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Star BUSINESS

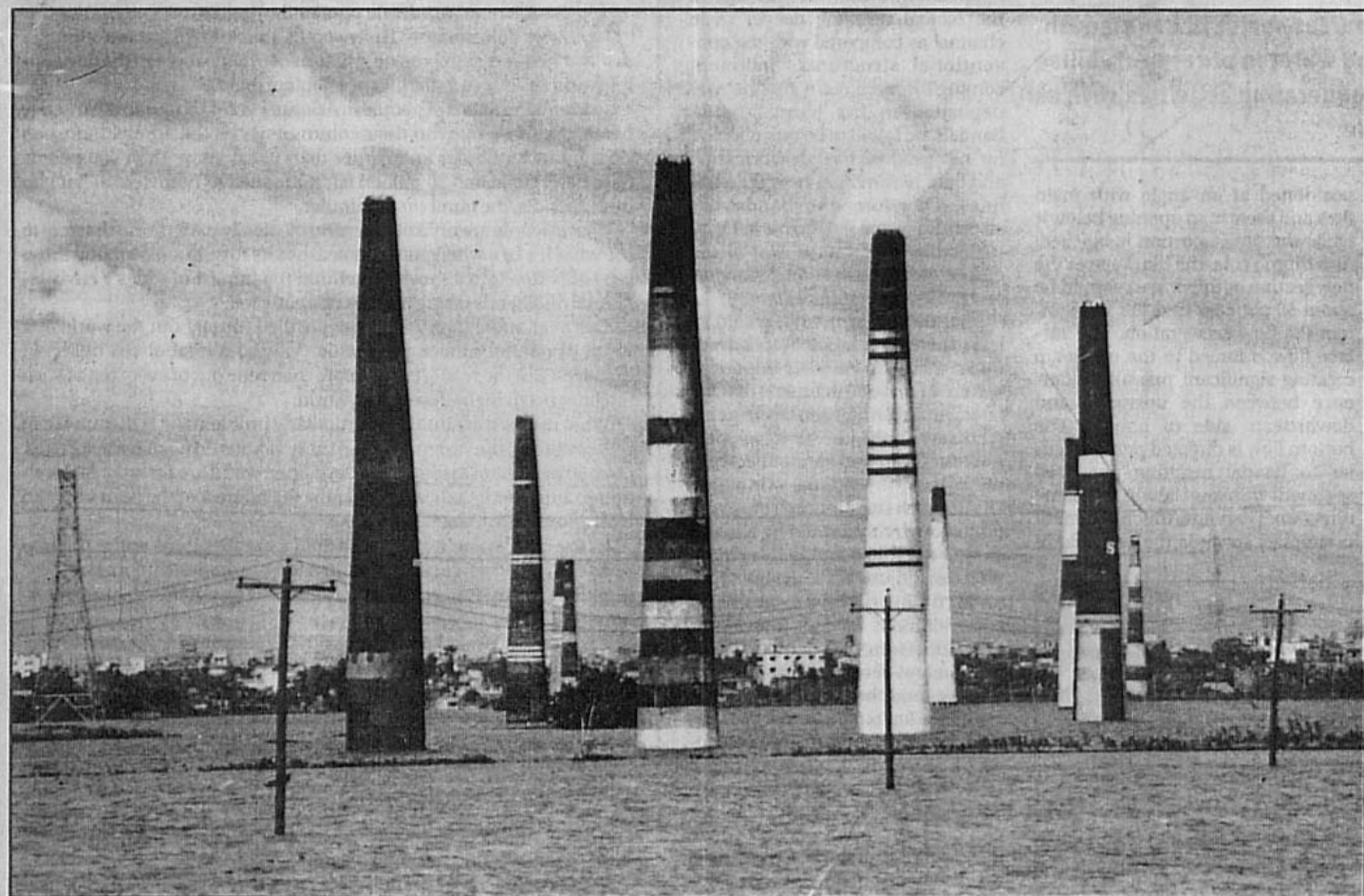
DHAKA THURSDAY JULY 29, 2004 E-mail: dsbusins@gononet.com

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Chimneys are the only structures to stand upright in the sea of water as floodwater has submerged all brick kilns at Amin Bazar on the outskirts of Dhaka. Hundreds of brick kilns have gone under water, causing production disruption and rise in prices of the building material.

PHOTO: ANISUR RAHMAN

First Islamic mutual fund on the cards

Fund awaits SEC approval

STAR BUSINESS REPORT

The asset management company of unbundled Investment Corporation of Bangladesh, ICB Asset Management Company Ltd, yesterday announced its plan to launch the first mutual fund based on Islamic principles.

Another unit fund for pensioners is also expected to be launched in local market early next month, said Khondker Md Iqbal, chief executive officer of ICB Asset Management Company.

"We have already applied to the Securities and Exchange Commission seeking permission for launching the two new products -- ICB AMCL Islamic Mutual Fund and ICB AMCL Pension Holders Unit Fund," the CEO said.

He was speaking at a press

conference organised by ICB Asset Management Company at its office in Dhaka to announce dividends of the company's two existing funds -- ICB AMCL First Mutual Fund and ICB AMCL Unit Fund -- which were launched last year.

According to Iqbal, the Islamic mutual fund will be a close ended fund that will be governed by Islamic Shari'ah law. A five-member Shari'ah board comprising eminent Islamic scholars will advise in managing the fund worth Tk 10 crore.

Explaining the reason of launching the Islamic mutual fund, he said different studies reveal potentiality of such a fund, especially by investors who are reluctant to invest in the conventional products.

He also said there are about 1230 Islamic mutual funds in the US and

over 200 in the Middle Eastern countries.

Regarding the Pension Holders Unit Fund, Iqbal said to ensure a minimum return on investment for the pensioners, a nine percent dividend has been guaranteed for the next five years.

"Retired officials of government, semi-government, autonomous bodies and bank officials will be eligible for investing in the fund worth Tk 10 crore open-ended fund," Iqbal said.

The minimum investment in the fund has been proposed at Tk 50,000 while the maximum ceiling at Tk 10 lakh, he added.

At the press conference, Iqbal also told reporters that the company has declared 12 percent dividend for ICB AMCL First Mutual Fund and 10 percent dividend

against ICB AMCL Unit Fund. Expressing satisfaction over performance of the funds launched last year, Iqbal said, "It's a good return on investment considering the life span of the funds which is only one year old."

Apart from funds issued by ICB Asset Management Company and the parent ICB, two other companies -- Bangladesh Shilpa Rin Sangstha (BSRS) and Asset and Investment Management Services (AIMS) of Bangladesh -- also operate similar funds in the market.

ICB Managing Director Md Ziaul Haque Khondker, ICB Asset Management Company Ltd Chairman Md Fayekuzzaman and ICB General Manager Md Jahangir Miah also spoke at the press conference.

Cash incentive for farm products raised to 30pc

STAR BUSINESS REPORT

The government has increased cash incentive for export of agriculture products to 30 percent from 25 percent to encourage commercial farming and processing.

Bangladesh Bank (BB) yesterday in a circular informed all commercial banks about the decision, which has come to complement the government's recent measures to invigorate the backbone sector of the economy.

The government in this year's budget allocated a Tk 600 crore agriculture subsidy, which will support irrigation, seed and fertiliser requirements of farmers.

Earlier, the government waived

interest on agricultural loan. Besides, considering the country-wide flooding, the government asked the banks to defer agricultural loan recovery drive until recession of floodwaters.

Finance and Planning Minister M Saifur Rahman earlier assured the exporters of reducing 20-25 percent airfare for agriculture products transported by Biman Bangladesh Airlines. But the assurance is yet to be fulfilled.

In another development, the central bank yesterday asked the nationalised commercial banks (NCBs) and specialised banks to inform it about their agriculture loan disbursement target by Sunday.

The central bank move came following the government's repeated promise of taking up massive post-flood rehabilitation programmes for agriculture sector which has been devastated by the raging flood.

The decision was taken at a meeting between the officials of agriculture loan department of the central bank and NCBs and specialised banks, which disburse about 95 percent of total agriculture loans.

According to preliminary estimate of the government, the flood may cause a loss of Tk 30,000 crore to Tk 40,000 crore, mostly in agriculture and infrastructure sectors.

IT use in RMG units vital to stay competitive

STAR BUSINESS REPORT

Proper application of information technology in apparel industry can enhance the highest export earning sector's efficiency in the global market, speakers tell a seminar in Dhaka yesterday.

Traditional way of obtaining order and manufacturing products needs to be modernised, said Prof M Anwarul Azim, vice chancellor of Dhaka University of Engineering and Technology.

Prof Azim said use of IT will make Bangladesh's RMG products competitive in the global market.

The seminar was organised by the Directorate of Continuing Education, Bangladesh University of Engineering and Technology (BUET).

Speaking on some IT solutions to problems, Masud Selim, an IT application specialist of Celestica Ind Inc, an electronics manufacturing company in Canada, said by using IT a company can analyse and forecast the trend of market.

Integrated power, water policies key to dev

Speakers tell Ummayan Parishad workshop

STAR BUSINESS REPORT

Speakers at a workshop yesterday called for coordination in power, water and irrigation sectors for sustainable development.

As electricity, water pump and water dam are closely related, there should be coordination among the executing authorities, they observed.

They also put stress on coordination between government and non-government agencies.

The observations were made during the inauguration of a roundtable on 'Energy-Water Nexus: Policy Issue in Governance' jointly organised by Bangladesh Ummayan Parishad (BUP) and International Water Management Institute (IWMI) in Dhaka.

Addressing the workshop, Kholiquzzaman Ahmed, chairman of BUP, said both irrigation and energy play a significant role in social and

economic development of the rural areas of Bangladesh.

"So, a coordination between different policies such as electricity policy, water policy and pump policy is needed immediately," he said adding that without coordination, proper execution of these policies will not be possible.

Apart from this, the water board, power development board, and local government have to work together, he said.

Speaking at the inaugural session, State Minister for Power Division Iqbal Hasan Mahmood said to ensure proper utilisation of water and energy, a policy should be adopted with the help of non-government organisations.

As power is inadequate, electricity consumed by water pumps should be used properly.

"We are planning to install some 30 to 40 small power stations in

different areas to ensure supply of electricity for water pump," he said.

About the issue of water sharing with India the minister said, "This is the time Bangladesh and India should sit together to talk and discuss to formulate an action programme for using river water," he said.

The dialogue, which is part of the research study titled 'Energy -- Water Nexus: role of community institution models' will help to address the issues concerning policy, institutional mechanisms and state of governance in relation to energy-water nexus, Kholiquzza-man said.

P Narayana of IWMI presented a paper on 'SARI Energy Initiative and Study on Energy-Water Nexus' while Dr Ahsan Uddin Ahmed of BUP made a presentation on 'Energy-Water Nexus: the issue at stake' at the function.

United Ins earns Tk 1.1cr pre-tax profit

United Insurance Company Limited made a pre-tax profit of Tk 1.1 crore in the first six months of 2004, which was Tk 1.09 crore during the corresponding period of last year.

The business figures were released at the company's board meeting held in Dhaka on Monday, says a press release.

The meeting presided over by M Moyeedul Islam, chairman of the company, also approved the accounts (unaudited) of the company for the year ending June 30, 2004.

Oil pushes towards 21-year high

REUTERS, London

Oil prices pushed towards fresh 21-year highs on Wednesday after bailiffs ordered beleaguered Russian oil giant YUKOS to stop sales, threatening further strain on tight international supplies.

The news intensified concerns over the lack of spare capacity in the international oil system, as the OPEC cartel pumps at its highest level for a quarter of a century to meet strong global demand growth. U.S. light crude rose 52 cents to a new 8-week high of \$42.36 a barrel, just nine cents below early June's 21-year high. London Brent crude rose 51 cents to \$39.05 a barrel.

Prices jumped after a company source said Russian bailiffs told YUKOS' four production units, which together pump 1.7 million barrels a day of oil, to halt sales of property -- including oil.

YUKOS has said it faces imminent bankruptcy as courts seek to enforce a \$3.4 billion tax debt for 2000.

S'pore may reduce foreign workers in low-paid jobs

AFP, Singapore

Singapore is considering ways to cut the number of foreigners working in construction, cleaning and other low-paid industries in a bid to create more work for locals, media reports said Wednesday.

Lim Boon Heng, secretary general of the National Trades Union Congress and a minister in the prime minister's office, has floated a plan to make Singaporean companies hire a higher percentage of locals before being allowed to employ foreigners in low-paid jobs.

Aside from construction and cleaning, other industries that may see fewer foreign workers are the garment, electronics, hotel and

shipyard sectors.

Lim acknowledged his concept had two major problems -- employees' desire for low-paid employees and a reluctance among most Singaporeans after many years of living with low unemployment rates to take on "low-status" jobs.

However, he said that with Singapore now experiencing "structural unemployment" for the first time, locals' attitudes were beginning to change.

"The message is slowly getting through to people that so long as you work hard and you earn that living honestly, you can hold your head high," Lim was quoted as saying.

"I think we must continue to

pass this message to Singaporeans that no job is a low-status job."

There are about 750,000 foreigners and their families living in Singapore, out of a total population of nearly 4.2 million, with many of those overseas workers performing the lowest-paid jobs in the city-state.

With Singapore being one of the most affluent countries in Asia, it has employed for many years near full employment.

However, the unemployment rate is now at 4.5 percent and, even with the economy recording strong growth this year, the government has repeatedly warned there will not be a return to the days of a job for every local who wants one.

New Close-Up toothpaste now available

New Close-Up brand toothpaste, manufactured by Lever Brothers Bangladesh Limited, is now available in local market.

Close-Up toothpaste in new international packs was launched at a function in Dhaka on Saturday, says a press release.

The toothpaste is now available in five flavours -- menthol chill, lime lemon twist, crystal, red hot and ice cool.

Govt to go for fresh tender for exploration of beach minerals

UNB, Dhaka

The government will go for fresh tender for exploration of beach minerals in the country, State Minister for Energy AKM Mosharraf Hossain said yesterday.

In a meeting with scientists from Bangladesh Atomic Energy Commission at his office, he said an Australian company, which was awarded license for exploration, did nothing practically.

"So there is no question of renew-

ing its license. We'll cancel the contract with the Australian company for its failure and go for fresh bidding," he told the scientists.

And the Atomic Energy Commission will also be continuing its pilot project for exploration of the valuable minerals, the minister said.

Mosharraf told the commission officials that he would take up the matter to Science and ICT Minister Dr Abdul Mayeen Khan for additional fund allocation for the pilot project.

The scientists informed the minister that there is huge demand of beach minerals like zircon, ilmenite, rutile even in the local market apart from the prospect of export.

"Several local companies have contacted us for the beach minerals," a scientist informed the meeting.

A controversy is there whether exploration of the minerals will be commercially viable, but all agreed about their value.

Flood hits Narayanganj BSCIC Hosiery Estate hard

Exporters fear market loss on delayed shipment

SARWAR A CHOWDHURY, back from Panchaboti, Narayanganj

With roads submerged by floodwaters, owners of some 150 knit units in the Bangladesh Small and Cottage Industries Corporation (BSCIC) Hosiery Estate are finding it difficult to keep their machines running.

The level of water is still not creating much problem for the factories, rather transportation coupled with low turnout of workers appear to be the biggest problem the factories are faced with.

Such problems are posing serious threat of market loss in the future due to delayed shipment. Particularly with the post multi-fibre arrangement (MFA) set to stage in from January next year, the knit factories are in real threat of losing market share.

With the floodwaters still rising, nearly one lakh workers of knitwear factories in Narayanganj are passing their days out in distress finding it difficult to reach their workplaces as most parts of the area have been submerged.

The RMG export has already suffered a 7 percent loss in the US market, the lion's share taken over by the Chinese.

But fear of further market loss prompted the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) to appeal before the government to ensuring smooth trans-

portation of knitwear products to Chittagong Port.

They sought special measures such as shipping arrangements through the river route from Kanchpur to Chittagong.

The flood has inundated the workers' houses in low-lying areas throwing them into great miseries. A significant number of workers are unable to join duty in this difficult situation while others are trying hard to continue.

"I have to come to the factory in BSCIC estate everyday wading through knee-deep to waist-deep water from Panchaboti," said Halima, a worker of Proud Textile, while talking to The Daily Star.

The 30-year-old along with her family members took shelter at a market in Panchaboti after her house at Harijapara was submerged.

Like Halima, thousand others are passing their days in and around the BSCIC estate where more than 150 knitwear factories are located. The factories are still running though floodwaters reached factory warehouses built on low-lying land.

"My house has gone under water and it's very difficult for me to come to the factory today, but I have no alternative," said 35-year-old Babul Miah, another knitwear worker. "I'm the only earning member of my family."

Some workers complain of irregular salary payment. A worker of a knit factory seeking anonymity said, "I'm yet to get

my 15 days salary of last month....In this difficult situation I'm in crying need of money."

Admitting such irregular salary payment in some factories, BKMEA President Fazlul Hoque said considering the workers' problems in the current situation, the owners decided to disburse salaries at the end of every month instead of end of the next month.

Besides, some factories like Fakir Apparels have extended helping hand to their workers by paying 15 days advance salary considering their sufferings.

"We have distributed relief among all our workers -- 10kg rice per head," said Major (ret) Idris Khan, chief administration officer of Fakir Apparels.

Meanwhile, taking contributions from member units, the BKMEA has started distribution of relief materials among the flood-affected workers.

The association is also planning to launch a special programme of providing medical care to the flood victims who are affected by waterborne diseases.

The BKMEA sought repairing of the damaged road from Panchaboti BSCIC Hosiery estate to Shashanganj road on urgent basis for easing transportation of export-oriented knitwear products from Narayanganj.



PHOTO: AMRAN HOSSAIN

Workers transport fabrics to knitwear factories on a country boat as floodwater has swamped roads at BSCIC Hosiery Estate in Narayanganj. The raging flood has affected most of the 150 units at the estate.