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Enhanced Indo-Bangla trade stressed

STAFF CORRESPONDENT, CG

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 Srikant 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, Mahfuz Haq Shah, Fahim Ahmed, former senior vice president Ershad Ullah, Indian Assistant High Commissioner Subrata Bhattacharya and Economic Councilor 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 chairman of the bank.

Akkas Uddin is the chairman and managing director of Russel Spinning Mills Ltd, Russel Garments Ltd, Ekram 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 Iberlon 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 Textiles of India, proprietor of Solar Trading Company, Solar Transport Company and director of Universal Yarn Dyeing Ltd.

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 Otpac.

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.

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



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

Raise aid to help poor nations achieve MDGs

Finance adviser urges donors

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.

He advised made the call in the backdrop of declining 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

IMPACT OF RISING RUPEE AGAINST DOLLAR

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 reminded all the nations of their mutual responsibility to fulfill the hope they gave to the world's poor and the underprivileged through the Millennium Declaration. "We must sincerely put our acts together to transform that hope into reality," he said.

Market access of developing countries to the developed world must also be ensured through successful completion of the Doha Round. Aid cannot be a substitute for fair trade," he said.

The earnings of developing countries to the developed world 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, railways 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 (FJQC) 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).

Meantime, Oshe Executive Director A R Chowdhury 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.

"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 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 (WRFC), introduction of workers' associations in 53 industrial units out of 177 units and 32 percent or Tk 350 crore increase in workers' salary up to June 2007.

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.

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 Khamar, 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 63 acres of land.

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



PHOTO: STAR

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

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.

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.