

Star BUSINESS

E-mail: business@thedailystar.net

BB Dy Governor Rumi Ali gets extension

STAR BUSINESS REPORT

The government has extended the service of Bangladesh Bank Deputy Governor Mohammad A (Rumi) Ali until June 2007, the central bank sources said yesterday.

Ali's contract with the central bank was scheduled to end in November this year.

Malaysian minister woos tourists from Bangladesh

STAR BUSINESS REPORT

Visiting Malaysian Tourism Minister Datuk Seri Tengku Adnan Tengku Mansor yesterday invited Bangladeshi tourists to visit his country in 2007 as the Southeast Asian state is going to celebrate its 50 years of independence.

The minister said, "We are organising many gala events to mark the golden jubilee in 2007. We invite you to visit Malaysia and enjoy the programmes that we are planning to arrange for tourists from across the world".

He also said Malaysia's national carrier will offer attractive packages with reduced fare.

The minister was speaking at a press conference at a hotel in Dhaka yesterday as part of the campaign titled 'Visit Malaysia Year-2007'.

Mansor said Malaysia is a country of cultural diversity and visitors can enjoy the true and complete culture of Asia.

"We hope about 40,000 tourists from Bangladesh will visit Malaysia this year," the minister said adding that a total of 29,000 Bangladeshi tourists visited Malaysia last year.

Abdul Malek Bin Abdul Aziz, Malaysian high commissioner in Dhaka was also present at the press conference.

Citigroup made number one in Asiamoney poll

Asiamoney magazine, one of Asia's leading monthly financial magazines, has announced the results of its Asian FX poll for 2006.

Over 1,000 clients across the region were polled by the magazine and Citigroup has picked up a number of key awards, underlining its reputation as the region's leading foreign exchange provider, says a press release.

Citigroup was voted the number one overall for FX services for corporate in Asia Pacific region (excluding Japan). The bank also picked up the award for best macro-economic research for financial institutions in Asia.

In the editorial write up, Asiamoney said: "According to a financial controller in China it is Citigroup's fast and flexible response and service that gives it the edge over its competitors. No one could argue that Citigroup's regional title is well deserved, considering that Citigroup was voted best foreign provider for overall FX services in eight of the 13 countries covered in Asiamoney's poll."

Japanese firms concerned over quality decline

ANN/ THE DAILY YOMIURI

Makers representing Japan's manufacturing prowess, including Sony Corp., Hitachi Ltd. and Toyota Motor Corp., have seen a decline in product quality since last year.

Some observers said excessive cost-cutting pressure on production was one factor behind diminishing quality.

As such, worries over the international competitiveness of Japanese manufacturers are growing.

Since June, damage to the turbine blades of Chubu Electric Power Co.'s Hamaoka nuclear power plant in Omaezaki, Shizuoka Prefecture, and Hokuriku Electric Power Co.'s Shika nuclear power plant in Shikamachi, Ishikawa Prefecture, have suspended operations at the plants.

Govt borrowing from domestic sources shoots up 48pc in July

REJAUL KARIM BYRON

The government's borrowing from domestic sources shot up by 48 percent in the very first month of the current fiscal year due to decline in foreign aid and revenue collection.

According to the Major Economic Indicators: Monthly Update September '06, prepared by the Bangladesh Bank, the government borrowed Tk 2,737 crore from domestic sources in July against Tk 1,850 crore in the corresponding period in 2005.

Of the total loans, borrowing from banking sector rose by 42 percent standing at Tk 2,224 crore. While borrowing from the public through savings instruments totaled Tk 513 crore, a rise by 76 percent.

The government's expenditure has risen significantly at the fag end of its tenure, but there has not been

a consistent rise in its income, resulting in the government's dependence on borrowing, finance ministry sources said.

Since the end of the last fiscal, the government has been witnessing a huge increase in development expenditures in some sectors ahead of the next elections, sources said.

The sources added that the current budget lacked in adequate measures to achieve the target despite fixing an ambitious target of revenue earning against huge expenditure in the development programme.

In the first month of the current fiscal year, higher sales of savings instruments coupled with decline in repayment of principal amount pushed up the government borrowing from the public.

The government set an ambi-

tious target of 21 percent revenue growth to coup with the high expenditure budget in the current fiscal year. But the first month of the year experienced only 12.8 percent growth in revenue.

In August, the performance was much disappointing with only 8.32 percent revenue growth.

National Board of Revenue sources said during the first two months, the amount of revenue was Tk 2,000 crore, which fell short of target set in the budget.

On the other hand, low cost foreign aid, a major source of deficit financing, also declined by 72 percent.

In July, the foreign aid was Tk 94.73 crore while it was Tk 343.50 crore during the same period last year.

First Dhaka int'l cellphone fair Oct 10

UNB, Dhaka

A week-long International Mobile Phone Fair-2006 will begin at Bhasani Novo Theater in the capital on October 10.

Ministry of Science, Information and Communication Technology and Bangladesh Mobile Phone Business Association (BMBAP) will jointly organise the fair.

Over 100 organisations and representatives of mobile operator companies, mobile set importers from home and abroad will participate in the fair, says a press release.

The fair will remain open for public from 9am to 8:30pm.

Row brews in India over spl economic zones

AFP, New Delhi

A major row is brewing in India over Special Economic Zones (SEZ) which have been touted by the government as a way to lure foreign investment and boost exports.

Hailed as one of the biggest pushes for industrial expansion in post-independence India when the SEZ Act was passed in 2005, some critics now are dubbing the duty-free enclaves "Special Exploitation Zones."

The privately run zones, intended to be oases of world class infrastructure in a country where power and water shortages are routine, are drawing fire over the lucrative tax breaks they offer and the way land is being acquired and used.

"The three-letter buzzword SEZ could well be the next political four-letter word," comments leading news magazine India Today in its latest issue.

The government has cleared 150 applications from foreign and domestic companies and 225 are in the pipeline, says India's Ministry of Commerce Secretary Gopal Pillai.

These involve thousands of acres (hectares) of land across the country.

The Congress-led government estimates the zones, inspired by the SEZs set up a quarter century ago in China that helped drive its rapid industrial growth, will create at least two million jobs and draw billions of dollars of investment in coming years.

But despite this, the cabinet cannot agree whether the zones will be a money spinner or a drain on government coffers.



Visitors gather at a stall at the six-day Asian Eid fair on the National Shooting Federation premises at Gulshan in Dhaka yesterday.

Product show to help boost capacity of women entrepreneurs: Minister

6-day Asian Eid fair kicks off

STAR BUSINESS REPORT

Exposition of products by regional manufacturers will help boost capacity of women entrepreneurs in improving their quality and skill of production, Commerce and Water Resources Minister Hafizuddin Ahmed told an international fair in Dhaka yesterday.

"The women will also be able to enhance their knowledge through exchanging expertise of entrepreneurs across the Asian region and develop joint market strategies," he said.

He was inaugurating the six-day Eid fair of goods produced by the Asian women entrepreneurs on the National Shooting Federation premises at Gulshan.

Women Entrepreneurs Association of Bangladesh (Weab) and Pakistan High Commission in Dhaka are jointly organising the

3rd Asian Women Entrepreneurs Eid Fair 2006.

Bank Alfalah Limited is the lead sponsor while JOBS Bangladesh is supporting the event.

Apart from the women entrepreneurs of the host country, entrepreneurs from other Asian countries like India, Pakistan, Indonesia and Iran have put their products on display at the fair, which include gift items, women's wear, herbal products, hair and weight control, jewelry, fabric, handicrafts, Maslin and silk sarees, boutique and tribal dresses.

The fair will also make convenience to the local Eid shoppers by presenting a wide variety of products from different countries.

Some 65 stalls have been set up at the fair, which will remain open from 11am to 10pm everyday until October 6. The entry fee is Tk 10 a person.

On the sidelines of the fair, three seminars titled 'Fair Participation and Marketing', 'Finance and Managing Growth', and 'Promoting Regional Women Entrepreneurship' will be held. Of the three seminars, the first one will take place today at the fair venue. The seminar on 'Finance and Managing Growth' will be held on Wednesday and the third one on Thursday.

Entrepreneurs expected that a number of business agreements will be signed among the entrepreneurs of different countries on the sidelines of the fair.

The products of high and middle quality with affordable prices will lure local buyers' interests to add to their Eid shopping baskets, Weab Vice President Naaz Farhana Ahmed expressed her hope.



PHOTO: PUBALI BANK

Bangladesh Bank Governor Dr Salehuddin Ahmed speaks at a function on Saturday in Dhaka, organised to bid farewell to the outgoing managing director of Pubali Bank Ltd, Khondkar Ibrahim Khaled, and accord reception to the newly appointed managing director, Helal Ahmed Chowdhury.

DSE turnover on the decline

STAR BUSINESS REPORT

Turnover on Dhaka Stock Exchange (DSE) continued to decline as it dipped to Tk 25.21 crore yesterday.

The turnover was Tk 30.07 crore on Thursday, Tk 38.64 crore on Wednesday and Tk 59.90 crore on Tuesday.

"During the last few days, participation of the key institutional investors in the capital market was very low, which might have caused thin trade," said DSE Chief Executive Officer Salahuddin Ahmed Khan.

Besides, market analysts identified the existing tight monetary policy as one of the key reasons behind the continuous slide in share prices and indices. They said the central bank recently mopped up a big chunk of money from the money market through banking instruments.

They also attributed the downturn to the upcoming share offload of Power Grid Company of Bangladesh (PGCB). "Investors are waiting for investing in the PGCB shares," said a DSE member.

The PGCB will start share offloading on the country's bourses on October 9. The state-owned power company will join the stock exchanges by releasing 91,08,940 shares with a face value of Tk 100 each to raise around Tk 91.09 crore from the capital market. The company will put 86,53,493 shares for sale to general public/institutions at market price while it will keep 4,55,447 shares to be sold to the directors and employees of the PGCB at the face value.

Severe power outage in various parts in the city during the last couple of days is also one of the reasons for low turnover, com-

mented some market analysts.

On the DSE yesterday, losers overwhelmed gainers as the bear dominated the market. Of the total 172 issues traded, 93 declined, 53 advanced and 26 remained unchanged.

Besides, share price indices also went down on the day. DSE All Share Price Index went down by 8.50 points or 0.65 per cent to close at 1289.51 points yesterday while the DSE General Index declined by 10.64 points or 0.68 per cent to close at 1551.88 points.

DSE-20 Index, which comprises blue chips, also went down by 13.69 points or 1.01 per cent to close at 1338.80 points.

A total of 45,16,483 shares worth Tk 25.21 crore changed hands on the DSE yesterday.

Fruit left to rot as US farmers struggle with labour shortage

AFP, Los Angeles

Tougher US-Mexico border controls are having an acute impact on American produce growers, farmers groups say, with tonnes of fruit and vegetables left rotting amid crippling labor shortages.

Farms across the United States are reporting shortfalls in the number of available workers, which in many cases has caused crops to go un-picked.

Blame for the lack of labour is laid squarely at the door of a crackdown on illegal workers crossing the US-Mexico border and the absence of flexible legislation that would allow farmers to hire workers on a seasonal basis.

Toni Scully, co-owner of Scully Packing in northern California's Lake County, said she usually hired 900 fruit pickers to harvest their crop during the three-week window. This year, however, she could only find 500 workers.

"We think about 40 percent of our workers didn't come because of the increased security on the border," Scully told AFP.

"By our estimates we've left about 20 to 30 percent of the crop either hanging on the tree or lying on the ground because we couldn't pick it," she added. "It's just heartbreaking because we had a beautiful crop."

Scully said the labor shortages had not been felt as severely amongst growers of other produce in the region, whose crops were lower this year for unrelated reasons such as adverse weather.



PHOTO: G3 COMMUNICATION

Ahmad Bin Ismail, managing director of mobile phone operator AKTEL, among other senior officials of the company, poses for photographs with the winners of Dhaka-Kuala Lumpur-Dhaka air tickets under a promotional campaign styled 'AKTEL Refill & Go Malaysia Everyday' at a function in the capital yesterday.