

Stocks

DGEN 0.10%
3,001.60

CSCX 0.02%
6,684.01

Asian Markets

MUMBAI 0.52%
15,769.85

TOKYO 1.36%
10,639.71

SINGAPORE 0.37%
2,628.43

SHANGHAI 1.78%
2,967.60

Currencies

| | Buy Tk | Sell Tk |
|-----|--------|---------|
| USD | 68.42 | 69.42 |
| EUR | 95.96 | 101.16 |
| GBP | 109.94 | 115.17 |
| JPY | 0.71 | 0.80 |

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold \$950.20
(per ounce)

Oil \$72.43
(per barrel)

SOURCE: AFP

(Midday Trade)

News in Brief

BEXTEX Ltd.

Bextex gets nod to issue shares to repay loans

STAR BUSINESS REPORT

Bextimco Textiles, a subsidiary of Bextimco Group, has received a go-ahead from the stock market regulator to issue 19 crore ordinary shares at Tk 32 each to repay outstanding loans.

However, the Securities and Exchange Commission (SEC) imposed a lock-in on the sell-offs of new shares, according to the company's disclosure on Dhaka Stock Exchange's website yesterday.

The web posting said the shares to be issued favouring the lender(s), their assignee(s) and assignee(s)'s nominee(s) shall be subject to a lock-in of three years, in the case of directors and those who hold 5 percent or more shares.

However, the lock-in period will be one year in case of others, from the date of issuance of such shares, or from the date of issuance of consent, whichever is later, it said.

Marico IPO lottery August 29

STAR BUSINESS DESK

The lottery for allotment of shares in the initial public offering (IPO) of Marico Bangladesh Ltd will be held on August 29, said a statement.

The company will allot 3,150,000 ordinary shares of Tk 10 each including a premium of Tk 80. The subscription to the IPO has been oversubscribed by more than 11 times.

Contact Us

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



High demand for Bangladeshi T-shirts is expanding the country's apparel market share in Germany. Exporters are expected to see brighter days ahead, as Europe's largest economy is emerging from recession.

STAR

T-shirts drive exports to Germany

REFAYET ULLAH MIRDHA

Bangladesh's share in the German apparels market is widening rapidly due to high demand for local T-shirts, industry leaders say.

In 2008, Bangladesh ranked third in the export of T-shirts to Germany, following the intra-EU 27 nations and Turkey, according to data from the Export Promotion Bureau (EPB) and research carried out by the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Bangladesh's position in the export of T-shirts to Germany may remain the same in fiscal 2009-10. In fiscal 2008-09, Bangladesh exported knitwear worth \$1.34 billion and woven garments worth \$802 million to the European country.

Local exporters are expected to see brighter days ahead as Germany has escaped the clutches of its worst

recession in over 60 years. Latest official data showed that consumption helped Europe's biggest economy grow by 0.3 percent in the second quarter.

The positive growth figures are the latest in a series of economic data that suggests Germany might bounce back relatively quickly from a deep and painful recession.

A Matin Chowdhury, managing director of Malek Spinning Mills Ltd, said one of his companies, Knit Asia, exported knitwear products worth \$40 million to the EU, mainly Germany, last year.

"Germany is the single largest export destination for Bangladeshi apparels items after the US," Chowdhury said. "However, all potential to grow exports would remain unutilised if the supply of gas cannot be ensured."

Dragon Group Managing Director Mostafa Q Sobhan said he

exported sweaters worth \$15 million to Germany last year. "The German economy is growing at a good rate and so our potential to shine in that country is also bright."

In fiscal 2008, the value of total imports of T-shirts to Germany was 1.69 billion euros, 2.29 billion euros for sweaters with a 22.54 percent market share, 1.3 billion euros for denim with an 11.76 percent share, while trousers have a 17.26 percent market share.

Bangladesh's share of global T-shirt exports to Germany was 18.47 percent in 2008, up from 15.33 percent in 2007. China's share was 10.55 percent in 2008 and 8.66 percent in 2007.

India had a 7.33 percent share in 2008, down from 7.85 percent in 2007, and Turkey's share was 24.06 percent in 2008 and 26.36 percent in 2007.

The other major knitwear export

items from Bangladesh are socks, tights and pantyhose, cotton garments for babies, blouses, stockings and cotton trousers and sweaters.

In 2008, Germany imported knitwear items worth \$14.31 billion and woven garments worth \$16.91 billion, while total imports were worth \$1.53 trillion and exports were \$1.2 trillion.

The top-10 knitwear import items in Germany constitute 60.89 percent of market share. Among the products, cotton T-shirts take the lead, while demand for items made out of manmade fiber is gradually falling.

In the export of woven garments to Germany in 2008, intra-EU nations lost 9 percent, China gained 16 percent, Turkey lost 3 percent, Bangladesh gained 1 percent and India gained 1 percent.

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Electronics retailers race to win Eid shoppers

SOHEL PARVEZ

Electronics retailers rev up their races to boost sales placing various lucrative offers for consumers to spend on home appliances during Eid-ul-Fitr.

Discounts, gift and lucky coupons are now on offer at different outlets of electronic product retailers with industry insiders expecting better sales in this festival month compared with the same month a year ago.

Operators attribute the possible rise in sales to easing of shakiness among many consumers, who were cautious in spending last year because of the drive against graft and tax dodging during the caretaker government rule.

Announcement of a possible pay-hike for public servants and consumer-loan offers by banks are also expected to impact on sales of consumer goods, such as electronics.

"It's one of the important seasons of a year from the sellers' point of view. Working people use to get festival bonus and many love to buy their desired home appliances this time," said Jafrul Alam

Khan, national sales manager of Transcom Electronics Ltd.

Operators said the Eid enables them to generate nearly one-fourth of their total annual sales as office-goers, many of whom run their family based on limited monthly income, spend a portion of bonus for Eid celebration.

Industry insiders said consumers usually buy television, refrigerator, rice cooker, blender and woven during this festival to ease their living, which in turn prompts distributors to come up with offers in the marketing campaign to register brisk business.

"We usually record a rise in sales of rice cooker, blender and woven this period," said the Transcom Electronics official, pointing to the fact that people prefer to have a relief from hassle in the fasting month.

"Buying during Ramadan is really cost-effective. A buyer will get certain benefit from a product purchased from us," pointed out Jafrul Alam Khan, adding that his company has started registering a rise in sales ahead of Eid.

"Now our average daily sale is about Tk 35 lakh. We expect to touch a Tk 50 lakh mark early next

month," Khan said.

Transcom Electronics now retails various brands such as Philips, Transtec and Whirlpool at its 31 Transcom Digital outlets.

Khan expects his company to achieve a sales target of Tk 25 crore during the festival period. The company has offered up to 200 percent discount for a product through scratch cards.

"Trend looks good this year compared with the previous year," said Iqbal Hasan, deputy general manager of Butterfly Marketing Ltd that retails one of the leading brands LG.

The Butterfly official said the company also has offered discounts to attract Eid shoppers.

"We are hopeful of better sales," he said, pointing to public servants' imminent pay-hike, and also to the fact that consumers now feel free as an elected government is at the helm.

Hasan eyes around Tk 100 crore turnover during Eid.

A Singer Bangladesh official also points to his company's increased sales. "We register increased sales this time," he said.

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Discounts, gift and lucky coupons are on offer at different outlets of electronic product retailers, with industry insiders expecting better sales during this year's Eid festival.

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Banglalink revenue up 29pc



STAR BUSINESS REPORT

Banglalink's revenue earnings shot up 29 percent by the end of the first half of 2009 from the same period in 2008.

Revenue earnings jumped from Tk 920 crore in June 2008 to Tk 1,183 crore in June 2009.

"These positive results were driven by revenue enhancement initiatives aimed at the existing base," according to Orascom Telecom Holding's (OTH) half yearly financial result, posted on the company website yesterday.

Despite a rise in connection rates,

Banglalink's subscriber base increased by 17 percent to 11.04 million at the end of the first half of 2009, which was 9.45 million in the same time last year.

The company's market share also went up to 23.7 percent till June 2009, compared to 21.6 percent a year ago, according to Egyptian telecom giant OTH, Banglalink's parent company.

The monthly average revenue per user (ARPU) also reported an increase of 18 percent to Tk 182 at the end of June, compared to Tk 154 in the same time last year.

"Banglalink continues to grow with strong subscriber take-up and a stable ARPU. It now has a positive EBITDA and reached an impressive 40 percent plus margin in Q2," said Naguib Sawiris, chairman of OTH.

During the first-half of 2009, Banglalink achieved an EBITDA (earnings before interest, taxes, depreciation and amortisation) of Tk 417 crore as a result of a decrease in customer acquisition costs and an increase in revenues.

Among the six mobile operators, Banglalink still holds the market's second position in terms of subscriber base.

Asia's growth hinges on SMEs: ADB

STAR BUSINESS DESK

Asian governments should boost domestic demand by assisting smaller firms to help the region return to strong economic growth, the Asian Development Bank (ADB) said yesterday.

The report also cited infrastructure problems such as poor transportation systems and lack of access to stable electricity supply.

While Asia is recovering from the global crisis faster than the United States and other Western economies, this is largely due to government stimulus measures, which are likely to have a short-term impact, ADB chief economist Jong-Wha Lee said at a news briefing in Singapore.

"Consequently, some economies need to accelerate the rebalancing process to increase domestic demand, and to assist that process they need to take steps to unleash the constraints to growth on SMEs, which so many Asians rely on for their livelihoods," Lee said.

Many of the region's most dynamic and export-oriented enterprises have been forced to scale back operations, cut production, and lay off workers. In

seen as an important driver for domestic demand, the Manila-based banks said.

Among the limits it says are hindering the firms are weak access to financing and new technologies that will help them become more innovative.

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Many of the region's most dynamic and export-oriented enterprises have been forced to scale back operations, cut production, and lay off workers. In

seven out of eight East and Southeast Asian countries, manufacturing employment has declined by about 2-7 percent between the first quarters of 2008 and 2009.

Smaller enterprises, which tend to be more domestically oriented, have been less affected, but the credit crunch and a slump in demand are now beginning to hurt, the ADB said.

It also said Asia and Pacific countries continue to make broad progress in reducing extreme poverty but hunger still remains widespread, with many economies struggling to meet other Millennium Development Goals (MDGs), including reductions in maternal mortality rates and access to sanitation.

Inflows of foreign direct investment fell sharply in a number of economies last year, while registering new businesses remains a lengthy process in some countries.

Savings ratios in Asia also remain broadly high, intra-regional trade is strong, and the balance of payments position of most economies is sound, ADB said.

(WITH DETAILS FROM AFP)

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