increased from Vietnam.

US imports more than US\$70 billion garment items annually from all over the world. The world's export market of readymade garment (RMG) items is \$410 billion where Bangladesh's market share is only 2.0 percent.

Meanwhile, EPB data show that Bangladesh's RMG exports reached US\$6.05 billion during the first half of the current fiscal year 2008-09, registering a 24.18 percent growth.

Of the total export target, \$12.267 billion has been fixed for the two main sub-sectors of RMG.

Of this amount, US\$6.583 billion is for knitwear, 19 percent up from its last year's export performance, and \$5.684 billion for woven, 10 percent up from the last year's figure.

Bangladesh fetched \$10.7 billion from RMG exports in the same period of 2007-08.

BKMEA President Fazlul Hoque said Bangladesh has large factories than many other countries and they are more productive and have low labour cost, which is helping them in attracting buyers from the US and Europe.

Bangladesh is the only country that can produce textile items at least 20-30 percent cheaper than China, Hoque said.

"We are more competitive than others, as we have cheap labour, less production costs and we could establish strong capacity base of textile and clothing items," said the chief of the Bangladesh Knitwear Manufacturers and Exporters Association.

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Strawberry eyes Tk 10cr a year

ANWAR ALI, Rajshahi

Strawberry growers and traders in Bangladesh are expecting Tk 10 crore in annual turnover, as they go into its first-ever commercial cultivation this year.

Rajshahi University teacher Dr Manzur Hossain, who developed the fruit nearly a decade ago, expects nearly 25 tonnes of output from about 8.5 acres of land in 45 districts until April.

Growers claim the cultivation of this money-spinning, nutritious, delicious foreign fruit will spin nearly Tk 10 crore worth of trade a year.

"The initial commercial production will meet 50 percent of the gross annual demand for the fruit. At present, the demand for the fruit stands at 50 tonnes," said Hossain, also the general secretary of Bangladesh Strawberry Farmers Association, which monitors the fruit's cultivation in the country.

Production will continue to increase significantly from next year, as the growers taste success, he said.

Meanwhile, horticulturist Quamruzzaman in Natore has successfully grown two American varieties of strawberry this year, a major breakthrough in its cultivation. The variety is of optimal weight, better taste and colour.

Each strawberry nearly weighs 75 grams, three times higher than the usual 25 grams. The new varieties are becoming popular, especially among buyers, said Quamruzzaman.

"I have been experimenting on the export quality camarosa and festival varieties for the last few years. This year, it proved to be a success," he said, adding that each plant bears some 15 fruits with an average weight of 750 grams.

Many young businessmen have taken the fruit to urban markets in Dhaka, cashing in on lofty sales.

Although growers get between Tk 500 and Tk 750 per kilogram, the fruit is sold for Tk 850 to Tk 1300 per kilogram, said people familiar with the matter.

As the fruit gains popularity and cultivation increases, the price will come down, said traders.



A woman works at a strawberry field in Rajshahi. Growers and traders of the fruit are expecting a Tk10 crore annual turnover, as they launch its commercial cultivation this year.

"The strawberry trade is quite lucrative as it provides employment opportunities for many," said ASM Mizanur Rahman, who intends to take a tonne of the fruit to Dhaka from Rajshahi.

"So far, I sold 250 kilograms of the fruit. I also employed several youths to give me a hand at marketing the strawberries. The fruit is receiving good responses in markets," said Rahman, a private jobholder in Dhaka.

Many are currently involved in collecting strawberries at Tk 650 from the farmers and selling at an average Tk 850 per kilogram.

Dr Hossain of Rajshahi University, who recently travelled to many districts to study the cultivation of the fruit, said it is gaining popularity at a good pace. It is growing best in Dinajpur, Panchagarh, Mymensingh, Kushtia, Jessore, Khulna, Dhaka and Chittagong.

He said each strawberry plant bears around 250 to 300 grams of fruit and some 6,000 plants can be grown on one bigha of land. A farmer can easily do business worth Tk 6 lakh, by a yield of 2,000 kilograms of fruit on a bigha of land at an expense of Tk 20,000.

"Even if strawberries sell at Tk 100 per kilogram, a farmer can earn Tk 2,00,000," said Hossain.

M Shamim Ali cultivated strawberry on a small piece of land at Yousufpur, Charghat. He hopes to sell nearly 150 kilograms this season.

"I spent only Tk 9,000 on cultivation and I fetched profits of Tk 1,00,000. I sell 3 kilograms of strawberry per day. I will cultivate it on a big next year," he said.

Sector people said the country meets its current demand of 50 tonnes of strawberries via imports from different countries, including the USA, Thailand and Australia.

Strawberries are eaten as it is and used in preparing ice-cream, jam, jelly, pickles, chocolates, biscuits, cake and milk shakes.

Growers urged the government to take immediate steps to support the export of the fruit. With a great export potential, the sweet and attractive fruit will open a new horizon for farmers, if it gets government patronisation, they said.

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DSE turnover sweeps to new record

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange yesterday crossed the Tk 600 crore mark for the first time, but indices closed nearly flat due to the price adjustment of two securities and a big drop in the prices of insurance shares.

The total turnover touched an all-time high of Tk 611.98 crore, surpassing the previous record of Tk 590 crore on October 12 last year.

Market analysts said a mix of factors pulled up turnover to its highest. The factors include active investment by institutions, higher investment in the form of margin-loan provided by merchant banks and brokers, increasing investor confidence, and a liquidity glut in the market.

"For high turnover, a mix of various factors was at play," Arif Khan, deputy general manager of IDLC Finance, told The Daily Star.

Institutional investors were active, while merchant banks and brokerage houses were rolling out margin loans at a ratio that some-



times went as high as 1:2.

In an analysis, Equity Partners Limited (EPL), an investment bank, said: "The increased liquidity of fund in the market suggests that the investors are eager to participate in the market."

The DSE General Index slightly fell 1.86 points, or 0.07 percent, to 2653.11. The DSE All Share Price Index marginally declined 1.53 points, or 0.06 percent, to 2206.18.

According to DSE, the indices were adjusted due to price adjustment of IDLC Finance and Dhaka

Bank after corporate benefits.

About the insurance sector, the EPL said the entire insurance sector had suffered a big drop in prices, as the Cabinet Division sent back two ordinances related to the insurance sector prepared by the immediate past interim government. The ordinances will be re-drafted.

The advancers beat the decliners 131 to 120. Eight scrips remained unchanged. A total of 3,75,41,462 shares traded on the prime bourse.

Shinepukur Ceramics topped the turnover leaders with 32,68,500

traded shares worth Tk 36.20 crore. The day's other turnover leaders were S Alam Cold Rolled Steels, Summit Power, Beximco Pharma, Beximco, BSRM Steels, Summit Alliance Port, Eastern Housing, Golden Son and Quasem Drycells.

Chittagong stocks however posted a slight rise. The CSE Selective Categories Index gained 24.52 points, or 0.46 percent to 5,274.74. The CSE All Share Price Index increased 35.24 points, or 0.43 percent, to 8,172.71.

A total of 62,56,994 shares worth Tk 70.31 crore changed hands on the port city bourse. Of the 179 traded securities, 95 advanced, 81 declined and three remained unchanged.

Shinepukur Ceramics topped the turnover leaders on the CSE with Tk 4.26 crore in 3,83,100 traded shares. Other turnover leaders were Beximco Pharma, S Alam Cold Rolled Steels, Beximco, BSRM Steels, Summit Power, Bextex, Eastern Housing, Jamuna Oil, and Golden Son.

Afghan United Bank is a commercial Licensed Bank incorporated in Afghanistan, and looking for Muslim Banking professionals for key senior management positions such as CFO, COO, Head of Risk, Head of Credit, Head of Compliance & H.R. Head. Since AUB is converting to full scope Islamic banking, therefore, professionals with some experience in Islamic Banking will be preferred.

Please email your CV's before 15th March 2009 to info@afghanunitedbank.com