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Policy soon to cut interest finance

Says BB governor

STAFF CORRESPONDENT, Crg

Bangladesh Bank governor has said a policy would be formulated in the next one month to reduce import finance interest rates, L/C (letter of credit) commissions and other charges in a bid to help lower import costs.

Dr Salehuddin Ahmed here on Saturday assured the businesspeople of fixing rate of overall bank interests and documentation charges within tolerable limit and coordinating the activities of commercial banks.

To this end, a set of rules would be prepared by one month after determining everything within next three weeks, the governor said, adding that the central bank would hold meeting with the private bank owners or directors next week in this regard.

The BB governor was addressing a view exchange meeting with the leaders of Chittagong Chamber of Commerce and Industry (CCCI).

Instead of cutting interest rate through adjustment of lending and deposit interests, the BB is trying to trim down the rate of bank interest through reducing the cost of operations, raising efficiency and improving the service standards of the banks, the governor said.

Efforts to cut interest rate through adjustment of lending and deposit interests might affect deposit, he pointed out.

Rising food prices have hit Asia's

poor so hard that many have taken

to the streets in protest, but experts

see few signs of respite from the

global warming, could make high

costs for essentials such as rice, wheat

and milk a permanent fixture, they

pointing to high prices," Abdolreza

Abbassian, a senior grains analyst at

the UN Food and Agriculture

prices globally soared nearly 40 per-

cent in 2007, helping stoke protests in

Myanmar, Pakistan, Indonesia and

reason why prices rose, said Joachim

von Braun, from the International

Food Policy Research Institute.

Yet Asian economic growth is a key

"High growth in per capita Bankin Sydney.

Organisation in Rome, told AFP.

Malaysia.

"The indications are in general

The agency's figures show food

AFP, Hong Kong

growing problem.

Make quick decisions rate on import finance on big investment proposals

Foreign investors urge govt

STAR BUSINESS REPORT

Foreign investors' chamber has urged the government to immediately decide on the pending big investment proposals from Tata and Asia Energy.

"The country should have a double digit economic growth, which cannot be achieved without smooth flow of foreign direct investment," Waliur Rahman Bhuiyan, president of the Foreign Investors' Chamber of Commerce and Industry (Ficci), said at a monthly luncheon meeting held at a city hotel yesterday.

The Ficci chief expressed his frustration that the chamber has no representation in the Better Business Forum. "How the innovative forum could succeed when the lone body for foreign entrepreneurs is kept aloof from the purview of Better Business Forum," he

Terming the existing investors as 'ambassadors to other potential investors', Bhuiyan said when they are not happy enough how could they invite others to invest in Bangladesh.

Bol (Board of Investment)

warn of worse to come

income, especially in Asia, is driving

demand for food," said von Braun, the

Washington-based group's director

left many of its poor behind, he added.

An array of factors, from rising cent of their meagre incomes on food,

food demand and high oil prices to making price rises especially debili-

They spend between 50 and 70 per-

At the same time, Asia's growth has

"There was also a lack of invest-

Apart from overall higher food

ment in agriculture, particularly in

science and technology and in irriga-

demand, changes in taste favouring

meat are said to be pushing up prices,

since farmed animals feed heavily on

prices stoking transport costs, spiking

biofuel demand and low reserves

have also played their part, experts

year of wheat due to drought," said

Katie Dean, an economist at ANZ

"In Australia, we lost almost a

Drought and bad weather, high oil

tion." von Braun said.



Waliur Rahman Bhuiyan, president of the Foreign Investors' Chamber of Commerce and Industry (Ficci), speaks at the monthly luncheon meeting of the chamber in Dhaka yesterday. Md Kamaluddin Ahmed (C), executive chairman of Board of Investment, Rudolf P Klink (L), Ficci vice president, and MA Matin, secretary general of the chamber, are also seen.

The price of rice

Export prices of the world's second most

important cereal after wheat

Executive Chairman Kamal Uddin Ahmed assured the Ficci of considering its representation to the Better Business Forum.

He also requested the Ficci members to submit their grievances to the Bol in written.

UAE-Bangladesh Investment Bangladesh. Company Limited (UBICL) Managing Director SM Akber stressed the need for an equity protection law.

Price (US\$ per tonne)

Graphic charting monthly export price of rice.

250 -

He said, "Without an equity protection law foreign investors will not feel encouraged to invest in government or private equity."

Other members alleged about long procedural delay in opening up a branch or liaison office in

It takes around a year or more than a year to get approval from many government desks for doing this simple job, they said.

Salt farmers demand subsidy

STAR BUSINESS REPORT

Salt farmers have demanded that the government form a Salt Board in Cox's Bazar and provide sufficient subsidy for them considering salt cultivation an agricultural pursuit.

They also asked for banning its import in order to safeguard the locally produced salt where 30 lakh people are directly or indirectly dependent.

'A Salt Board is needed to monitor our cultivation. Government should consider the salt cultivation as agriculture, not industry and salt farmers should be provided with subsidy to boost the sector, " said Mostafa Kamal Chowdhury, president of the Salt Growers Welfare Association, at a press conference at the National Press Club in Dhaka vesterday.

The association chief also sought proper government patronisation to salt farming. The government earns around Tk1500crore revenue from the sector per annum, he pointed out, adding that around 11.70 lakh tonnes of salt are produced on 70050 acres of land.

Rezaul Karim Chowdhury, executive director of Coast Trust, a non-governmental organisation working for the cause of farmers, fishermen and others in the coastal belt, suggested that the government should provide subsidy for the farmers to improve the quality of local salt.

Among others, Coast Trust Coordinator Atiqul Islam Chowdhury and salt farmer Shahrier Chowdhury were present As Asia food prices bite, analysts at the press conference.

Pak jute team arrives today

BSS, Dhaka

A high profile delegation of Pakistan Jute Mills Association (PJMA) comprising leading importers of jute arrives here today on a five-day visit to Bangladesh.

During their stay here, the delegation members will hold talks with the government and also the private sector to discuss ways and means to further increase bilateral trade and business between the two countries.

Chairman and Managing Director of Amin Fabrics Abdul Khaliq will lead the Pakistani delegation, a Pakistan High Commission press release said.

India may allow FDI for specific sectors

PTI, New Delhi

080208 AFP

The Indian government may allow Foreign Direct Investment for specific sectors such as electronic and sports goods in retail if an expert study going into the issue foresees no impact on the neighbourhood mom and pop stores.

"We are expecting the ICRIER report on retail by the end of February. Certainly, we can be more flexible in areas of retail like electronics and sports goods. But, I want to see the whole report and make sure what I believe is correct and is backed by a report," the Indian Commerce and Industry Minister Kamal Nath told PTI.

Nath said he had commissioned the Indian Council of Research in International Economic Relations (ICRIER) to come out with a study on retail to understand the impact of big retail on the small shops.

"Until I have the ICRIER report, I cannot do (open) retail. I have got to ensure these basic things. The point is that the neighbourhood store should not be hit," he said, adding that the retail has to be seen in a totally India-specific context and not in a general sense.

"Retail in India is not like retail in Malaysia or Thailand," he said. ' However, opening sectors like electronics, sports goods, phar-

macy and confectionery to FDI would not have an impact on the neighbourhood stores but would instead drive the Indian industry, Nath said.

Correction

not needed for budget if reforms executed" published yesterday, it was mistakenly mentioned that work together closely on efforts to mobile phone users spend around shore up the global economy and US\$ 115 million a year on making financial markets. calls. Actually, the amount of

United Airways to add two wide-bodied aircraft to fleet

SARWAR A CHOWDHURY

United Airways is to add two widebodied aircraft to its fleet to operate on international routes.

"We have signed a letter of intent with a Singapore-based company to lease an Airbus, 310-300, last month," said Captain Tasbirul Ahmed Choudhury, chairman and managing director of United Airways (BD) Ltd.

A negotiation to lease a Boeing 747-300 is also in progress, he said. However, the United Airways will lease the aircraft with an option to buy. "We may lease the aircraft for a period of 2-3 years and after the expiry of the lease we may buy the aircraft on instalment basis,"

Tasbirul said. "We have already submitted our proposals to the civil aviation ministry, seeking permission to operate flights on Dhaka-Dubai-London, Dhaka-Kuala Lumpur, Dhaka-Dubai and Chittagong-Dubai routes," Tasbirul told The Daily Star.

"We can start international flights in three months after getting. permission," he said, adding: " we are ready to operate flights on Dhaka-Kolkata and Dhaka-Katmandu routes as a new aircraft is expected to arrive by middle of this month."

United has already purchased a Canadian made Dash 8-100 with a cost of around Tk35crore.

The private airline, a venture of the non-resident Bangladeshis

An aircraft of local United Airways. The carrier is going to strengthen its fleet to compete on domestic and international routes.

aircraft to increase the number of flights on the existing routes as well as launch new flights on other

with the second aircraft by mid-March this year. We are planning to UK. launch new flights on Dhaka-Barisal route and additional flights on Dhaka-Chittagong-Cox's Bazar, Dhaka-Sylhet and Dhaka-Jessore routes," Tasbirul said.

The carrier, the first-ever public company said. limited company in aviation sector, is now operating three flights on Dhaka- Chittagong, two flights on Dhaka- Sylhet, one flight on Dhaka-Jessore 7 days a week and Aviana Airways.

(NRBs), has purchased the new three flights on Dhaka-Cox's Bazar

Presently, there are some 600

shareholders of the United Airways, which started its opera-"We hope to start new flights tion in July last year. Most of the shareholders are NRBs living in the

With authorised capital of Tk 100 crore, the company has plans to invest Tk 2000 crore over the next five years in the business, chairman and managing director of the

At present, four private airlines are in operation on domestic routes. These are: GMG Airlines, United Airways, Best Aviation and

Foreign Adviser Iftekhar Ahmed Chowdhury (2-L) speaks at 'Corporate Leaders' Meet' organised on the sidelines of 'Corporate Bazaar-2008' in Dhaka yesterday. Chairman of Aamra Networks Ltd Syed Faruque Ahmed (2-R), Managing Director of the company Syed Farhad Ahmed (R) and Deputy Managing Director of AB Bank Ltd Niaz Habib are also seen. Aamra Networks is the organiser of the three-day fair of corporate houses that ends today.

Able corporate leadership key to exploiting outsourcing potential

Corporate Bazaar seminar told

STAR BUSINESS REPORT

Able corporate leadership is a must to utilise Bangladesh's potential in business process outsourcing, a discussion was told in Dhaka yes-

The country has the potential since its people can adopt latest technologies easily, speakers told the discussion organised on the sidelines of 'Corporate Bazaar', an exhibition of corporate houses, at Bangladesh-China Friendship Conference Centre.

Speaking at the seminar, Foreign Adviser Iftekhar Ahmed Chowdhury also said effective communications and political stability in BPO service country are important.

Replying to a query, the adviser said the government has already set up 27 vocational training centres across the country to train people who are seeking jobs.

"The government will give Anamadded. policy support to talented young businesses," Chowdhury said.

He said he will persuade his government for formulating policies for VoIP operations and call center business.

Chief executive officer of Apollo Hospital, Dhaka Ed L. Hansen said Farhad Ahmed and Deputy he has a plan to introduce telemedicine in his hospital next Habibwere also present.

year to ensure better services. Mahfuz Anam, editor of The Daily Star, said if Bangladesh wants

outsourcing, people of the country should be more efficient. The positive side of Bangladesh

is its people, who have the potenti-

ality to receive quick training,

Anam also said political stability people for smooth operations of and drives against corruption are needed to enhance the country's

image to become a global outsourcing destination. Chairman of Aamra Networks Ltd Syed Faruque Ahmed, Managing Director of Aamra Networks Ltd Syed

Managing Director of AB Bank Niaz The three-day exhibition of

corporate houses began on Saturday in a bid to improve corpoto be a global destination for rate culture and professionalism.

Countries should consider fiscal boost: IMF chief

be "the first line of defence" against

economic problems, he told

reporters on the sidelines of a

AFP, Tokyo

The head of the IMF on Saturday renewed his call for countries to consider fiscal measures to boost demand in the face of slowing economic growth caused by the US subprime loan crisis.

Monetary policy and coordina-

Countries should also consider coordinating on their fiscal policy, International Monetary Fund director general Dominique Strauss-Kahn also urged the world's financial authorities to

ministers here.

globalisation, if we are talking about more and more coordinated

monetary policy, then at the same time we have to think about something which could look like (a) more coordinated fiscal response,"

tion between central banks must he said.

The US government has prepared a 150-billion-dollar package to stimulate its flagging economy, meeting of Group of Seven finance while the Federal Reserve has slashed interest rates several times since last September.

But other G7 nations have shown less appetite for fiscal mea-"If we are talking about sures to boost domestic demand, particularly Japan which has huge national debts.

Strauss-Kahn said countries with scope to do so should consider implementing measures to boost their domestic demand.

Low-cost Chinese toothbrushes outshine local competition

Panana FLEX

Corona FLEX

SAJJADUR RAHMAN

A flood of cheap Chinese toothbrushes is threatening to undermine the once thriving local toothbrush industry with Bangladeshi manufactures unable to compete on price.

At present hawkers on the streets of Dhaka are selling Chinese made toothbrushes for as little as Tk8, a price that according to some local industry officials is less than they cost to manufacture here. "We've not only lost the domes-

tic market to China, but also our exports in Middle East countries," Sajedur Rahman, manager (export-import) of Anwar Brush

Company, told The Daily Star. "Our sales have declined by 20 percent last year," Rahman said. There are around five major

Bangladeshi toothbrush manufacturers, including Anwar Brush Company, Tri-Star Tooth Brush Company, and Matador Tooth Brush Industries. Although Chinese toothbrushes started to penetrate the market in 2001, the business only gained

momentum in 2006, according to Zahirul Islam, an importer in the city's Chawkbazar, told The Daily Star. China produces a wide variety of toothbrushes, sometimes adding extras such as a rubber for

erasing, a flash light and a tongue cleaner. "The often-asked question we face is "how do they (Chinese) sell it at such a cheaper rate?" Islam said.

" It is because they produce the item with their own raw materials, such as nylon and plastic, and sell huge quantities," he said, adding that Bangladeshi manufactures had to import their raw materials.

Another frequently asked question on the product is "are they

"It is checked by a pre shipment inspection company, but no government institution," Islam who retailers.

has been importing toothbrushes since 2001, said. With an average sale price of

Street vendor Yunus is selling low-cost Chinese toothbrushes at Gulistan in Dhaka yesterday. Like him many hawk-

ers are offering the item for as little as Tk8, a price that is much less than local manufacturers cost to make.

around Tk 10 for a Chinese toothbrush, around half the price of the cheapest Bangladeshi product, hawkers are still able to make a profit of around Tk 4 on each brush. Dalim, a wholesaler in Farm

Bazar area, said. "Who will go for buying a toothbrush worth Tk 20 if he/she gets it at Tk 10?" another hawker named Ridoy (12) at Farmgate said. View Super Market, said he sells a dozen Chinese toothbrushes at between Tk 65 and Tk 89 to the

Zahirul Islam said total duty stands at 53 percent for import of Chinese toothbrush.

"It looks good. Above all, it costs

about 50 percent cheaper than the

Bangladesh-made toothbrushes,"

Raju (25), who has been selling

Coroma

Chinese toothbrush in Karwan In a news item titled "Foreign aid

money is spent a month.