

Stocks

DGEN ▲ 1.46%
3,413.52

CSCX ▲ 0.05%
7,357.81

(Week-on-week)

Asian Markets

MUMBAI ▲ 0.59%
16,158.28

TOKYO ▲ 0.74%
9,789.35

SINGAPORE ▲ 1.10%
2,658.21

SHANGHAI ▲ 0.28%
3,164.04

(Friday closings)

Commodities

Gold ▲
\$1,096.75
(per ounce)

Oil ▲
\$80.01
(per barrel)

SOURCE: AFP (As of Friday)



A woman picks clothes on display at the 20th BATEXPO-2009, organised by Bangladesh Garment Manufacturers and Exporters Association in Dhaka. The three-day fair that pulled in warm responses from international buyers ended yesterday.

Foreign apparel makers plan relocation to Bangladesh

BATEXPO ends amid warm response from buyers

REFAYET ULLAH MIRDHA

Foreign buyers see Bangladesh as a lucrative destination for global apparel outsourcing as the country manufactures quality items at a cheap cost.

Many entrepreneurs now plan either relocation of their factories or venturing into joint business here, they said while narrating their experience as participants in the 20th BATEXPO in Dhaka.

The annual largest apparel exhibition concluded yesterday. Bangladesh Garment Manufacturers and Exporters Association (BGMEA) organised the three-day fair. A total of 62 companies from home and abroad participated in 86 stalls.

Talking to The Daily Star at his stall, Gao Zhouong, marketing manager of Changzhou Giansun Textile Company Ltd, a Chinese company, said they will set up a garment unit in Bangladesh soon as this is a good place for cheaper labour cost.

"We have already completed talks with a local partner to set up the garment unit," Zhouong said.

Currently, this company has been supplying fabrics of woven garment in Bangladesh, he said. He thinks the

response from local and international buyers was very high at the BATEXPO.

Bangladesh imports a substantial quantity of such fabrics from China as the local backward integration can only supply 35 percent of the total demand.

However, the local textile millers have been able to supply around 80 percent fabrics for the knitwear sub-sector for setting up of strong backward integration over the last few years, mainly backed by the GSP (Generalised System of Preferences).

Agha Dastageer of Kassim Textiles, a denim manufacturing company from Pakistan, said Bangladesh's export trends show a huge rise in orders from importers in future.

He said Bangladesh is doing well also in denim manufacturing as many companies have already started exporting fine denim products.

Dastageer said the quality of Bangladesh made apparels is better compared to other competitive countries as the country mainly depends on the European machinery. "European machinery is really good for apparel manufacturing. And Europeans like such quality," Dastageer said.

But Bangladesh is suffering limited

products diversification as the country still mainly manufactures basic items, the foreign apparel businessmen said.

Meanwhile, the local makers said orders from international buyers are on the rise, as the world is coming out of recession with the signs of improvement in the advanced economies.

Golam Ahmed, general manager (product) of Intramex Group, a local firm, also pointed to the upward trend of buying orders saying that foreigners are coming to Bangladesh in large numbers.

He suggested that Bangladesh should focus on product diversification in a bigger way, as buyers always demand some new items.

Meanwhile, a considerable number of foreign investors and buyers flocked to the recently concluded 5th Knitexpo in the capital. A record 156 international buyers and investors attended the show, held at Dhaka Sheraton Hotel on November 2-4.

Bangladesh exported \$5.918 billion woven garment and \$6.429 billion knitwear products in 2008-09 fiscal year, the Export Promotion Bureau (EPB) data said.

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Janata goes public in Jan

SAJJADUR RAHMAN

Bangladesh's capital market is going to be more vibrant in three months with the entry of state-owned Janata Bank, the country's second biggest commercial bank after Sonali.

"The board of the bank approved draft prospectus last week. Now we will send it to the Securities and Exchange Commission for the final approval," said Jahangir Mia, deputy managing director (DMD) of the bank.

The board has approved raising Tk 100 crore from the capital market through an initial public offering (IPO).

Janata with Tk 800 crore authorised capital will seek Tk 900 premium for each share valued at Tk 100 only considering the bank's asset, earnings and brand values.

"We expect this bank shares to be

traded in the stock markets in January 2010 after meeting the SEC queries," Mia told The Daily Star yesterday.

Janata is the second state bank to be listed with the stock market, with Rupali Bank being the first one.

The capital market has been experiencing unprecedented growth rate. Since 2003, market capitalisation has increased by 15 times and reached \$15 billion, an amount that is 20 percent of the country's GDP.

The recent trends also show the market's stability, despite global recession and equity market volatility. Analysts say the market has huge demand, but the supply is too little. Entry of more public sector companies will have a two-way change—qualitative and quantitative, they say.

Janata Bank, a public limited company (PLC) since November 15, 2007, has a total asset of nearly Tk 25,000

crore. The main objective of transforming the bank into a PLC is to bring more efficiency and transparency.

Two other state-owned commercial banks -- Sonali and Agrani -- also became public limited companies at the same time with the same purpose. But Janata goes ahead in terms of offloading shares.

The bank's paid-up capital reached Tk 385 crore with issuing bonus shares worth Tk 116 crore very recently.

"The capital base of the bank will reach Tk 500 crore mark with issuing Tk 125 crore worth right shares soon," said the DMD.

Janata, which was nationalised as per Bangladesh Bank (Nationalisation) Order 1972 immediately after the country's independence, has 849 branches, including four overseas branches in the United Arab Emirates. sajjad@thedailystar.net

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Airlines in recovery hope

SOHEL PARVEZ

Air traffic situation improves slowly, thanks to a rise in business and leisure travels and increasing migrant workers.

However the recovery is yet to enable carriers operating from Bangladesh to post positive growth in passenger. But the decline is on a downward curve.

"Air travel demand has improved in the recent months. We witnessed a fall in passenger flow early this year," said a senior official of national flag carrier Biman.

Airlines' officials said there was an upturn in traffic situation in the last couple of months as signs of recovery from recession contributed to a rise in business and investment confidence.

In the January-June period, the total number of travellers at Zia International Airport stood at 17.03 lakh, down from the average 18.74 lakh in the first half of 2008.

"But the situation turned better in the last couple of months," said Shaheenuzzaman

Khan, general manager of One World Aviation, general sales agent of Air Arabia.

Industry insiders however said returnee migrant workers are contributing much to the gain rather than outbound workers.

International Air Transport Association recently said passenger demand improved in September but cautioned that the industry still remains fragile.

"Travels to Southeast Asian destinations have increased recently," said an official of Malaysia Airlines.

Officials of Middle East-based carriers such as Emirates and Etihad said they recorded improvement in travellers' flow here since the beginning of the second half.

K Ashraf Kabir, country manager of Etihad Airways, attributed the recovery to a rise in movement of foreign investors to Bangladesh.

"We are optimistic about recovery," Kabir said. sohel@thedailystar.net

United starts flights to London on Nov 21

STAR BUSINESS REPORT

United Airways (BD) Ltd, a private airliner, is set to start flights on its Dhaka-London-Dhaka route on November 21.

The first Dhaka-London flight of the airline is scheduled to take off with a 155-seat MD-83, a US-built aircraft.

The one-way fare for Dhaka-London is \$425 while the return fare is \$810 (exclusive of all taxes).

Flights to London will operate twice a week on Tuesdays and Saturdays and depart from Dhaka at 1200 hours, according to the airline.

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