PHILIPS LED PRO LEDPRO 5,000,000:1 200Hz 1 Dynamic Contrast Ratio EISA Assembled in Europe TRANSCOM

DHAKA SUNDAY SEPTEMBER 5, 2010

Stocks **DGEN** 1.83% 6,774.87 CSCX 1.40% 12,930.66 (Week-on-week)

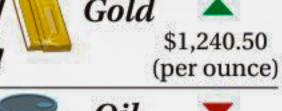
Asian Markets

MUMBAI Flat 18,221.43 TOKYO **▲** 0.57% 9,114.13

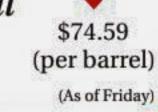
SINGAPORE 0.53% 3,002.56 SHANGHAI Flat

2,655.39 (Friday closings)









Twitter tops 145 million registered users: CEO

AFP, Washington

Twitter has over 145 million registered users and more people are using mobile devices to access the microblogging service, according to co-founder Evan Williams.

Williams, in a post on the Twitter blog late Thursday, also said that nearly 300,000 third-party applications have been developed around the service, which allows users to pepper one another with messages of 140 characters or less.

"These new services help people get the most out of Twitter, contributing to user growth and new business opportunities,"Williams said.

The Twitter chief executive said the number of people using Twitter on mobile devices had jumped 62 percent since mid-April.

Customers pick their choices at a jewellery shop at Bashundhara City shopping mall in Dhaka yesterday. As Eid-ul-Fitr nears, shoppers are pouring into the city's malls, adding speed to sales.

SHAWKAT JAMIL

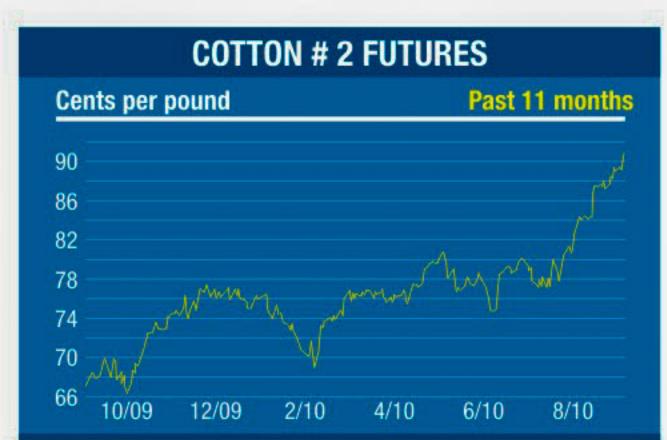
Cotton price spike to hit: RMG

REFAYET ULLAH MIRDHA

...... Bangladesh ready-made garment (RMG) salesmen may have to re-price their imported fabrics if spiking prices for cotton continue in international markets, spinners said yesterday.

Cotton prices surged to a 15-year high yesterday on increased demand, fuelled by speculation of reduced supplies after crop damage in Pakistan, said A Matin Chowdhury, managing director of Malek Spinning Mills Ltd, a major importer of cotton.

Cotton was selling at \$1.1-\$1.5 per pound yesterday, up from 95-99 cents a month ago. "Cotton price may reach would force prices up.



\$1.10 per pound if the present price trend continues," said Chowdhury.

He said many importing countries have stored cotton, speculating that rising demand and crop damage

"We may have to face a new price pressure from the international buyers, because we have already quoted the old rate for garments to our buyers, but we will have to import the fabrics at the increased price," he said.

Buyers of the EU and US are not willing to increase their prices during a recession, he said. Chowdhury also said the price of most yarn will also increase in Bangladesh if the price hike of cotton persists in the international market.

Bangladesh imports nearly 50 lakh bales (440 pounds make a bale) of cotton in a year, he said.

Abdul Hai Sarker, president of Bangladesh Textile Mills Association (BTMA), said Bangladesh imports 10 percent of its total cotton from Pakistan.

"Bangladesh will be a bit affected by crop damage in Pakistan's recent flood," Sarker said.

reefat@thedailystar.net

AB Bank first to invest abroad

More may follow, BB hints

SAJJADUR RAHMAN

The central bank is testing the waters of allowing Bangladeshi companies to invest abroad, The Daily Star has confirmed.

..........

The Bangladesh Bank (BB) gave AB Bank, a first-generation private commercial bank, the nod to invest in an Islamic bank in a South Asian country: Sri Lanka. It bought a 15 percent stake in Amana Bank Ltd, the first Islamic Bank venture in Sri Lanka, with Tk 45 crore in June.

"We have given the bank permission to invest in a foreign country as a test case," BB Governor Atiur Rahman said on Wednesday.

The bank has experience doing business in foreign countries, Rahman reasons, and could invest from its export-retention quota, he said.

The BB is discussing issues with the government on how more Bangladeshi companies might be allowed to follow suit. But Rahman is cautious: "No floodgate will be kept open."

Capital account convertibility means the abolition of limits on the movement of capital from Bangladesh to countries across the globe. Currently, laws do not allow Bangladeshis to invest in foreign countries.

Local companies are keen to invest abroad, if allowed. PRAN-RFL Group, a leading maker of consumer snacks and drinks, has long wanted to set up a factory in India's northeastern state of Tripura. The group exports nearly \$10 million worth of consumer goods to the region annually.

Meghna Group exports bicycles to Europe and the USA. It applied to the

central bank last year for permission to invest in Sri Lanka. According to BB officials, several garment companies are also keen.

Officials in the BB said they must set a ceiling for capital sent abroad for investment in order to protect domestic investment rates. Restricting the amount to that which is taken from an exporter's retentions with the central bank is one way to limit it.

According to BB guidelines for foreign exchange transactions (volume1), merchandise exporters are entitled to a foreign exchange retention quota of 50 percent of repatriated FOB value of their exports.

Exports of goods having a high percentage of imported content (and thus low domestic value-added) have a retention quota -- 10 percent of the repatriated FOB value. (petroleum, oil and lubricant products, including naphtha, furnace oil and bitumen, are an example.)

PRAN-RFL wants to establish a factory in Tripura to meet growing local demand for its products. "Everything is ready," Amjad Khan Chowdhury, chief executive of PRAN-RFL Group, said.

"Even Indian financial institutions are ready to finance us, but we have to bring our seed money." He believes the BB's decision will brighten the country's image abroad.

Mizanur Rahman, chairman of Meghna Group, said if the company sets up a bicycle plant in Sri Lanka, freight charges will be reduced by \$800 per container.

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Carrefour in India

AFP, Teekli, India

French supermarket giant Carrefour said Friday it would open its first wholesale store in India by November, joining other foreign chains aiming to break into the country's vast retail sector.

Modern banks to boost GDP

The Bangladesh Bank expects the automation of the country's banking sector will gear up economic growth by at least 1 percent within two years.

The central bank is carrying out an integrated automation programme with assistance from the Department for International Development. Two major components of the banking services will be automated by next year.

BB Governor Atiur Rahman and consultant for the project Randy Kahn are confident of the 1 percent estimate.

Under the programme, an automated clearinghouse will replace the traditional cheque-clearing system by this year's end and the Bangladesh Electronic Fund Transfer Network will be in place next year.

The central bank has already conducted a simulation of its automated clearinghouse, which would link all 48 banks



under an automated cheque clearing system by November 1. Recognising OCal efforts for a global concern

HSBC - The Daily Star Climate Awards 2010

HSBC, the first carbon neutral bank in the world, seeks to promote environmental preservation through worldwide projects and

programmes. The Daily Star, the country's largest English newspaper, is also committed to the cause of managing climate change in Bangladesh.

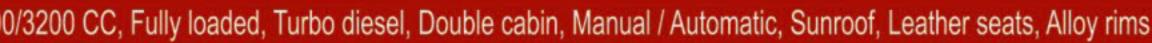
Open to majority owned Bangladeshi companies and Bangladeshi individuals, the awards will be given in four categories:

- Climate change adaptation: for public, private sectors, NGO/CBOs etc.
- Climate change mitigation: for public, private sectors, NGO/CBOs etc. Climate change research and knowledge management: for educational/research institutes, researchers, public, private sectors,
- Green Business Entrepreneurships: mainstream businesses with environment friendly operations

Nomination forms and programme details can be found in www.hsbc.com.bd and www.thedailystar.net. Nominations must be submitted to The Daily Star on or before 20 September 2010. The knowledge partner for this initiative is Waste Concern.









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