

BB unveils step to check volatile call money market

NBFIs won't be allowed to borrow more than 15pc of paid up capital from July 1

STAR BUSINESS REPORT
The non-bank financial institutions (NBFIs) will not be allowed to borrow more than 15 percent of their paid up capital from call money market with effect from July 1, 2005. The Bangladesh Bank in a circular yesterday imposed the restriction to minimise risks of the NBFIs and check bullish trend in the call money market. The NBFIs heavily depend on call money market for short-term funding. UNB adds: Under the circumstances, the central bank advised

such borrowers to utilise alternative long-term funding sources such as credit line, mortgage-based securitisation and asset-liability mismatch in the long run. The call money market has been witnessing volatility since mid-January with the rate hitting as high as 70 percent. Bangladesh Bank officials considered the rates abnormal taking into account the wide difference of the range—from a normal 7 percent to an abnormal 70 percent.

Dealers said mainly fund-strapped institutions, particularly the leasing companies, jacked up the rates while the commercial banks having excess liquidity took the advantage to have a windfall. The overheated market, however, corrected down over the period of time, they added. The private banks yesterday lent money highest at 25 percent while state-run banks at 11 percent. The central bank, at bankers' meeting recently, warned commercial banks of stern legal and admin-

istrative actions to stop them from taking the fund-strapped banks and non-bank financial institutions for a ride. Some banks allegedly behaved abnormally and took advantage of the unruly market to make it overheated, the central bank pointed out. Belying the central bank's warnings, the call money rates again went up in last couple of days, registering a maximum of 40 percent on Monday.

Lipton tea to be available at Fantasy Kingdom

Lipton tea, a product of consumer goods manufacturer Unilever Bangladesh Ltd, will be exclusively present at theme park Fantasy Kingdom from now on. An agreement to this effect was signed between the two organisations recently in Dhaka, says a press release. Reazul Haque Chowdhury, customer management director of Unilever, and Shahriar Kamal, director of Concord Group, the owning company of Fantasy Kingdom, signed the deal on behalf of their organisations.

New GM (projects) of Power Grid Co

Md Ruhul Amin has recently been made general manager (chief engineer) of projects of Power Grid Company of Bangladesh Ltd. He has a long career in projects of transmission line and substations for grid system, says a press release. Power Development Board (PDB) conferred "Merit Award" on Ruhul Amin for success in project implementation and Asia Development Bank (ADB) gave him the "Best Project Director Award" on successful completion of Meghnaghat Power Station associated Transmission Line Projects.

Port efficiency needed to make RMG competitive

Asia Foundation seminar told

STAR BUSINESS REPORT
Speakers at a seminar yesterday underscored the need for improving efficiency at ports to help make local garments competitive in the post-MFA era. Preferential market access to different countries can also help Bangladesh survive in the open market regime, they observed. The Asia Foundation organised the seminar on 'The Phase-out of the Multi-Fibre Arrangement: Policy Options and Opportunities for Bangladesh' in Dhaka.

Speaking as chief guest, Farooq Sobhan, president of Bangladesh Enterprise Institute (BEI), said daily basis monitoring is essential to identify why shipping cost is so high in the country. "We don't need a corrupt system based on inefficiency. We must improve the efficiency level in services sector," Sobhan felt. The US decision to offer duty-free access to 72 countries excepting Bangladesh was a highly discriminatory action, he said. Offering duty-free access for Bangladeshi garment products to the US market would not have hurt the American textile industry, he added. Speaking at the seminar, Annisul Huq, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said Bangladesh is trying to have

duty-free access to the US. Referring to the generalised system of preference (GSP) facility in the European Union that provides 12 to 12.5 percent tariff reduction on exports, he said business is growing there every day. "If we get duty-free access to US, our business will increase by half a billion dollar each year." Ananya Raihan, research fellow of the Center for Policy Dialogue (CPD), said the safeguard measures United States takes to control Chinese exports in US market are

Honda sees 15pc sales growth in India

AFP, Bangalore, India

The Indian subsidiary of Japan's Honda Motor on Tuesday forecast its sales of passenger cars would grow 15 percent in the 2005-2006 fiscal year due to the country's strong economic growth. Honda forecast sales of 42,500 units for the year. "This will be more than the average of the Indian automobile industry's growth which will be about 13 percent," said Hajime Yamada, president and chief executive of Honda Sial Cars India, in which Honda owns a 99.9 percent stake.

also very important for Bangladesh. In fact, Chinese factories are worse than those of Bangladesh. Despite that, the buyers are moving to China, he said. Gholam Hossain, joint secretary of commerce ministry, said many international studies have exaggerated the possible impact of post-MFA era as far as Bangladesh is concerned. It has made things very difficult for the government to understand the situation and take decision on that basis, he observed. Franck Wiebe, chief economist of Asia Foundation, made a presentation on the implications of the new external environment for Bangladesh industry. Wiebe is also the co-author of the Foundation's recently published report on 'The Phase-out of the Multi-Fiber Arrangement: Policy Options and Opportunities for Asia.' The report draws on the proceedings and recommendations of a roundtable meeting on the phaseout of the MFA that the Foundation organised in Bangkok in October 2004. The Bangkok meeting brought together policy makers and experts from eight of the smaller exporting countries in Asia including Bangladesh to discuss policy options for government, industry, and other stakeholders.

Local railway sleeper cos seek govt help to tap export potential

STAR BUSINESS REPORT
Local railway sleeper manufacturers yesterday sought government help to export the product. They said there is a huge opportunity of steel sleeper export as many countries including India do not produce the railway track item. The manufacturers said the international standard steel sleepers they produce can meet entire demand of Bangladesh Railway (BR). The country can save huge foreign currencies if BR procures its total sleeper demand from local sources, local manufacturers told at a press conference at the Jatiya Press Club in Dhaka. Local manufacturers can provide sleepers at competitive price also, they said. "BR has enlisted five manufacturers so far. BR used locally produced sleepers in Dohazari area of Chittagong," said Golam Mohammed Alamgir of the Max Automobile Products Ltd, a sleeper manufacturer. The manufacturers said some 200 industries have been working to support BR. A total of nine industries are producing railway sleepers and most of them produce international standard products. Among others, Kazi Akramuddin Ahmed of Eastern Engineering Works Ltd was present at the press conference.

Embargo on log transportation Rangamati timber traders form human chain today

OUR CORRESPONDENT, Rangamati
Timber traders and tribal tree planters of Rangamati will form a human chain in the town today demanding reopening of log transportation from the hill district. Asking the government to meet its 8-point demand, they also wanted removal of State Minister for Forest and Environment Jafur Islam Choudhury. At a press conference yesterday at the office of Rangamati Timber Traders Co-Operative Society (RTTCOS), they also announced a one-hour sit-in programme on the premises of the forest department in the town's Bonorupa area on March 13.

They said the forest department stopped issuing transit pass (TP) four months putting their business and livelihood at stake. The leaders blamed the state minister for patronising a 'syndicate' run by his son Jahirul Islam Choudhury, owner of Anghi Enterprise in Chittagong, who imported some 10 to 12 lakh cubic feet logs. By stopping TP they have taken timber traders hostage, and they are now trying to gain huge profit from selling the imported logs at local market. RTTCOS President Abdul Khalek Saudagor and its former secretary Kazi Md Shahidullah, Upajayta Kath Babosayee and Jote Malik Samity President Ajoy Prokash Chakma also spoke at the function.

India plans biggest tax reform

AFP, New Delhi
India will push ahead with its most ambitious tax reform ever next month even if some of its 28 states fail to sign up, the head of a committee of state finance ministers said in reports Tuesday. Asim Dasgupta, chairman of the panel, said Value Added Tax (VAT) will come into force April 1, although several states including the most populous Uttar Pradesh are hesitant about signing up, reports said. "Make no mistake about it. VAT will not be deferred, irrespective of whether Uttar Pradesh joins," Dasgupta said after a marathon meeting of state finance minister late Monday, the Press Trust of India reported. Uttar Pradesh has 120 million people. The tiny eastern state of Jharkhand has also said it is not ready to join VAT while western Rajasthan and central Madhya Pradesh are expressing doubts. The tax, agreed at a meeting of state finance ministers in New Delhi in June, is designed to cut multiple layers of other taxes, boost revenues, reduce inter-state barriers to trade and make accounting more transparent.

Lake City Concord opens

Tk 4.5 lakh apartments available

STAR BUSINESS REPORT
A leading real estate company yesterday inaugurated a satellite township on the outskirts of Dhaka city, offering the cheapest apartments in Bangladesh. Concord Real Estate & Development Ltd offers a 450-square-foot apartment at a price as low as Tk 4.5 lakh at the township named 'Lake City Concord' located at Namapara, Khilkhet. The Tk 4.5 lakh-apartments are the cheapest in Bangladesh. A 1,500-square-foot flat, which is the largest in the project, is priced at Tk 15 lakh. Concord Real Estate, one of the few companies that started real estate development in late 1970s, yesterday handed over 330 flats of the township, which will have 18 buildings, 16-storey each, upon its completion by 2008. Because of being affordable for middle class people, the company has already been able to sell 2,000 out of 3,400 apartments in the township, 1.5 km east of Khilkhet bus stoppage and beside Rajuk's Purbachal housing project.

At a function at the project site, State Minister for Expatriate Welfare and Overseas Employment Md Quamrul Islam and Chairman of Concord Group SM Kamaluddin inaugurated the first phase of the township. Addressing the function, the state minister, also an MP from Khilkhet locality, said as burgeoning population shrinks per capita land to only 16 decimals, the land-strapped country must explore vertical expansion for housing solution. "Private sector must lead in real estate business for providing housing solution for common people," he said. Referring to certain statistics, Islam said the private sector companies have so far handed over 80,000 apartments. Amid growing demand, the annual turnover of real estate industry hits Tk 7,500 crore. The industry also contributes Tk 750 crore to the government exchequer in terms of taxes, he said. Talking on possible link between filling of low-lying areas on outskirts of the capital and water-logging in Dhaka, he said the government through a master plan should iden-

tify and demarcate the low-lying areas so that investment of real estate companies is not put at risk. "Unless the government demarcates low-lying areas, developers cannot take up projects on the fringes of the city, which is needed to provide living places for teeming urban population," he said. At the function, Concord Group chairman said the company has used, for the first time in Bangladesh, 'aqua-bio compact system' in the project to manage human and other wastes. Reinforced concrete block masonry has been used in the building, a technology used in US, Canada and other developed countries, to withstand earthquake, he said. "Installation for a flat is as low as Tk 10,000 as we have targeted middle-class segment of the society," he said. On completion, the 25-acre satellite town will have school, community centre, playground, mosque, shopping complex, open space and also entertainment park for children.



State Minister for Expatriate Welfare and Overseas Employment Md Quamrul Islam inaugurates a satellite town named 'Lake City Concord' at Khilkhet in Dhaka yesterday. Chairman of Concord Group SM Kamaluddin, among others, is seen.

Skill, tech seen vital to face quota-free era

BSS, Dhaka

Speakers at a function here yesterday underscored the need for simultaneous application of skill and technology in the garments sector, the country's highest foreign exchange earner, to face the challenges of globalization after cessation of the MFA based quota system. They said proper harnessing of the country's huge human resources by upgrading their skill and knowledge is an indispensable factor for raising the quality of products. To face the challenges of post multi-fiber arrangement (MFA), apparel producers and exporters must be cautious and prompt in serving the demands of their buyers,

the speakers told the inaugural ceremony of a three-day training course on "Maintenance Training Course on Industrial Sewing Machines" at city hotel. Association for Overseas Technical Scholarship (AOTS) of Japan organised the training course in joint collaboration with Morimoto Japan, Morimoto Singapore and Bangladesh AOTS Alumni Society (BAAS). Japan External Trade Organisation (JETRO) representative in Dhaka Sotaro Nishikawa attended the inaugural function as chief guest while it was also addressed by AOTS representative for Bangladesh and Nepal and also special advisor of AOTS New Delhi

Office Dr AKM Moazzem Hussain, Morimoto representative Y Morimoto, BAAS president Jawaherul Ghani and Satoshi Mizuno of Morimoto Singapore, among others. Three instructors -- A Takahashi, K Kikkawa and Michael Meghin -- will conduct the technical sessions of the course, being attended by 30 participants by various garments industries in the city. Sotaro Nishikawa said Bangladesh has overcome the first widely speculated shock of the withdrawal of quota facilities on its major foreign exchange earning garments sector as well as the whole economy.

UAE-Bangladesh Investment Co MD awarded with fellowship

SM Akbar, managing director of UAE-Bangladesh Investment Company, has recently been awarded with fellowship by Chartered Management Institute of London, which is the highest professional recognition of the institute, says a press release. He is also a member of Institute of Bankers of London and obtained an ACIB. He has a long 27 years of banking experience.

Siemens plans cost-cutting in mobile phones division

AFP, Munich, Germany
German electronics giant Siemens said on Tuesday it was planning to cut costs in its phone mobile handsets division, where it is losing both money and market share. Siemens said in a statement it was planning "triple-digit" millions of euros (dollars) in cost-cutting in the division, without specifying further. Nevertheless, the group had not yet decided the fate of the division. Possible options include a sale, restructuring, closure or cooperation with a partner. Siemens, which runs its business year from October to September, booked operating loss of 143 million euros (189 million dollars) in its mobile handsets division in the three months to December.