

Stocks	
DGEN	0.07% 2,980.51
CSCX	2.42% 6,518.02

Currencies	
Buy Tk	Sell Tk
USD	68.45 69.45
EUR	93.41 99.08
GBP	108.92 114.82
JPY	0.73 0.81

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	\$913.00 (per ounce)
Oil	\$59.16 (per barrel)

SOURCE: AFP

(As of Friday)

More News

OTC at DSE to trade junk shares

Dhaka Stock Exchange in a bid to facilitate junk share trade will set up an over the counter (OTC) market in the next two months. The DSE Board took the decision at a meeting yesterday. Under the OTC system, a separate trading floor will be opened where interested buyers and sellers of shares of non-performing and under-performing companies will announce prices and numbers of shares to be traded.

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International

Better than Bali



Investors are lining up for a piece of Vietnam's "China Beach", once a wartime R&R playground for US soldiers, which industry players say could become a tourism hotspot to rival Bali or Phuket. Stretching about 30 kilometres (19 miles) from the mountain-fringed central Vietnam city of Danang to the heritage town of Hoi An, the white sand beach -- known locally by other names -- has been relatively undeveloped despite its beauty.

Slow stimulus spending brings out complaints

The slow impact of a massive US economic stimulus program approved earlier this year has prompted renewed talk about another effort to stem rising unemployment and jolt the economy from recession. Only a small portion of the 787 billion dollars authorized for economic stimulus in February has been pumped into the economy, failing to prevent a rise in joblessness to a 26-year high of 9.5 percent.

German exporters say world trade picking up

The slump in global trade has already hit its lowest ebb and German trade should also begin to perk up in the coming months, a press report said Sunday, citing a study from a major German industry body.

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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

Exports stay sluggish

Earnings from shipments grew only 4.18pc in May

KAWSAR KHAN

Exports stayed sluggish in the global economic downturn, as earnings from shipments increased only 4.18 percent in May from the same period a year ago. According to preliminary official statistics, the country bagged \$1.32 billion in May of fiscal 2008-09, compared to \$1.26 billion in the same month of fiscal 2007-08.

The latest earnings figure is more than 12 percent bellow the \$1.50 billion strategic export target set by the Export Promotion Bureau.

Bangladesh posted an 11.87 percent export growth in the first 11 months of the immediate past fiscal year, earning \$14.14 billion, up from \$12.64 billion in the same period a year earlier.

Although sectoral figures were not available, an EPB official said many sectors including raw jute, tea, jute goods, electronics, leather, frozen foods and ceramics remained in the negative territory.

"As export earnings by most of the sectors have declined, the share of readymade garments in the total export earnings will widen to 85 percent from the present 80 percent," a commerce ministry official told The Daily

Star yesterday.

With the slowdown in exports, the country will narrowly miss the \$16.3 billion export target for fiscal 2008-09, the official added.

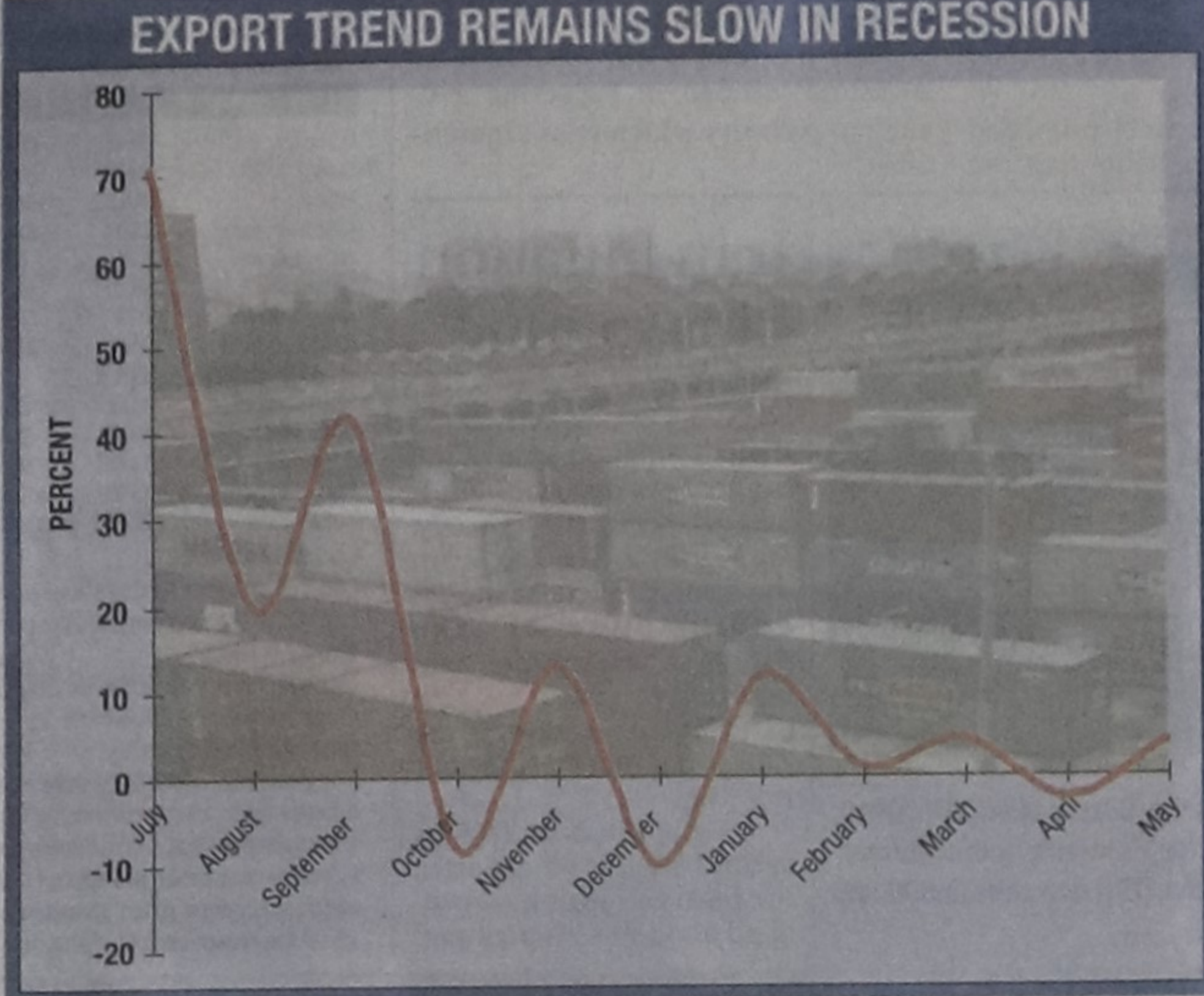
President of Bangladesh Knitwear Manufacturers and Exporters Association Fazlul Hoque said earnings of the RMG sector would remain low in next few months due to low utilisation of orders (UD) in the past months.

Without giving an exact figure, Hoque said the export performance of knitwear sector was below the mark in May. In April, knit exports achieved only 0.28 percent growth, which was 8 percent in the month earlier.

In the 10-month period of last fiscal year, according to official statistics, knit earned \$5.2 billion, posting over 19 percent growth from the same period a year ago.

Woven garments maintained a 17.13 percent growth in the first 10 months of the previous fiscal year, bagging \$4.9 billion or 7.30 percent growth over the target.

Earnings in May were far from satisfactory although the government rolled out an interim financial stimulus package for the last quarter of the



immediate-past fiscal year to keep up export growth.

But the sector people said they are yet to receive any incentive in line with the declaration. The sectors hit by global recession are expected to receive 70 percent of the incentive from banks immediately after submission of relevant documents.

"Although the government has announced the amount, we have not

received any incentive yet," said Maqsudur Rahman, a vice president of Bangladesh Frozen Foods Association.

Rahman claimed that they have submitted all required documents to banks for the export incentive but "we did not receive anything as banks aren't following government directives".

Mustafizur Rahman, executive director of Centre

for Policy Dialogue (CPD), urged the government to immediately spell out the modalities for the Tk 5,000 crore-stimulus package to boost exports.

"Now it needs an immediate concerted effort to allocate the package to boost the export growth," he said.

Export earnings might return to normal in the second half of the current fiscal year, he hoped. kawsar@thedailystar.net

Excess liquidity hits banks

REJAUL KARIM BYRON

Excess liquidity in banks reached as high as Tk 27,716 crore in April, pointing to sluggish investment.

Bangladesh Bank June 2009 Update shows that banks had Tk 12,988 crore in excess liquidity in June 2008.

The March figure was Tk 24,000 crore, indicating an every month rise in such excess liquidity.

Economists and bankers think the investment flow is not picking up because of the ongoing global recession and paucity of gas and power despite the fact that an elected government is at the helm.

The central bank report points to a decline in capital machinery and industrial raw material imports. A fall of around 6 percentage point in the private sector credit in April has also been shown in the report.

Meanwhile, an announcement of expansionary monetary policy by the central bank is imminent, according to a BB high official.

BB has been following a contractionary policy for the last two years.

The private sector credit dropped to 16.97 percent in April from 22.89 percent in the same month a year earlier. Such a fall went below the target of cutting the credit growth down to 18 percent, as set by the central bank.

The call money market shows that the excess bank liquidity has also caused a drop in interest rates. The rates were 1.97 percent in April, 3.28 percent in May and 1.79 percent in June, which were 15.48 percent, 14.11 percent and 9.90 percent in the corresponding period last year.

A top brass of a private commercial bank said such a trend shows a low investment demand, which he attributed to the financial meltdown worldwide.

The data of a 30.21 percent fall in the opening of letters of credit for the imports of capital machinery and 11.12 percent in the case of industrial raw materials suggest a bleak production scenario, and also a frustrating future.

"International economic situation is not good yet. The present investment is low, as our economy does not remain immune from the global crisis," Zaid Bakht, research director, Bangladesh Institute of Development Studies, told The Daily Star.

He said power and gas situation, a precondition for investment growth, is not good.

The BIDS official also pointed out that entrepreneurs remain shaky about new investments because there are signs of a possible confrontation in the country's political arena.

Orange farming gains ground



STAR

Farmers are turning their attention to orange cultivation in Panchagarh, a northern district with sandy, alluvial soil.

KONGKON KARMAKER, Dinalpur

Favourable soil and weather conditions in Panchagarh have put orange farming in the spotlight.

Panchagarh is a moderately drought-prone area, but there are a few spots that are ideal for orange cultivation -- due to its proximity to the Himalayas. Its soil is largely sandy and alluvial and bears close affinity with the soil of the old Himalayan basin.

The popular fruit has the potential to become a cash crop for farmers in the four upazilas of the Panchagarh district, sector people said.

The Horticulture Department, District Agriculture Department and Orange Orchard Development Board have taken steps to help orange farming flourish in the northern district.

The first orange farming project was introduced in 2006 with some Indian varieties, including Khashiya and Nagpuri being widely cultivated in Shiliguri, Jalpaiguri and Darjeeling of India.

Ashim Kumar Paul, an official of Panchagarh Orange Orchard Development Project, said Panchagarh oranges would hit the international

market by 2011, after meeting domestic demand.

At least 1,000 people have so far been trained and about 100 hectares of land in different upazilas of Panchagarh have been marked for orange cultivation. An additional 100 hectares of land will be brought under orange cultivation, as the district is fixing the production target at about 500,000 tonnes.

Hundreds of interested villagers in the area also planted orange trees around their homes.

According to a 2003 survey, at least 1,450 hectares of land in four upazilas of the district are ideal for orange cultivation -- 400 hectares in Tetulia, 400 hectares in Panchagarh, 300 hectares in Atwari and 350 hectares in Boda.

The Department of Agricultural Extension (DAE) along with the Horticulture Orange Orchard Development Department took steps to encourage farmers to cultivate oranges in 2006.

In 1998, Md Mominul Islam of DAE distributed orange plants among farmers, which brought in good yield.

The Horticulture Department in collaboration with the Panchagarh Orange Orchard

Development Board has also organised awareness programmes -- "Scope for Commercial Orange Cultivation" -- to educate farmers.

"A large number of farmers in the district have begun orange production this year," said an official who visited several orchards.

Achinta Kumar Roy of Shardarpara village under Boda upazila said his orchard produced oranges this year. "This new crop is inspiring many farmers in the area to follow suit," Roy said.

However, the sweet fruit from the district is yet to reach local markets.

"Since the availability of water is a major consideration for this fruit, we have identified certain areas that are ideal in this regard," said Paul. "The orange cultivation project has so far received encouraging response from the farmers in the district."

The Panchagarh Orange Orchard Development Project official said efforts would be made to popularise orange cultivation in the district by involving various agencies associated with the crop, based on modern techniques.

BTRC moves to ease mobile users' woes

MD HASAN

The telecom watchdog is set to launch a benchmark for mobile phone operators to ensure quality of their services, a move that is expected to safeguard the users' interests in the Bangladesh's rapidly growing telecom market.

The Bangladesh Telecommunication Regulatory Commission (BTRC) has already prepared a draft guideline on 'Quality of Service (QoS) Parameters for Mobile Telecom Service' and sought stakeholders' views to finalise it.

QoS parameter has been in place in different countries like Australia, India, Malaysia, Pakistan and Singapore. The parameter is mainly set from customers' perspective by verifying what the mobile operators pledge to do and actually what they provide to the users.

In Bangladesh, the customers' complaints against the mobile operators' quality of services are nothing new. But besides the operators' customer service desk, there was no regulatory framework to ensure a minimum standard of mobile phone services.

Network disruption, call dropping, delayed connection, poor voice quality, interconnection congestion, abnormal bill and delayed services by the operators' customer care desks are the common places for the country's 46 million mobile users.

The BTRC officials think the guideline will enable customers to get better services from the mobile phone operators, as all parameters set by BTRC for QoS will be determined by survey reports on the customers.

"The market has reached such a point that we can set a benchmark for quality services," said a BTRC high official seeking anonymity.

The guideline is expected to be finalised within the next two months, the official said.

Customer satisfaction is the basic parameter to judge the QoS provided by an operator. However, the methodology to measure this parameter is highly subjective and requires due care to assess the level at which services are being rendered, says the BTRC draft guideline.

The BTRC will provide a set of questionnaires to the mobile phone operators asking the customers' satisfactory level over the mobile service. Each question will have a certain point that will be justified by the QoS benchmark.

BTRC will consider some services or technical abilities of the mobile operators to justify the QoS.

"We welcome this initiative by the BTRC to develop QoS parameters for the mobile industry. For today's mobile operators, QoS is a critical differentiator because it is certainly a way to attract customers and reduce churn," said Rubaba Dowlah, chief communications officer of Grameenphone Ltd.

Furthermore the parameters, when defined, will be directly relevant to business and business expansion for the operators. Among some of the challenges that lie ahead is active cooperation between the operators, government and the regulators for additional site acquisition in public areas, spectrum allocation, and adequate power supply, she said. hasan@thedailystar.net

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