

Star BUSINESS

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Business bears the brunt of political turmoil

It may take one year to recover loss: District chambers

MD HASAN AND KAWSAR KHAN

Business communities from across the country have expressed their frustration and dismay over the ongoing political turmoil that has already taken a heavy toll on the economy.

Leaders of different district chambers yesterday voiced their identical views on immediate solution to the present stalemate saying that they are not ready to bear the brunt of the impasse that hinders the normal business activities.

They said they don't want the political parties to go for any further unrest, whatever the decision the caretaker government reaches on reconstitution of the Election Commission or on whoever the person heading this body.

They, however, hoped that the president and chief adviser of the caretaker government would resolve the impasse in a manner acceptable to all and useful to holding a free and fair election.

Talking to The Daily Star, Director of the Chittagong Chamber of Commerce and Industry (CCCI) Mohammed Amirul Haque said, "The loss we have already incurred due to the political turmoil is irrepara-

ble."

He said they are not opposed to the politicians' rights to protest something in a democratic way, but the blockade programme has reduced their right to do business smoothly.

Amirul further said the businessmen who are involved in trading of perishable goods like vegetables and shrimp fry are the worst victims to the blockade programme, which also results in sharp rise in the prices of essentials.

Echoing this view on soaring commodity prices, Anisuzzaman, vice president of the Barisal Chamber of Commerce and Industry, said, "Supply of farm products from and to the divisional town is nearly stopped, resulting in frustration among the workers and businessmen and surge in commodity prices."

Meanwhile, export and import of goods through the Mongla Port in Khulna is now virtually stopped.

According to the Khulna chamber, the blockade has taken a severe toll on the trading of jute and jute products and shrimp in the region.

"We urge the political parties to avoid partisan interest in the greater

interest of the nation," said Sharif M Fazlur Rahman, director of Khulna Chamber of Commerce and Industry (KCCI).

He also proposed to the government to reduce the holidays from two days to one day to recover the losses the country has already incurred.

Another KCCI director, SM Nazrul Islam, said, "Even if no such stalemate takes place in near future, it will take nearly the whole next year to come out of the loss."

According to the Jessore business circle, transportation of commodities has been badly affected by the ongoing blockade programme as the district town's business activities revolve round the Benapole land port.

The farmers of this region suffer a lot as they fail to collect seeds either from a government body or private sellers.

Md Shahidul Islam Milan, president of the Jessore Chamber of Commerce and Industry, said, "Bangladesh Agricultural Development Corporation (BADC), one of the main seed suppliers, also fails to distribute seeds to the farmers, though it is the peak season of paddy and wheat plantation."

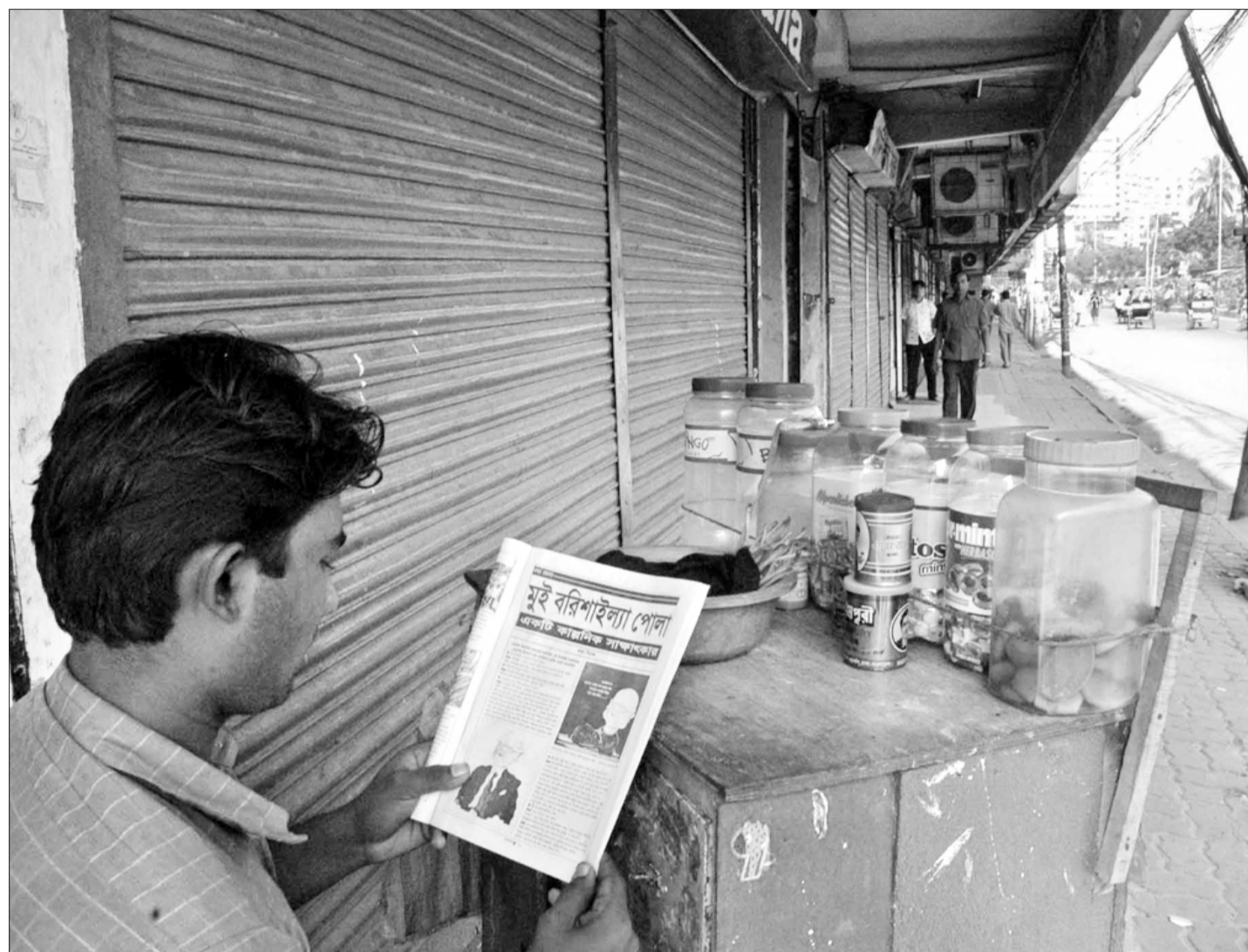
"We hope a concrete solution so that we can resume our business activities as early as possible. It is not our headache who will be chief election commissioner or not," this is how Md Lutfar Rahman, president of Rajshahi Chamber of Commerce and Industry, gave his reaction to the present political situation.

As the businessmen suffer badly due to high dollar price in the local market, the political unrest has added to the miseries of the silk producers in the district who have not been able to supply their products to different parts of the country, he added.

In Sylhet, the blockade programme has collapsed the region's transport sector.

Faruque Ahmed Misbah, president of the Sylhet Chamber of Commerce and Industry, said, "Although it is a peak time for brick and stone business in the area, the traders and workers are left idle due to the negative political programme."

The industrial units are also out of production since the supply of raw materials is cut off, he added.



A vendor reads a magazine article featuring Chief Election Commissioner MA Aziz in nearly deserted Kataban area in Dhaka yesterday during the second day of the third spell of non-stop countrywide blockade programme. The 14-party combine is enforcing the blockade demanding the removal of the CEC for free and fair national polls.

Delhi may allow sugar export

PTI, Melbourne

India, the world's second largest sugar producer and the biggest consumer, may consider lifting a ban on its exports as the country is likely to witness a record production of the sweetener this year.

"Some time or other, as soon as the estimate of sugarcane production is firmed up and the stocks of sugar come to the market, the government will take a look at the banned export of sugar," Finance

Minister P Chidambaram said in an interview to Bloomberg here.

He, however, said, "I can't give you a date." India had banned sugar exports in July this year to step up domestic supplies and check rising prices. Early this month, the Government had deferred a decision to lift the ban.

"Our sugarcane crop this year is expected to be a bumper crop, so I think pressure on local sugar prices will ease," Chidambaram said.

As per the estimates of Agriculture Ministry, output may

reach 227 lakh tonnes tons in the year ending September 30, 2007, and it was possible to permit exports of 20-25 lakh tonnes of the sweetener.

Resumption of shipments from India might cause world sugar prices to decline further. White sugar prices in London have dropped 29 per cent from a May 12 peak of 497 US dollars a ton on increased supply from Brazil, the world's largest producer.

DSE gains despite political impasse

UNB, Dhaka

Despite political turmoil, share prices on the Dhaka Stock Exchange (DSE), the country's premier bourse, posted significant gains yesterday, the second day of the nationwide blockade programme.

DSE Chief Executive Officer (CEO) Slatuddin Ahmed explained the upturn in trading on the capital market saying, "With the recent political development, people might be expecting a solution to the ongoing crisis... probably this has attracted them to the market again."

A total of 155 issues registered gains during the day's trading of 191 issues, while 24 marked fall and 12 remained unchanged.

The DSE All Share Price Index (DSI) rose 38.01 points or 3.02 percent to close at 1293.58 against 1255.56 points Monday.

The DSE General Index (DGEN)

gained 40.33 points or 2.66 percent to finish at 1555.92 against 1515.59 on the previous day.

The DSE-20 Index (DS20), considered blue chips, also climbed 28.71 points or 2.17 percent up to 1346.17 at the close while it was 1318.36 on the previous day.

Top 10 gainers of the market were Power Grid Company of Bangladesh Ltd, Meghna Pet Industries, Rupali Bank, Agni Systems Ltd, Agrani Insurance Co Ltd, BDCOM Online Ltd, IFIC Bank, Islamic Finance & Investment Ltd, Mutual Trust Bank Ltd and ICB AMCL Islamic Mutual Fund.

Top 10 losers of the market after Monday's trading were Rangamati Food, National Tubes, Northern Jute, Rose Heaven Ball, Zeal Bangla Sugar, Chic Tex Ltd, Maq Paper, Fu Wang Food, 6th ICB MF and Beach Hatchery Ltd.

RUPALI BANK SELL-OFF

Cabinet body to decide on remaining 26pc shares

STAR BUSINESS REPORT

Cabinet Committee on Economic Affairs will decide whether the government would sell out the remaining 26 percent shares of Rupali Bank to its Saudi buyer or not.

Along with the Privatisation Commission's recommendation on the government-owned shares of Rupali Bank, the proposal would be placed at the Cabinet Committee on Economic Affairs for its decision on the bank's fate, said Finance and Planning Adviser Dr Akbar Ali Khan yesterday.

Earlier, a commission meeting

on November 15 put forward its recommendation to the government about the sale of the remaining government-owned shares of Rupali Bank with a price of US\$134 million to the Saudi prince.

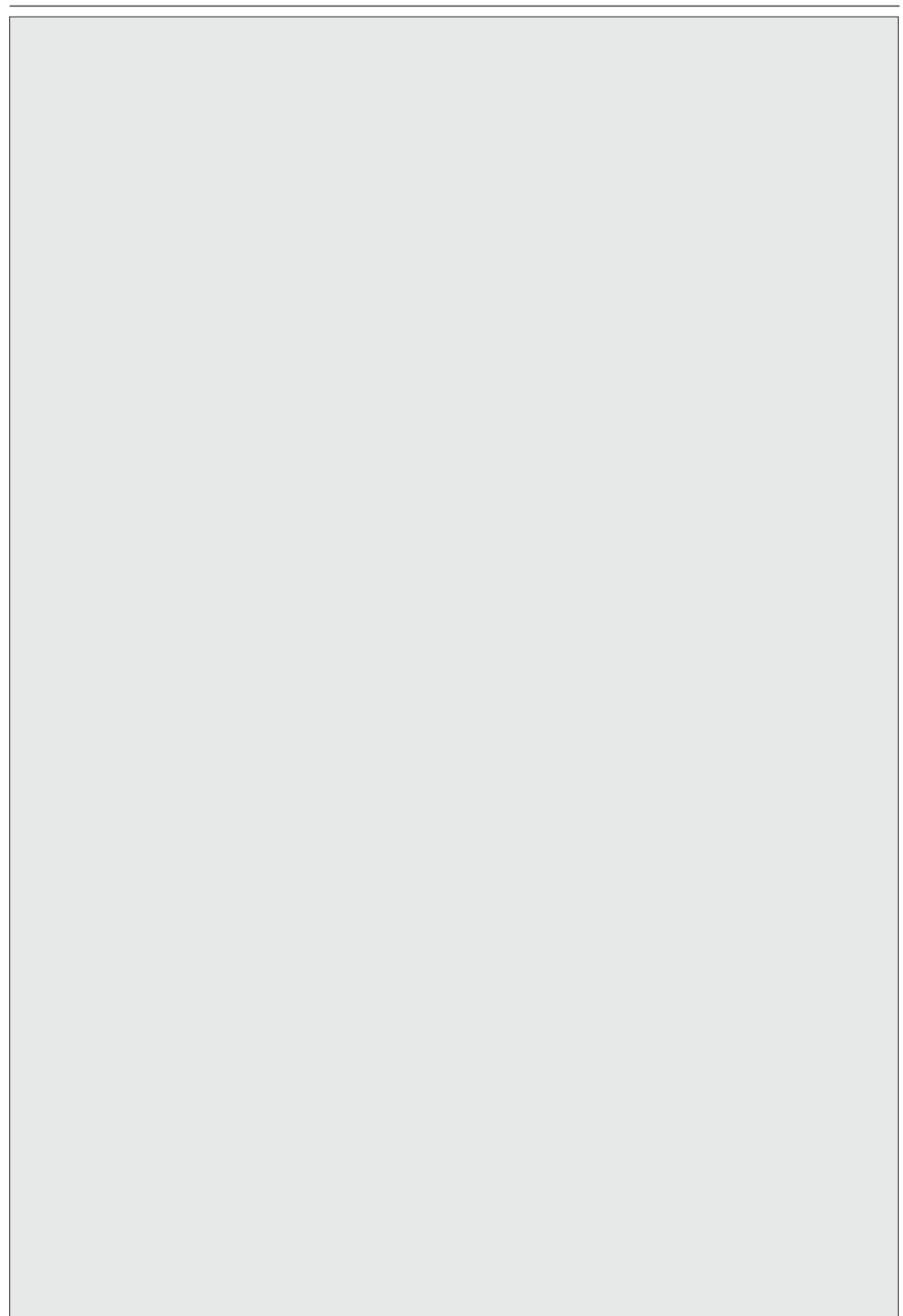
On August 27, the commission declared the Saudi prince as the highest bidder. On October 5, the then prime minister, Khaleda Zia, okayed the bid of \$330 million to buy 67 percent stake in the bank.

The government that owned around 94 per cent shares of Rupali Bank decided to sell 67 per cent of them in order to appease both the World Bank and International Monetary Fund (IMF), which condi-

tioned their loans with the country's banking sector reforms.

In March last year, the government assigned the commission to sell the bank. If the 93.26 percent stake in the bank is sold out, then the general public will hold the bank's remaining 6.74 percent shares.

The government first decided to sell out 67 percent Rupali Bank shares to the Saudi prince and keep the remaining 26 percent at its disposal. But, following further proposal of the prince to the state-run agency for privatisation, the government is now set to reconsider its previous stance.



S Asia investment forum begins today

Bangladesh team leaves for London

A 20-member high-profile Bangladesh delegation has left Dhaka for London to join a two-day meeting of the South Asia Trading and Investment Forum (Satif) beginning today.

The meeting is being organised by Commonwealth Business Council (CBC) and Saarc Chamber of Commerce and Industries, says a press release.

Members of the delegation include FBCCI President Mir Nasir Hossain, Adviser to Saarc Chamber of Commerce Yussuf Abdullah Harun, Chittagong Chamber President Saifuzzaman Chowdhury, former FBCCI vice president Abul Quasem Haider, Director of Dhaka Chamber of Commerce Safina Rahman, Directors of Chittagong Chamber Syed Ahasanul Haque, Mohammed Nurun Newaz and Syed Mohammed Nuruddin, Dhaka Stock Exchange's Ahmed Rashid, former FBCCI director Shamsul Kaunain Kutub, Narsingdi Chamber President Monzur Elahi, Chairperson of Saarc Chamber Women Entrepreneurs Council Nasreen Awal Minto, Beximco Pharma CEO Nazmul Hasan and directors of Narsingdi Chamber Rabbur Reza and Mohammad Helal Miah.

The two-day event will include seminars on small and medium enterprise, investment environment, and technical co-operation

on cultural exchange among the Commonwealth nations.

M Shueb Chowdhury, Bangladesh adviser to Commonwealth Business Council, is the coordinator of the delegation.

Oil above \$59

REUTERS, London

Oil prices edged 0.6 percent higher on Tuesday after bad weather forced a loading halt at Alaska's main export terminal and analysts forecast a drawdown in U.S. fuel stocks ahead of winter.

U.S. crude rose 39 cents to \$59.19 a barrel by 1048 GMT, reversing Monday's 17-cent loss. London Brent crude rose 38 cents to \$59.36.

Prices got a lift from news that crude loadings at the port of Valdez, Alaska, were halted on Monday. High winds forced operators to suspend loadings at the port, slowing the 800,000 barrel per day Trans Alaska Pipeline to 25 percent of capacity.

Analysts still expect government data on Wednesday to show that U.S. crude stocks rose for the fourth week in a row by 700,000 barrels last week, according to a Reuters poll of industry analysts.

World halal market may grow by 10-20pc annually

AFP, Kuala Lumpur

World trade in halal products, which comply with Islamic standards, is expected to grow by 10-20 percent a year from an estimated 2.1 trillion dollars, experts said on Tuesday.

"The reasons driving growth in the market are partly because people spend more money on food," said Abdalhamid Evans, director of research at KasehDia, consultants to the Malaysian government on the halal industry.

"It is also partly because of the awareness of consuming halal goods and there are more halal products on offer," Evans told AFP.

He said as the "big players" realise the potential of the global market for halal goods, there has been a more concerted effort to certify goods as halal.

"The demand is huge but the supply is falling short of the demand in terms of quality, quantity and variety," Evans said.

Evans said more non-Muslim consumers were also purchasing halal food because it is a "healthy food option which is being monitored and audited in a way that other food is not."

The government on Tuesday inked a deal with British-based certification and audit company, Intertek Group, to position itself as a world leader in halal authorization.

Halal certification is increasingly sought after by manufacturers in a bid to tap into the lucrative Muslim consumer market.

US farm exports to India set to go up

PTI, New Delhi

US agri and food product exports to India are expected to get a big boost following high allocation of funds by Washington for their agri-trade bodies which have presence in this country.

The visit of US agriculture secretary Mike Johanns, who arrived in India on Saturday, is also expected to give a fillip to these efforts.

The US government last week announced a 200 million US dollars budget for promoting its agricultural products exports in 2006 (US fiscal year).

Johanns announced the decision in Kansas city on November 15 before leaving for India.

"USDA supports efforts to reach out to consumers around the world to demonstrate the high quality and variety of American food products," Johanns said.

The US would be funding 67 trade organisations through which it has targeted to increase the country's agricultural exports to 68 billion dollars in 2006 against 62.5 billion dollars in the previous year, a USDA report said.

India, which imported US agricultural and food products worth Rs 1,5146 million in 2005-06 has been the focus of attention of many of the American trade promotion bodies.

During the first quarter of the current fiscal the import of these products to India from the US stood at Rs 4498.9 million.

The Southern United States Trade Association (SUSTA), which has a consultant in New Delhi and has been promoting exports from

15 states (in US), would be receiving 8.26 million dollars from the 200 million dollar fund under US Market Access Programme.

ASA adjudged world's best MFI

ASA has been ranked as the best MFI (microfinance institution) in the world by the 'Microfinance Information Exchange (MIX).

MIX is the America-based internationally recognised research organisation, says press release.

The ranking was published in the MIX's report titled '2005 MIX Global Report 100: MFI League Table' presented on November 13, 2006 in the 'Global Microfinance Summit 2006' held in Halifax, Canada from 12-15 November.

The report is prepared from 512 MFIs of the world considering six areas of performances namely outreach, scale, profitability, efficiency, productivity and portfolio quality as well as consulting with investors, researchers, donors and media worldwide.

About 300 MFIs of the world have placed in at least one of the six tables prepared for the best hundred.

Almost 10 percent of the MFIs have been appeared as leader across four/five categories. Only ASA is placed in all the six categories with exponential best result.