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Enhanced Indo-Bangla trade stressed

STAFF CORRESPONDENT, Ctg

A view exchange meeting was held between leaders of Chittagong Chamber of Commerce and Industry (CCCI) and visiting trade delegation from Confederation of Indian Industry (CII) here yesterday emphasising joint programmes to increase bilateral trade.

A multimedia documentary titled Investment Prospect in Bangladesh: Chittagong Perspective was also projected at the meeting held at the CCCI auditorium.

CCCI President Saifuzzaman Chowdhury called for Indian investment in the potential sectors in the port city.

Delegation leader Srikanth Soman said CII would play a role in removing non-tariff and para-tariff barriers to reduce trade deficit between the two countries and attract Indian investment particularly in the infrastructural sector of Bangladesh.

He also stressed the need for exchanging trade delegations and assured the Chittagong chamber leaders of all out support of CII in organising exhibition of Bangladeshi goods and seminars on investment in Bangladesh at different cities including Kolkata and Mumbai in India.

Pointing to the \$1 billion Indo-Bangla trade deficit, the CCCI chief urged India to import Bangladeshi goods at an enhanced rate.

CCCI Vice President Mahabub Alam, directors Md. Mahabub Ali, Mahfuzul Haq Shah, Fahim Ahmed, former senior vice president Ershad Ullah, Indian Assistant High Commissioner Subrata Bhattacharya and Economic Counsellor of the high commission Sudhakar Dalela also spoke.



Akkas Uddin Mollah

Shahjalal Bank gets new chairman

Akkas Uddin Mollah has been elected chairman of Shahjalal Islami Bank Ltd, says a press release.

Besides, Mohammad Hasan and Syed Nurul Arefeen have been elected vice chairmen of the bank.

Akkas Uddin is the chairman and managing director of Russel Spinning Mills Ltd, Russel Garments Ltd, Ekrum Sweaters Ltd, Russel Knitting Ltd, Russel Washing Plant, Shahan Colours Ltd, Tania Cotton Mills Ltd and PnR Fastener Company Ltd.

Mohammad Hasan is the chairman of Famous Irbchem Flavours & Fragrances Ltd and managing director of Famous Printing & Packages Ltd, FS Printing & Packaging Ltd and director of Prime Insurance Company Ltd.

Nurul Arefeen is the distributor of Birla tyres of India, proprietor of Solar Trading Company, Solar Transport Company and director of Universal Yarn Dyeing Ltd.

Raise aid to help poor nations achieve MDGs

UNB, Dhaka

Finance Adviser Dr Mirza Azizul Islam has urged the donor countries to raise official development assistance (ODA) to 0.7 percent of their gross national income by 2015 and disburse on a predictable manner to help poor countries achieve MDGs.

"MDGs will remain mostly unrealised in many countries unless ODA reaches the target of 0.7 percent of GNI of donor countries by 2015 and is disbursed on a predictable basis," he said, addressing the 2007 Annual Meetings of the World Bank and IMF in Washington on Monday.

The adviser made the call in the backdrop of declined net official development assistance (ODA) from donor countries by about 5 percent in real terms in 2006 and low level of aid flow predictability.

Moreover, he told the meeting that the evolving aid architecture characterised by proliferation of aid channels, fragmentation of aid flows and increasing earmarking of

1:1 loan ratio fixed for merchant banks

Stocks slide sharply

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday fixed 1:1 loan ratio for merchant banks meaning if an investor has shares worth Tk 1, he/she will be eligible to receive Tk 1 loan.

"The new ratio will be effective from today. We have already issued directives in this regard," said Farhad Ahmed, executive director of SEC.

The new ratio will be applicable for offering fresh loans to investors or clients.

Price of a share will be calculated by dividing the summation of current market price and net asset value by 2.

Earlier last month, the SEC okayed the margin loan rules to check any market manipulation through providing excess loans to investors by the merchant banking wings of banking and non-banking

financial institutions.

As per the rules, the SEC will fix the ratio of loans from time to time.

The new rules also put a bar on a merchant bank providing loans to its officials and close relatives of officials.

Previously, there was no guideline on offering margin loans and the merchant banks follow their internal code of conduct to approve loans to investors.

In the wake of bullish trend in stock market, the SEC received allegations that the merchant banks were giving excess loans to the investors as well as their officials.

Meanwhile, price indices on the stock exchanges fell yesterday with the losers outnumbering the gainers.

Experts attributed the sharp decline in share prices to price correction and SEC's statement over 'unusual' upward trend in recent days.

The DSE General Index declined by 27.9 points, or 0.96 percent, to close at 2873.78 points, while CSE Selective Categories Index fell by 57.45 points, 1.2 percent, to finish at 4710.86 points.

The DSE All Share Price Index also dropped by 30.25 points, 1.23 percent, finishing at 2426.34 points, while the CSE All Share Price Index fell by 101.89 points, or 1.35 percent, ending the day at 7406.29 points.

A total of 19,157,855 shares worth Tk 286.16 crore changed hands on the Dhaka Stock Exchange (DSE), while a total of 3,972,348 shares worth Tk 43.38 crore changed hands on the Chittagong Stock Exchange (CSE). Of the issues traded, 78 advanced and 120 declined with 17 unchanged on the premier bourse, while 40 advanced and 79 declined with eight unchanged on the port city bourse.

Tk125cr syndicated loans arranged for spinning, composite textile mills

EXIM Bank, BRAC Bank lead arrangers

STAR BUSINESS REPORT

A total of Tk 125 crore syndicated loan has been arranged for setting up a spinning mill and a composite textile mill.

As lead banks, EXIM Bank has arranged Tk 63 crore for Outpace Spinning Mills Ltd, while BRAC Bank has arranged Tk 62 crore for Graphics Textiles Ltd, according to press statements.

Two syndicated loan agreements to this effect were signed recently in Dhaka. For the spinning mill project, the other participating banks were Prime Bank Ltd, Southeast Bank Ltd and Shahjalal Islami Bank, while for the knit composite textile mill project, the other participating banks were AB Bank Ltd, Dhaka Bank Ltd, Pubali Bank and Shahjalal Islami Bank Ltd.

The project of Outpace Spinning Mills is designed for

establishing a 30,000-spindle spinning mill at Mawna, Sreepur in Gazipur, for manufacturing 100 percent cotton carded and combed yarn of different counts. Initially the project will create direct employment opportunity for around 400 people. Annual expected sale of the project is around Tk 90 crore.

The loan for Graphics Textiles Ltd was arranged to set up a state-of-the-art and vertically integrated knit composite textile unit at Dhamrai in Dhaka. The projected capacity of the factory will be 8.05 tonnes of knit fabric and 7.77 million pieces of knit garment per annum with an annual turnover of US\$ 14.2 million. The project will create employment opportunity for 1,744 people at different levels of operations.

Managing Director of EXIM Bank Kazi Masihur Rahman, Managing Director of Prime Bank

M Shahjahan Bhuiyan, Managing Director of Southeast Bank Neaz Ahmed, Managing Director (current charge) of Shahjalal Islami Bank Mohammad Ali, Chairman of Outpace Spinning Mills Md Rezaul Karim and Managing Director of the company Razeed Haider, among others, were present at the signing ceremony for arranging loan for the spinning meal.

Present at the BRAC Bank-led syndicated agreement signing ceremony were Managing Director of BRAC Bank Imran Rahman, Managing Director of AB Bank Kaiser A Chowdhury, Managing Director (current charge) of Shahjalal Islami Bank Mohammad Ali, Managing Director of Pubali Bank Helal Ahmed Chowdhury, Deputy Managing Director of Dhaka Bank Mohammad Abu Musa and Managing Director of Graphics Textiles Najib Malek Chowdhury.



Officials sign deals on syndicated loans for Outpace Spinning Mills (L) and Graphics Textiles Ltd (R) in Dhaka recently.



PHOTO: EXIM BANK & BRAC BANK

India mulls new relief package for exporters

PALLAB BHATTACHARYA, New Delhi

The Indian government is considering another package of relief measures for exporters, hit by sharply rising rupee against US dollar, through sector-specific steps for refund of taxes and levies.

Commerce and Industry Minister Kamal Nath told reporters here on Monday that the government is "looking at measures for refund and remission of taxes to ensure that exporters get a level-playing field".

He was optimistic about India's meeting the export target of \$160 billion set for the financial year 2007-08. "The export target would be met, just as targets were met in the previous years," the minister added.

Nath said the commerce and industry ministry was preparing a note for the cabinet for expanding the coverage of refunds to the exporters.

The earnings of exporters have been affected by a sharp appreciation of Indian rupee, which rose by about 10 percent since March this

year. This has put Indian exporters at a disadvantage when compared to competitors in China, Bangladesh and Pakistan. Labour-intensive sectors like textile, leather and handicrafts are among the hardest hit.

The government in July this year came out with a Rs 1,400-crore package for exporters that included cheaper bank credit, higher rate of tax refunds and faster reimbursement of claims.

Later, it also announced concessional pre-shipment and post-shipment credit by banks for small and medium exporters and those enterprises exporting textiles, readymade garments, leather products, handicrafts, engineering products, processed agricultural goods, sports goods, toys and marine products.

In September this year, the government also exempted seven items related to exports from paying tax on services rendered by ports, rail and road transport. The government imposes 12 percent service tax and three percent education cess on service

SHRIMP INSPECTION EU team visits monitoring plant in Ctg

STAR BUSINESS REPORT

The two-member team of European Union yesterday visited documentation and residue monitoring plant run by Fish Inspection and Quality Control (FIQC) department at Muradpur in Chittagong.

After inspecting the plant, the team left for Dhaka and the delegation is expected to attend a meeting with the Ministry of Fisheries today.

According to sources, at the meeting the EU delegation may give some suggestions to the government as well as shrimp cultivators and exporters.

The EU team comprising inspectors Raj Patal and Dr Mc Evoy from the EU Food and Veterinary Office in Brussels is in Bangladesh on a 10-day visit to get an idea of what measures the country has taken with regard to exporting quality shrimp to the EU in accordance with the Union's guidelines.

The team will submit its final report to EU authorities after returning to Brussels.

GP's health line service re-launched

The HealthLine Service, a 24-hour medical call centre of Grameenphone, has been re-launched recently by expanding its capacity and streamlining the process in order to meet the increasing needs of the callers, says a press release.

The HealthLine Service is operated in association with Telemedicine Reference Centre Ltd (TRCL).

The HealthLine Service is an interactive teleconference between a Grameenphone mobile user and a licensed physician, available round the clock. Grameenphone subscribers may seek medical advice on emergency, non-emergency or regular medical situation by just dialing '789'.

Apart from the core medical consultation service, a 789-caller will also enjoy additional medical information services. They can avail doctor and medical facility information, drug information, interpretation of laboratory test reports & data, and emergency support information as supplementary services.

To make the HealthLine Service more accessible and easier to use, the registration requirement has been withdrawn. This means that Grameenphone subscribers simply have to dial 789 to receive the medical advice and consultation service.

Beximco Pharma starts exports to Fiji

Beximco Pharmaceuticals Ltd, a leading drug manufacturer, has started supplying medicines to Pacific Island nation Fiji, says a press release.

The first consignment of medicines consist a number of respiratory care products, including metered dose inhalers and nasal sprays, company officials said.

Fiji, having a per capita GDP (gross domestic product) of US\$2,370, is one of the developed economies of Oceania and is a member of the Pacific Regional Trade Agreement (PARTA).

Singapore Airlines suites introduced

Unrivalled exclusivity and privacy await the privileged customers who fly Singapore Airlines' newest cabin product, abroad the Airbus A380, says a press release.

Singapore Airlines Suites, a class beyond first, provide the ultimate in luxury and privacy.

Setting a new standard in ultimate premium air travel, the Singapore Airlines suites feature a unique cabin concept where each suite is the customer's private cabin in the sky. Behind its discrete sliding doors is a spacious and truly personal area, with lavish furnishing and finishes.

"Developed with our most valued and distinguished customers in mind, the concept of the Singapore Airlines suites is nothing less than ground-breaking in the luxury travel market," said Yap Kim Wah, Singapore Airlines' senior vice president Product and Services.

SCARCITY OF MOTHER SHRIMP IN BOGRA, JOYPURHAT

Sweet water shrimp cultivation in 200 farms suspended

HASIBUR RAHMAN BILU, Bogra

Sweet water shrimp cultivation in around 200 farms in Bogra and Joypurhat districts remains suspended for over one and a half years due to scarcity of quality mother shrimp and fry.

Farmers are now cultivating other fish instead of shrimp due to absence of mother shrimp, said Abdul Mohit Talukder, owner of G M Aqua Culture Ltd, which pioneered sweet water shrimp farming in the area four years ago.

Local farmers are incurring huge loss as they now cannot cultivate export-oriented prawn, commonly known as galda, added Mohit Talukder.

He also said the shrimp cultivators of the two districts are incurring a loss of at least Tk 1 crore every month as they are unable to cultivate galda.

During a visit to the farms, Rezaul Islam Hira, owner of Sagar Matsya Khannar, said the farmers need government support to resume galda cultivation.

Showing a few prawns at a demonstration pond, Mohit Talukder said at least 1000 pieces of mother shrimps are needed every month for his farm spreading on 63 acres of land.

He also sought government support to ensure supply of quality mother shrimp from Cox's Bazar



Sweet water shrimps, commonly known as galda, are seen at a demonstration pond at a farm in Bogra.

PHOTO: STAR

and Khulna. Bangladesh's shrimp industry, the second largest foreign exchange earner, employs more than 7.5 lakh people. Using 2.5 lakh hectares of land mainly in southeastern and southwestern coastal areas of Cox's Bazar, Bagerhat, Khulna and Satkhira, around 1.4 lakh farmers are producing more than 50,000 tonnes of shrimps annually, mostly by using traditional

methods. In 2006-07 fiscal, Bangladesh fetched around US\$ 500 million by exporting shrimps, mainly to the US and EU countries.

However, in the first month of the current fiscal, frozen food exports witnessed a downturn with a decline of 11.55 percent.

The government has fixed a target of earning \$600 million from frozen food sector in the current fiscal year.

Bepza hopes to hit \$1b investment target

Denies labour unrest in EPZs as reported by an NGO

STAR BUSINESS REPORT

Country's export processing zones (EPZs) regulatory body has expressed high hopes of succeeding in attracting the targeted \$1 billion local and foreign investment in the zones this fiscal.

Referring to a wrongly reported labour unrest in the EPZs, it, however, suggested projection of correct situation to the foreign investors rather than providing any misleading information.

At a press briefing in Dhaka yesterday, Bepza (Bangladesh Export Processing Zones Authority) Executive Chairman Brigadier General Ashraf Abdullah Yussuf vehemently rejected the outcome of a survey of the state of working atmosphere in the EPZs conducted by Bangladesh Occupational Safety, Health and Environment Foundation (Oshe), a non-governmental organisation (NGO), and said, "There were some methodological and explanatory errors in the report that does not match with the present congenial environment in the zones."

Meantime, Oshe Executive Director A R Chowdhury Repon told The Daily Star that they would withdraw the report on EPZs as it contains some errors and needs more modification.

The NGO also asked the media not to publish any report based on its findings.

The Bepza top official in the press conference pointed to the fact that no incident of labour unrest occurred in the EPZs after the mass unrest in June 2006.



Brig Gen Ashraf Abdullah Yussuf speaks at a press briefing at Bepza office in Dhaka yesterday.

He said if workers raise their voice to demand some extra benefits from their factory owners like daily meal, holidays and wages, it would be wrong to describe it as unrest.

Ashraf Abdullah Yussuf said more inflow of investment in recent days bears the testimony of a better working environment in the EPZs.

In this connection, he listed a number of Bepza measures to improve the situation in the EPZs, which include formation of Workers Representation Welfare Committee (WRWC), introduction of workers' associations in 53 industrial units out of 177 units and 32 percent or Tk350 crore increase in workers' salary up to June 2007.

"We have received huge investment proposal from foreign investors especially from China, Japan

and Taiwan," the Bepza chief said, adding that maximum lands in the EPZs have already been utilised by the entrepreneurs who invested their money in the zones.

He said they asked the government for expansion of different EPZs in the country as investors' response is significant.

Against its target, Bepza already received \$600 million registered investment from both local and foreign investors in the first three months of the current fiscal.

The Bepza chief also informed the journalists that it is also working to start the 14 factories declared closed in different times and has so far been able to open 9.

He said they are determined to ensure the minimum wage structure (\$30) for the EPZ workers and that's why the Bepza is now not allowing export-import permit to any factory that does not provide such wages according to rules.

Bepza expects \$300 million actual investment in the country's export processing zones (EPZs) by the end of 2007-08. The EPZs regulator also set a \$2.3 billion export target this fiscal.

It registered \$566 million investment proposals during FY2006-07, a 270 percent rise over the previous fiscal year. The investment in the EPZs in 2006-07 was \$152.37 million, which was 35 percent higher compared to that of FY 2005-06, according to Bepza statistics.

The Bepza also expects the number of employment would reach 30,000 in the EPZs by the end of this fiscal. Now, some 23,000 people are employed there.



Md Mahubul-ul-Alam, senior vice president of International Banking Wing of Islami Bank Bangladesh Ltd, and Khalid Sharif, general manager and CEO of Dollarco Exchange Company of Kuwait, exchange documents after signing an instant cash agreement in Kuwait recently. Under the deal, Bangladeshi expatriates in the Gulf country will be able to send their money home through the branches of the bank.

PHOTO: ISLAMI BANK BANGLADESH