

## BSCIC industrial estate in Sylhet on verge of closure

UNB, Sylhet

The industrial estate of Bangladesh Small and Cottage Industries Corporation (BSCIC) here is on the verge of closure, with 25 of the 71 industrial units already shutdown.

The BSCIC industrial estate was established in 1962 on 24.89 acres of land in Gotalikor area of Dakkhin Surma upazila. Many entrepreneurs set up industrial units in the estate in the 80s and those were running successfully.

Later, the entrepreneurs started losing interest in investing in the industrial area due to alleged corruption and irregularities by the BSCIC authorities. Consequently, the units were closed one after another.

Of the total 137 plots in the estate, allotments were given for 134 plots, including 71 for industrial units. Of these, only 46 industrial units are now in operation.

BSCIC sources said many units were closed down as those failed to earn any profit.

Local sources said many dwelling houses have been built on the plots in the industrial estate. Gambling and other anti-social activities now become a regular feature in the estate, they alleged.

## India's Air Sahara to operate Kolkata-Dhaka flights from Nov

OUR CORRESPONDENT, New Delhi

Dhaka is one of the three international destinations India's leading private carrier Air Sahara has decided to connect this winter.

Air Sahara flight will connect Kolkata with Dhaka from November this year, the airline's President Alok Sharma said.

The other two foreign destinations Air Sahara are Male and Chinese city Guangzhou, he said.

"We have applied for regulatory clearances for the three new international destinations. We don't foresee any issue in this because the airline is permitted access to these places under current bilateral agreements," Sharma said.

This is the first major expansion plan unveiled by Air Sahara since its proposed buyout by its larger rival Jet Airways failed to take off after months of negotiations.

"We had already made the financial commitment for a major expansion last year. Under this plan, we are going to induct Boeing 737-800 planes," Sharma said.

He hopes with this plan Air Sahara will be able to regain its market share of 12 percent which has dropped to a little more than seven percent at present.

The three new international destinations are among the 14 Air Sahara is going to introduce from November.

## Infosys chief steps down

AFP, Bangalore

India's best-known entrepreneur N.R. Narayana Murthy stepped down on his 60th birthday Sunday as chairman of software export giant Infosys, which he founded a quarter-century ago.

Murthy, whose company was a pioneer of off-shore software outsourcing, grew the 20-billion-dollar company by market capitalisation from an investment of just 250 dollars -- a loan from his wife.

"Infosys is a shining example of all the good that came out of (market) liberalisation," Murthy told AFP last month at the anniversary of the company's founding.

"There are a few good entrepreneurs and for them to succeed they require an incentive. That is the Infosys lesson."

Daunted by red tape and archaic laws in the 1980s, Murthy had considered selling the company, but economic reforms in 1991 allowed Infosys to finally take off and become one of the great success stories of India's technology sector.

The government provided tax holidays, export subsidies and duty-free hardware imports in the initial stages of reforms for software export firms and many state governments today lure these companies with tax concessions.

Bangalore-based Infosys Technologies, India's second-largest software exporter, now has annual revenues of 2.1 billion dollars and employs 58,000 people in more than 20 dozen countries.

## RUPALI BANK SELL-OFF

# Tender submission deadline ends today

SARWAR A CHOWDHURY

The deadline for tender submission to buy state-run Rupali Bank ends today with any price offerings from none of the six short-listed bidders till yesterday.

The Privatisation Commission (PC), however, expects such a submission of price offerings by today, official sources said.

The short-listed bidders are Sabrie Capital Worldwide Ltd of Oman, Bank Muscat of Oman, State Bank of India, Maa International Investment Ltd of Malaysia, JJ Finance Ltd of the UK, and a consortium comprising of Domestic Investors, Summit Industrial and Mercantile Corporation (Pvt) Ltd Bangladesh, National Housing Finance and Investment Ltd, and FMO Netherlands Development Finance Company.

Sources said the commission will open the technical offers of the

bidders at 2pm today to start evaluating these offers for selecting the technically viable bidders.

At this stage of evaluation, the commission will assess the bidders' efficiency, management and operation system and financial viability. "If a bidder or the bidders can qualify technically, then the commission will open their financial offers for evaluation," said the commission chairman, Enam Ahmed Chowdhury.

The commission will complete the technical evaluation process within the next seven days after the expiry of the deadline.

Chowdhury also said Rupali Bank will be sold to the highest bidder among the selected buyers.

When asked about the commission's choice in case of non-receipt of expected value of the bank, he said, "Then we will invite the selected buyers to re-evaluate their original price offers."

On a query about any chance of

extending the time-limit for the tender submission, Chowdhury replied in the negative. "Though, there are requests from many a quarter to do so", he added.

"I would not go beyond the deadline of August 31 to privatise the bank and I will have to complete all the process within the stipulated time," he said.

The government that owns 94 per cent of Rupali Bank's shares decided to sell 67 per cent of its shares in order to appease the World Bank and the International Monetary Fund, who conditioned loans from them with reforms in the banking sector.

Total assets of the Rupali Bank as shown in December 2005 stood at \$1.07 billion and it has over 493 branches across the country.

## Real estate fair in Ctg from Aug 24

OUR CORRESPONDENT, Ctg

A three-day real estate fair begins in the port city on August 24 with a view to offering housing solutions to the city dwellers.

Bangladesh Real Estate Directory is organising the exhibition titled 'Abasan Mela (BD-Red Fair)-2006' for the fifth time at Engineers Institution here.

Fisheries and Livestock Minister Abdullah Al Noman is scheduled to inaugurate the fair, organisers told a press conference yesterday.

The organisers said about 28 developers representing different real estate companies, suppliers of construction materials and banks will display their products and services at around 60 stalls.

Yeasin Khan, chief executive officer of Bangladesh Real Estate Directory, among others, was present at the press conference.

## Gulf Air Dhaka introduces e-ticketing

Gulf Air Dhaka introduced e-ticketing to all Gulf Air destinations effective from yesterday, says a press release.

The use of e-ticketing has reduced booking expenses by eliminating the need for printing and mailing paper documents.

An e-ticket (electronic ticket) is a paperless electronic document used for ticketing passenger, particularly in the commercial airline industry.

## Northeast India to produce power from bamboo

XINHUA, New Delhi

A bamboo-fuelled eco-friendly power station is to come up in Mizoram to help meet the energy needs of India's northeast, according to Indo-Asian News Service Sunday.

The power station will be set up in a village at an estimated cost of 28.5 million Rupees (0.62 million US dollars).

"This cost-effective project has been conceived by the Indian Institute of Science, Bangalore, along with the Ankur Scientific Energy Technologies, a private enterprise," said Benjamin L. Tlumta, project coordinator of the Zoram Energy Development Agency (ZEDA).

Bamboo will be first harvested and then dried before it is processed for feedstock to produce gas, which will finally get converted to electricity.

An estimated 9,000 sq km area is under bamboo cultivation in Mizoram. The area produces annually 3.2 million tones of bamboo, which has never been tapped to generate electricity.

India, the world's largest producer of bamboo after China, grows about 80 million tones each year, more than half of it in the northeast.

## Japan ends US long-grain rice imports

AP, Tokyo

Japan has suspended imports of US long-grain rice following a positive test for trace amounts of a genetically modified strain not approved for human consumption, a news report said Sunday.

Japan's Health Ministry imposed the suspension on Saturday after being informed by US federal officials that trace amounts of the unapproved strain had been discovered in commercially available long-grain rice, the Asahi newspaper said.

The genetically engineered rice was detected by Bayer CropScience AG. The German company then notified U.S. officials. The strain is not approved for sale in the United States, but two other strains of rice with the same genetically engineered protein are. Health Ministry officials were unavailable for comment Sunday.

# Skilled Bangladeshis can migrate to UK

## Tower Hamlets mayor tells FBCCI

STAR BUSINESS REPORT

Mayor of Tower Hamlets of the UK Shafiqul Haque yesterday urged the highly educated and skilled Bangladeshis to avail of the migration opportunities to the United Kingdom under a scheme of the British government.

"Of course, the UK is in need of skilled workforce in different sectors. So, there is a scope for the Bangladeshis highly educated professionals to migrate themselves to the UK in a very easy way," said the mayor, who is also a Bangladeshi by birth and migrated himself to UK few years back, at a meeting with the Federation of Bangladesh Chambers of Commerce and Industry in Dhaka.

The mayor's visiting partner SM Aziz, editor of the UK-based Bangladesh Monitor, Mir Nasir Hossain, president of FBCCI, and Dewan Sultan Ahmed, vice-president of FBCCI, were present at the meeting.

Under the highly educated and skilled migration scheme of the high commission, Bangladeshis professionals like nurses, doctors and engineers can migrate to the UK, said Shafiqul Haque.

The Mayor, who is representing the largest Bangladeshi community -- Tower Hamlets -- in London, also said, "Last week, I met with the UK high commissioner in Dhaka and discussed the issue. The high commissioner also highlighted the issue of migration of skilled Bangladeshis residents to the UK".

"So, you can communicate with the British high commission to know about the scheme and procedure of migration", he advised the skilled professionals who are interested to migrate to the UK.

The Tower Hamlets mayor also requested the FBCCI to come forward to disseminate the information about such a great opportunity to the people.

He said the UK is investing in many fields in Bangladesh. In a similar way, through the FBCCI initiative, the Bangladeshi entrepreneurs

can invest a lot in different fields in the UK.

He also assured the FBCCI of putting in all of his efforts in organising the single country fair in the UK, which is scheduled for November. FBCCI and Euro-Asia Business Promotion Council is organising the fair in a bid to promote Bangladeshi products in that country.

The FBCCI president said there is a scope for the businesspeople in the private sector to go for joint ventures on gas exploration and gas-based industries, infrastructure development, including electricity, port and telecommunication and hi-tech products.

He said, "A new entrepreneurial class has emerged in Bangladesh and is enthusiastically looking for overseas partners particularly from the country like UK".

He also urged the non-resident Bangladeshis in the UK to come up with investment plans in manufacturing sector instead of unproductive sector like real estate.

# Freight forwarders demand cancellation of new SRO

STAR BUSINESS REPORT

Freight forwarders and cargo agents yesterday demanded cancellation of a new SRO that increased license fees for foreign and joint venture players and made it mandatory for them to invest in Bangladesh.

As per the new SRO (statutory regulatory order) -- Freight Forwarding Agents (Licensing and Operations) Rules 2006 -- a foreign freight forwarder has to guarantee an investment of US\$1.0 million in the country while the amount is \$ 0.5 million for a joint venture one.

At a press briefing in Dhaka, Rafi Omar, chairman of the newly formed Bangladesh Shipping and Logistic Service Providers Forum (BSLSPF), said the National Board of Revenue (NBR) has

discriminatorily imposed high license fees, renewal fees and asked for bank guarantees.

Association of Cargo Agents Bangladesh (ACAB), International Container Shipping Association (ICSA) and International Freight Forwarding Association of Bangladesh (IFFAB) have jointly formed the BSLSPF to raise their voice against the NBR SRO No 107, issued on June 7 this year.

The BSLSPF chairman said, "Such arbitrary rules will lead to inefficiency in the supply chain and also loss the confidence of the global buyers."

He demanded restoration of the freight forwarders licensing rules under SRO No 289 of 2000 and 2001 instead of the latest one.

Around 10 foreign, 20 joint

venture and more than 600 local freight forwarders are operating in Bangladesh where the foreign and joint venture ones are running around 40 per cent of export business.

Meanwhile, talking to this correspondent an entrepreneur said the foreign and joint venture freight forwarders, who remit a huge amount of foreign currency from Bangladesh but invest an insignificant amount in the country, sometimes hold hostage the exporters by imposing various charges and additional fees on the exporters.

Md Saifur Rahman and Mizanur Rahman, vice chairmen of the BSLSPF, among others, were present at the press briefing.

# Gold investors take fright in wild central Asia

AFP, Moscow

As US gold giant Newmont battles to save its operation in the deserts of western Uzbekistan, instability and threats against personnel are making what of Central Asia a no-go area for normally hardnosed prospectors.

Uzbek authorities said this week they had launched bankruptcy proceedings against a joint venture between the state and Newmont Mining, more than a decade after the 1995 launch of the project was hailed as a landmark in US cooperation with the ex-Soviet nation.

"This has shocked a lot of people -- this is a really serious dent" in Uzbekistan's reputation as an investment destination, an informed observer said, adding that he doubted Uzbek authorities would be willing to put in funds for the project to realise its full potential.

Newmont last year sold 123,000 ounces of gold from the Zarafshan-Newmont joint venture, which processes gold from the neighbouring Muruntau open-pit mine in the Kyzylkum desert, 250 miles (400 kilometres) west of Tashkent.

But this June the government annulled tax privileges for a handful of major foreign investors including Newmont and a court subsequently ordered the joint venture to pay 48 million dollars (38 million euros) in back taxes.

In a development reminiscent of the dismemberment of Russia's Yukos oil company, Newmont said this month that Uzbek authorities had launched criminal investigations against staff of the venture, prompting expatriate staff to flee the country.

An official from the anti-monopoly committee has been put in charge of operations at the venture, the company said.

Newmont has described these moves as an attempt to "expropriate" its stake, which it estimates is worth 94 million dollars (71 million euros).

"It makes investment (in Uzbekistan), which was already becoming more and more difficult for foreign companies, prohibitive," the informed observer said.

The action against Newmont comes amid a clampdown on Western investors resulting from a

deterioration in political relations between Tashkent and the West.

An Uzbek government source told AFP this week that another foreign metals investor, London-based Oxus Gold, had been excluded from developing the Khandizha reserve in the southeast of the country, which contains zinc, silver, copper and lead.

Media reports said that development rights would be awarded to a local venture rather than Oxus' subsidiary Marakand Minerals, which had been exploring the reserve.

Meanwhile Oxus is among a number of foreign metals companies that have run into trouble in Uzbekistan's neighbour Kyrgyzstan, where gold represents a major chunk of the national economy.

Last month Oxus said that its representative in Kyrgyzstan, Sean Daley, had been shot and injured in an assassination attempt in the Kyrgyz capital while he was negotiating for the return of the licence to the Jeroy gold project in the north-west of the country.

# Indonesia eyes more bio-fuel sale in 2007

XINHUA, Jakarta

Indonesia's state-owned oil/gas company Pertamina has projected the volume of bio-fuel sale in the country at 6.6 million kiloliters next year.

State electricity company PLN is expected to become the biggest consumer of bio-fuel by absorbing 2.1 million kiloliters of this alternative energy source next year, Antara news agency on Sunday quoted Achmad Faizal, marketing director of the company, as saying.

The industrial sector, believed to be the second biggest bio-fuel consumer in Indonesia, is expected to use 1.65 million kiloliters of bio-diesel and 850,000 kiloliters of bio-

premium. The Indonesian government has begun implementing a bio-fuel development programme in 2006, and in this connection, Pertamina introduced its bio-diesel under a brand name of 'Biosolar' on the market on May 20, 2006, and bio-ethanol under a brand name of 'Bio-premium' on August 12.

Pertamina has projected the sale of bio-fuel at 1.1 million kiloliters up to the end of 2006, comprising 400,000 kiloliters of industrial bio-diesel, 350,000 kiloliters of bio-diesel for power generators, 330,000 kiloliters of automotive bio-diesel and 20,000 kiloliters of automotive bio-ethanol.

The sale of bio-fuel is expected

to grow to 13.2 million kiloliters in 2008, composed of 4.2 million kiloliters of bio-diesel for power generators, 4.0 million kiloliters of industrial bio-diesel, 3.3 million kiloliters of automotive bio-diesel and 1.7 million kiloliters of automotive bio-ethanol.

The bio-fuel sale target is raised to 23.4 million kiloliters in 2009, consisting of 7.0 million kiloliters of bio-diesel for electricity generation, 6.6 million kiloliters of automotive bio-diesel, 6.4 million kiloliters of industrial bio-diesel, and 3.4 million kiloliters of bio-ethanol.

The target of bio-fuel sale for 2010 has been set at 31.1 million kiloliters.



Mayor of Tower Hamlets of the UK Shafiqul Haque (2-L) speaks at a meeting with the FBCCI in Dhaka yesterday. FBCCI President Mir Nasir Hossain (2-R), among others, is seen.

# BB profit up 21pc in last fiscal

STAR BUSINESS REPORT

Bangladesh Bank (BB) saw a 21 per cent rise in its profit in the last fiscal year.

The central bank made a profit of Tk 2,291 crore in FY 06 against Tk 1,891 crore in FY 05.

Out of the total profit, the central bank will deposit Tk 1,085 crore to the government exchequer, which will help the government reduce its bank borrowing significantly.

Banking sources said the government's borrowing from banks in the first month of the current fiscal crossed Tk 2,000 crore.

A BB source has attributed the profit growth to swelling income

both in foreign and local sources.

Sources said the BB deposited its foreign currencies with different international banks and it is the interest from this deposit that contributed to BB's high income. Last year the BB was able to maintain around \$ 3 billion foreign exchange reserves.

Last fiscal year, commercial banks suffered from liquidity crisis. To tackle the problem, these banks took loans from the BB by depositing treasury bills through reverse repo.

BB Governor Dr Salehuddin Ahmed yesterday signed the financial statement of the central bank for the year 2005-06.

# WTO to review Dhaka's trade policy next month

BSS, Dhaka

The World Trade Organisation (WTO) will review Bangladesh's trade policy from September 13 to 15 in Geneva as part of a policy review programme for its member states.

This is third time Bangladesh's trade policy will come under the review in the context of WTO policy regimes, which will see the openness of the country's external trade, tariff reforms and other competitiveness issues.

The earlier two reviews were held in 1992 and 2000.

Official sources said a high-powered government delegation will visit Geneva to present the country paper at the review meeting to be conducted by WTO officials and attended by representatives of interested member countries.

The commerce secretary is expected to lead the delegation comprising representatives of Ministry of Agriculture, Bangladesh Bank, Tariff Commission, National Board of Revenue and other stakeholders.

A source said the WTO has categorised its members into three

## Korean Air seeks to buy S-Oil stake

ANN/ THE KOREA HERALD

Korean Air Co, South Korea's top carrier, looks set to bid for treasury stocks of the oil refinery S-Oil Corp. in a move to secure a stable fuel supply.

The Seoul-based airline said Friday it publicly submitted an indication of interest in taking over a 28.4 per cent stake in the nation's third-largest refinery.

"The company is interested in buying the treasury stocks, which we think would bring us synergies," said a company official who declined to be identified.

Aramco Overseas Company B.V., the largest shareholder of S-Oil and a subsidiary of Saudi Aramco, has been in talks with several local firms to sell its treasury stocks.

Experts expect the acquisition to help improve the bottom lines of Hanjin Group, which has Korean Air and the nation's biggest freighter Hanjin Shipping Co. under its wing.

S-Oil currently supplies about 10 percent of jet fuel for Korean Air and over 7 per cent of vessel fuel for Hanjin Shipping.

The stakes in the oil company would help the transporters to secure a more stable and cost-efficient energy supply, which assumes about 30 per cent of total costs.

Industry watchers also believe that the stock sale would help S-Oil with its 3.5 trillion won (US\$3.7 billion) investment in new refining facilities and finance a redemption of 800 billion won debt.

The company is set to build a 480,000 barrel-per-day crude distillation unit by 2010 in Seosan, South Chungcheong Province.

The mammoth project would raise its total capacity by almost 70 per cent to 1.06 million barrels per day, outstripping the 650,000 barrels of the nation's No. 2 GS Caltex Corp.

"The stock sale could reduce debt burdens from the investment project," said Cha Hong-sun, an analyst at GoodMorning Shinhan Securities Co.