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Poultry farmers' livelihood at stake in the face of bird flu

SOHEL PARVEZ, back from Savar

Little Prionti was running after a candy floss vendor, but her father Suruz Gomez did not have the heart to follow.

Suruz, a new poultry farmer in Savar, had just submitted his fate to God, the only power he believes can now save the family's livelihood from the destruction being wreaked across the region by bird flu.

Suruz's plight is not uncommon. In Bangladesh's poultry industry thousands of small entrepreneurs who have risked all to set up small farms are now facing ruin.

About two kilometres away from Suruz's farm, Belal of Ananna Poultry has already lost the battle. All 2200 birds on the farm were buried, although Belal says the birds were free from the bird flu but culled due to the farm's closeness to a farm where the disease had broken out.

The same fate has hit the farm of Titas, a young entrepreneur, who could do nothing but watch the burial of his 1800 birds at midnight of January 17.

Both Belal and Titas bet their future on the poultry business at a same village near Rajshahi of Savar. They are now jobless. Titas has left for his home village, while Belal is searching for a way out.

"What should I say? I have lost my way in the middle of the road," Belal Ahmed, a 35 year-old man, told The Daily Star on Friday as he stood beside his closed farm.

"They (govt officials) came at midnight and buried all the birds. There was nothing to do but watch the killing. The government will pay me Tk 70 per bird. But my cost per bird is about Tk 275," he said.

The bird flu or avian influenza, which broke out in Bangladesh early last year, is now threatening



Belal Ahmed of Ananna Poultry at Savar stares at his farm where all 2200 birds were buried. Belal says the birds were free from the bird flu but culled due to the farm's closeness to a farm where the disease had broken out.

the sustainability of the poultry industry which supports nearly five million people and contributes 1.6 percent to GDP.

Until January 30, the government, as per its preventive measure, had culled over 3.57 lakh birds in 30 districts, according to official data.

Industry operators said tens of thousands of poultry farms out of a total of 1.5 lakh were shut down last year due to mainly to bird flu threat and the rising cost of poultry feeds.

Titas invested his family savings along with borrowings from relatives to set up the farm. On top of this he has debts of around Tk 3 lakh to poultry feed suppliers.

"The farm is now empty that's why I have come to my home village. The farm was our main earning source," Titas said on the phone from Rajbari.

The outbreak of the disease, industry operators said, has ravaged the poultry sector, resulting in a steady decline in consumption demand, although farmers are cutting down their selling prices to narrow the loss margins.

The crisis has also brought a halt to the setting up of new poultry farms, while producers of day-old chicks are now pushing farmers to buy the day-old chick at a fraction of their production cost.

"It's a very bad situation. I am now pushing farmers to buy day-old chicks. Sometimes I sell day old chicks at between Tk 4-5 while sometimes at I have to give them away," Moshirur Rahman of Paragon Poultry, said Saturday.

"I am being forced to kill the remaining chicks because I can't afford to keep them," he said.

Moshirur, also convener of Bangladesh Poultry Industries Co-Ordination Committee, claimed over 40 poultry hatcheries out of 110 in Bangladesh were shut down over the last five months due to a collapse in demand.

"It's a terrible situation. The government should declare emergency for the sector. The officials should also not do anything to discourage consumers," he said.

Leading operators said they have cut their weekly production of day old chicks to between 3.0-3.5 million, with about 25 percent of the total produce remaining unsold.

Operators also blamed government for its relaxed attitude in controlling the disease at a time when the extent of outbreak was limited to certain areas.

SMEs constitute 80 pc of Bangladesh business

Workshop told
UNB, Dhaka

Bangladesh Bank (BB) Deputy Governor Ziaul Hasan Siddiqui has said there is no alternative to SME (small and medium enterprises) for employment generation in the country as it is a labour-intensive industry.

"It's not highly technology-oriented and capital intensive business. So, entry into and exit from the SME business is easier," he said inaugurating a two-day workshop on 'SME Development & Credit' that began at BRAC Centre Inn here yesterday.

He said in Bangladesh SMEs constitute 80 percent of business contributing 25 percent to the GDP, while in Pakistan 60 of business entities are SMEs with a GDP contribution of 15 percent and in China 99 percent of business units belong to SMEs with a GDP contribution of over 60 percent.

Education Excellence, a new generation consulting, education and communication firm, organized the workshop.

Senior bankers and experts made presentations on the concept of SMEs, growth of SME credit sanction and disbursement, prospect and potentials of SMEs in Bangladesh.

A total of 31 officials from different banks and institutions attended the workshop.

Chaired by Samira Farhat Amin, CEO of Education Excellence, the inaugural session of the workshop was also attended by Vice Chancellor of Northern University Professor Dr M Shamsul Haque.

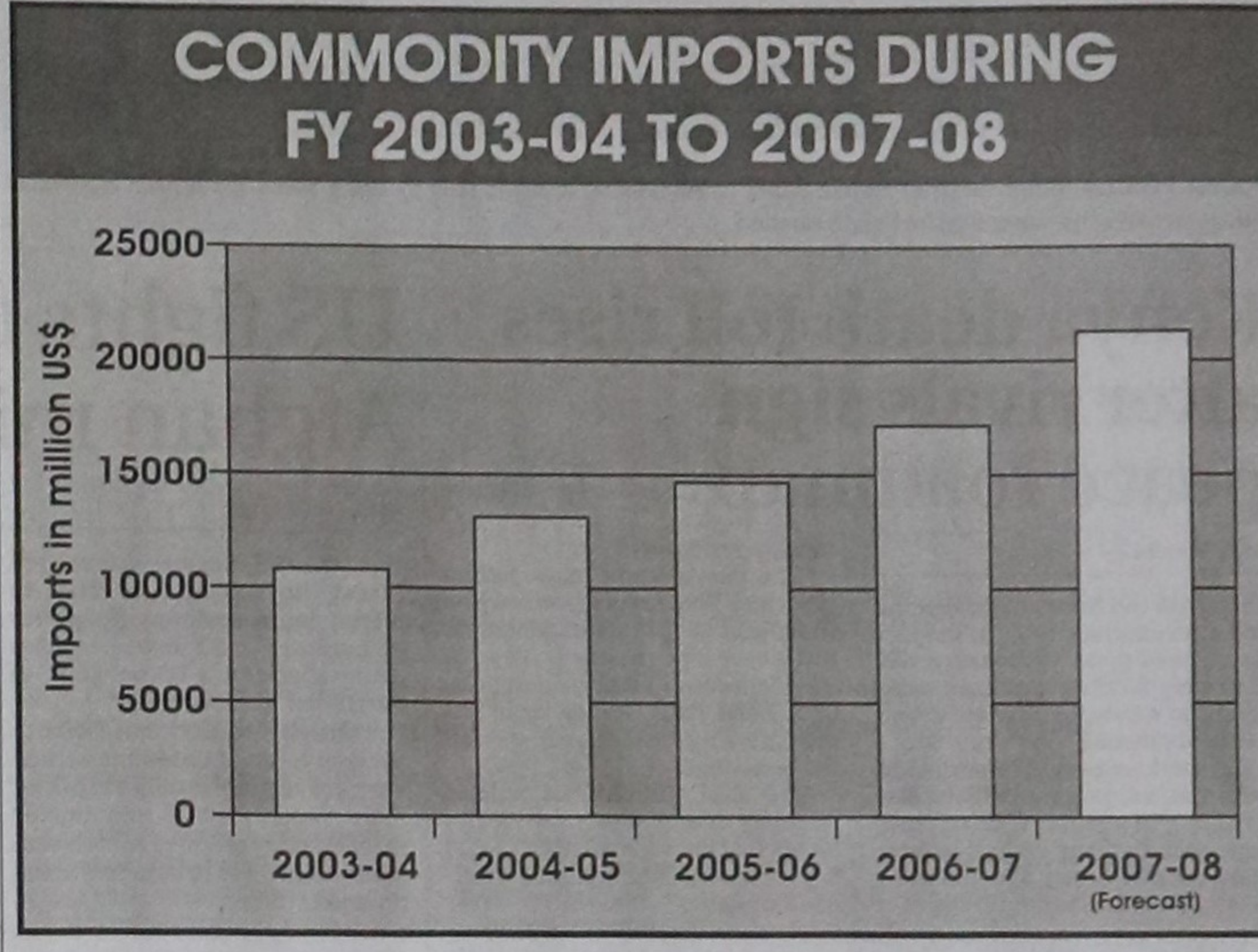
The deputy governor said, "Establishment of BASIC Bank bears the testimony to government's commitment to the SME sector."

He hoped that holding workshop like this would help managers understand the industry more deeply allowing greater contributions to the sector.

Key features of the training were attractive and informative presentations, trainers-participants interactions, action learning, group discussions and question-answer sessions.

Bankers from public and private sectors and SMEs, emerging industrialists and new generation business leaders took part in the workshop.

Commodity imports to soar on food grain, fuel costs



SAJJADUR RAHMAN

Commodity imports are set to increase sharply in the current fiscal year to more than US\$21 billion, boosted by the higher costs of food grains and fuel, according to a forecast by Bangladesh Bank (BB).

The increase of around 23 percent in the previous fiscal year 2006-7 is expected to push the country's balance of payments into deficit after many years of healthy surplus.

However, economists said that while it is important to increase exports to regain balance, the strong flow of remittances from Bangladeshis living abroad would keep foreign exchange reserves positive.

In a report, submitted by Bangladesh Bank to the finance adviser, the overall balance is projected negative at \$207 million

for FY2007-08 from surpluses in previous six years. The balance was positive at \$1,493 million in FY2006-07.

Zaid Bakht, research director of Bangladesh Institute of Development Studies, said boosting income from exports is crucial to avoid pressure, not only on the balance of payments but also on the overall economy.

According to the BB report, the cost for food grain imports has been projected to leap 163 percent to \$1,530 million in the current fiscal year, while it has been \$581 million in FY2006-07 and \$418 million in FY2005-06.

Of the food grains, some \$675 million worth of rice and \$855 million worth of wheat will be imported this year compared to \$180 and \$401 million a year ago.

Import costs for other commodities, including edible oil, fertilizer, capital machinery, crude oil, milk and cream, pulses, sugar, spices, raw cotton, yarn and textile and textiles articles have been projected higher this fiscal year.

"A negative pressure on the balance of payments has been created mainly because imports have surpassed export," said MA Taslim, who teaches economics at Dhaka University.

He also blamed price hike of essentials in the international market for this unfavorable balance of payments situation.

Besides increasing of exports, Zaid Bakht said foreign direct investment has to be improved.

"Still I'm not concerned with the current balance of payments situation as foreign exchange reserve and remittance inflows are in very good shape," Bakht added.

Bangladesh's present foreign exchange reserve stands at around \$5.5 billion.

Korea, EU report FTA progress

ANN, THE KOREA HERALD

Korea and the European Union made the most progress during their sixth round of talks, which wrapped up yesterday (Feb 1) in Seoul, since the launch of talks in May, the chief negotiators of both sides said.

"It has been probably the most successful round we have had so far in terms of the progress we have made in a number of areas," Ignacio Garcia Bercero, EU chief negotiator for the bilateral talks, said in a news conference at the Shilla Hotel.

Kim Han-soo, Korea's chief negotiator, told reporters in a separate news conference that both sides made substantial progress, which was "more than what they had expected."

The two trading partners said they are aiming for a comprehensive and high-quality deal. Once ratified, it would be the largest FTA for both Korea and the European Union.

"I think the FTA we are negotiating is extremely important both for Korea and the EU; I would say it is the most important FTA for both sides," Bercero told reporters.

Seoul and Brussels began their latest round on Monday seeking to narrow differences on less sensitive issues, such as services, investment, customs, and trade regulations. Both sides agreed not to touch on key sensitive issues, such as general non-tariff barriers for automobiles and general tariff rate offers.

The chief negotiators said Korea and the EU achieved significant progress in such areas as trade subsidies, anti-dumping, safeguards, intellectual property rights, and basic services and investment protocols. The EU chief, however, stressed that "political will" would be required to find common ground on "difficult issues" like tariffs and non-tariff barriers for autos, a possible deal-breaker cited by Brussels, and agriculture, a major sensitive area for Seoul.

Rules of origin for certain products are another area in which Korea expressed concern. The latest round focused mostly on basic protocols concerning rules of origin, and both sides gained a better understanding of each others' stance, Bercero said, describing the subject as a "very complex and technical issue."

SoEs' privatisation, better rules key to boosting Bangladesh capital market

Bombay bourse CEO says

REFAYET ULLAH MIRDHA

Bangladesh government could boost the country's capital markets by privatising large state-owned companies, adopting global standards and technology and by educating and protecting investors, the Chief Executive Officer of the Bombay Stock Exchange (BSE) Rajnikant Patel said Thursday.

In an interview with The Daily Star, Patel said Dhaka had the chance to join other markets in the region and take advantage of the economic strength in South Asia.

"The regional economy is now stronger than in the past and GDP growth has been maintaining a commendable rate over the last few years, particularly in South Asia," he said.

While India has been recording GDP growth of over 9 percent, he said, Bangladesh has also been maintaining good growth of around 7 percent a year with productive young working people behind the economic strength.

The stock market is a place where investors, especially retail investors, have a chance to benefit from such a growth, he added.

Patel, currently chairman of the South Asian Federation of Exchanges (SAFE), a regional platform of the stock market operators, was visiting Dhaka to attend at the Second South Asian Capital Market Conference-2008.

An accomplished banker, Patel had a long stint with the banking regulator Reserve Bank of India and also worked with BNP PARIBAS. He started his career with Bank of Maharashtra and subsequently joined State Bank of Saurashtra.

During his time at the Bombay bourse, he has spearheaded measures needed to obtain the prestigious ISO 9001:2000, an international mark of quality. He has also seen the BSE capitalisation increase to US\$1.5 trillion, a level unthinkable a decade ago.

BSE, having the daily turn of over more than Indian Rupees 8000 crore, was established in 1875 where at present 4800 companies are listed, and particularly in the last calendar 110 companies were listed.

Patel said one of the keys to capital market development is the establishment of clear principles on which regulators intervened in the market, so that all investors and listing companies know and understand the rules.



Chief Executive Officer of the Bombay Stock Exchange (BSE) Rajnikant Patel gestures as he talks to The Daily Star. Patel says Bangladesh has the opportunity to join other markets in the region to take advantage of the economic strength in South Asia.

Parameter	Value
Start of functioning	1875
Daily turnover	Rs 8,000 crore
Total market capitalisation	US\$ 1.5 trillion
Number of listed companies	4,800
Companies listed in 2007	110

"The regulations of the capital market must have transparency, corporate governance, and be faithful and trustworthy," he said.

Patel said the SEBI (Securities and Exchange Board of India) does not interfere at the micro-level in order to ensure the smooth operation of capital markets.

The SEBI always helps the stock markets giving practical decision, he said, adding that both the BSE and SEBI sit together to have a talk in case of any major problem.

Asked to comment on the recent frequent market interventions and policy changes by the Bangladesh Securities and Exchange Commission, he said there must be a practical reason for changing a decision, as the capital market is a very sensitive to such moves.

He said only if the market showed fluctuations in excess of 10 percent should the regulators step in and suspend trading in order to cool volatility.

Another step needed in the development of a successful market is the delisting of companies that frequently break the rules. Three years ago BSE de-listed more than 1000 companies on such grounds.

"The government, stock exchange and regulatory bodies should be more active for updating and disclosing information regarding any listed company so that the investors are not losing their hard earned money," he said.

Filipinos in HK fear job loss on new rules

ANN, Philippine Daily Inquirer

Overseas Filipino Workers (OFWs) in Hong Kong might lose their jobs over new rules by the Philippine Overseas Employment Administration, which, among other things, require prospective employers to post some \$8,000 worth of bonds before being allowed to hire OFWs, an official of a group of Filipino workers in Hong Kong said.

Dolores Balladares, chairperson of the United Filipinos in Hong Kong (Unifil-Migrante-HK), said POEA Memorandum Circular 04, or the Guidelines on the Direct Hiring of Filipino workers that took effect January this year, was "a grave threat to our employment."

The POEA circular also requires all employment contracts for direct hires to be approved by the labour secretary.

Balladares said OFWs who would be particularly hit would be household service workers who were either renewing their contracts with the same employer or were transferring due to finished or pre-terminated contract.

GM overcomes soft economy

AFP, Chicago

General Motors said Friday its January US sales increased 2.1 percent, overcoming sputtering economic conditions that have hurt its main rivals.

The largest US automaker, in a dead heat last year with Japan's Toyota for the title of the world's biggest, reported vehicle deliveries of 252,565 last month.

The Detroit giant said the figure is even stronger than it appears because sales to retail customers were up 11.2 percent, offsetting its planned reduction in largely unprofitable fleet sales.

The rise in GM sales contrasted with a 2.3 percent drop for Toyota, and a 4.1 percent decline for Ford Motor Co.

Bahrain keen to invest in textile, bank, capital market

Bangladesh bags huge spot orders from Manama fair

UNB, Dhaka

Bangladeshi companies participated in Bahrain

Autumn Fair 2008 have received huge spot orders and signed bilateral trade agreements with various companies.

Bahrain business people in their meetings with their counterparts expressed their interest in investment in Bangladesh textile, bank and capital market.

In the nine-day fair held at Manama, the Bahrain capital city, that concluded on January 30, three Bangladeshi commercial

banks, two life insurance companies and one real estate company took part, according to a press release.

Pubali Bank, Prime Bank and Mutual Trust Bank finalised remittance deal with several exchange houses and banks of Bahrain.

These banks opened hundreds of accounts for expatriate Bangladeshis and collected laudable deposit.

Among the life insurance companies, Fareast Islami Life Insurance Company earned Tk 6 million premium by selling 350

policies, while Meghna Life Insurance Company earned Tk 5 million selling more than 250 policies.

The only real estate company, Mission Energy and Properties, got booking for more than 50 flats and plots.

Bangladeshi participating companies had several meetings with the companies of Bahrain where Bahraini businessmen showed interest in importing Bangladesh rice, readymade garments, shrimp, medicine, handicrafts, spices and food products.

The central bank cut rates just a week after it had slashed borrowing costs by an historic three quarters of a percentage point amid mounting economic uncertainty.

Government surveys this past week confirmed the giant US economy is sailing in turbulent waters: Fourth quarter economic growth slowed to a 0.6 percent annualized crawl compared with 4.9 percent in the prior quarter, and the economy lost an unexpected 17,000 jobs in January.

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