

Stocks

DGEN	▲ 1.63%	2,466.16
CSCX	▲ 3.24%	5,039.13

Asian Markets

MUMBAI	▲ 1.80%	10,534.87
TOKYO	▲ 1.24%	8,857.93
SINGAPORE	▲ 1.50%	1,847.98

Currencies

	Buy Tk	Sell Tk
USD	68.50	69.50
EUR	91.24	96.01
GBP	100.46	105.57
JPY	0.67	0.72

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▼	\$881.04	(per ounce)
Oil	▲	\$53.41	(per barrel)

SOURCE: AFP (Midday Trade)

More News

Pubali's scorecard brightens



Celebrating the 50th anniversary of Pubali Bank Ltd is an ideal opportunity to recall the evolution of one of the most promising financial institutions in the country. Participating in Bangladesh's development and contributing to building the nation's economic and financial infrastructure, the bank cannot only look back with pride on its glorious past.

Intensify talks with US for duty-free access

Trade analysts advise govt on recession risks

STAR BUSINESS REPORT

Trade experts yesterday advised the government to aggressively negotiate with the Obama administration to obtain duty-free and quota-free access for Bangladeshi goods to the US.

"This is the time to chalk out details with the Obama administration," Dr Debapriya Bhattacharya, a distinguished fellow with the Centre for Policy Dialogue (CPD), told a dialogue on the "Ongoing WTO Doha Round negotiations: Concerns and Interests of Bangladesh and other LDCs".

The CPD organised the discussion at the BRAC Inn in Dhaka. CPD Executive Director Prof Mustafizur Rahman chaired the event.

"As the new US administration reviews trade policy and revisits various preference schemes, Bangladesh needs to mount multi-pronged strategies to convince the economic rationale of DFQF," said Debapriya, also the immediate-past permanent representative of Bangladesh to the United Nations office and the World Trade Organisation (WTO) in Geneva.

He said Bangladesh has not been identified for the country-specific policy in the newly announced trade policy agenda 2009 under the administration of US President Barack Obama.

Dr Shishir Priyadarshi, director of the Development Division of the WTO Secretariat, stressed a wider duty-and-quota free access for



Prof Mustafizur Rahman, executive director of the Centre for Policy Dialogue, middle, presides over a dialogue on "WTO Doha Round negotiations" in Dhaka yesterday.

Bangladeshi goods to offset the negative impacts of the global financial crisis.

"Fight for a duty-free access. The greater the share of access, the less will be the impact of the global crisis," said Priyadarshi. Multilateral pressures might result in something at bilateral levels, he added.

Former Finance Minister M Syeduzzaman and Canadian High Commissioner Robert McDougall spoke as the guests of honour. A number of trade experts from both the private and public sectors attended the dialogue.

Bhattacharya and Priyadarshi agreed that countries like Bangladesh, which depend on a limited number of export products and destinations, would be badly affected this year due to the global financial crisis.

Quoting a WTO estimate, Priyadarshi said the

volume of world trade is projected to contract by 9 percent in 2009. Aid is likely to decrease by \$20 billion this year, according to Britain's Overseas Development Institute. The same trend would be true for foreign direct investment, he added.

The Least Developed Countries (LDCs) registered a fall in export growth rates in the second and third quarters of 2008.

"Some LDCs might be able to cushion the adverse impacts of the crisis with their specialisation in certain commodities and resilient demand from developing countries. But it won't be easy for all," said Priyadarshi.

"Diversify your products, increase trade to non-traditional markets and increase the share of services," Priyadarshi said.

Syeduzzaman, former finance minister, emphasised the need to build political outreach to promote Bangladesh's interest at the WTO.

Software exports grow 67pc in July-January

STAR BUSINESS REPORT

Staying immune from the ongoing global meltdown, the local information technology industry witnessed a 67 percent rise in exports during the first seven months (July-January) of this fiscal year, compared to the same period a year earlier.

The IT-enabled service makers fetched \$19.75 million from exports during the time, which was \$11.77 million last fiscal.

Software exports in the entire FY 2007-08 reached \$24.82 million. Industry insiders consider the year 2007 as stagnant for them like other industries because of the political uncertainty prevailed at that time.

"After passing a poor export performing export year, the industry started recovering from mid-2008," said Habibullah N. Karim, president of Bangladesh Association of Software and Information Services (BASIS).

The software industry contributes two-thirds to the total export of IT-enabled services. Newly introduced call centres, graphics, data entry, animation and data

processing companies are on the lists for the rest of the foreign exchange earners.

Karim said the on-going global meltdown partially affects the outsourcing industry. "As the big multinational corporate houses are in a crisis, local firms have to struggle managing outsourcing," he said.

The BASIS president however asserted that other IT-related industries remain far-from-affected by the global recession. He pointed to the fact that Bangladesh's IT companies are doing very low-end works for the global market.

In Bangladesh more than 300 IT-enable companies are producing services for both local and foreign markets.

Among them 100 companies are exporting their services to more than 30 destinations, mainly US and EU, in the global market.

The BASIS chief feels that an IT park should be set up as early as possible in the country. "An IT park could be a flagship of the country's ICT sector by which foreign investors and outsourcing companies would be encouraged to work with Bangladesh IT professionals".

BB to press rate cuts Meeting with banks today

REJAUL KARIM BYRON

The central bank is expected to push commercial banks into lowering the lending rate by up to 6 percentage points to keep up investment and employment in the backdrop of a global financial crisis.

Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed holds a meeting with all commercial banks today on rate cuts.

The central bank will try to convince the banks to cut the lending rate from 17-18 percent to 11-12 percent. In a report, the International Monetary Fund (IMF) has said the lending rate in Bangladesh is "very high" if the inflation is taken into consideration.

BB officials said the banks have huge excess liquidity. Excess liquidity was recorded at Tk 21,000 crore yesterday. On the other hand, the call money rate is fluctuating between 2 percent and 10 percent.

It is high time for the commercial banks to cut the lending rate, as exports and remittance are under strains, the official said.

"Investment must be increased to boost employment," he said.

At today's meeting, the banks will be asked to lower all lending rates, except on consumer credit and credit cards.

The Parliamentary Standing Committee on Finance Ministry has also made a strong recommendation to lower the lending rate.

Last week, an IMF mission sent a report to the government with a recommendation for lending rate cuts.

The report said, "Recent actions taken by Bangladesh Bank, including market purchases of foreign exchange, have contributed somewhat to easing monetary conditions." Still, the real interest rate is elevated, as private lending rates remain high despite the recent deceleration in inflation, according to the report.

Improving efficiency in the financial markets is vital to bring down market rates, and reforms in government's borrowing practices will be a key component in such reforms, it said.

Motorola eyes strong foothold



Christopher Stier

MD HASAN

Motorola, one of the leading mobile device makers, is developing plenty of strategies to grab a significant share of Bangladesh's untapped handset market.

The US-based company yesterday said it has taken a lot of strategic plans, which will be disclosed soon, to re-enter Bangladesh market with a wider distribution network.

The existing 45-million mobile market has been dominated by Finland-based Nokia for the last few years as other players, including Motorola, have failed to strengthen their foothold.

At the time of cellphones' debut in Bangladesh in 1993, Siemens and Ericsson were the market leaders. But when the GSM (global system of mobile communication) technology was introduced in 1997, Nokia's aggressive marketing drive and innovative products made it the market leader, pushing its market share to 75 percent in 2008.

Presently other players include Samsung, LG, Sony Ericsson and BenQ Siemens.

"I can't give you a specific figure right now. But we want to capture a significant portion (of the market)," said Christopher Stier, director of distribution for Europe, Middle East, Africa & Asia (mobile devices) for Motorola.

In an interview with The Daily Star yesterday, he said Bangladesh is one of the emerging markets where more

than 70 percent people are yet to enjoy mobile technology.

"The mobile market is growing rapidly here. There are still many people to be connected with the mobile network," said Stier.

Talking about the company's such plan, he said Motorola has signed a deal with local Quartel Infotech Limited, which has 3,000 retail outlets across the country and will sell Motorola handsets.

Besides nationwide sales points, Motorola is bringing 15 new models to the Bangladesh market.

"Now we are coming with new focus, new partner and new strategies. We are bringing some exciting portfolios that we had never before in Bangladesh," Stier said.

Although the mobile subscriber acquisition growth witnessed slowdown in the recent months, Stier is optimistic about the country's future market.

He said the big untapped market and the trend of changing handsets frequently among the customers have proved a hope for Motorola.

"Through the 'replacement habit', actually people want to buy better phone than they used before. And Motorola will bring its dynamic products to meet the customers' needs," Stier said.

About revitalising the company's mobile device venture in Bangladesh in the time of recession, he said: "We do know that. But we are not focusing on Bangladesh for a shorter period."

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Asian summit to push new world economic order

AFP, Bangkok

Asian leaders will seek to assert a key role in a new world economic order this week at the first major international summit since the G20 unveiled a landmark recovery plan for the global recession.

The summit starting Friday in Thailand will give the region of nearly three billion people a chance to show its clout after last week's meeting in London, which raised hopes for an era of economic cooperation and reform.

But the export-driven region must also find new strategies to shore up its own tanking economies, as the twin threats of mass unemployment and social unrest loom.

In addition to the economy the leaders are also set to discuss North Korea's launch of a long-range rocket, and deadly border clashes between Thai and Cambodian troops.

"The voice of Asia needs to be heard," said Chalongsob Sussangkarn, a former Thai finance minister who is now at the Thailand Development Research Institute.

"We (Asia) are the biggest creditor in the world... East Asia needs to take an active role in the reform of the global

Stocks shoot up on banks

STAR BUSINESS REPORT

Dhaka stocks rebounded strongly yesterday from continuous loss and flat trends for the last few days with all its indices going up backed by banking shares, although decliners beat advancers.

The benchmark index of the Dhaka Stock Exchange, DSE General Index, rose by 39.62 points, or 1.63 percent, to 2,466.16 points. The DSE All Share Price Index also increased by 29.33 points, or 1.45 percent, to 2,045.14 points.

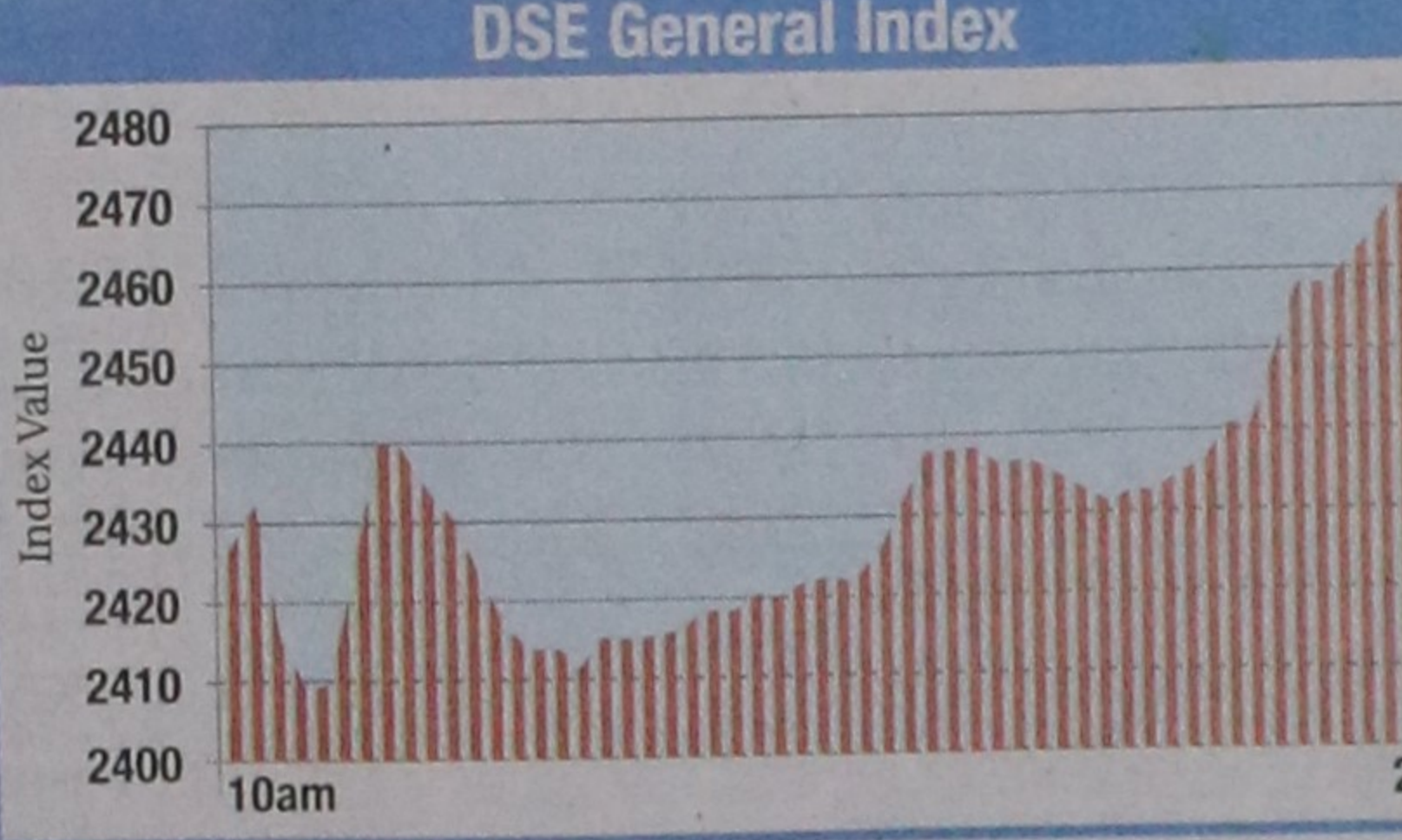
"Although losers dominated the market, banks with their larger share of total market cap and turnover pulled the market up," according to an analysis of Equity Partners Limited (EPL), an investment bank.

Banks advanced remarkably with almost all of them gaining more than 10 percent.

"The banks have become the cheapest among all the fundamentally strong sectors. Investors might have decided that it is the right time to invest in the sector, which could be a reason behind the sudden rise," the EPL analysis said.

The volume also indicated that the institutional investors dominated mainly the banking sector, it added.

Of the 244 traded securities, 74 advanced, 165 declined and five



remained unchanged. A total of 2,42,89,958 shares worth Tk 452.11 crore were traded on the premier bourse.

Summit Power topped the turnover leaders on the DSE with 3,16,600 traded shares worth Tk 37.19 crore. The day's other turnover leaders were S Alam Cold Rolled Steels, Beximco, Summit Alliance Port, ACI, Titas Gas, Powergrid, Desco, Beximco Pharma and Eastern Housing.

Chittagong stocks also shot up yesterday. The CSE Selective Categories Index went up by 157.92 points, or 3.23 percent, to 5,039.13 points. The CSE All

Share Price Index rose by 212.52 points, or 2.8 percent, to 7,779.59 points.

A total of 48,71,977 shares worth Tk 57.84 crore changed hands on the Chittagong Stock Exchange. Of the 147 traded issues, 44 advanced and 103 declined.

Beximco topped the turnover leaders on the CSE with 2,41,500 traded shares worth Tk 5.54 crore. The other turnover leaders were AB Bank, Summit Power, S Alam Cold Rolled Steels, AIMS 1st Mutual Fund, BSRM Steel, Beximco Synthetics, National Bank, BRAC Bank and Shinepukur Ceramics.

International

Car sales plunge in Britain as sector crashes globally

Sales of new cars in Britain fell almost a third last month, official figures showed Monday, in the latest sign of how the economic crisis is hammering the auto sector worldwide. The Society of Motor Manufacturers and Traders said 313,912 new cars were registered in March, down 30.5 percent from last year.

Citigroup makes new executive changes

Citigroup, the government-rescued US banking giant, said Monday it had confirmed Mike Corbat as chief executive of Citi Holdings, a new unit holding relatively risky assets, as part of fresh executive changes.

Contact Us

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