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Quazi Kholiqzaman Ahmad



Abul Barakat

BEA president, secy re-elected

Dr Quazi Kholiqzaman Ahmad and Dr Abul Barakat have been re-elected president and general secretary of Bangladesh Economic Association (BEA) for the next two-year term.

They were re-elected at the 16th biennial conference of the organisation held in Dhaka on Saturday, says a press release.

Dr Jamal Uddin Ahmed was elected treasurer.

The conference also elected vice presidents: Dr Ashrafuddin Chowdhury, Syed Yusuf Hossain, Md Zahurul Islam Sikder, Hannana Begum and Dr Irshad Kamal Khan along with other executives.

Increased Boro output stressed to minimise Sidr loss

STAR BUSINESS REPORT

The government should extend all out support to Boro production for minimising the effects of two floods and cyclone Sidr in a year, World Bank Country Director Xian Zhu said yesterday at his office in Dhaka.

Increased Boro harvest will also help reduce food inflation and food price, reducing the loss, he told journalists when asked to comment on the effects of floods and cyclone on national economy.

Talking to the journalists after signing a Memorandum of Understanding (MoU) with Grameen Shakti on installation of Solar Home Systems, he also stressed the need to take measures to increase export growth and improve the efficiencies of government institutions to develop infrastructures.

BB governor optimistic about moderate growth this fiscal year

STAR BUSINESS REPORT

The Bangladesh Bank (BB) governor is optimistic about achieving a moderate growth this fiscal rate in the current fiscal.

He said enhancement of credit flow to small and medium enterprises (SMEs), the central bank's intervention in the currency market through release of dollar and its transparent and accountable monetary policy and disbursement of soft term credit in the Sidr-affected areas to keep macro-economic stability after the recurrent floods and cyclone would help gain growth.

"As a result, we are hopeful the projected GDP growth rate between 6.2 to 6.5 percentage for the 2007-08 fiscal is achievable," Dr Salehuddin Ahmed told a press briefing at the central bank's conference room yesterday.

Salehuddin said the central bank has already asked all scheduled banks not to realise both principal amount and interest for at least three months from the borrowers in the Sidr-hit areas.

"Rather, the central bank gave the directives to the public and private commercial banks, NGOs and other non-banking financial institutions (NBFI) operating in the Sidr-affected areas to re-schedule their loans and provide new loans to the farmers," the BB chief said.

He said the amount of excess liquidity in the banking system declined to Tk 11,000 crore from Tk 14,000 crore due to borrowing money by the private sector investors over the last few months.

He said the central bank has released an amount of 184 million

Local tanners eye bright prospect as US, EU quitting leather processing

JASIM UDDIN KHAN

As most of the European countries and USA are discontinuing leather processing considering it an environmentally hazardous job, Bangladeshi tanners eye to cash in on this opportunity.

Businesspeople involved in local tannery industry said if the government liberalises the process of importing rawhide from Europe, USA and India, the industry will certainly witness a boost within a short time.

President of Bangladesh Tanners Association (BTA) M Harun Chowdhury said, "Most of the European countries and USA are discontinuing leather processing, as leather industry is an environmentally hazardous one."

Bangladesh can exploit the opportunity if the government liberalises the import process of rawhide, he said. China alone imports over \$14 billion worth rawhide per year and exports over \$35 billion finished leather products.

"If the government allows import of rawhide without any barriers, the industry will be able to process around US\$500 million hide now to export worth US\$ 1.0 billion finished leather within next two fiscal years," said Ehtesamul Islam Imran, a rawhide processor.

He said currently only nine export-oriented factories who have bonded warehouse can import rawhide.

The BTA has recently submitted a proposal to the government demanding duty-free import of



PHOTO: STAR

File photo shows rawhide piling at a tannery in Dhaka.

rawhide from across the world especially India.

"Muslims are many in some Indian states from where Bangladesh can import rawhide after Eid-ul-Azha, but barriers in import through land ports cause difficulty. The government should intervene in the problem," demanded the BTA in the proposal.

After relocating the tannery plants to BSCIC Tannery Industrial City on the Dhaleswari riverbank in Savar the demand for rawhide will increase significantly, said Tipu Sultan, president of Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

The previous BNP government in February 2005 initiated the leather industry project, but due to bureaucratic tangles tanners are yet to relocate their factories.

All the tanneries in Hazaribag area and elsewhere were to be relocated to the new site, an area of

200 acres of land, under the project estimated at Tk 175.75 crore.

Industry people said Bangladesh produces over 220 million square feet of leather every year, 80 percent of which comes from sacrificial animals on the occasion of Eid-ul-Azha and the remaining demands are met by import.

In the past financial year ending in June, tanners exported 53.75 million square feet of finished leather to earn \$266 million, up by 3.4 percent on the earnings of the preceding financial year. Shoe exporters earned more than \$65 million in the financial year 2006-07.

State-owned commercial banks Sonali, Agrani and Janata have, meanwhile, agreed to channel Tk 335 crore in loans to tanners for purchase of rawhide this Eid.

Private banks usually do not finance rawhide procurement as the industry has bad records of loan defaults.



PHOTO: STAR

People queue for their last minute attempt to withdraw money from their accounts at the principal branch of Sonali Bank in Dhaka yesterday on the eve of Eid-ul-Azha.

Call money rate remains low

STAR BUSINESS REPORT

The inter-bank call money rate remained lower before this year's Eid festival compared with that of the last year due to excess liquidity in banking system, said managers of treasury department of some private and public banks yesterday.

The highest inter-bank call money was recorded at 17 percent this year, which was more than 40 percent last year.

Talking to The Daily Star,

India starts exporting diesel to Bangladesh

PALLAB BHATTACHARYA, New Delhi

India's state-owned Numaligarh Refinery Ltd (NRL) has started exporting high-speed diesel to Bangladesh with the dispatch of first consignment having taken place on last Sunday.

The agreement to supply diesel to Bangladesh was signed in May this year between NRL's holding company Bharat Petroleum Corporation Ltd and Bangladesh Petroleum Corporation Ltd.

As per the accord, the refinery in India will export 120,000 tonnes of high-speed diesel annually with the initial period of validity of contract from June to December this year, which is to be renewed thereafter.

Two Bangladeshi barges Hangang 1 and Darashiko carried the first consignment of 1,400 tonnes of diesel from Silghat port along the Brahmaputra river in Nagaon district of India's Assam state for onward shipment to Baghabari in North Bangladesh which is the port of call in that country, NRL sources said.

Deputy General Manager of Treasury Management of Sonali Bank Zahirul Haque Munshi said there is a huge idle fund in the banking system this year, which has helped lower the inter-bank call money rate.

Source in the Bangladesh Bank (BB) said the amount of excess liquidity in the country's banking system is now Tk 14,000 crore.

"The liquidity in the banking system has been increasing mainly due to slow growth in investment by the private sector investors following the changed political scenario in the country," he said.

Assistant General Manager of Treasury Department of the state-owned Janata Bank Khandaker Mahmudul Hasan said he quoted the inter-bank call money rate maximum at 15 percent yesterday.

"On an average, Janata Bank quoted inter-bank call money rates between 12.50 and 13 percent over the last two days," he said.

Experts in banking sectors said the inter-bank call money rate declined this year also for curbing corruption in under-invoicing through which the importers misquote the prices of goods to evade duty.

"This year the opening of fake Letters of Credit (LC) for importing goods declined significantly due to ongoing drive against corruption. This also helped a lot in increasing liquidity in banking system," he said.

A senior official of National Credit and Commerce (NCC) Bank said this year the flow of fund before the Eid festival was good due to existing surplus liquidity in the banking system.

He said hundreds of clients flocked to the bank for the last minute to withdraw money from their accounts. "We disbursed money among the customers without any hassle," he said.

Business confidence restoring in leather sector

BFLLEA chief tells The Daily Star

MD HASAN

As political interference remains no barrier, the leather sector entrepreneurs now feel free to collect rawhide during Eid at an affordable price.

"The rawhide business scenario appears to be different this year in absence of any political interference in the trading we experienced in the past. So we hope a steady market price of the item," Md Tipu Sultan, chairman, Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association (BFLLEA) told The Daily Star in an interview.

However, the entrepreneurs already have sought the home ministry support so that the market does not become volatile during the peak season of hide collection.

The association says the local leather industry collects around 40 percent rawhide during Eid-ul-Azha.

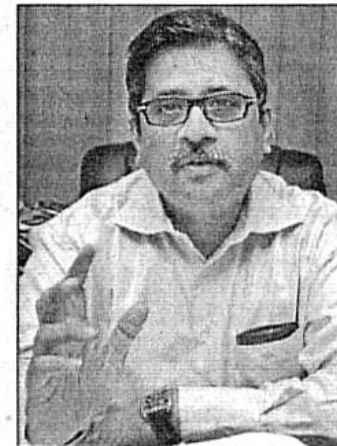
Pointing to the usual control of the rawhide market by some politically backed vested interest groups, Tipu said, "If the home ministry intervenes in the rawhide market during the Muslim festival, any price manipulation is unlikely. Although the BFLLEA fixed the rate at Tk 80 a square foot of rawhide for Dhaka and Tk 70 for the region outside the capital, it was maintained partially."

To keep the market sustainable, the BFLLEA also plans to fix up the hide price by today.

As per an estimate by the association, around 20 lakh people, including 8 lakh hide collectors, will be involved in the purchase of the item this year.

Tipu is very much hopeful of a good collection this season despite a huge number of cattle had died after cyclone Sidr hit the southeast region recently.

He said every year on an average



Md Tipu Sultan

20 lakh cows and 45 lakh goats are sacrificed during Eid-ul-Azha. The number will be the same this time, he hoped, brushing aside some traders' anticipation of cattle shortage in the market saying that a considerable number of cattle have already been imported from India.

Besides this, the practice of cattle farming, especially for the Eid-ul-Azha, developed in the last five years. These farmers will also contribute a significant number of cattle to the Eid market, Tipu said.

"So, rawhide collection will be the same as it was collected last year," the BFLLEA chief said, expressing however his concern over its preservation.

He said 19 percent of the hide collected perishes due to lack of proper preservation system.

To prevent the huge wastage, in an attempt to create awareness the BFLLEA is going to launch video documentary, which will be broadcast by Bangladesh Television.

Bangladesh produces over 220 million square feet of leather every year, 80 percent of which comes from sacrificial animals during the festival, according to the industry insiders.

NEW SUBMARINE CABLE Govt urged to ensure security of existing one

STAR BUSINESS REPORT

The government should at first ensure security of the country's existing submarine cable before installing another one, as the existing one has faced disruption for a good few times, speakers told a discussion.

They said repeated disruption in internet services due to cut in fibre optic cable at the landing point proves that the existing information gateway still lacks proper security.

"The government should at first ensure security of the existing fibre optic cable that has connected the country with submarine cable. Without ensuring this it should not be right to go for alternative submarine cable connection," said SM Khabiruzzaman, a high official of a local phone company.

Bangladesh Telegraph and Telephone Board (BTB) organised the view exchange meeting on the need for alternative submarine cable connection in Dhaka on Tuesday.

Lt Col Zia Ur Rashid Safdar, general manager (Security and Surveillance) of BTB, presented a keynote paper on the seminar topic.

Since installation of submarine cable in 2005, the country faced disruption for 22 times and in most cases the disruption was caused by cut in fibre optic cable.

However, BTB claims that internet disruption happened only 'seven times' due to 'sabotage'.

Dulamia Cotton declares 5pc dividend

Dulamia Cotton Spinning Mills Ltd has declared a 5 percent dividend for the year 2006-07.

The dividend was approved at the 20th annual general meeting (AGM) of the company held on Saturday in Feni, says a press release.

Managing Director of the company Abdur Rob presided over the AGM, while directors and senior officials were present.

10pc of special ADB funds reserved for women entrepreneurs

Month-long women SME fair ends in Ctg

BSS, Chittagong

The government has reserved at least 10 percent of Asian Development Bank's 300 million-US dollar fund for promotion of small and medium enterprises (SMEs) for the women entrepreneurs to ensure their easy access to industrial loans.

Food and Disaster Management Secretary Dr Mohammad Ayub Meah, who is also the managing director of the SME Foundation, disclosed this while speaking as the chief guest at the concluding function of month-long Women SME Fair-2007 here on Tuesday.

The first Women SME Fair in the country was held under the auspices of the Chittagong Women Chamber of Commerce and Industry (CWCCI) on the Railway ground in the port city.

A total of 450 female entrepreneurs and about five lakh visitors transacted about Taka 5 crore through the event.

CWCCI President Monwara Hakim Ali chaired the function where Indonesian Ambassador to Bangladesh Warmas Hasan Saputra were present.

Dr Ayub said the government has taken various types of time-befitting and goal-oriented programmes for promotion of women entrepreneurs as well as expansion of the SMEs considering the contributions of the sector to the country's economy.

He said apart from the SME-

Govt starts offloading its stakes in IFIC Bank

New format for BO A/C

STAR BUSINESS REPORT

The government has started offloading its stake in International Finance and Investment Corporation (IFIC) Bank as part of its earlier move to offload its stakes in different companies, including the bank.

A total of 1,686 shares of the bank were sold on the Dhaka Stock Exchange (DSE) yesterday, DSE sources said.

On Tuesday, the government announced that it will offload 119,857 shares in the IFIC Bank on the stock market.

According to the DSE website, the finance secretary, one of the corporate sponsors/directors of the bank, has reported the government's intention to sell 119,857 shares out of its total 1,403,479 shares of the bank.

The government, which owns 35 percent share in the International Finance and Investment Corporation (IFIC) Bank, appointed the state-run Investment Corporation of Bangladesh as issue manager.

Earlier on November 28, the government at a meeting asked the authorities concerned to offload 119,857 shares in the bank within three weeks. At the meeting, the government also asked nine state-owned energy and power companies to offload their shares. Two other power companies -- Power Grid Company of Bangladesh and Dhaka Electric Supply Company -- that are already listed on the stock exchanges were also asked to offload more shares.

UNIFORM FORMAT FOR BOA/C

Meanwhile, the Securities and Exchange Commission (SEC) has set 'uniform format' for bank certificate that will have to be submitted at the time of opening of a beneficiary owners' (BO) account and also requested the central bank to circulate the format to all banks.

The format of the certificate includes name of a prospective BO account holder, his or her spouse's name, his/her father's and mother's name, bank account number, and name of the bank and branch.

The certificate will have to be signed by the bank official concerned.

"We have sent the certificate format to the Bangladesh Bank on Monday and requested the central bank to provide the format to all banks so that the banks can issue certificates for the people intending to open BO accounts in a unified manner," said Farhad Ahmed, the SEC's executive director.

Earlier in October, the capital market regulator tightened the BO account opening procedures in order to check the opening of shady BO accounts and to ensure more transparency in such account opening.

Along with submitting a bank certificate, a person willing to open a BO account will also have to submit photographs with his/her name and signature on the opposite side of the photographs to the depository participant (DP).

There have been allegations that a huge number of BO accounts have been opened with wrong information.

Meanwhile, the stock prices on the DSE rose yesterday for a fourth day before going to a six-day vacation on the occasion of Eid-ul-Azha and X-mass day. The DSE will remain closed from today and resume its function on December 26.

The DSE General Index increased by 34.3 points, or 1.147 percent, to close at 3024.8 points, while the DSE All Share Price Index rose by 25.8 points, or 1.02 percent, to finish at 2545.98 points.

A total of 4,930,673 shares and bonds worth Tk 143.63 crore changed hands on the premier bourse. Of the issues traded, 166 advanced and 41 declined with 19 unchanged.

Dhaka bags Tk 2.34cr spot orders from Delhi fair

STAR BUSINESS REPORT

Bangladeshi companies received confirmed spot orders of around Tk 2.34 crore and prospective export orders worth around Tk 82.8 lakh from the recently concluded India International Trade Fair-2007.

Bangladesh displayed different local products including textile goods, light engineering products, ceramics, handicrafts, jute and leather products, said a press release issued by Export Promotion Bureau (EPB), which managed the participation of Bangladesh in the show.

The main objective of Bangladesh's participation in the fair was to familiarise local products and create demand for Bangladeshi products in Saarc (South Asian Association for Regional Cooperation) countries.

Bangladesh has substantial potential to boost its exports to India and other countries exploiting different tariff advantages secured from different bilateral and multilateral trade agreements, the press release added.

A total of 44 countries including China, Egypt, Thailand, Vietnam, USA, Brazil, Iran, Tanzania, Nigeria, Germany, Australia, Japan and all the Saarc countries participated in the fair held between November 14 and 27 in New Delhi.



PHOTO: DULAMIA COTTON SPINNING MILLS

The 20th annual general meeting (AGM) of Dulamia Cotton Spinning Mills Ltd was held on Saturday in Feni. Managing Director of the company Abdur Rob presided over the AGM, while directors and senior officials were present.