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BUSINESS

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Cemex Cement celebrates centenary

STAR BUSINESS REPORT

Cemex Cement Bangladesh Ltd (CCBL), a Mexico-based multinational building-solutions manufacturer, celebrated its centenary in Dhaka on Wednesday.

The company made its debut in the global building-solutions market in 1906.

A function marking the centenary was arranged at a city hotel, which was attended by Nazrul Islam, acting executive chairman of Board of Investment (BoI), as chief guest.

Editor of the Prothom Alo, a vernacular daily, Matur Rahman and Managing Director of CCBL Jose Luis Seijo Gonzalez, among others, spoke on the occasion.

Presently Cemex is operating in more than 50 countries in the world and maintains trading relations with around 90 countries, according to the officials attending the centenary.

IIDFC arranges Tk35cr syndicated term loan for RFL Plastics

Industrial & Infrastructure Development Finance Company (IIDFC) Ltd along with six banks has arranged syndicated term loan facility of Tk35 crore for procurement of capital machinery for a project of RFL Plastics Ltd.

A syndicated term loan facility agreement to this effect was signed between RFL Plastics and the banks under the lead arrangement of IIDFC at a function in Dhaka on Tuesday, says a press release.

Mahmood Malik, managing director of IIDFC, Ahsan Khan Chowdhury, managing director of RFL Plastics Ltd, Hamidul Huq, managing director of United Commercial Bank Ltd, Helal Ahmed Chowdhury, managing director of Pubali Bank Ltd, Imran Rahman, managing director and CEO of Brac Bank Ltd, Dilwar H Choudhury, managing director (Current Charge) of The City Bank Ltd, FRM Hafiz Ul Islam, deputy managing director of Agrani Bank, and Ishtiaque Ahmed Chowdhury, deputy managing director of The Trust Bank Ltd, signed the deal on behalf of their organisations.

Mahtabuddin Ahmed, chairman of RFL Plastics, Kh Shafiqur Rahman, head of Structured Finance of IIDFC, were also present at the signing ceremony.

BANGLADESH'S EXPORTS UNDER FTA WITH INDIA

Local light bulbs need to cut cost, up quality

WB survey finds

STAR BUSINESS REPORT

Export potential of Bangladesh's light bulbs to its neighbouring Indian market would not appear promising under a free trade agreement (FTA), if cost reduction and productivity improvement of the industry are not ensured, said the World Bank (WB).

"Cost reduction and productivity improvement of the light bulbs industry of Bangladesh are needed to brighten the prospects for exports of the item," the WB said in its recent report on Studies on India-Bangladesh Trade, Trade Policies and Potential of FTA.

The bank, however, is hopeful of the capability of the Bangladeshi light bulbs' competing in India in the event of a pact on free trade.

It said that Bangladesh could have a distinct edge over the Indian counterparts in the north-eastern markets of that country since transport cost of bulbs from other parts of India to this part is very high.

Taking advantages of the geographic proximity, Bangladesh could capture a sizeable part of the Indian market, the WB report

observed. Citing an example, it suggested that Phillips India could subcontract production to local Phillips in Bangladesh to cater to the needs of a wider market following enforcement of an FTA.

According to the light bulb firms in Bangladesh that came under the WB survey, if the duties on raw materials and interest rate on working capital were lower, there would be immense potential for Bangladesh to emerge as a competitive supplier of light bulbs in the region.

There are some 50 manufacturing plants producing light bulbs in Bangladesh, while only one firm named Transcom Electronics Ltd producing Phillips and two other brands claims 60 percent market share, the WB survey found.

In this case, a plausible outcome of the FTA is that the dominant firm's market power would be destroyed and it would be compelled to compete with imports at world prices market segment.

If the government decides not to include this industry in a negative list under an FTA with India, the obvious way to limit the pricing power of the Indian industry export-

ing to Bangladesh is to cut general external tariff.

The general tariff cuts prior to implementing an FTA would be even better, as they would reduce the likelihood of welfare reducing outcomes for Bangladesh when the preferential arrangements become effective.

An India-Bangladesh FTA would mean that the bulbs could be imported duty-free from India but that light bulbs imported from the rest of the world would still be subject to a 66 percent protective tariff, the bank said.

Likewise, light bulb inputs could be imported duty-free from India but would remain subject to the general most favoured nation (MFN) tariffs, averaging about 33 percent, if imported from rest of the world, it added.

In both the cases, the FTA, when it comes into effect, extends Bangladesh's tariff protection to Indian producers, and so their export prices to Bangladesh could in principle exceed world prices to this extent without attracting competition from rest of the world, the WB went on.

Rangs launches Mitsubishi Outlander in local market

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Rangs Limited yesterday launched a new sport utility vehicle, 'Mitsubishi Outlander', in local market.

Rangs Limited has fixed the price of the vehicle at Tk35 lakh per unit. The company also expects around 100 units will be sold in the first year in Bangladesh market.

Romo Rouf Chowdhury, managing director of Rangs Limited, formally launched the vehicle at Mitsubishi Motor showroom at Tejgaon in the capital.

The 2007 model 'Outlander' is powered by the new 2.4-litre 16 valve DOHC MIVEC engine, which delivers more power while returning better mileage and performance.

The car features new suspension system, parking sensor, one-step fold-and-tumble seats, split tailgate and lightweight rigid body.

The Rockford Fosgate premium sound system with 650-watt amplifier, nine speakers and DSP system gives passengers a royal class sound effect.

The car is available in a wide range of colours.

The company provides a warranty period of 10,000 km and three complimentary services at its workshop after every six months with the purchase of the vehicle, Outlander.

Shahriar Yusuf, executive director of Rangs Limited, Badiuzzaman, head of operation, and Zahidul Huda, head of marketing, also attended the launching.

Opec to cut production by 5 lakh bpd from Feb

AFP, Abuja

Opec is going to cut its output target by 500,000 barrels per day, with the reduction to take effect from February, a source close to the cartel told AFP during a ministerial meeting here.

Ministers were still in a closed session, with a final decision to be announced later Thursday.

Opec members have given ambiguous signals in recent days, but consensus appears to be that output is too high and must be reduced to support prices.

It was uncertain however whether the oil exporters would opt to concentrate on better implementing a previous cut announced in October or decide to lower their production target

again.

The Algerian oil minister, Chakib Khellil, told reporters earlier that Opec oil ministers had agreed on the need to restrict their oil production but have not decided on the timing of an output cut.

"I think there is a consensus for a reduction but we don't know if it is going to be applied straight away or later," told reporters.



PHOTO: STAR

Officials of Rangs Limited pose with 'Mitsubishi Outlander' at the launching ceremony of the vehicle in Dhaka yesterday.

Old Car Club organises car show

A 3-day festival styled Victory Fest 2006 organised by the Old Car Club of Bangladesh (OCCB) began yesterday at Gulshan Park in Dhaka, according to a press release.

A good number of vintage vehicles and commemorative war memorabilia (contributed by the Liberation War Museum) will also be on display at the unique exhibition.

The event will also have a concert of various well-known local bands including Black, Artcell, Cryptic Fate and Nemesis.

The OCCB is hosting the festival in collaboration with, among others, Event Management and various sponsors such as Multimode, Proton, Assurance Developments, Coopers and GMGAirlines.

China, US begin crunch trade talks

AFP, Beijing

High-powered talks between Chinese and US economic chiefs began here Thursday as part of efforts by the United States to resolve a wide range of trade disputes between the two nations.

US Treasury Secretary Henry Paulson, who proposed the "strategic dialogue", and Chinese Vice Premier Wu Yi are the co-chairs of the two-day forum and delivered the opening remarks at Beijing's Great Hall of the People.

"This is a grand event in the China-US economic relation-

ship," Wu said.

"We will discuss issues of overarching strategic, long-term importance that bear heavily on our economic development."

Paulson only made very brief initial remarks, introducing his team that includes a third of the 15 US cabinet secretaries, plus Federal Reserve Chairman Ben Bernanke.

The US entourage is under intense pressure back home to win concessions during the first of the planned twice-yearly "strategic dialogues", proposed by Paulson as part of an effort to engage rather than threaten China.

Sonali Bank gets new MD

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The finance ministry yesterday appointed SM Aminur Rahman the managing director of Sonali Bank.

Rahman was transferred to Sonali Bank from Janata Bank, where he was also the managing director, a directive of finance ministry said.

Earlier, the top job in Sonali Bank fell vacant when the government cancelled the contractual job of its former MD Tahmilur Rahman nearly a month ago.



Senior officials of Industrial & Infrastructure Development Finance Company (IIDFC) Ltd, RFL Plastics Ltd, United Commercial Bank Ltd, Pubali Bank Ltd, Brac Bank Ltd, The City Bank Ltd, Agrani Bank and The Trust Bank Ltd, among others, pose for photographs at an agreement signing ceremony for a syndicated term loan facility on Tuesday in Dhaka. The Tk35 crore term loan has been arranged for procurement of capital machinery for a project of RFL Plastics Ltd.