

Star BUSINESS

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Bangladesh to buy 1.2 lakh tonnes of diesel annually from India

PALLAB BHATTACHARYA, New Delhi

Bangladesh has agreed to buy 1.2 lakh tonnes of high-speed diesel per annum from India in a move that could see strengthening of energy cooperation between the two countries.

An agreement for the diesel deal is expected to be signed by Bangladesh Petroleum Corporation and India's Numaligarh Refinery Limited (NRL) by the end of this month, Indian petroleum ministry sources said here Wednesday.

They said Bangladesh government has approved the supply of 120,000 tonnes per annum of high-speed diesel to Bangladesh Petroleum Corporation by NRL after a visit to Numaligarh Refinery by officials of Bangladesh and NRL last month.

BGMEA signs MoU with Anglo-Bangla chamber

UNB, Dhaka

Bangladesh-British Chamber of Commerce (BBCC) will highlight the Bangladesh's garment industry and its image in UK and the European markets under a MoU signed here yesterday.

BGMEA President Anwar-ul-Alam Chowdhury and Director General of BBCC Aziz-ur-Rahman signed the MoU.

It provides that BBCC and BGMEA will jointly work for expansion of market of Bangladesh's garments in UK and European market, policy fixation and protection of its interest.

BBCC and BGMEA will set up a trade network in the interest of expanding Bangladesh's garment industry.

BBCC will supply different data to BGMEA about the banking structure of developed countries and the steps taken by those countries for development of garment industry.

BBCC will also help BGMEA on GSP issue for expansion of markets for Bangladeshi garments and arrange single country fair in those countries.

BB governor suggests affordable lending rate for housing sector

Proper policy support urged

STAR BUSINESS REPORT

Laying emphasis on alternative financial sources for housing of the middle-income group, the central bank chief has suggested that the commercial banks should come forward to finance the housing sector with an affordable lending rate.

"Such lending rate should not exceed 10percent," Dr Salehuddin Ahmed, governor of Bangladesh Bank (BB), told a seminar on Housing Finance and Real Estate Investments yesterday.

Real Estate and Housing Association of Bangladesh (REHAB) organised the seminar at a city hotel.

Salehuddin said, "Improving bond market and mortgage system in this regard is also needed so that low and middle-income people can afford the price of land or flat."

He blamed the developers' uneven competition for the current anomalous land price hike in Dhaka.

Real estate developers, bankers, representatives from the civil society attended the seminar moderated by Debapriya Bhattacharya, executive director of Centre for Policy Dialogue (CPD).

Abu Sayed Md Shaykhul Islam, chairman of Fatcom Bangladesh Ltd, a consulting firm, presented the

keynote paper.

The BB governor hinted that the central bank might consider raising a special fund for funding the housing sector, if necessary.

M Aminuzzaman, chairman of Association of Bankers Bangladesh, suggested that the central bank should look into an important issue like financing the housing sector, admitting to the fact that bankers have a mindset problem to provide the housing sector with loans at low interest rates.

Abu Sayed Md Shaykhul Islam identified lack of policy, affordable housing loan facilities, high lending rate and inflation and lower savings as some major problems for housing development.

Echoing with the central bank chief's view, he recommended for keeping the housing lending rate within 10 percent.

He described the present rate as 'very high', which ranges from 13 to 16 percent.

He said the present average equated monthly instalment is above Tk 12000, which is far beyond the reach of the middle class or lower income people.

He recommended that the government in association with World Bank and other international lending agencies could arrange special funds for housing development.

Underlining the need for urban and rural housing development, Debapriya urged the developers not to overlook the environment issue while implementing their housing projects.

He also made a clarification call to them to do something for the poor as part of their social responsibilities.

Debapriya demanded a clear government stance on whether the Tk 50crore fund earmarked in the last budget would be utilised for housing of the poor section of the people.

For the sake of an expansion of the housing sector, a mortgage financing system is needed like other developing countries, said Anis A. Khan, CEO and managing director of Industrial Development Leasing Company of Bangladesh Limited (IDLCL).

REHAB President MA Awal said, "Only an affordable financial system can make the housing industry sustainable."

Tanvirul Hoque Probal, general secretary, and Toufiq M Seraj, former president of the REHAB, were also present at the seminar.



Bangladesh Bank Governor Salehuddin Ahmed, Executive Director of Centre for Policy Dialogue (CPD) Debapriya Bhattacharya and REHAB President MA Awal, among others, are seen at a seminar on housing finance in Dhaka yesterday.

India's Essar to buy US steel firm

OUR CORRESPONDENT, New Delhi

Two days after acquiring the Canadian steel firm Algoma for 1.58 billion dollars, the leading Indian industrial house Essar has signed an agreement to buy an American steel company, which has iron ore reserves of more than 1.4 billion tones.

Essar Global, the investment arm of the group, inked the accord on Wednesday to acquire Minnesota Steel LLC for 100 million dollars and the Indian company plans to set up an integrated steel plant there at an estimated cost of 1.65 billion dollars.

The proposed plant will have an annual capacity of 2.5 million tonnes and will be constructed in phases with the first phase expected to go into production in 2009 when up to 1.5 million tones of thick steel slab is expected to be manufactured.

Essar Global Chairman Shashi Ruia said his company looked forward to expanding operations into North America. "Our investment in Minnesota Steel is exciting as it gives us a cornerstone in the North American market. From this, we will further expand our global steel business".

He also said that by developing the Minnesota iron ore reserves, Minnesota Steel has the opportunity to be one of the low cost producers in the world.

Steel industry analysts said Essar will not only have assured iron ore for the Minnesota Steel plant but would also feed the Algoma plant in Canada which is located 200km from the mines.

They said the world's major steel companies are now going in for buy out of only steel companies which are located near iron ore mines and are assure of the raw materials. This is the reason why South Korean steel giant Posco is wanting to set up a 12-billion dollar plant in the eastern state of Orissa, why the world's largest steelmaker L N Mittal bought Arcelor in Luxembourg and the Tatas acquired the UK-based Corus.

Essar has also lined up investments in steel sector in Iran, Vietnam and Trinidad and Tobago.

15 lakh GP prepaid users benefit from 'thankyou' scheme

More than 15 lakh Grameenphone prepaid subscribers received free talk-time under the 'Thankyou Bonus' scheme during the three-month period ending March 31, 2007, says a press release.

This time almost 12,000 subscribers received a maximum bonus amount of Tk 1000. Also, approximately 2.5 lakh GP postpaid subscribers received 'thankyou' discounts in the last quarter. As a part of the programme subscribers are being given airtime discount or bonus based on a combination of how long they have been a GP user and their airtime usage.

Thankyou programme has been benefiting GP subscribers through monthly 'thankyou' discounts for post-paid subscribers, quarterly bonus for prepaid subscribers, thankyou partner discounts and CROWN Member Services since its launch in January, 2006.

At present, there are more than 300 'thankyou' partner locations including selected national and foreign hospitals. Active Grameenphone subscribers can avail benefits from the 'thankyou' partners upon using their GP connections for at least 180 days.

Cash discounts of up to Tk 1000 on the postpaid airtime usage amount on a monthly basis, and free talk-time for prepaid connections on a quarterly (January-March, April-June, July-September, October-December) basis are being given. In both cases, other conditions also apply.

PR training for women entrepreneurs concludes

A five-day training on public relations for women entrepreneurs organised by Management and Resources Development Initiative (MRDI) in collaboration with Bangladesh Federation of Women Entrepreneurs (BFWE) concluded yesterday in Dhaka, says a press release.

The training programme was organised under a project titled "Bridging Corporate Sector and Media in Promoting Good Governance (BCSMPGG)", which is being implemented by MRDI with the support from Manusher Jonno Foundation (MJF).

Rokia Afzal Rahman, president of BFWE and former adviser to the caretaker government, distributed certificates among the participants at the concluding session. Syed Ishtiaque Reza, chief news editor of RTV, and Hasibur Rahman, executive director of MRDI, were also present.

Rokia hoped the participants will be able to utilise the experience gained from the training. She urged the women entrepreneurs to publicise their activities.

A total of 18 women entrepreneurs and officials concerned took part in the training.

The overall goal of the project is to create an enabling environment for better corporate governance, corporate social responsibility and labour, environmental and other compliances by using public relations practitioners and media as catalytic and follow-up agents.



New MD of Janata Bank

Mukter Hussain has joined Janata Bank as its Managing Director (MD) recently.

Prior to his new assignment, he served Bangladesh Shilpa Bank as MD, says a press release.

He started his banking career with Agrani Bank as a senior officer in 1976.

Bangladesh needs to study market access promises

Permanent envoy to WTO says

STAR BUSINESS REPORT

The permanent representative of Bangladesh to the WTO has said Bangladesh needs to conduct a study how it can reap benefit from the changed scenario following the resumption of Doha round of WTO talks.

"Developed countries are promising to wider market access, while some developing countries have come forward to allow a duty-free access of their markets to the least developed countries (LDCs). We need analysis how we can utilise the promises," Ambassador Dr Toufiq Ali said at a dialogue at the Brac center in Dhaka yesterday.

The Centre For Policy Dialogue (CPD) organised the dialogue on Resumption of Doha Negotiations and Challenges for Bangladesh.

Toufiq informed the function that Brazil is preparing to offer a duty-free access to the LDCs. India and China are also working on facilitat-

ing a similar market access to the least developed countries.

The Doha Development Round (DDR) resumed recently and the G4 countries (India, Brazil, European Union and the USA) leaders in a meeting in New Delhi during April 10-12 informed the WTO director general to conclude the round by this year.

When asked about Bangladesh's readiness to conclude the round within this year, Toufiq said Bangladesh is always ready.

The round was actually planned to conclude by 2004 but unfortunately the round is still continuing, he added.

CPD Executive Director Debapriya Bhattacharya said Bangladesh should give priority on attaining duty and quota free market access facility first, and then concentrate on exporting labour under Mode-4 of the World Trade Organization.

The country at the same time should emphasise removing non-tariff barriers and increasing trade negotiation capacity for yielding optimum result from the multilateral as well as bilateral negotiations, he added.

"The capacity of the government in international trade negotiation is very inadequate, which should be improved," he said.

Bangladesh should put hectic efforts so that the discussion, which is going on in WTO, could be ended fruitfully, favouring the poorer and least developed countries, Debapriya suggested, adding that the goal should be set to ensure market access of the products of the poor villagers, which will help reach out the benefit of globalisation to them.

Civil society members, former secretaries, diplomats, NGO representatives participated in the dialogue.



PHOTO: MRDI

Rokia Afzal Rahman (centre), president of BFWE and former adviser to the caretaker government, speaks at the concluding session of a training on public relations for women entrepreneurs in Dhaka yesterday. Syed Ishtiaque Reza (left), chief news editor of RTV, and Hasibur Rahman, executive director of MRDI, are also seen.

\$160B EXPORT TARGET SET FOR 2007-08

India lifts service tax on all exports

PALLAB BHATTACHARYA, New Delhi

India yesterday announced abolition of service tax on all exports, hit by appreciation of the rupee, extended duty sops to special economic zones and included more farm items for incentives while setting a target of 160 billion dollars for merchandise exports during 2007-08.

Unveiling the Annual Supplement to Foreign Trade Policy 2004-09, Commerce and Industry Minister Kamal Nath said the export target of 125 billion dollars for 2006-07 has been met and ambitious goals of achieving 160 billion dollars in 2007-08 and 200 billion dollars in 2008-09 have been set.

"We have factored in the appreci-

ation of rupee which keeps on fluctuating. We have already requested Reserve Bank of India to provide concessional loans to exporters," he said.

Nath said the government would meet leading export promotion organisations next week to devise a strategy to deal with the rupee appreciation.

The slowdown of the US economy has also been taken into account, he said, adding it would not have a major impact on exports as country's trade basket was quite wide.

Nath announced extending the popular Duty Entitlement Passbook (DEPB) scheme till March 2008. He said a new scheme to replace the existing one would be finalised by

then.

The annual policy review met some long-pending demands such as exempting all exports, including those of services, from service tax.

More items have been given tax sops. The benefit will also be available to exporters of coconut oil, soyabean oil, potato flakes, meals and flours, cardamom and food preparations like soups, pasta, sauces and bakery products.

Recognising Special Economic Zones as an engine of employment, investment and export growth, Nath announced that developers and co-developers of these zones would be now been titled to all duty exemption and remission schemes.