

Japan keen to shift plants to Bangladesh

STAR BUSINESS REPORT

Japanese investors are interested in relocating their factories to Bangladesh to reduce their costs of production, said a senior official of the Japan External Trade Organisation (JETRO) yesterday.

"Bangladesh should go for foreign direct investment (FDI) for diversification and support Japanese investment. They could support industrial diversification," Takashi Suzuki, the JETRO representative in Bangladesh.

He was speaking at a seminar on 'Diversification of Exports of Bangladesh to Japan', organised by Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka.

Japanese companies have started to diversify production or procurement sites to places other than China due to a rise in labour costs, said Suzuki.

Bangladesh could take advantage of this and encourage more FDI support, he added.

Speaking as the chief guest, Commerce Minister Faruk Khan said Bangladesh wants to enhance trade with its trusted friend, Japan, by utilising the facilities provided by the Japanese government.

"There is ample opportunity to enhance trade with Japan through product diversification and quality improvements. Our entrepreneurs will feel encouraged to utilise the facilities that Japan provides," said Khan.

Japanese Ambassador in Dhaka Tamotsu Shinotsuka said Bangladesh should remove bottlenecks like weak infrastructure, and an electricity and gas crisis, and ensure better road connectivity for better business operations.

"These are essential to attracting foreign direct investment, particularly investment from a country like Japan," he said.

He urged the Bangladesh government to internationalise the rules of business and Japan will be happy to see Bangla-

desh's progress.

He said facilities, like relaxation of the rules of origin, will help promote trade and investment between the two countries.

Export Promotion Bureau (EPB) Vice Chairman Jalal Ahmed said Bangladesh has a small export basket and it depends on only a few commodities. "Only five items contribute to about 90 percent of exports. It's very risky for an economy to be dependent on a few items."

He said the Japanese market is a growing market for Bangladesh and export diversification is urgently needed for better economic output.

Japan is the 3rd largest importer of garment products in the world. In 2009-10, Japan imported apparel worth about \$30 billion, which is highly monopolised by China that comprises about 80 percent of total market share.

"Bangladesh's share in the Japanese market is still tiny. But it is possible to

attain at least \$1 billion market share in the apparel market of Japan annually if there is concerted effort from both the private and public sectors," said Asif Ibrahim, president of DCCI.

According to EPB data, Bangladesh exported products worth \$350.56 million while it imported products worth \$1.26 billion from Japan in the last fiscal year.

Bangladesh mainly exports frozen food, readymade garments, knitwear, leather and jute goods to Japan. On the other hand, it mainly imports motor vehicles and machinery; electronic and electrical machinery; and iron, steel and plastic articles from Japan.

The DCCI president said Japan could be a lucrative market for Bangladesh due to its cost competitiveness.

He observed that China will be losing its market in the near future due to high labour costs and buyers are looking for new low cost suppliers like Bangladesh.



Foreign Minister Dipu Moni inaugurates a branch of Pubali Exchange Company (UK) Ltd on Montague Street in London recently. The bank's Chairman Hafiz Ahmed Mazumder, Managing Director Helal Ahmed Chowdhury and Member of House of Commons Rushanara Ali were also present.

Telco audit put back on hold

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The Appellate Division yesterday instructed Bangladesh Telecommunication Regulatory Commission to follow the previous decision of the High Court that stayed a move to audit two telecom operators.

At the same time, the apex court asked the HC to hear both parties -- the telecom regulator and the writ petitioner -- within 15 days and resolve the dispute.

BTRC's move to audit Grameenphone and Banglalink, therefore, will be postponed until the HC's next hearing. The HC stayed BTRC's audit for four months after a chartered accounting firm filed a writ petition against the regulator.

SK Md Morshed, a lawyer for the writ petitioner, said the Appellate Division heard both parties yesterday and ordered a status quo, which means the previous order would remain unchanged and BTRC should not continue its audit work.

The telecom regulator had assigned CA firms to audit Grameenphone and Banglalink -- a move that later ended up in court after an aggrieved audit firm

Reliance Steel to acquire Continental Alloys

REUTERS, New York

Metals processor Reliance Steel & Aluminum Co said on Thursday it has agreed to acquire Continental Alloys & Services Inc.

Terms were not made public, but the transaction is expected to close within 30 days, Reliance said.

Houston-based Continental specialises in high-end steel and alloy pipe, tube and bar products and precision tool manufacturing for the oil and gas industry. It has locations in seven countries -- the United States, Canada, Britain, Singapore, Malaysia, Dubai and Mexico.

Continental and its affiliates had unaudited combined net sales of about \$196 million in the six

Maldives eyes direct shipping link with Bangladesh

UNB, Dhaka

THE Maldives is very keen to introduce direct shipping link between Chittagong and Male to enhance trade relations between the two countries.

Abdulla Shahid, state minister and chairman of the Hithadhoo Port of the Maldives, expressed this willingness at a meeting with the leaders of the Federation of the Chambers of Commerce and Industry (FBCCI) at the chamber's auditorium in the city yesterday.

AK Azad, FBCCI president, and Ahmed Sareer, the Maldives high commissioner in Dhaka, also spoke.

"We can start direct shipping connectivity between Chittagong Port and Hithadhoo Port within weeks," said Shahid.

He said the Maldives import most of their food items, energy and construction materials from India and Thailand to fulfil their national demand, and Bangladesh has the potential to export these items to Maldives.

Due to its dependence in imports, the Maldives wants to



AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry, speaks at a discussion with Abdulla Shahid, state minister and chairman of the Hithadhoo Port of the Maldives, at chamber's auditorium in Dhaka yesterday.

import food items, energy and construction materials from Bangladesh, Shahid added.

He urged the Bangladeshi entrepreneurs to invest in tourism, energy and infrastructure development sectors of his country.

About air linkage, the minister said they plan to introduce direct

air link between Bangladesh and the Maldives under public or private initiatives.

At present, 6,000 Bangladeshi workers are contributing to the economy of the Maldives, said Ahmed Sareer.

"We are looking forward to hire more manpower from Bangladesh to develop infrastruc-

ture and hospital sectors of our country."

The Maldives will sign a memorandum of understanding with Bangladesh to strengthen bilateral relationship between the two countries, he said adding that currently Bangladesh is hosting many medical and engineering students of the country.

Thai fair kicks off

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A three-day Thai fair began in Dhaka yesterday with an aim to attract Bangladeshi travellers to the Southeast Asian country.

The Thai embassy in Dhaka organised the show on its premises in Baridhara.

The purpose of the event is to promote Thailand as a destination for Bangladeshi travelers for shopping, healthcare, tourism, higher education and business, said Thai Ambassador to Bangladesh Tasanawadee Miancharoen at a press briefing.

Civil Aviation and Tourism Minister GM Quader inaugurated the "Destination Thailand Fair in Bangladesh 2011" as the chief guest.

The minister said Thailand is a beautiful country and has progressed much through the tourism industry.

Like Thailand, it is also possible for Bangladesh to earn millions of dollars

from the tourism sector, he added.

The minister said, though the tourism sector was neglected in the country in the past, the present government is giving importance to the sector.

He stressed the need for campaigns to build a positive image of Bangladesh abroad.

There are 58 stalls in six categories at the fair that will remain open for all from 10am to 8pm

There are 58 stalls in six categories at the fair that will remain open for all from 10am to 8pm.

The visitors will be offered free tourist and medical visas on the spot, chances to win free return tickets to Bangkok and other prizes.

They can also buy Thai products at special prices and get free consultation on higher education in Thailand.

This is for the first time that 24 local importers of handicrafts and consumer products are participating in the fair.

Thai Airways is also offering special travel packages on the occasion.

Turnover hits multi-month high

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Turnover on Dhaka Stock Exchange rose to its highest since December 30 after investors bought heavily into the market hoping that stocks will continue to gain.

Turnover on the country's premier bourse stood at Tk 1,683 crore, up from the previous day's Tk 1,480. DSE had its previous best transaction of shares worth Tk 1,783 crore on December 30 last year.

The benchmark general index of Dhaka Stock Exchange, DGEN, rose 15 points or 0.23 percent to end the day at 6,578. DGEN advanced in 17 sessions out of the last 19 sessions, gaining 15.68 percent.

On the port city's bourse, the selective categories index of Chittagong Stock Exchange, CSCX, added 50 points or 0.42 percent, to close at 11,928.

The day started with a bull-run that sustained through the first hour and the prime index started to go down on profit-taking later.

The turnover clocked the highest for this year, reflecting the growing confidence of investors, said a market insider.

Bourses gained for the last couple of sessions due to the active participation of small and institutional investors and an

increased flow of money, he added.

Altogether 263 securities traded on the DSE floor. Advancers lagged behind decliners 120 to 137, with six remaining unchanged. The total market capitalisation reached 304,437 crore at the end of the week.

The banking sector gained 0.99 percent, making 30.04 percent of the total market capitalisation, non-bank financial institutions 0.19 percent and pharmaceuticals closed flat.

Grameenphone, which represents the telecoms sector, gained 0.45 percent.

Mutual funds lost 2.81 percent and eight of them featured on the top ten losers' list.

Dhaka Dyeing was the top loser following the rejection of their rights offer by the Securities and Exchange Commission.

United Commercial Bank topped the turnover leaders with 95.56 lakh shares worth Tk 58.64 crore changing hands.

The other turnover leaders were United Airways, Beximco, Bextex, MI Cement Factory, One Bank, MJL Bangladesh, City Bank, RN Spinning Mills and Social Islami Bank.

Ocean Containers Ltd was the biggest gainer of the day, posting 8.15 percent rise of its share price.



M Wahidul Haque, chairman of AB Bank, presides over the bank's 29th annual general meeting at Bangabandhu International Conference Centre in Dhaka on Tuesday. The bank approved 10 percent cash and 15 percent stock dividends for its shareholders. Kaiser A Chowdhury, managing director, was also present.



Mohammad Abdul Mannan, managing director of Islami Bank Bangladesh Ltd (IBBL), and Syed Mahbubur Rahman, managing director of BRAC Bank, exchange documents of a deal on sharing OMNIBUS network at a programme in Dhaka yesterday. IBBL's customers can now use shared network of over 900 ATM booths under the OMNIBUS network countrywide.

China to extend home purchase restrictions

AFP, Shanghai

China on Thursday pledged to extend limits on new home purchases to smaller cities as authorities step up efforts to cool the country's red-hot real estate market.

The State Council, or cabinet, said it would tighten existing property restrictions in cities that have seen excessive price rises to push them "back to reasonable levels".

"Now is a critical moment for property curbs. (We) must not swerve or relax the strength of enforcement," the State Council said in a statement after a meeting chaired by Premier Wen Jiabao.

The cabinet also renewed calls for local governments to start work on up to 10 million state-subsidised apartments by the end of November, adding that construction on half of the target had started by the end of June.

China has introduced a range of measures aimed at reducing house prices since late 2009, such as bans on buying second homes in some cities, hiking minimum downpayments and trialling property taxes in Shanghai and Chongqing.

Beijing is worried that very high property prices, along with soaring food costs, could trigger social unrest as first-home buyers struggle to get a

German bourse to merge with NYSE Euronext

AFP, Frankfurt, Germany

Shareholders controlling more than 80 percent of German stock market operator Deutsche Boerse approved Thursday a merger with NYSE Euronext to create the world's biggest stock exchange.

The result surpassed a minimum level of 75 percent needed to approve the deal, Deutsche Boerse said in a statement.

A detailed figure is to be published on Friday but the offer is also to be extended by two weeks to allow hold-outs to exchange their Deutsche Boerse shares for ones in a new Dutch-based holding company.

Shareholder approval was one of the last major obstacles to the merger plan as NYSE Euronext shareholders had approved the deal on Thursday.

It still requires the approval of competition authorities, however, since the new group covers Amsterdam, Brussels, Frankfurt, New York, Lisbon and Paris and will have a quasi-monopoly on areas such as European derivatives trading.