

Invest in infrastructure

PM urges foreign cos at Lafarge Surma Cement foundation-laying ceremony

ASHFAQ WARES KHAN, back from Chhatak, Sunamganj

Laying the foundation stone of the country's first cross-border cement plant at Chhatak in Sunamganj, Prime Minister Khaleda Zia yesterday urged the multinationals to invest in infrastructure projects.

The \$255-million fully integrated plant of Lafarge Surma Cement Limited is also the largest private sector investment in cement sector in Bangladesh. The plant is expected to start production inmid-2005.

The prime minister termed the factory a landmark in the cross-border venture between India and Bangladesh with strong support from France and Spain.

She urged large multinational companies to seriously consider playing a lead role in infrastructure development of Bangladesh.

"Bangladesh has become an attractive destination for foreign investors because the government interferes very little with the investors

and acts as facilitators," she said.

The plant will use extracted limestone and shale from Lafarge owned quarry in the Indian state of Meghalaya. The crushed limestone and shale will be transported from Meghalaya to the plant on a 17-km conveyer belt, and then produced into clinkers and cement.

The annual production capacity of the plant is 1.2 million tons.

Speaking at the function, Finance Minister M Saifur Rahman urged the cement plant managers to establish good examples of employment standard and environmental safety, and maintain good relationship with the local people.

"I will not be able to control them (the local people) if they feel they are deprived of their benefits from this cement plant," Saifur noted.

Mahmudur Rahman, executive chairman of the Board of Investment, said this venture might trigger a stronger trade relationship between India and Bangladesh and also help reduce the huge trade gap

between the two countries.

"The north-eastern market can be captured in addition to meeting the growing demand of the already 6-million tons strong demand for cement in Bangladesh."

Rahman also said the entrance of flagship companies like Lafarge will give Bangladeshis access to the global market and technology.

Bruno Lafont, chief operating officer of Lafarge in Paris, said the cement plant investment will be a catalyst for making further investment in Bangladesh.

About 7,000 Bangladeshi investors have their stake in the Lafarge Surma project through initial public offering (IPO), said Lafarge Managing Director Young Chang.

The plant is being co-invested and co-managed by French company Lafarge, one of the leading cement company in the world operating 157 plants, and Cementos Molins, a Spanish company.

Local businesses, Islam Group and Sinha Group, have 2.8 percent and 3 percent shares in Lafarge Surma respectively.

Besides, ADB, International Finance Corporation, European Investment Bank, German Investment and Development Company (DEG), the Netherlands Development Finance Company (FMO), Arab Bangladesh Bank and Standard Chartered Bank are partners of the project.

Lafarge has rehabilitated the 72 families who previously inhabited at the 90-acre construction site by providing brick-walled homes, education and free healthcare.

Indian High Commissioner and French Ambassador in Dhaka were present at the function alongside Juan Molins, CEO of Cementos Molins, representatives of financial institutions and local MP Kalimuddin Ahmed Milon.



PHOTO: MCCI

Chinese Ambassador to Bangladesh Chai Xi meets the members of Metropolitan Chamber of Commerce and Industry (MCCI) at the Chamber in Dhaka yesterday. Kutubuddin Ahmed, president of MCCI, is seen, among others, in the picture.

Five more cos to join CDS by March

STAR BUSINESS REPORT

Five more listed companies are going to come under the central depository system (CDS) by March this year.

At a review meeting on the scripless trading system yesterday, names of 12 companies were finalised from a list of 45 proposed by Central Depository Bangladesh Ltd (CDBL), the service operator of the system.

The Securities and Exchange Commission (SEC) will select the five from the 12 companies in consultation with the CDBL and companies concerned.

The 12 issues are Dutch-Bangla Bank, Mutual Trust Bank, BOC Bangladesh, Singer Bangladesh, Bata Shoe, AMCL PRAN, Apex Tannery, AB Bank, Green Delta Insurance, Lafarge Surma Cement, Infrastructure Development Leasing Company and ACI Ltd.

The electronic trading settlement system, which eliminates risk of fake, soiled or lost shares, made its

debut in capital market on January 24 with shares of Square Pharmaceuticals Ltd.

Under CDS, all paper share certificates are turned into electronic ones and transactions are held electronically. Listed companies will no longer need to maintain full-fledged share department in office as the system operator will do all the depository and transfer jobs.

Dhaka Stock Exchange CEO Salahuddin Ahmed Khan said, "Companies from various sector with strong reputation will help increase investors' confidence in the system which experienced tepid response from investors."

The settlement of share trading under CDS started with only 2,851 electronic shares of Square Pharma. On the first day, only 106 shares of the company were transacted in two bourses.

The consultative committee meeting of SEC held yesterday decided that SEC could take help from Bangladesh Bank in reining in the errant companies.

Bangladeshi shrimp exports to Europe

EC still worried about harmful germs

STAR BUSINESS REPORT

The European Commission (EC) yesterday expressed its deep concern over the presence of 'harmful germs' detected repeatedly in shrimps exported from Bangladesh.

"We have information on the presence of harmful bacteria in some consignments from Bangladesh recently," said Anne Marchal, first secretary of economic, political and trade of the EC delegation to Bangladesh.

She was speaking at a discussion on 'Rules of Origin and Trade Assistance' organised by Economic Reporters' Forum in collaboration with the EC at the National Press Club.

Marchal said the government should take stern measures to check such occurrence in future as shrimp is the second largest export item of Bangladesh.

The European buyers had earlier sent back a few consignments of

Bangladeshi shrimps after harmful germs were detected.

Replying to a question, Marchal said textile mills of Bangladesh will not face any losses if the rules of origin is simplified for readymade garments.

She said the commission initiated a debate on rules of origin with the publication of a Green Paper (consultation document) on the issue, which shows that the current EU framework for determining and supervising preferential origin is no longer suitable and should be radically rethought.

Anyone interested to participate in the debate can send his or her thoughts at taxud-greenpaper-origin@cec.eu.int by March 1 this year.

The EC also launched a web portal -- export-help.cec.eu.int -- on February 2 that provides relevant information needed for exporters of developing countries interested in

supplying products to the EU market.

About the site, Marchal said this free and user friendly service will be helpful for exporters, importers, trade associations and governments to get information on EU preferential import regimes benefiting developing countries.

She said users will be able to make direct contact with the customs authorities of the 25 EU member countries, organisations involved in promoting imports from developing countries and EU importers' associations.

The site also forms a platform for establishing a dialogue between exporters in the developing world and EU importers.

Zillul Hye Razi, economic and political affairs officer of the EC Delegation to Bangladesh, also spoke at the meeting.



PHOTO: STAR

AHM Mahtab Uddin, chairman of Venture Group, Bangladesh, and **D Jai Ramesh**, chairman of Vijai Electricals Ltd, India, exchange documents after signing an agreement to form a joint venture company in Bangladesh which will manufacture transformers at a hotel in Dhaka yesterday. **Iqbal Hassan Mahmood**, state minister for power, **Michihiro Honda**, president and CEO of Hitachi Metals Ltd, and **Mirza G Erfan**, managing director of Venture group, are also seen in the picture.

Forex reserves stand at \$2.753b

REJAUL KARIM BYRON

The foreign exchange reserves rose by 17 percent in the last seven months and stood at \$2.753 billion yesterday.

The rise has been possible as the country received increased foreign aid, foreign direct investments (FDIs), remittances and export earnings during the period, said an official at finance ministry.

But there is no scope for complacency as the ongoing political unrest may affect the external performances, the official

warned.

According to the available Bangladesh Bank statistics, the FDIs during July to November of the current fiscal were \$25 million, showing a 47 percent rise from \$17 million over the corresponding period of the previous fiscal.

Textiles sector attracted most FDIs during the period.

Foreign aid has gone up by 32 percent with \$ 222 million pouring in between July and November. In the corresponding period of the previous fiscal, the figure was \$168 million.

Out of the total foreign aid, \$217 million is project aid while \$5.2 million is food aid.

The export sector registered 14 percent growth between July and December by exporting goods worth \$3.59 billion.

In the 2002-03 fiscal, the country fetched \$6.54 billion, clocking a growth of 9.39 percent over 2001-2002 that saw a negative growth of 7.44 percent.

During July to January in the current fiscal, remittances stood at \$1.93 billion, registering an 11 percent growth.

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