

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 4.77%	▲ 4.21%	\$1,506.30 (per ounce)	\$112.02 (per barrel)	▼ 0.49%	▲ 1.39%	▲ 0.34%	▼ 0.46%	73.20	105.47	118.72	0.89	
6,083.28	10,942.30			19,448.69	9,691.84	3,182.68	2,925.41	BUY TK	74.20	111.30	124.45	0.97
								SELL TK				

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DHAKA THURSDAY APRIL 28, 2011, e-mail:business@thedailystar.net

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Home textile millers going big

REFAYET ULLAH MIRDHA

Home textile mill owners are going through a massive expansion due to a surging demand from international buyers, industry insiders said.

The demand for home textiles from Bangladesh has increased mainly for production shortfall in two major home textile producers -- China and Pakistan.

The exports of such home textiles as bed sheets, bed covers, pillow covers, cushions, curtains, rugs, quilt, kitchen aprons, gloves, napkins and table cloths surged during the July-March period of the current fiscal year.

The state-run Export Promotion Bureau (EPB) data shows that during this period the country exported home textiles worth \$554.59 million, registering a phenomenal growth at 97.67 percent compared to the same period last year.

Buyers are also shifting their orders from China and Pakistan to Bangladesh for higher cost of production in those countries, said Shaikh Hasan Zaman, a director of Saad Musa, a leading home textile manufacturing group based in Chittagong.

"We are going for an expansion of the production capacity because the demand has increased from the buyers' end recently," he said.

The group will produce additional 50,000 metre fabrics per day from its newly built factory at Anwara in Chittagong. The company expects the formal production in the new unit will start within next six months, he said. At present, the group produces 50,000 metre fab-



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rics per day.

"That means we are doubling our production capacity, because the demand of the item increased at a higher rate," he said.

He said the group is not only expanding the home textile production, but also strengthening all its backward linkages, he added.

Zaman said, after the launch of the newly built units, the group will only import raw cotton as all the backward linkage products will be made in its own factory.

It will need more than Tk 500 crore in investment to set up the new home textile factory, he said.

At present, the group supplies home textiles worth \$3 million per month mainly to retail chains such as Conforma and Leclerc.

Noman Group, another leading home textile company, is waiting for gas connections for its six units in Gazipur as the factories have already been constructed. The total investment in the six units is Tk 1,500 crore. "The total production of fabrics will

reach 10 lakh metres per day once the new units open," said Nurul Afsar, the group's company secretary.

Now their total production is five lakh metres per day, he added.

The company exports home textiles worth \$16 million per month and it will reach \$30 million if the production in the new units starts.

Following a gas crisis, the government stopped connections to the industrial units since 2009. As a result, many industrial units could not go into operation although the entrepreneurs have already constructed the factories, industry insiders said.

Masood Dawood Akbani, managing director of ACS Textile, another leading British home textile factory in Narayanganj, said he has already expanded the production capacity to serve the increased demand from the buyers.

He said the exports of home textiles increased in terms of value because the buyers are now paying higher because of the price hike of raw materials such as raw cotton and yarn.

"The buyers have to pay more now to adjust with the increased prices of raw materials of the textile products worldwide."

"In some cases, the buyers are already paying 50 percent more for home textiles," he said. He produces 2.7 million metres of different types of home textile fabrics in a month.

He said he has diversified the products as he is going to produce terry towel in the \$15 million expanded unit from July.

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United Airways to fly to new destinations

SAYEDA AKTER

Private carrier United Airways is set to expand international routes to a number of destinations, including Singapore and Jeddah, to provide more options and competitive fares to passengers.

The company is likely to launch passenger flights to Jeddah in June, and to Singapore a month later, said Tasbirul Ahmed Choudhury, the company chairman.

"We received a clearance from the civil aviation ministry and civil aviation authority to operate flights to Jeddah. At the same time, we also got approval from the Saudi civil aviation authority to fly on the route," he said.

"We are optimistic about starting flights on this route from the first week of June."

Choudhury, also the managing director of the company, said the carrier is ready with an adequate number of aircraft, manpower and other technical aspects to tackle growing operations.

United Airways, the first listed airline in the country's capital market, began its journey on July 10, 2007, with its maiden flight from Dhaka to Sylhet. It currently operates regular flights to all major domestic destinations, including Chittagong, Cox's Bazar and Jessore.

The airline began international operations on September 24, 2008, with a flight to Kolkata. Later in 2009, it added another five, including London, Dubai, Kuala Lumpur, Kathmandu, and connected Kolkata to Chittagong.

The company's authorised capital stands at Tk 1,000 crore with Tk 210 crore in paid-up capital, according to Dhaka Stock Exchange data.

In 2010, the company achieved a net profit of Tk 10.57 crore. The airline carried more than 30 lakh travellers last year.

In addition, United Airways is also gearing up to increase the number of flights to domestic destinations, like Chittagong and Cox's Bazar.

"We added an ATR-72 aircraft to our fleet in March, which we hope will help us consolidate our domestic, regional and international networks," said the United Airways chief.

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Stocks break losing streak

STAR BUSINESS REPORT

Buying pressure from investors pulled the stocks yesterday, ending a two-day losing trend as the Bangladesh Fund is set to be registered with the Securities and Exchange Commission today.

The benchmark general index of Dhaka Stock Exchange (DGEN) gained 276 points, or 4.77 percent, to close at 6,083 points. DGEN lost 270 points in two days before yesterday's trading session.

The selective categories index of Chittagong Stock Exchange advanced 442 points, or 4.21 percent, to close at 10,942 points.

Meanwhile, the Dhaka Stock Exchange has halted the share trading of Zeal Bangla Sugar Mills Ltd yesterday for a unusual price hike without any price sensitive news.

"The news of registration of Bangladesh Fund boosted investor's confidence to go for big buying of shares," said Salahuddin Ahmed Khan, a teacher of finance at Dhaka University.

Khan, also a former chief executive officer of DSE, said: "Most of the investors went for bulk buying due to availability of low-priced shares."

Although he said some investors adopted wait-and-see policy due to the ongoing capital market probe report debate.

"Some investors are still closely watching the market as today's rise is very much unexpected," said Green Delta Financial Service in its daily market analysis.

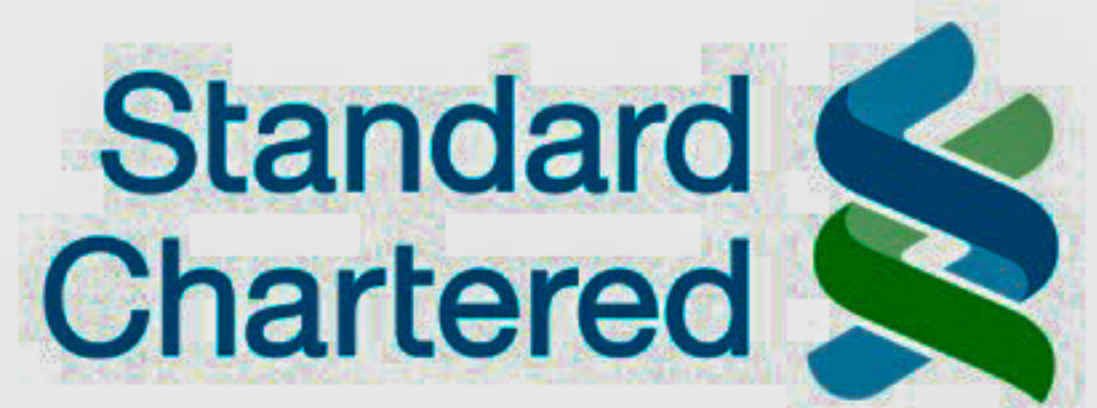
Some institutional investors went for heavy buying of shares to stop the losing spell of the market, said a market insider.

The banking sector gained 5.42 percent, reaching 27.6 percent of the total market capitalisation, while all 30 issues closed positive.

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