

Stocks

DGEN ▼ 0.33%
2,499.58

CSCX ▼ 0.15%
5,246.22

Asian Markets

MUMBAI ▼ 1.47%
11,952.75

TOKYO Closed

SINGAPORE ▲ 5.05%
2,179.03

SHANGHAI ▲ 0.98%
2,592.52

Currencies

	Buy Tk	Sell Tk
USD	68.50	69.50
EUR	88.99	93.95
GBP	101.05	106.38
JPY	0.68	0.75

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲
\$904.15
(per ounce)

Oil ▼
\$53.81
(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Islamic banking less risky



Islamic banking is now an issue of great interest for many, including Western non-Muslims, because the system still remains almost unhurt by the ongoing global financial crisis. Banks from the US to UK and China to India also prefer such banking.

B-4

International

US economy to turn around in 2009: Fed chief

Federal Reserve chief Ben Bernanke said Tuesday the recession-hit US economy could rebound this year but warned of further "sizeable" job losses and vulnerability of the financial system. "We continue to expect economic activity to bottom out, then to turn up later this year," he told a key congressional panel.

Thailand to borrow \$22.9b for stimulus

Thailand's cabinet Wednesday endorsed plans to borrow 800 billion baht (22 billion dollars) to fund second a stimulus package of 1.4 trillion baht over the next three years, the finance minister said. The borrowing -- part of a so-called "Strong Thailand 2012" scheme -- would be used to invest in new infrastructure to boost the chances of economic recovery, Korn Chatikavanij said.

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

Key RMG players switch to full automation

REFAYET ULLAH MIRDHA

Leading readymade garment (RMG) manufacturers are shifting to automated production systems from the traditional ones to be more competitive in global apparel business, said industry insiders.

They said adoption of new technology in the apparel industry is paying dividends to owners, as it helps improve management, quality and delivery systems.

The industry operators have also brought about changes in cutting, knitting, dyeing, finishing and packaging through the application of these new technologies.

RMG workers had previously cut fabric manually, or the cutting machine's speed was time-consuming. But now it is possible to cut fabric much faster with the auto cutter machine.

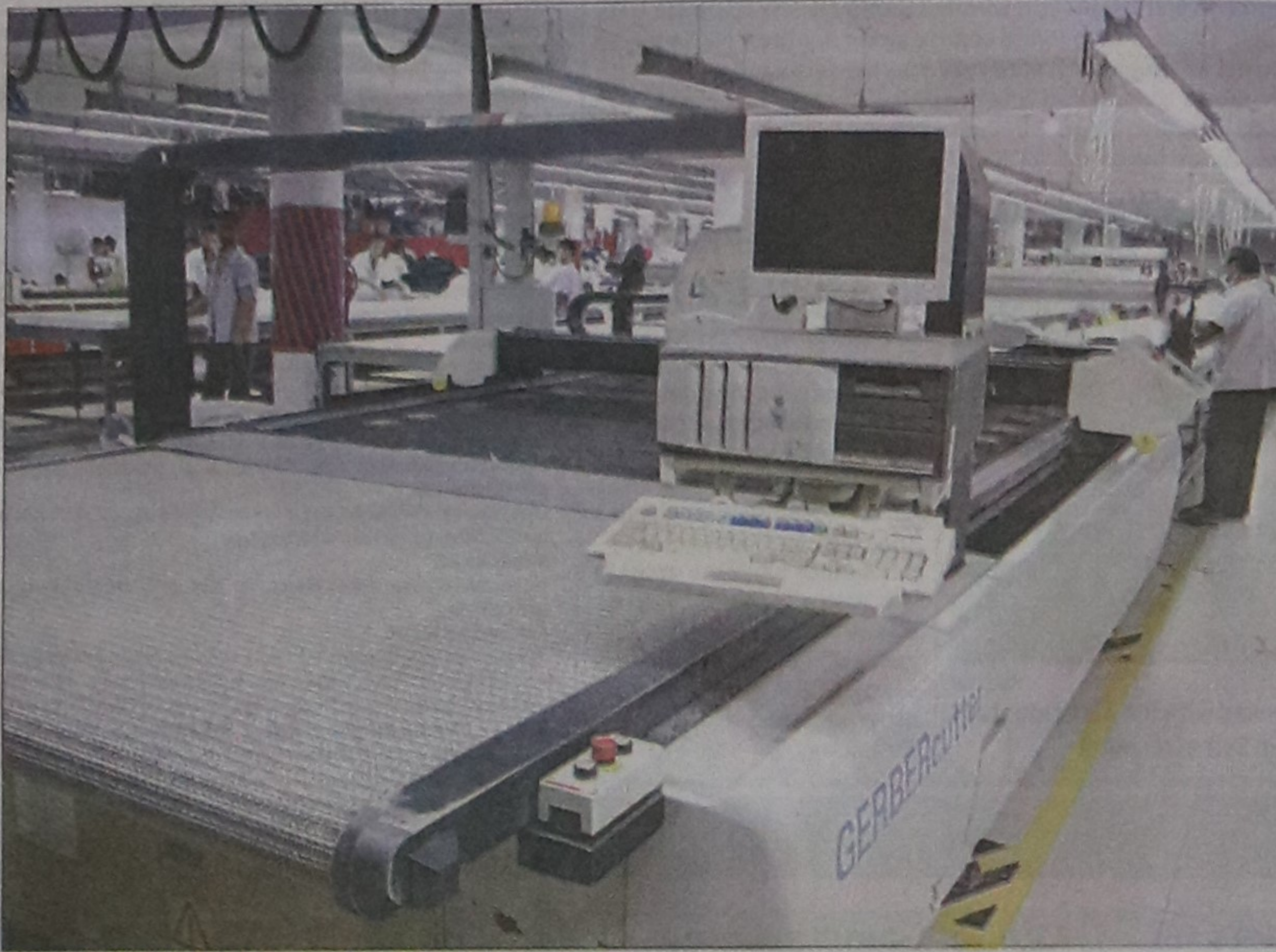
Similarly, in the case of quality control, the automated machinery can check in a short time whether any needle or any other metal tool is mistakenly embedded in the packaged clothes, according to the workers.

The new technology helps finish dyeing of several hundred yards of fabric in a few hours, says a dyeing factory owner.

Viyellatex Group is the country's first garments factory that has implemented the expensive Enterprise Resource Planning (ERP) solution from SAP Germany, said Group Chairman KM Rezaul Hasanat.

Some multinationals and other local business houses now adopt the ERP solution, but in the garments sector Viyellatex Group is using it, Hasanat pointed out.

"Viyellatex Group is one of the leading factories worldwide which is using ERP from SAP. The group implemented the ERP in its Gazipur based factory in December last year



Operators run a state-of-the-art fabric cutter at a garment factory in Gazipur. Leading readymade garment manufacturers are now shifting to automated production systems from the traditional ones to be more competitive in global apparel business.

at a cost of \$2million," Hasanat added.

"I save time and wastage in my factory in almost all the sections. I can know the on-time production by one click alone," the Viyellatex boss said.

Talking to The Daily Star, Shahadat Hossain Kiron, managing director of Dekko Group, one of the leading apparel makers, said he plans to install the SAP software to bring efficiency at all levels.

He said currently almost all modern factories are setting aside their traditional methods and

adopting automated systems. "Efficiency in cutting, knitting, dyeing and finishing has been attained because of the application of these technologies," Kiron said.

Ghulam Faruque, chairman of SQ Group, a leading sweater maker, said he hired a Bangladeshi born British specialist for his group to develop ERP aiming to ensure better management and production systems.

"I hope SQ Group would be able to implement ERP in next six months," he said.

Faruque said Bangladeshi manu-

facturers mainly use sophisticated European and Japanese technologies in their production units.

He said since manufacturers are now shifting to lean systems, they prefer these technologies to enhance efficiency.

Bangladesh Textile Mills Association data say Bangladesh imported capital machinery and other technologies worth Tk232.768 crore for the textile sector during July-April period of the current fiscal year.

reefat@thedailystar.net

Tk4,900cr projects marked for Digital Bangladesh

Govt to set flat rate for land phones

STAR BUSINESS REPORT

The government has undertaken projects worth Tk 4,900 crore as part of a move to establish a 'Digital Bangladesh', the post and telecommunications minister said yesterday.

"The main infrastructure -- national IP (internet protocol) backbone -- has already been finalised," Raziuddin Ahmed Raju told newsmen at the telecom ministry.

The news conference came after his visit to Portugal to attend the Fourth World Telecommunications Policy Forum (WTPF) held on April 21-24.

The government will extend telecommunication and information services to the doorsteps of people in rural areas, the minister said. "ICT could help the country develop fast," he said.

A new era will be created through implementation of the internet information network expansion, the minister said.

A flat rate will be fixed for Bangladesh Telecommunications Company Ltd (BTCL) land phones countrywide, the minister said.

"The rate charged for land phones in and outside Dhaka will be the same. We shall do it in two to three months," the minister said.

Presently, the per minute land phone rate of BTCL in Dhaka is Tk 0.15 during peak hours and Tk 0.10 during off-peak hours, while the inter-zonal rate is Tk 1 during peak hours and Tk 0.70 during off-peak hours.

Demand for BTCL's land phone has increased tremendously, the minister said. He also wants more people to use BTCL's phones.

The flat rate means if any BTCL customer dials from Dhaka or from any district for respondents anywhere else in the country, the rate will be the same and there will be no variation in its call rates from district-to-district calling.

Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Zia Ahmed and BTCL Managing Director SM Khabiruzzaman also attended the WTPF.

"At the forum, we stressed how developing nations could be more connected through the telecom network and use it to face the challenges of climate change and natural disasters," the minister said.

The government's vision to build a 'Digital Bangladesh' was lauded at the forum, he said.

On the illegal use of voice over internet protocol (VoIP) by private telecom operators, the telecom minister said the use of over one lakh SIM cards have been cancelled for being used in VoIP.

Zia Ahmed said they have warned those who are using illegal VoIP.

"The illegal use of VoIP has to be fought by both policy and policing. We are changing necessary laws in this regard," Ahmed said.

Regulator to fast-track decision on GP listing

SARWAR A CHOWDHURY

The stock market regulator will take a decision about Grameenphone's initial public offering soon, said a high official of Securities and Exchange Commission (SEC).

"Yes or no, whatever it is, we should take a decision on the GP IPO immediately," the official said, seeking anonymity.

The issue will be placed at the commission's meeting soon. The capital market watchdog may suggest that GP go for an IPO in two phases to make sure the market does not face volatility in absorbing the largest-ever issue. The Daily Star has learnt.

The IPO prospectus of the country's largest mobile phone operator is awaiting approval from the SEC.

About the recommendation for a two-phased IPO, the SEC official said there is an apprehension that the \$65 million (Tk 449 crore) IPO of GP may create volatility in the market. "We will suggest GP split the IPO in two," he said.

The IPO in two parts will help the market absorb it easily and without any volatility, he said.

A GP official said yesterday he had heard about the SEC's plan to ask the telecom operator to split the IPO in two. If the SEC puts forward such a proposal, GP will have to sit with its shareholders to discuss the issue, said the official, on condition of anonymity.

Talking to The Daily Star, newly appointed SEC Chairman Ziaul Haque Khondker said: "We will think about all the market stakeholders' interests before taking any decision about the GP IPO."

sarwar@thedailystar.net

Exports post slow growth

STAR BUSINESS REPORT

Bangladesh fetched \$1.280 billion from exports in March against the \$1.369 billion target, registering a 6.48 percent shortfall in expected earnings, according to the latest Export Promotion Bureau (EPB) statistics.

Compared to the same period a year earlier, however, the March exports posted a 4.55 percent rise.

EPB data shows a 14.51 percent rise has been registered in the first nine months (July-March) of the current fiscal year, compared to the same period a year ago.

The export earnings reached \$11.634 billion in the July-March period against the \$11.806 billion target. The annual export target was fixed at \$16.298 billion for fiscal 2008-09.

In February, the country earned \$1.217 billion from exports against the \$1.264 billion target, which means a 3.75 percent shortfall in expected earnings.

Knitwear, the single largest export item, grew by 21.39 percent to \$4.750 billion and woven by 18.42 percent to \$4.464 billion during July-March of this fiscal year, compared to the same period a year earlier.

Abdus Salam Mursheedy, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the international buyers are now offering "very low prices" for Bangladesh products due to global recession.

"We are losing our competitiveness on the international market. We are lobbying hard with the government for a stimulus package to help us stay competitive," Mursheedy said.

The declining trend in issuance of utilisation declaration (UD) from the BGMEA indicates that the situation is not going to improve soon, Mursheedy said.

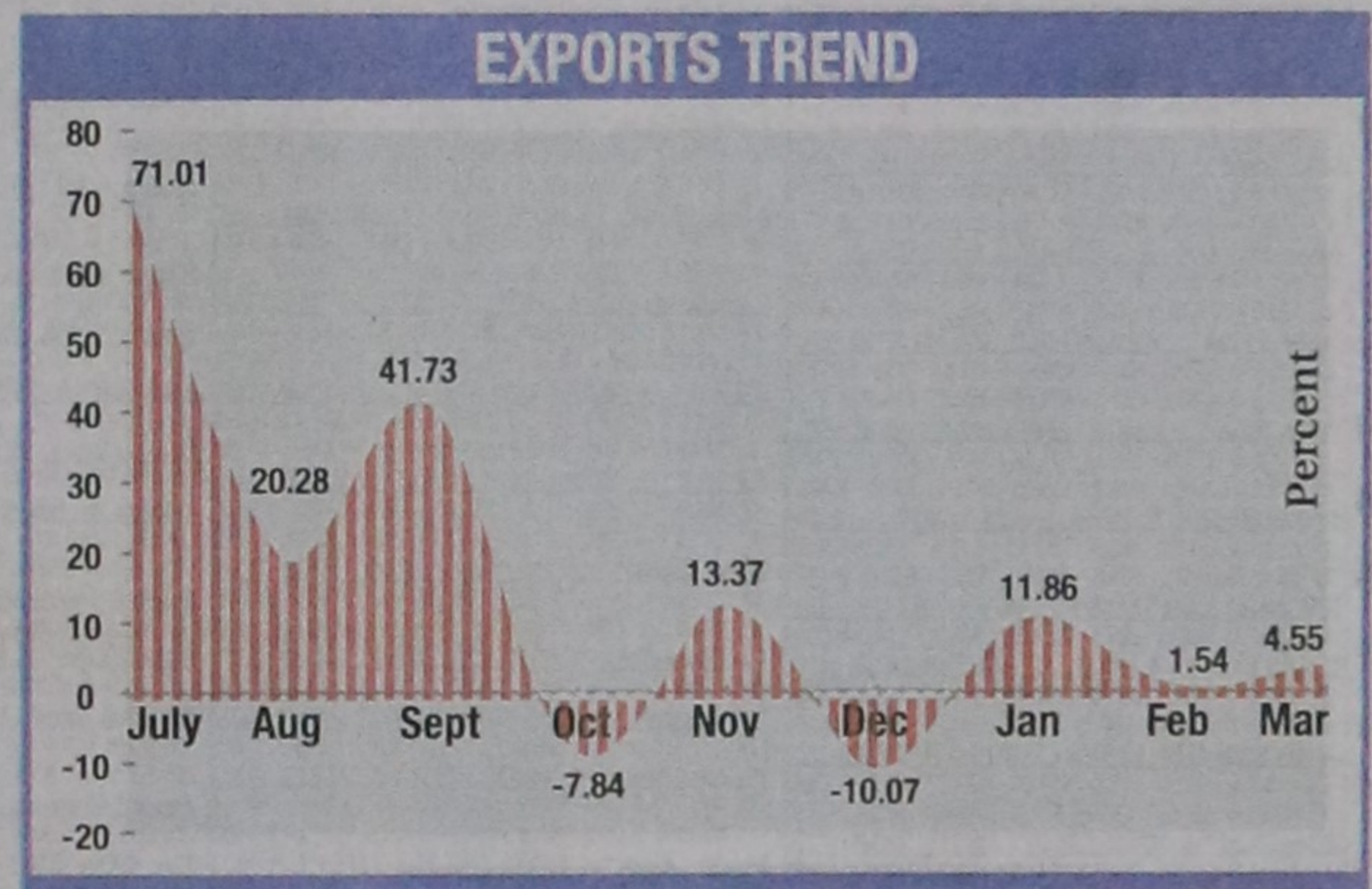
The issuance of UD certificates fell more than 4 percent in April, according to the BGMEA.

International buyers are now offering more than 30 percent reduced prices for Bangladeshi apparel due to recession, major garment makers said.

Shahab Ullah, vice-chairman of EPB, said the impact of the recession started weighing on the country's exports last month. "Still I hope the country would achieve 12 percent growth in exports," he said.

In the July-March period, terry towel products were exported worth \$98.04 million, against the \$79.52 million target. The EPB reported 18.97 percent growth in exports of terry towel and 32.49 percent growth in textile fabrics exports during the time.

Footwear exports increased by 19.84 percent to \$144.69 million, home textile by 13.92 percent to \$240.66 million, handicrafts by 22.95 percent to \$5.09 million, chemical products by 67.89 percent to \$27.72 million,



melamine tableware by 135.29 percent to \$0.40 million in the July-March period of the current fiscal year, compared with the same period a year ago.

On the other hand,

exports declined 15.92 percent to \$27.72 million, tea 13.39 percent to \$11.71 million, vegetables 29.05 percent \$32.32 million, raw jute 19.62 percent to \$102.84 million, jute goods 17.98 percent to \$199.21 million, leather 34.57

percent to \$139.21 million, frozen foods 13.01 percent to \$355.67 million and ceramic products 9.95 percent to \$25.60 million during July-March, compared with the same period a year earlier.

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