

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
0.07%	0.41%	\$1,523.00	\$99.04	0.69%	0.28%	Flat	0.90%	73.90	104.47	118.51	0.91	
5,812.82	10,365.22	(per ounce)	(per barrel)	18,132.24	9,574.32	3,054.82	2,705.43	BUY TK	74.90	110.01	124.45	0.99
								SELL TK				

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Business

DHAKA THURSDAY JUNE 16, 2011, e-mail: business@thedailystar.net

Alarm bell rings on exports

STAR BUSINESS REPORT

A surge in garment exports may slow down in the next fiscal year because of a dip in demand in major destinations of Europe and the US, warned industry leaders yesterday.

A price cut by exporters of China, India and Pakistan is also likely to dampen the growth of Bangladesh's main foreign currency earning sector.

"We registered a 43 percent growth in exports till May. But we see a slowdown in the flow of orders for shipment in July-September," said Shafiul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The BGMEA president claimed the slowdown in orders, citing a drop in the issuance of Utilisation Declaration (UD) certificates used by garment makers to show the amount of fabrics consumed for making garment.

"I can't exactly quantify the percentage of the diminishing trend in the flow of orders. But export growth surely is going to slow down," he said at a press conference jointly organised by the BGMEA, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA).

Exports grew by 40 percent to \$18.24 billion in the July-April period of the current fiscal year, from \$12.94 billion during the same period a year ago, according to Export Promotion Bureau (EPB).



BGMEA President Shafiul Islam Mohiuddin speaks at a joint press conference in Dhaka yesterday, while BKMEA President AKM Salim Osman, right, and BTMA President Jahangir Alamin, left, look on.

Mohiuddin said China and India are bagging orders by cutting prices of cotton and garments, which would weigh on the competitiveness of Bangladeshi apparel.

The three top lobby groups organised the meet to convince the government to offer them a budgetary support.

BKMEA President AKM Salim Osman, BTMA President Jahangir Alamin and other leaders of the sectors were present at the press meet at Ruposhi Bangla Hotel in Dhaka.

The caution of slowdown came as the recovery from global recession still remains fragile in the face of a rise in unemployment claims in the US.

The ongoing crisis in Greece, Ireland, Spain and Portugal also deepens worries about a prolonged recession in Europe.

"Retail sales have dipped in Europe," said a joint press statement. The associations also feared a drop in exports to Turkey as its government imposed a safeguard duty on the import of clothing.

Mohiuddin said the economic situation of Europe and the US is just not too well.

"We are very much linked with their economies. Any negative impact on those economies affects us," he said.

In Asia, exports to Japan are also feared to go down due to the impacts of the recent earthquake.

The garment makers also said rising inflation, powered by soaring food and fuel prices, puts strains on the wallets of consumers across the globe.

"Consumers in our main markets are cutting spending amid rising inflation," said the joint statement.

A rise in production costs due to a spike in prices of gas and fuel also burdens the local garment makers.

On the other hand, India is going to get a duty benefit in Japan for an economic partnership agreement.

A possible free-trade deal between India and EU also deepens the worries of local exporters.

They said the governments of India and Pakistan have taken various steps to boost competitiveness of their clothing industry.

They also opposed the government plan to impose 1.5 percent income tax at source from the next fiscal year from 0.40 percent this year.

Osman of BKMEA said the proposal to impose 1.5 percent income tax at source has become an additional load for them. "For general people it is okay. But it is a great problem for us," he said.

Among other demands, entrepreneurs urged for a spike in alternative cash incentive to 15 percent, implementation of stimulus package and inclusion of the sector under the tax holiday facility of the government.

Later, at a meeting with the leaders of the three associations at the secretariat, Finance Minister AMA Muhith said he will consider the demand for reduction in tax at source from 1.5 percent.

"I will do something for the sector during the final approval of the proposed budget," he added.



CSE boss steps down

STAR BUSINESS REPORT

The chief executive officer of Chittagong Stock Exchange has stepped down, much ahead of his tenure's expiry.

The Board of Directors of the port city bourse accepted the resignation of Prof Mohammed Abdullah Mamun yesterday. "We accepted his resignation letter at a board meeting," said Fakhor Uddin Ali Ahmed, president of CSE.

Mamun took the reins of the CSE in September 2009 for three years. Mamun, a former teacher of Chittagong University, cited in his resignation letter that he wants to return to his teaching job, Ahmed said.

There are allegations that he was forced to resign by some board members. The CSE president denied the allegations.

LR Global Mutual Fund gets nod

STAR BUSINESS REPORT

The Securities and Exchange Commission approved the prospectus of LR Global Bangladesh Mutual Fund One and gave a go-ahead to a resized AB Bank First Mutual Fund yesterday.

LR Global Mutual Fund is a Tk 300 crore closed-ended mutual fund, with Tk 10 in face value, said Saifur Rahman, executive director of SEC. The pre-initial public offering of the fund is Tk 100 crore, initial public

offering Tk 150 crore and sponsors' portion is Tk 50 crore.

The sponsors are AB Bank, City Bank, Green Delta Insurance, IDLC Finance, International Leasing and Financial Services, Popular Life Insurance and Trust Bank.

The regulator also approved changes in the guideline for merchant bankers and portfolio managers, at a meeting chaired by SEC Chairman M Khairul Hossain. In line with the revised guideline, a merchant bank will have to seek permis-

sion from the commission to appoint or suspend a director.

The initial public offering of Rangpur Dairy and Food Products and Shurwid Industries are expected to get approval at the commission's next meeting, an official said.

The SEC decided to reduce the size of AB Bank First Mutual Fund to Tk 150 crore from Tk 350 crore. The initial public offering of the fund is Tk 75 crore, pre initial public offering is Tk 45 crore and sponsors portion of the fund is Tk 30 crore.

AB BANK LIMITED
Registered Office: BCIC Bhaban, 30-31, Dilkusha C/A, Dhaka.

SHAREHOLDERS' INFORMATION

Board of Directors of AB Bank Limited (ABBL) in its 477th meeting held on June 15, 2011 (Wednesday) at 4.10 p.m. resolved on the following :

"The Board of Directors of AB Bank Limited has decided to reduce the Fund size of **"AB Bank 1st Mutual Fund" to Tk.150 crore from Tk.350 crore.** Board also decided that :

- AB Bank Limited will subscribe Tk.30 crore (20% of the fund size of Tk.150 crore) as Sponsor;
- Placement Portion of the fund will be Tk.45 crore (30% of the fund size of Tk.150 crore) &
- IPO Portion of the fund will be Tk.75 crore (50% of the fund size of Tk.150 crore).

Above is subject to approval from the Securities & Exchange Commission."

It may be mentioned that we have informed the regulatory bodies (SEC, DSE & CSE) and published the same about the **"AB Bank 1st Mutual Fund" of Tk.350 crore on October 16th, 2009.**

Sd/-
Company Secretary

Dhaka, the June 15, 2011.

AB Bank

Malaysia tries to stop threatened cyber attack

REUTERS, Kuala Lumpur

Malaysia stepped up monitoring of government websites on Wednesday to stop a threatened hacking attack by Internet vigilante group Anonymous over government acts of censorship, the police chief said.

The hacker group said it would target the Malaysian government's online portal from Wednesday 1930 GMT to teach the country a lesson for censoring whistle-blower site WikiLeaks in an attack codenamed "Operation Malaysia".

The Southeast Asian country could be the latest in a cyber-war waged by the activists, who gained prominence when they temporarily crippled the websites of MasterCard and Paypal that cut off financial services to WikiLeaks.

A spate of cyber attacks on multinational firms and institutions, from Citigroup to the International Monetary Fund, has raised concerns that governments and the private sector may struggle to

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