

RMG exports grow 30pc in Q1

STAR BUSINESS REPORT

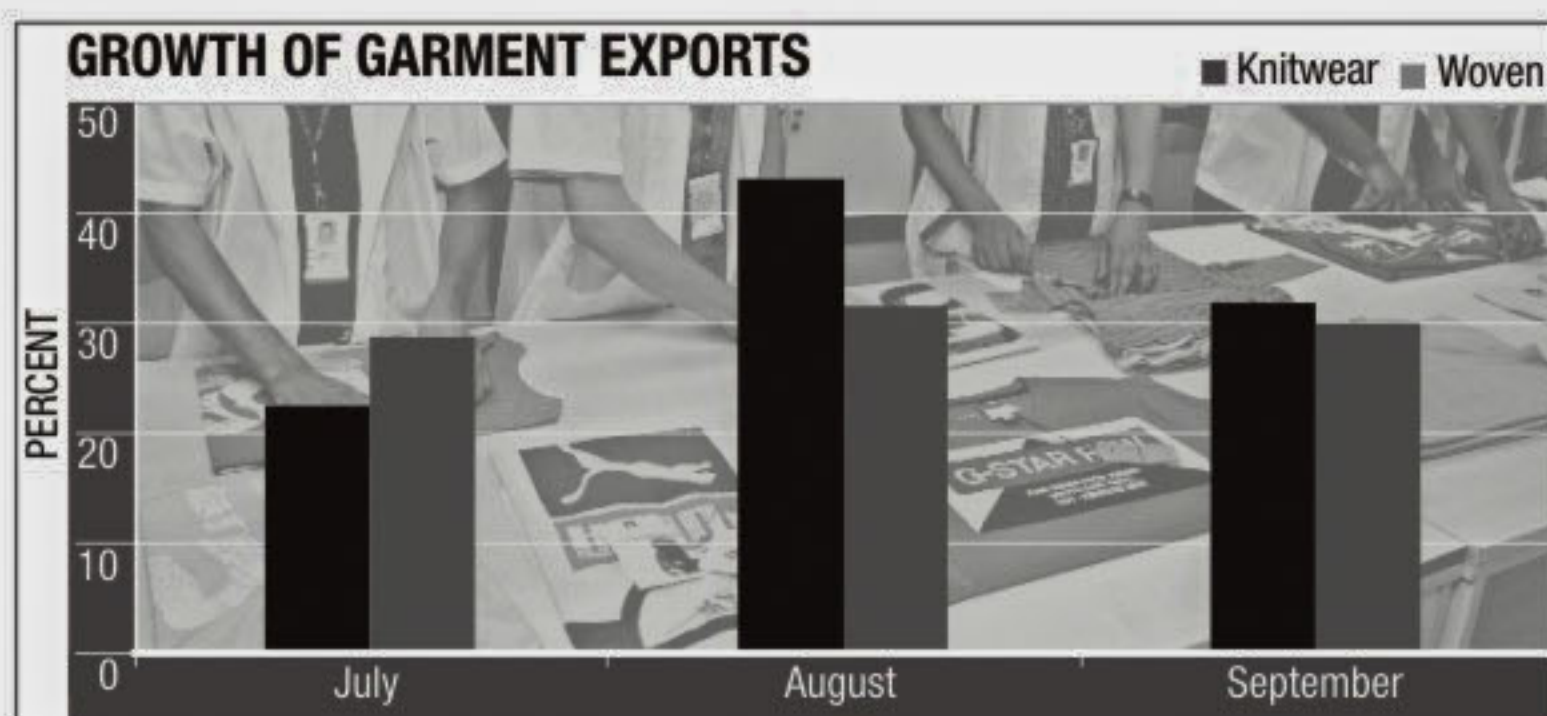
Apparel exports grew by more than 30 percent in the first quarter of the current fiscal year, riding on high demand for the competitively priced item.

Export Promotion Bureau data show \$2.18 billion knit exports and \$1.79 billion woven during the July-September period, which are 32 percent and 30 percent more than in the same period a year earlier.

Jalal Ahmed, vice-chairman of EPB, said export of garment items is increasing in three new destinations -- Japan, South Korea and China.

The growth in garment exports to those countries is good, he said. Only the export of leather may be hampered because the number of cows slaughtered in Bangladesh has marked a decline recently due to anthrax scare, he added.

Price factor mainly contributed



to such a commendable growth in apparel exports, observed David Hasanat, chairman and managing director of Viyellatex Group.

"We did well even during the recession period, as a result, we got a good exposure also in the international market for which Bangladesh is bagging more orders," he said.

Demand for garment items in the western world is also growing with the signs of recovering recession, he said.

Salim Osman, president of Bangladesh Knitwear Manufacturers

and Exporters Association, said the higher cost of labour in China has become a boon for Bangladesh. Moreover, China is suffering from a shortage of workers in the readymade garment sector, he added.

"But the continuation of such growth in the export of garment items is largely depending on improvements in the supply of gas and power to the industrial units and stable cotton prices globally," Osman said.

Abdus Salam Murshedy, president of Bangladesh Garment

Manufacturers and Exporters Association, said higher exports to some new destinations like Japan and India have contributed considerably to the overall RMG exports. The growth in exports to these new destinations is around 350 percent, he pointed out.

But, the turnaround time at Chittagong Port should be reduced at any cost to maintain the lead-time set by international buyers, he added.

During July-September, Bangladesh exported home textiles of \$55.21 million, raw jute \$154.3 million, jute goods \$45.93 million, tery towels \$76.98 million, footwear \$142.60 million, frozen foods \$121.91 million, shrimps \$28.49 million, bicycles \$16.73 million, vegetables \$64.39 million, leather \$12.67 million and leather products worth \$10.13 million.

The overall exports stood at \$5.02 billion in the period, registering a 30 percent growth over the same period a year ago.



Sujit Saha, chairman of Fine Foods Ltd, speaks at the company's extraordinary general meeting at Hotel White House in Dhaka yesterday. The company decided to increase its authorised capital from Tk 10 crore to Tk 100 crore.

British heartland braces for cuts

AP, Sheffield, England

Sheffield knows all about cuts -- and no-one knows better than Philip Wright.

A scissors manufacturer, he remembers this city at the height of its steel-making glory, when Sheffield's furnaces and factories produced ships and tools and cutlery for the dinner tables of the world.

The huge steelworks are mostly gone now, like so much British industry over the past few decades, the victim of international competition, changing technology and governments with other priorities.

"The city at night used to be alight," said Wright, whose tiny factory is a link to Sheffield's past -- and, he hopes, a part of its future.

That dream is under threat from deep government spending cuts to be unveiled Wednesday that many fear will once again crush cities in England's traditional industrial belt, a generation after they were laid low by former Prime Minister Margaret Thatcher's severe brand of capitalism.

Sheffield lost 70,000 jobs between 1979 and 1987, according to the local government - a quarter of the city's total. The decline in steel-making was compounded by the closure of nearby coal mines

in the wake of Thatcher's war with the unions.

"When Maggie Thatcher was in she brought us to our knees," said retiree Doreen Treweek, 70. "We really struggled. And now I'm really proud, because it's risen from the ashes."

With grit and determination and dollops of public investment, Sheffield has remade itself, forging a postindustrial economy from a mix of high-tech businesses, the service sector, tourism and education. Now many in this city of 500,000 - as in other cities across Britain - are worried that the spending cuts could derail that recovery.

Recession-battered Britain faces shrinking tax revenue and a growing welfare bill, and has spent billions bailing out indebted banks.

On Wednesday, Treasury chief George Osborne will announce details of more than 80 billion pounds (\$128 billion) in cuts he says are necessary to rein in Britain's 156-billion-pound deficit and reduce its huge debt.

Prime Minister David Cameron's centre-right coalition government took office in May and has already announced a raft of painful measures, including welfare cuts, a hike in the goods and services tax and a rise in the retirement age.

In the next stage of cuts, government ministries will have their budgets reduced by up to 25

percent over four years - far more than any British administration since World War II has attempted, even Thatcher's.

"I wish there was another way. I wish there was an easier way. But I tell you: There is no other responsible way," Cameron told his Conservative Party conference earlier this month.

As many as 600,000 public sector jobs expected to be eliminated, on top of hundreds of thousands of private sector positions already lost in the recession. The government hopes that as the economy grows, new private sector jobs will fill the gap.

But some economists say sudden cuts could tip Britain's fragile economy back into recession. The OECD, an international club of developed economies, has warned against rapid cuts, and the US government wants other countries to continue stimulus programs aimed at encouraging spending.

Christopher Pissarides, joint winner of this year's Nobel Prize in economics, said the cuts are "too much too quickly."

"If you do it suddenly, lots of workers might lose their jobs and then you have a problem of placing all of them in new jobs," said Pissarides, who teaches at the London School of Economics.

"If you do it gradually ... people may have found new jobs by the time others lose theirs."



Engineer Mosharrar Hossain MP inaugurates the Mirsharai SME/Agri branch of Islami Bank Bangladesh Ltd in Chittagong recently. The bank's Managing Director Mohammad Abdul Mannan was also present.

Lehman bankruptcy a \$1b payday for advisers

REUTERS, New York

When Lehman Brothers collapsed, a whole lot of money vanished with it. Its bankruptcy, on the other hand, just keeps on paying.

Lehman's record-breaking bankruptcy has produced a staggering \$1 billion in fees -- doled out to legions of lawyers, advisers and bankers over the past two years.

The financial firm has been paying out, on average, more than \$40 million a month, and based on that rate, it passed the \$1 billion mark last month. September's details will be in the monthly operating report due in mid-October.

A Lehman spokeswoman declined to comment. The fees are a fraction of the \$639 billion in assets that Lehman Brothers Holdings Inc was running when it collapsed into bankruptcy in September 2008.

But it is still more than, say, the gross domestic product of Caribbean nation of St. Lucia, or the combined average salaries of 8,000 financial advisers.

Experts say that the fees, which continue to rise daily, come at the expense of creditors seeking to be repaid.

"If you are a creditor, every dollar that is going to (debtor) counsel is a dollar not going to a creditor," said Stephen French, a managing partner at Legalbill, a Tennessee company that advises companies on managing their legal bills.

But Bryan Marsal of Alvarez & Marsal, the advisory firm running Lehman in the United States, said in an emailed statement that his firm's work has improved recovery for creditors by more than \$5 billion and that the size and complexity of the case justify the fees.

That has meant hiring an army of advisers and accountants not only in the United States, but to close up shops throughout Asia and Europe, where insolvency rules change in each country. Allowed claims from creditors in the case are expected to be about \$365 billion. It expects to recover about \$60 billion before expenses to pay creditors.

Lehman expects to emerge from bankruptcy during the first quarter of 2011. Then, it can start paying back creditors.

Kuwait raises oil output capacity

AFP, Kuwait City

Kuwait has boosted its oil production capacity to around 3.3 million barrels per day as it strives to achieve its target of four million bpd by 2020, a top oil executive said on Sunday.

Three million bpd are produced by the state-run Kuwait Oil Company and the rest comes from the neutral zone with Saudi Arabia, said KOC chairman Sami al-Rasheed, cited by the official KUNA news agency.

Rasheed said that KOC has successfully tested raising its output to three million bpd for the first time in line with its strategy of reaching four million bpd.

"We have come quite close to achieving our strategy of raising output capacity to

four million bpd by 2020," Rasheed said.

"KOC production capacity now tops three million bpd, besides our share of around 270,000 bpd from the divided zone" with Saudi Arabia, he added.

He said KOC expects to add a new production of 120,000 bpd by the end of October, boosting total output capacity to around 3.42 million bpd.

Rasheed gave no spending figures on oil projects, but Kuwait's Oil Minister Sheikh Ahmad Abdullah al-Sabah said in December the emirate plans to spend 87 billion dollars on oil projects until 2030.

Kuwait says it sits on 10 percent of proven global oil reserves and currently pumps around 2.3 million bpd.

Saudi Sabic's net profits up 46pc

AFP, Riyadh

Saudi petrochemicals giant Sabic announced on Sunday a 46 percent increase in third quarter net profits to 5.33 billion riyals (1.42 billion dollars) over 2009.

Saudi Basic Industries Corp attributed the third quarter rise, which compared with 3.65 billion riyals for the same period last year, to "increases in production and sales volumes as well as the improvement in prices of most petrochemical products and plastics."

Sabic's gross profits for the quarter ending September 30 hit 11.49 billion riyals (3.06 billion dollars), 34 percent higher than the same period in 2009, the company said in a report to the Saudi Tadawul stock exchange.

The positive quarter for the region's largest listed firm took net profit for the first nine months of 2010 to 15.77 billion riyals (4.21 billion dollars), compared with just 4.48



Faridpur branch of United Commercial Bank Ltd arranged a customers' conference at Alauddin Community Centre in Faridpur recently. M Shajahan Bhuiyan, managing director of the bank, was also present.

ELECTRICITY GENERATION COMPANY OF BANGLADESH LIMITED
 (An Enterprise of Bangladesh Power Development Board)
 Registered Office: WAPDA Building (First Floor), 12 Motijheel C/A, Dhaka-1000
 BTMC Bhaban (8th Level, 7-9 Kawran Bazar C/A, Dhaka-1215, Tel: 880-2-9134029, 9134032, 8124197
 Fax: 880-2-9118345, Web: www.egcb.com.bd, E-mail: egcb_ld@yahoo.com

Invitation for Bid

Electricity Generation Company of Bangladesh (EGCB) Limited
 Supply, Installation, Testing and Commissioning of Siddhirganj 450 MW CCGP
 Date: 13-10-2010
 IDA Credit No: 4508- BD
 IFB No: 1780-EGCB/2010

- The Government of Bangladesh has received a credit from the International Development Association (IDA) in various currencies towards the cost of Siddhirganj Peaking Power Project. It is intended that part of the proceeds of this loan will be applied to eligible payments under the contract for Supply and Installation of Siddhirganj 450 MW Combined Cycle Power Plant.
- The Electricity Generation Company of Bangladesh (EGCB) Limited (an enterprise of Bangladesh Power Development Board) now invites sealed bids from eligible bidders for the construction and completion of a Combined Cycle Power Station at Siddhirganj (about 20 km southeast of Dhaka city) with all support facilities and auxiliaries ("the Facilities"). The plant capacity shall be in the range of 300-450 MW net at site ambient conditions of 35°C, 1.013 bar atmospheric, 98% relative humidity and 0.85 power factor and at the high tension side of the generator step-up transformer. The configuration of the plant shall be 1: 1: 1 (i.e. one gas turbine, one heat recovery steam generator and one steam turbine). The power from the power station shall be evacuated to a nearby grid substation of 230 kV voltage. The plant shall be run on natural gas supplied by Titas Gas Transmission and Distribution Company Limited. The bidder shall complete the construction of simple cycle facilities within 20 months and complete the combined cycle facilities within 30 months from the effective date of the Contract.
- International competitive bidding will be conducted in accordance with the World Bank's Single Stage Bidding Procedure following Guidelines: Procurement under IBRD Loans and IDA Credits, May 2004 revised October 2006 and May 2010.
- Interested eligible bidders may obtain further information from and inspect the bidding documents at the office of the Secretary, EGCB Limited, BTMC Building (level-8), 7-9 Kawran Bazar C/A, Dhaka - 1215, Bangladesh, from 9:00 hours to 16:00 hours, Sunday to Thursday (except national holidays).
- The bidder shall be firms/ company or joint venture of firms/ companies from eligible source countries. The bidder shall have at least five years business experience as contractor, subcontractor or management contractor in the power industry with minimum turnover of US\$ 200 million in the last five years. The bidder shall have experience of supply, installation, procurement, commissioning and testing on turnkey basis of one combined cycle power plant, capacity of 300 MW or more (any configuration), which was installed outside of the bidder's home country within the last 10 years from the bid submission deadline.
- A complete set of bidding documents may be purchased by interested bidders on the submission of a written application to the under signed and upon payment of a non-refundable fee of BDT 70,000.00 or US\$ 1,000.00 only in the form of Pay Order or Demand Draft in favour of the Electricity Generation Company of Bangladesh Limited.
- The provisions in the Instructions to Bidders and in the General Conditions of Contract are the provisions of the Bank Standard Bidding Documents: Procurement of Plant Design, Supply, and Installation, August 2010.
- Bids must be delivered to the Company Secretary's office on or before 11:00 hours Bangladesh standard time on 15th December 2010 and must be accompanied by a security of US\$ 5 million or any freely convertible currency in favour of Electricity Generation Company of Bangladesh Limited.
- Bids will be opened on the same day in the presence of bidders' representatives who choose to attend at 11:30 hours Bangladesh standard time on 15th December 2010 at the office of the Company Secretary, EGCB Limited.
- Bidders are advised to attend a pre-bid conference which will be held within 30 days of the publication of this notice. Bidders who would purchase the bidding documents will be informed of the date, time and place of pre-bid conference.
- Copy of bid documents also will be available in the website (www.egcb.com.bd) of EGCB Limited.
- EGCB Limited reserves the right to accept or reject any or all bids without assigning any reason thereof.

(Kazi Nazrul Islam)
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