

MORE BUSINESS REACTION TO NEW BUDGET

Duty-free benefit for essentials praised, 'anti-domestic industry bias' resented

STAR BUSINESS REPORT

Business leaders continued to express their reaction to the proposed budget for the 2007-08 fiscal.

Finance and Planning Adviser Dr Mirza Azizul Islam made the budget proposal Thursday.

The leaders of different associations and chambers hailed it for its proposed measures to contain prices of essentials. They said they are happy to find it that the new budget gave due importance to some sectors such as agriculture, energy and power, health, and bond market.

They also welcomed the proposals to abolish the provision of whitening black money and continue the duty-free benefit for essential commodities and lifesaving drugs.

The business leaders, however, said good governance and strong monitoring system are needed to import of textile machinery be reconsidered.

DCCI Dhaka Chamber of Commerce and Industry (DCCI) said due to proposed customs duty structure and abolition of industrial development surcharge, the local industry will face an uneven competition vis-à-vis imported finished goods.

Such anti-domestic industry bias should be removed by at least retaining import duty structure of the current financial year, as protection of home/domestic industry is a must, the DCCI recommended.

The chamber said lowest slab of customs duty should be restored to 5 percent only to keep a difference of at least 20 percent between raw materials and finished products.

It, however, said the budget has more positive elements than negative. The budget has rightly given priority to poverty alleviation, agriculture, power, infrastructure, rural development and human resource development.

But in the process, creation of employment opportunities through industrialisation and diversification of exports appears to have been neglected, the chamber lamented.

Admittedly, the cost of doing business in Bangladesh is high due to high interest rate, power crisis, fragile infrastructure, weak administration apparatus and political uncertainty, it remarked.

The DCCI said the size of the budget is rather big. In order to yield good results, its effective implementation, maintaining transparency and accountability to minimise waste and abuse of fund, shall be necessary.

BLFCA Welcoming the government proposal for exempting income generated from zero coupon bonds from payment of income, Bangladesh Leasing and Finance Companies

Association (BLFCA) said the proposal will revive the now stalled securitisation initiative, an alternative source of financing, especially for the resource strapped financial institutions (non-banking).

The BLFCA in a post-budget reaction said successful securitisation deals would lead to lowering the cost of funds of the financial institutions, which will in turn allow them to pass the benefits on to their clients.

Exemption of treasury bonds issued by the government from collection of all upfront and advance tax is praiseworthy. However, the association demanded that this exemption be extended to bonds and securities issued by banks and financial institutions to develop a vibrant bond market in the country.

BFLLEA Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association (BFLLEA) urged the government to reconsider the proposed increased duties on industrial raw materials saying that enhancement of the duty would have adverse impact on the local industry.

The association also requested the government to earmark a block allocation for the sector so that they can relocate the industry from Hazaribagh to Savar Leather Village.

The BFLLEA, however, said although the proposed budget is an ambitious one, it can be implemented through good governance in the new budget, although they recommended a Tk 300 crore subsidy.

Allied Products Exporters Association (BFVAPEA) welcomed the proposed budget.

The association said continuation of export subsidy would encourage the exporters, especially the agro-based products exporters. Besides, the emphasis on agriculture sector in the budget will ultimately help the agro-based industry to earn more foreign currency through export.

TCCI

Hailing the government for taking initiatives in the budget to check price hike of essentials, poverty reduction and ensuring social safety net, the Tangail Chamber of Commerce and Industry (TCCI) requested the government to give a second thought on the increased duty structure on industrial raw materials.

BSIA

Terming the proposed budget a timely, realistic and welfare driven, Bangladesh Sick Industries Association (BSIA) asked the government to reconsider about allocation for the sick industries.

The association resented absence of any proposal for allocation of subsidy for the sick industries in the new budget, although they recommended a Tk 300 crore subsidy.

Union Capital declares 15pc cash dividend

Union Capital Ltd has declared a 15 percent cash dividend for its shareholders for the year 2006 subject to approval of Bangladesh Bank.

The dividend was announced at the ninth annual general meeting (AGM) of the company held on Thursday in Dhaka, says a press release.

Chairman of the company Amir Humayun Mahmud Chowdhury presided over the AGM, which was also attended by directors and managing director among others.



PHOTO: UNION CAPITAL

The ninth annual general meeting (AGM) of Union Capital Ltd was held on Thursday in Dhaka. Chairman of the company Amir Humayun Mahmud Chowdhury presided over the AGM, which was attended, among others, by directors and managing director.



PHOTO: REGENT GLOBAL SOURCING
Regent Global Sourcing Inc, an US-based apparel sourcing company, recently opened its liaison office in Dhaka to enhance its global sourcing capacity.



PHOTO: FU-WANG GROUP
S M Mahbub Alam, general manager of Fu-Wang Group, inaugurates the company's first convenience shop 'Fu-Wang 7-Seven Store' at Banani of the capital yesterday. Faik Hamza, counselor of Palestine Embassy, is also seen among others.

CURRENCY

Following is Sunday's (June 10, 2007) forex trading statement by Standard Chartered Bank

	Major currency exchange rates		Exchange rate of some currencies	
	BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	69.25	68.25		
Euro	94.26	89.76	Indian rupee	40.72 1.69
Pound	137.81	132.68	Pak rupee	60.71 1.13
Australian dollar	59.67	56.62	Lankan rupee	110.90 0.62
Japanese yen	0.58	0.56	Thai baht	32.65 2.11
Swiss franc	56.53	54.73	Malaysian ringgit	3.47 19.84
Swedish kroner	9.90	9.20	USD forward rate against BDT	
Canadian dollar	65.91	63.63	Buy	Sell
Hong Kong dollar	8.87	8.72		
Singapore dollar	45.44	44.09		
UAE dirham	19.01	18.43	1M	68.35 69.36
Saudi riyal	18.61	18.05	2M	68.47 69.47
Danish kroner	13.01	11.73	3M	68.62 69.66
Kuwaiti dinar	237.03	235.25	6M	68.80 70.24

*All currencies are quoted against BDT

* Rates may vary based on nature of transaction

* The forward rates are indicative only and fixed dated.

STOCK

SHIPPING

Chittagong Port

Berthing position and performance of vessels as on 10/6/2007

Berth No.	Name of vessels	Cargo	L. Port call	Local agent	Dt of arrival	Leaving	Import disch
J/2	Jin Cheng (liner)	Gi	Inch	Cosco	30/5	13/6	2002
J/3	Hpaan	Gi(log)	Yang	Mta	8/6	—	853
J/5	Weida-8	Gi(log)	Yang	Cosco	6/6	10/6	1074
J/6	Cota Ratna	Cont	Sing	Pil(bd)	9/6	13/6	—
J/9	Pac Palawan	Cont	P. Guda	Cel	8/6	12/6	339
J/12	Mir Damad	Cont	Para	Bsc	9/6	10/6	—
J/13	CEL Freedom	Cont	P. Kel	Pssl	9/6	13/6	—
CCT/1	Eagle Pride	Cont	Ptp	Qcsl	6/6	11/6	—
CCT/3	Precious River	Cont	P. Kel	Vega	6/6	12/6	—
CCJ	Banglar Shikha	Repair	—	Bsc	R/a	12/6	—
TSP:	Banglar Mamata	Repair	—	Bsc	R/a	15/6	—

Vessels due at outer anchorage

Name of vessels	Date of arrival	L. Port call	Local agent	Type of cargo	Loading ports
Csav California	10/6	Pkel	Pssl	Cont	Col
Sarim	10/6	Krabi	Litmond	C. Clink	—
Success	11/6	Viza	Mbl	Cont	Sing
Eagle Pioneer	11/6	Sing	Ct	Cont	Sing
Wisdom	10/6	Sing	Apl	Cont	Sing
Ju Yong Guan(liner)	10/6	Jenjing	Cosco	Gi	—
Banga Bodor	11/6	—	Bandhi	Cont	P. Kel
Banglar Mookh	14/6	Yang	Pml	Gi(log)	—
Kengtug (liner)	13/6	Yang	Everett	Gi(s.t.c)	—
Banga Bijoy	12/6	Cbo	Bandhi	Cont	Cbo
Banga Borak	11/6	Spore	Bdship	Cont	Sing
Hansa London	12/6	Sing	Pssl	Cont	Sing
Bi Ro Bong	12/6	Kaki	Hsa	Rice(p)	—

Tanker due

Yanee	11/6	Dumai	Pol	Cpo(m/4)	—
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Vessels at Kutubdia

Name of vessels	Cargo	Last Port call	Local agent	Date of arrival
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Outside port limit

Wira Keris	—	Crude Oil	Rast	Ibsa	R/a (3/6)
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Vessels at outer anchorage

Vessels ready

Xpress Makalu	Cont	Col	Seacon	6/6
Ama-3	Cpo	Dumai	Esl	7/6

Vessels not ready

Champion Spirit	Cdso	Braz	Usl	5/6
Asrar-a-mostafa	Rice(p)	Kaki	Cla	8/6
Banglar Robi	C. Clink	Sing	Olm	9/6

Vessels awaiting employment / instruction

Precious	Repair	—	Pml	R/a (2/6)
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