

## Gold glides to all time high

Reaches Tk 10,000 a bhoori

SARWAR A CHOWDHURY

Gold price yesterday hit all time high at Tk 10,000 a bhoori (11.66 grams) in the local market, showing an increase trend of Tk 1,000 each year.

Industry people attribute the price hike mainly to international price rise coupled with the rising domestic demand.

They also said after the September 11 attack on Twin Tower followed by the Iraq war, people are cashing their investments and buying gold.

The price of a bhoori of 22-carat gold is now Tk 10,000 against Tk 9,800 one month ago. The price of 21-carat gold was Tk 9,700 per bhoori yesterday which was Tk 9,500 only one month ago.

The price of guinea or 21-carat

gold was only Tk 6,700 and 22-carat gold Tk 7,000 per bhoori in January 2002.

In early 2003, the price crossed Tk 8,000 and at the year-end it surpassed Tk 9,000-mark, industry sources said.

"International price hike and growing local demand are major reasons for continued rise in gold prices," Anwar Hossain, president of Bangladesh Jewellers Manufacturers and Exporters Association, told the Daily Star yesterday.

The price hiking trend of gold shows that the price is increasing almost by Tk 1,000 every year. "If the price of gold in the international market increases further, the price of gold in the domestic market will cross Tk 10,000 mark," Anwar said.

The gold price was only \$230 per

ounce (2 bhoori and 10.5 ana) in early 2001 but just after the September 11 attack on the US it started rising. In April 2002, the price soared to \$312 in the international market.

"The price now hovers between \$420 and \$425 in the international market," Anwar, also proprietor of General Jewellers, said.

After float of currency and strict Bangladesh Bank rules in foreign currency dealing, dollar has become scarce in kerb market, resulting in high dependency on gold as a mode of informal trade payment, he added.

Sources said, Bangladesh has about \$2 billion informal trade with India alone and most of the payments are now being made through gold instead of US dollars due to scarcity of dollar in the kerb market.

## PM urges ROK to recruit more Bangladeshis

BSS, Dhaka

Prime Minister Khaleda Zia yesterday urged South Korea to recruit more Bangladeshi workers and increase imports from Bangladesh.

The prime minister's call came when the newly-appointed South Korean Ambassador to Bangladesh, Seong-ung Park, called on her.

The prime minister also called for enhancing economic cooperation between Bangladesh and South Korea.

The ambassador appreciated the performance and contribution of about 22 thousand Bangladeshis now living in South Korea.

Khaleda urged South Korea to import more Bangladeshi products including jute, tea and ceramics to reduce the existing trade gap between the two countries.

Park said he will do his best to help reach the existing bilateral relations between Bangladesh and South Korea its peak. He said Korea will like to forge partnership with its Asian neighbours by sharing experiences of its economic progress for mutual benefits.

The ambassador reiterated South Korean president's invitation to the prime minister to visit South Korea. Khaleda said she will visit the country at convenient time.

## BASIC Bank opens branch at Dhanmondi

BASIC Bank has opened its 27th branch at Sat Masjid Road, Dhanmondi in Dhaka.

Industries Secretary and BASIC Bank Chairman Ayub Quadri inaugurated the branch on Tuesday, says a press release.

Among others, Managing Director of the bank AH Ekbal Hossain and directors were present.

## Exim Bank shares make dream debut

BSS, Dhaka

The transaction of shares of Export Import Bank of Bangladesh Ltd (EXIM) started at Dhaka and Chittagong bourses yesterday, creating an enormous demand among investors and raising price of each script to its highest at Tk 540 on the DSE and Tk 507 on the CSE.

The share with initial value of Tk 130 per script opened at Tk 450 at the DSE and closed at Tk 505.75 per script, showing a rise by 405.75 percent and touched its highest level of Tk 540.

The bank fulfilled all the necessary requirements to get listed with Dhaka and Chittagong stock exchanges with the authorised capital of Tk 1 billion and paid up capital of Tk 72.19, 12,500.

The face value of a share was Tk 100 and Tk 30 premium per share on the Initial Public Offering (IPO).

As per the last un-audited half yearly accounts of the bank as on June this year, the bank reported net profit of Tk 19.42 crore with earnings per share (EPS) of Tk 61.86, based on pre-IPO paid up capital of Tk 31.39 crore.

## New vice chairmen of Shahjalal Islami Bank



Akkasuddin Mollah Towhidur Rahman

Towhidur Rahman have been elected vice-chairmen of Shahjalal Islami Bank Limited.

The election was held at the bank's board meeting recently in Dhaka, says a press release.

Mollah is the chairman of Russel Garments Limited, Russel Spinning Mills Limited and Ikram Sweaters Limited.

Rahman is the chairman and managing director of Fresh Foods Limited and Sea Fresh Limited. He is also director of Takaful Islami Insurance Company Limited.

## Handicraft losing markets on absence of trendy design

PMO directive to allocate land for fashion institute remains unheeded

M ABDUR RAHIM

Absence of a design institute fails handicraft manufacturers to cope with the latest trends forcing them to lose markets.

The prime minister office (PMO) gave repeated directive to the land ministry asking it to allocate land for a private sector initiative to establish a design and research institute to cope with the modern design and retain export market.

In the wake of continuing export fall, Bangladesh Handicrafts Manufacturers and Exporters Association (Banglcraft) sought land to build a National Handicraft Design and Research Institute for design development.

Handicraft product exports fell to \$4.35 million in 2003-2004 down from \$4.75 million in 2002-2003 and \$5.25 million in 2001-2002.

At the eighth meeting of national committee on exports in 2002, the prime minister asked the land ministry to allocate a 0.12 acre land

at Kakrail to the association for establishing the institute at a token price of Tk 50,001, sources said.

Assessing the value at Tk 1.79 crore, the land ministry declined the directive arguing that there is no provision in government rules to allocate land to private organisations at a concessional rate.

Seeing no progress, the PMO at the 10th meeting of national committee on exports on May 22, 2003 again asked the land ministry to hand over the land but to little effect. Reminded by the association, the PMO again wrote to the ministry on August 24 this year and the ministry few days back came up with same reply opposing the concessional rate.

President of Banglcraft ABM Ruhul Quddus Shahnewaj has refuted the ministry claim saying that the government can allot its land to private organisations at any rate for an institute which would benefit the country.

"We are lagging behind due to

lack of research on design and diversification. Still our domestic handicraft market is soaring up ticking at Tk 1,000 crore annual turnover. Export is now declining because Bangladesh handicrafts cannot keep pace with changing global design trend," Banglcraft president said.

He said handicraft factories and sales centres are scattered in the country. So, overseas buyers cannot get the complete picture of handicraft items on their short visit to Bangladesh.

"We will have a display and sales centre at the proposed institute which will showcase all types handicraft products from all over Bangladesh," Shahnewaj added.

Producers in China, the Philippines, Vietnam, Thailand, Nepal, India and Sri Lanka even offer free air tickets and accommodation facilities to woo foreign buyers, said Shahnewaj, also the proprietor of Jahanara Cottage Industries Ltd.

Talking to The Daily Star Shahnewaj said Manila University offers doctorate degree in bamboo-made basket. Research is going on in those countries for product development to boost export.

"But Bangladeshi products are in same state of 1980s. While Bangladesh's total handicraft export is \$4.35 million, a lone Filipino company exports \$3.5 million worth basket a year.

The Banglcraft president said they got assurance from donors and the 250 association members would also contribute for establishing the institute once they get the land.

Bangladesh presently exports basket ware, candle, shopping bag, potteries, recycled glass, musical instrument, chopstick and other handicraft items to the US, Canada, the EU, Japan, Australia and New Zealand. The sector employs around 37 lakh people.

## Tata team arrives today for pre-feasibility study

Investment in other sectors expected

STAR BUSINESS REPORT

A three-member Tata technical team arrives in Dhaka today to start a pre-feasibility study on the group's \$2 billion investment plans in Bangladesh's steel, power and fertiliser sectors.

Sources in the Board of Investment (BoI) said the team will work on opening liaison office and gathering information about Bangladesh market in the three sectors.

Although members of the team were not available, the source said the team will work independently but BoI will assist them in getting appointments with ministers and high officials concerned.

The team will assess the technical aspects of the proposed investment plans and make ground works for starting feasibility study. Apart

from this team, other technical teams will come to Bangladesh time to time to prepare due diligence for the project.

Tata may sign memorandum of understanding (MoU) with BoI in December. Tata Chairman Ratan N Tata may come again to Dhaka to sign the MoU.

Talking to The Daily Star yesterday, BoI Executive Chairman Mahmudur Rahman said as the government assures uninterrupted gas supply, Tata may start early implementation of the project.

It is also very encouraging that Tata has showed interest in setting up coal-fired power plant alongside gas-based ones. During the two-day visit Tata chairman and other officials were impressed with warm hospitality and Bangladesh's deep interest about the group and it may expand other business sectors

here, he said.

Tata chairman left Dhaka on Thursday after signing an expression of interest with BoI on the investment plans, highest commitment by a single foreign company in Bangladesh's history.

The agreement does not spell proposals out in detail, BoI sources said adding Tata may set up a \$700 million basic steel industry in Ishwardi to produce 2.4 million tonne hot rolled coil and other basic steel products.

Under the planned deal, the Indian industrial giant may also pump another \$700 million into the two 500-megawatt gas-fired power plants likely to be set up near Ishwardi. Its proposals also include investment in a \$600 million fertiliser plant in Chittagong with a 1 million tonne production capacity a year.

## Bangladeshi products lure Nepalese consumers

Single country fair nets orders worth \$3 lakh

STAR BUSINESS REPORT

Participants at a Bangladesh single country fair in Nepal have received US\$ 3.04 lakh spot orders, disclosed Export Promotion Bureau (EPB).

The EPB organised the fair titled Bangladesh Trade Show in a move to narrow the trade gap with the kingdom, which is in favour of Nepal.

Thirty-six exhibitors who participated in 37 stalls during the three-day event from October 8, 2004 to October 10 hope to receive another US\$ 1.20 lakh in follow-up orders.

Addressing a press conference, EPB Vice-chairman Mir Shahabuddin Mohammad said due to problems in customs and

Banglabandh land port, trade with Nepal is below its potentials.

He said that yearly import from Nepal is worth US\$5 million while export is only US\$2.6 million.

Shahabuddin said the fair provided participants with showcasing their products and services before the targeted Nepalese customers and getting their feedback.

Quoting Commerce Minister of Nepal Ishwar Pokhrel, the EPB vice-chairman said the fair was a unique ground for businesses of both the countries to make new trade relationship and also increase trade between the countries.

Speaking at the briefing Shahabuddin said Bangladeshi pharmaceutical sector can enter Nepal market as there is huge

potential of pharmaceuticals in the Himalayan kingdom.

Bangladeshi exhibitors displayed products including pharma-ceuticals, garment accessories, home textile, ceramic tiles, jute goods, melamine products, automotive battery, agro-based/food products, handicrafts, silk products, leather products, stationery, jewellery, cement, tourism, education and herbal beauty products at 37 stalls.

Presently, Bangladesh exports chemical fertilizer, pharmaceuticals, readymade garments, melamine, plastic products and wooden furniture to Nepal while imports vegetable products, organic chemicals, textile and textile articles, machinery and mechanical appliances from Nepal.

ner with over Tk 6,000 crore deficit in formal trade, the BCI leaders urged the Indian businessmen to take concrete steps to reduce the trade deficit.

Abhankar said both sides can act together to promote trade and investments. He said, India could be the largest market for Bangladesh's exportable and both sides can explore markets by holding more trade fairs.

BCI Vice-president A M Badruzzaman Khan Khasru, directors MA Shahid, Dr Jahangir Alam, Abdul Tahir Majumder, Shamim Ahmed, Ranjan Chowdhury, Enayet Ullah Siddiqui, Shahidul Islam Niru, Delwar Hossain Raja and Jakir Hossain were present.

## 'Delhi can become Dhaka's largest export market'

BSS, Dhaka

The visiting trade and investment delegation of Maharashtra Chamber of Commerce and Industries and Agriculture (MCCIA) yesterday met leaders of the Bangladesh Chamber of Industries (BCI) and discussed issues related to enhancing bilateral trade and investment.

The 25-member delegation led by MCCIA Director General D K Abhankar stressed for effective steps for market promotion on both sides. "India can be Bangladesh's largest market," he said in this connection making a strong case for closer business contract and cooperation in trade and industries.

BCI President A K Azad explained various incentives and the huge opportunities that are being offered by Bangladesh to investors, specially those coming from neighbouring India.

Referring to official statistics, he said Indian investment based on 100 projects registered with the Board of Investment (BoI) up to June 2002 stood at 330 million dollars.

The BCI leaders said Indian businessmen can mainly focus on areas like textile, power generation, agro-based industries, telecommunication, leather and leather goods, infrastructure and computer software.

Terming India one of Bangladesh's major trading part-

ners with over Tk 6,000 crore deficit in formal trade, the BCI leaders urged the Indian businessmen to take concrete steps to reduce the trade deficit.

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## Manpower export to Malaysia unlikely to resume in Nov

STAR BUSINESS REPORT

Manpower export to Malaysia is unlikely to resume in the next month, although a Bangladesh delegation was assured of re-starting the recruitment.

However, the Ministry of Expatriates Welfare and Overseas Employment still hopes that Kuala Lumpur will resume recruiting manpower from Bangladesh in the next month.

"There is a possibility of resumption of recruitment in November and we kept on negotiating," Mohammad Quamrul Islam, state minister for Expatriate Welfare and Overseas Employment, yesterday told a parliamentary standing committee meeting.

Malaysia imposed a ban on fresh workers from Bangladesh in 1997

following huge inflow of workers without genuine papers.

Last year, the two countries signed a memorandum of understanding (MoU) on resuming manpower export from Bangladesh. But the process is yet to begin.

Bangladesh Association of International Recruiting Agents (BAIRA) Chairman Mosharrar Hossain told The Daily Star that the Malaysian government has appointed 184 private companies who are expected to conduct a two or three-week training programme through local manpower recruiting agencies in Bangladesh.

"But, Bangladesh government is awaiting clearance from Malaysia," Hossain said.

After receiving clearance, the

stipulated training will take some more time, Hossain said adding "Even the senior home ministry officials did not specify any date of resumption of hiring workers from our country when we met them."

Nazir Hossain, the chairman of the parliamentary standing committee on the ministry concerned, who was also part of the delegation that recently visited Malaysia, said it is not certain whether the fresh recruitment would begin. "But we hope it might resume from November."

Nazir Hossain said during their visit to Malaysia they talked with the human resources minister who also assured resumption of the recruitment from November.

"They (Kuala Lumpur) are working to introduce a policy on

recruitment from different countries. After introduction of the policy they will inform us about their demand of manpower," the chairman told this correspondent after the meeting at the Jatiya Sangsad Bhaban.

At the meeting, the parliamentary body also discussed promulgation of a new policy of manpower export.

Senior officials of the expatriate welfare ministry told the meeting that they already held two inter-ministerial meeting on the draft policy.

It is now underway to be finalised in line with the suggestions from different ministries, they said.

Mohammad Quamrul Islam is expected to visit Malaysia this month to expedite the process of manpower export.

## Gulf states ready to employ a million Nepalese

AFP, Kathmandu

Gulf nations have told Nepal they would like to step up recruitment of Nepalese workers, taking in an extra one million of them, a government minister said.

"Qatar, the United Arab Emirates and Saudi Arabia have assured us they can provide Nepal with an additional one million jobs for semi-skilled Nepalese," Information Minister Mohammad Mohasin said on state radio late Friday.

The request for workers came during a visit to Gulf countries by a Nepalese delegation that returned Thursday, the radio reported. It gave no hiring timeframe.

Money from workers abroad has become increasingly crucial for

Nepal, reeling from a Maoist insurgency aimed at toppling the monarchy that has deepened its economic woes.

But the dream of earning money went sour for 12 Nepalese who were taken hostage by militants in Iraq and then killed in August. They had taken loans worth thousands of dollars to travel to the Gulf to work as household help in Jordan, their families said.

The killings sparked anti-Muslim riots in Nepal.

Mohasin said however that officials in the Gulf had "assured us of protecting the interests of Nepalese workers."

For Gulf countries, Nepalese workers are cheaper than Bangladeshi, Pakistani or Indian

labour, a government official said.

Some 2.2 million people work abroad out of the nation of 27 million, hoping to escape deep poverty. About 1.2 million work in India and many are in the Middle East.

"There are already 76,000 Nepalese working in Qatar, 100,000 in the UAE and 250,000 in Saudi Arabia," Mohasin said.

"Workers' remittances have helped the public exchequer sustain the economy when the revolt has gravely affected industries, export trades and tourism," a finance ministry official said.

The ministry says foreign remittances account for 1.1 billion dollars annually -- the single biggest hard currency source.

## New York crude bolts to record \$55 a barrel

AFP, New York

New York's main crude oil price bolted to a record 55 dollars a barrel Friday as traders fretted about stretched supplies, hot demand and thin stocks of winter heating fuel.

New York's benchmark contract, light sweet crude for delivery in November, shot to an unprecedented 55 dollars a barrel before closing at a record settlement of 54.93, up 17 cents on the day.

Brent North Sea crude for November hit 50.12 dollars but closed at 49.93 dollars, down 16 cents.

New York crude boomed as traders rode the momentum of a near 70-percent surge so far this year, Refco market analyst Marshall Steeves said.

"I think the momentum is going to keep it going for a while," Steeves said.