

# Star BUSINESS

E-mail: [business@thedailystar.net](mailto:business@thedailystar.net)

## Dhaka Metro Trade Fair begins

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A month-long fair styled 'Dhaka Metro Trade Fair' began at Bashundhara City shopping mall in the capital yesterday.

Companies from India, China, Korea, Thailand, Iran and host Bangladesh are showcasing products including cosmetics, crockery, handicrafts, food items, electronics and leather goods, and jewellery at 101 stalls at the show.

Rubina Towfiq Shah, commerce secretary to Pakistan embassy in Dhaka, formally inaugurated the fair, while Elias Kanchan, senior deputy director of Walton Electronics, and Mostafizur Rahman, senior executive director of Bashundhara Group, were present among others.

United Fair Corporation is organising the show, cosponsored by Walton and Miyako Ltd. Channel-I, the daily Shamokal and Radio Today are the media partners of the fair, which will remain open from 10am to 8pm for the visitors.

## Two factories to be set up in Karnaphuli EPZ

UNB, Dhaka

Sri Lankan and Bangladeshi companies will establish two industrial units in Karnaphuli Export Processing Zone with an investment of US\$ 7.845 million.

The two joint venture plants will be known as M/s Shore to Shore (Bangladesh) Ltd and M/s Yunusco K Textile Ltd.

M/s. Shore to Shore (Bangladesh) Ltd, which will invest US\$ 5.106 million, will annually manufacture 11.7 million dozens of woven label, nine million dozens of printed fabric label and 15 million dozens of hang tag including different types of label, sewing ticket and barcode sticker.

This company will create employment opportunity for 198 Bangladeshi and two foreign nationals.

Another unit of this company M/s Yunusco K Textile Ltd will invest US\$ 2.739 million and will also produce annually 5.85 million dozens of woven label, 6 million dozens of printed fabric label and 7.5 million dozens of hang tag.

Some 104 Bangladeshi and only one foreign national will get employment opportunity in this company.

Two agreements, to this effect, were signed between the Bangladesh Export Processing Zones Authority and the M/s Shore to Shore (Bangladesh) Ltd and M/s Yunusco K Textile Ltd here on Monday.

Member (Investment Promotion) of BEPZA Prasanta Bhushan Barua and Managing Director of Shore to Shore (Bangladesh) Ltd, and Yunusco K Textile Ltd Yunus Ahmed signed the lease agreements on behalf of their organisations.

## Summit, Wartsila sign deal on gas generator purchase for power plants

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Summit Power Ltd, a local electricity generating company, has signed a contract with Wartsila Corporation of Finland for supply of a dozen of gas generator engines totalling around 105 megawatt power generation capacity to be installed in three locations of the country.

This Tk 300 crore deal will help Summit set up three plants in Maona-Gazipur, Rupganj-Narayanganj and Jangalia of Comilla.

The projects will be implemented against the recent award of build-own-operate deals to Summit by the government. The cost of electricity will be Tk 2.38 per kwh (equivalent to US cents 3.44).

In a press release, Summit expressed hopes to implement these fast track projects in the most expeditious way. The plants will help the Pali Biddyt Samitys of these areas to become self-sufficient in electricity and more profitable than before.

Muhammad Aziz Khan, chairman of Summit Group, and Alf Doctor, director (Sales) of Wartsila Finland Oy, signed the deal in Vaasa, Finland recently.

## TRADE UNDER SAFTA

# Dhaka to ask Delhi to drop more items from sensitive list

JASIM UDDIN KHAN

The government will submit a list of products to Indian government requesting it to exclude those from the sensitive list Delhi earlier prepared for trade under Safta.

A high-powered inter-ministerial committee headed by a commerce ministry joint secretary will sit today to finalise the list.

Sources said different lists have been prepared based on the suggestions and recommendations from different chambers, business houses and trade experts. The meeting will discuss those recommendations and suggestions before finalising the list.

A senior official of the commerce ministry said India has named 744 products in its sensitive list for trade under the South Asian Free Trade Area (Safta).

A total of 440 products in the

sensitive list were getting duty exemption facilities under South Asian Preferential Trading Agreement (Sapta), the official added.

Dhaka had earlier requested Delhi to continue the duty exemption for those 440 products, but the Indian government rejected the appeal. Instead, Delhi now seeks a list of products to review its sensitive list.

Meanwhile, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association have provided a list of 100 products to the inter-ministerial committee for review.

Besides, Tariff Commission has suggested Dhaka should request Delhi to exclude agricultural products from the sensitive list as Bangladeshi farm products have

good demands in India.

The commission also suggested steps for exclusion of plastic goods, leather shoes, steel products and electrical goods.

The Safta agreement came into effect on July 1 last year but due to long sensitive lists made by countries trade volume under Safta is not increasing.

Trade ministers of the member states later in a meeting in Kathmandu agreed to review the sensitive lists and sought fresh requests from each nation.

As per the Safta roadmap, the member states shall reduce their tariffs through trade liberalization programme, which will be implemented in two phases.

During the first phase, Pakistan and India will reduce tariffs to 0-5 percent by 2013, Sri Lanka by 2014 and four other Saarc members, including Bangladesh, by 2016.

## Banks asked to keep 1pc provision against L/C, bank guarantee

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In addition to the existing provisioning arrangement for classified loans, the central bank yesterday asked the commercial banks to keep 1 percent provision against non-funded facilities such as letter of credit (L/C) and bank guarantee from December 1.

Bangladesh Bank yesterday sent a circular to this effect to all commercial banks.

In the circular the central bank said it is observed that considerable amount of off-balance sheet exposure is being converted into funded facilities and part of it becomes overdue and classified which needs to be taken care of.

Banks are advised to maintain 1 percent overall provision against off-balance sheet exposure in addition to the existing provisioning arrangement, the circular said, adding that this general provision will be treated as supplementary capital.

The amount of off-balance sheet exposure, required provision and actual provision has to be shown in separate sheets and submitted along with classified statement on quarterly basis, according to the circular.

## BRAC allocates Tk 2cr for retrenched jute mill workers

BRAC, a leading non-governmental organisation, has undertaken a Tk 2 crore special initiative to support the recently retrenched workers of jute mills, says a press release.

Initially, BRAC will help the workers of People's Jute Mill in Khulna.

Under the 'Social Protection Package for Retrenched State Owned Enterprise (SOE) Workers BRAC Kallyan Project', 1,000 workers of Khulna's People's Jute Mill will receive a one-time relocation allowance and their children will receive education allowance.

Besides, the retrenched workers' children with special needs will be brought under this initiative and special allowances will be given to any workers' family members suffering from ill health.

The initiative will subsequently be expanded to include workers from other jute mills. BRAC is conducting surveys and registration of retrenched workers and those who have retired voluntarily.

The BRAC Kallyan Project is currently working in various parts of

the country to offer information to the retrenched workers regarding other employment opportunities, healthcare for their families, skills development training and microfinance for enterprise development. Education facilities for the workers' children are being provided as well.

Since its inception in 2005, the programme has offered skills development and agricultural training to over 6,000 retrenched workers around the country and has, to date, disbursed over Tk. 6.4 crore in microcredit to these workers.

Over 3,500 children of the workers' have received more than Tk 44 lakh in education allowance and more than Tk 14 lakh has been spent on healthcare for 18,400 family members.

Moreover, 570 retrenched workers and their family members have received employment under this initiative.

## BEA for govt's proactive role in flood relief work

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Bangladesh Economic Association (BEA) has urged the government to play a proactive role in coordinating and supervising the countrywide flood relief and rehabilitation programme.

The BEA also said any sort of local or private initiative in facing the disaster should be encouraged, according to a press statement issued on Monday.

Requesting the government to immediately stand by the flood-hit people with relief materials including food, pure drinking water and essential medicines, the BEA said the current economic crisis is deepening further due to the flood.

The statement signed by BEA

President Dr Kholiqzaman Ahmad and General Secretary Abul Barakat said high inflation, inadequate food stocks at government warehouses and soaring prices of imported food items are making lives of common people miserable.

Criticising donor agencies for their continuous pressure to hike prices of oil, electricity and fertiliser even during this natural calamity, BEA urged the government to formulate and implement home-grown disaster management and development policies.

Unfavourable conditions set by the International Monetary Fund (IMF) and the World Bank are the major reasons behind the current crisis Bangladesh's economy, the BEA release added.

## S Korean shipyards get record orders

AFP, Seoul

Orders received by South Korean shipyards hit a record high of 33.2 billion dollars in the first half of this year thanks to a surge in global demand, official data showed Tuesday.

High oil prices are fuelling worldwide demand for crude carriers and offshore exploration equipment. The figures represent a 51.3 percent increase in value from the same period in 2006, according to the Ministry of Commerce, Industry and Energy.

In the first six months to June, South Korea's shipbuilding orders soared 38.2 percent year-on-year in terms of tonnage to 11.3 million compensated gross tons (CGTs), it said.

South Korean shipyards swept orders for all 13 liquefied natural gas carriers placed by shipping companies around the world during the period, the ministry said.

Their first-half order backlog rose 14.3 percent year-on-year to 43.82 million CGTs worth 121.6 billion dollars, enough to keep them busy for four years.

In the first half they built 5.57 million CGTs, up 12.1 percent, the ministry said.

Local companies led by Hyundai

Heavy Industries, the world's largest shipyard, have boosted capacity by using floating docks to build ships on land, it said.

A state-run think tank cautioned in a report Monday against an excessive expansion of building capacity that could lead to oversupply and a sudden drop in prices.

The Korea Institute for Industrial Economics and Trade urged shipbuilders to raise competitiveness through technology innovations instead of focusing solely on securing orders.

Incidentally, the price of Brent North Sea crude for September delivery gained 12 cents to 71.29 dollars per barrel.

New York's main futures contract, light sweet crude for delivery in September, fell 23 cents to 71.83 dollars per barrel.

Oil prices stable

AFP, London

World oil prices steadied on Tuesday, a day after sliding by around 3.5 dollars on forecasts of weaker energy demand owing to economic troubles affecting the United States.

In London, the price of Brent North Sea crude for September delivery gained 12 cents to 71.29 dollars per barrel.

New York's main futures contract, light sweet crude for delivery in September, fell 23 cents to 71.83 dollars per barrel.



Senior officials of Southeast Bank Ltd and Shahjalal Islami Bank Ltd, among others, are seen at an agreement signing ceremony recently. The deal will facilitate money transfer services in Bangladesh through Western Union, a provider of money transfer services that operates globally.

## World Bank chief hails Vietnam's poverty fight

AFP, Hanoi

World Bank president Robert Zoellick hailed Vietnam's fight against poverty as a "tremendous success story" but also urged reforms Tuesday as the communist country aims for middle-income status.

On his two-day visit, part of his first Asia tour since taking office last month, Zoellick praised Vietnam for its path from war-shattered command economy to emerging tiger status and its efforts to share wealth equitably.

Vietnam -- a low-income country of 84 million people that saw economic growth of 8.2 percent last year -- has been hailed for cutting poverty from nearly 60 percent in the early 1990s to less than 20 percent now.

Zoellick, a former US trade representative, said Vietnam -- which joined the World Trade Organisation (WTO) this year -- had boomed because of its "ability to leverage the openness of the international trading system."

But he urged more changes as Vietnam seeks to become a middle

income country by 2010, with per capita income of 1,000 dollars a year, and move beyond key industrial sectors such as textiles, fisheries and minerals to more value-added goods.

With strong competition in dynamic Asia and the risk of external shocks such as the 1997 Asian crisis, Vietnam needed to diversify and develop "the flexibility to be able to adapt," Zoellick told a media briefing.

In its second phase of development, the World Bank chief said in Hanoi, Vietnam must "build the institutions for the future," which included "improving governance, transparency, rule of law, financial systems."

Vietnam has attracted seven billion dollars in foreign investment so far this year, a new record, but many investors complain of red tape, graft and a lack of legal certainty and transparency in the rules for doing business.

Zoellick said Vietnam needed to boost the private sector because there was still "a great entrepreneurial spirit in this country that hasn't been tapped."

Education also needed to be boosted at all levels, he said, to "improve the skill level so as to be able to compete at a higher value-added level."

Zoellick praised Vietnam's anti-poverty efforts and rural electrification but said challenges remained in fighting HIV/AIDS, extending water and sanitation services and bringing wealth to ethnic minorities.

The World Bank chief said rural regions needed better services and opportunities to stem urban flight, which was putting great stress on major cities, a problem Zoellick said that "we need to do more work on."

"I'm not sure there can be many more scooters on these roads without creating some big problems," he said, referring to Hanoi's motorcycle-choked streets that have among the world's highest densities of traffic.

Zoellick said he was glad to hear Prime Minister Nguyen Tan Dung stress the need for environmentally sustainable development.

## Int'l trade fair on waste treatment tech from Sept 11

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A three-day international trade fair on water and wastewater treatment technology will begin in Dhaka on September 11.

At the fair, industry owners will be apprised of various features of different types of effluent treatment plants (ETPs), used for wastewater treatment, so that they can choose a sustainable and cost effective ETP for their factories, organisers said at a press conference in Dhaka yesterday.

The Department of Environment (DoE) in association with Federation of Bangladesh Chambers of Commerce and Industry, Bangladesh Garments Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association, Bangladesh Textile Mills Association, Bangladesh Plastic Goods Manufacturers and Exporters Association, Bangladesh Terry-towel Manufacturers Association, Bangladesh Tanners Association, and Bangladesh Finished Leather, Leather Goods and Exporters Association will organise the exhibition.

International Finance Corporation and South Asia Enterprise Development Facility will sponsor the event.

"Service providers for ETPs from home and abroad will showcase ETP-related technologies and models in the fair. Besides, seminars and workshops on ETP and its uses and maintenance will be organised on the sidelines of the show," DoE Director General Khandaker Rashedul Haque said.

He said it is possible to protect environmental pollution through setting up ETPs in manufacturing units, which discharge wastewater in rivers, canals and lakes.

The fair will remain open for visitors from 10am to 8pm everyday from September 11 to 13 at Bangladesh-China Friendship Conference Centre.

## Dollar eases in Asia

AFP, Tokyo

The dollar slipped against the yen and the euro in Asian trade Tuesday as market players waited anxiously for the Federal Reserve's assessment of problems in US credit markets, dealers said.

They said the dollar edged down towards its all-time low against the euro and remained under pressure against the yen a day after hitting a four-month trough against the Japanese currency on worries about the US economy.

The dollar slipped to 118.67 yen in Tokyo afternoon trade from 118.88 in New York late Monday, when it had struck an early low of 117.18 before rebounding.

The euro firmed to 1.3808 dollars from 1.3793, approaching its all-time high of 1.3852 reached on July 24. The euro slipped to 163.82 yen from 163.97.

## Standard Chartered profits jump

AFP, London

Standard Chartered, the emerging markets bank, said Tuesday that net profit jumped by almost a third during the first half of 2007, helped by strong performances in Asia, Africa and the Middle East.

The Britain-based bank said profit after tax grew by 27 percent to 1.399 billion dollars (1.014 billion euros) in the six months to June 30, compared with the first half of 2006.

Pre-tax profit grew 30 percent to a record 1.980 billion dollars, beating analysts' consensus forecast of 1.833 billion dollars.

"I am pleased to report that Standard Chartered has had an excellent first six months in 2007 driven by strong organic growth in both Consumer Banking and Wholesale Banking," group chairman Mervyn Davies said in the earnings statement.

"Over the last few years we have consistently produced record results while building a strong foundation for growth. Today we are seeing the rewards of our balanced and diverse business, leading the way in the dynamic markets of Asia, Africa and the Middle East," he added.

The bank, which since the start of 2007 has been led by new chief executive Peter Sands, added that bad debts -- or loans that have been written off -- climbed by 3.4 percent to 361 million dollars during the first half.

## Indian IT firm Wipro to buy US outsourcing company

OUR CORRESPONDENT, New Delhi

Indian information technology firm Wipro Ltd has said it will buy a US outsourcing firm, Inforcrossing, for \$600 million.

The all-cash deal will help Wipro, India's third largest software maker based in Bangalore, the country's Silicon Valley, expand its operations in the world's biggest market.

Inforcrossing, which has five different data centres in California, Georgia, Arizona and Nebraska, focuses on infrastructure management, enterprise application and business process outsourcing services.

The signing of the definite agreement for the acquisition between Wipro Technologies, the global IT services arm of Wipro Ltd, and NASDAQ-listed US firm was announced on Monday by Wipro's Chief Financial Officer Suresh Senapaty.

Senapaty replied in the affirmative when asked by reporters in Bangalore if this was the biggest overseas acquisition by Wipro.

The current global IT infrastructure market is estimated at around \$150 billion and the global market for remote infrastructure management services will be \$70 billion in the next few years, say Indian IT industry projections.

Inforcrossing had revenue of \$232.4 million and net income of \$9.3 million for 12 months ending on March 31 this year.

Wipro has made a series of small acquisitions overseas in the last few years.

For Wipro, IT infrastructure business reached \$260 million at the end of financial year 2006-07 with over 300 clients, including 200 in India. The company expects the business to go up to one billion dollars in the next two to three years, said Wipro Technologies Chief Financial Officer Lakshminarayana.

Wipro Technologies has identified global IT infrastructure services as a key driver of growth for the company, said Wipro Global IT Services President Suresh Vaswani.



Summit Power Ltd, a local electricity generating company, and Wartsila Corporation of Finland, a manufacturer of gas-based reciprocating engines, have recently entered into an agreement under which Wartsila will supply Summit with 12 units of gas generator with a production capacity of 8.73 megawatt each. Muhammad Aziz Khan, chairman of Summit Group, and Alf Doctor, director (Sales) of Wartsila Finland Oy, signed the deal in Vaasa, Finland.



United Commercial Bank (UCB) Ltd has signed an agency agreement with National Credit and Commerce (NCC) Bank Ltd recently in Dhaka for disbursement of remittance among the beneficiaries having account with the UCB. Managing Director of UCB Hamidul Huq and Managing Director of NCC Bank Nurul Amin signed the deal, while other senior officials from both the sides were present.