

Stocks

DGEN 3.28%
2906.80

CSCX 3.42%
4808.66

Asian Markets

MUMBAI 1.85%
17,825.99

TOKYO 1.49%
14,031.30

SINGAPORE 0.54%
3,094.45

SHANGHAI 2.26%
4,334.05

Commodities

Gold \$964.99 (per ounce)
Oil \$102.08 (per barrel)

SOURCE: AFP

Currencies

	Buy TK.	Sell TK.
USD	68.05	69.05
EUR	100.61	105.15
GBP	133.55	138.58
JPY	0.63	0.66

SOURCE: STANDARD CHARTERED

More News



Bottled water market growing fast

Sales of bottled water in the country is rising by up to 20 percent a year mainly due to consumers' lack of confidence in public water service facilities. Demand for pure drinking water has been growing 10-20 percent a year. B-3

International

Gold, oil prices hit record highs

Oil and gold prices rose to record highs Wednesday. The price of gold surged to 964.99 dollars per ounce, while oil prices surged to a record above 102 dollars per barrel. B-4

Islamic party to scare off investments: KL

A Malaysian minister warned Wednesday that investors might be deterred if a fundamentalist Islamic party retains control of its stronghold in northern Kelantan state. B-4

Bangla Biz Lexicon

NCBs - Nationalised Commercial Banks. Currently there are four NCBs - Sonali, Janata, Agrani and Rupali.

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Steel maker to invest Tk500cr in new plant

Demand from construction will recover

KAWSAR KHAN

Bangladesh Steel Re-Rolling Mills (BSRM) is to invest Tk500 crore in building a new steel mill and a billet factory during the next five years in an effort to double its share of the country's quality steel rod market, a director of the company said.

At present BSRM holds around 12 percent of the market for quality rod, a key material in the construction industry. It is part of the H.Akberali Group, and has yearly turnover of around Tk815 crore.

Until this year the rod market had been growing at 8-12 percent a year, although demand has been dampened somewhat in the last 12 months due to weakness in the construction sector and a sharp increase in rod prices.

Aameir Alihussain, director of BSRM, said, "Now the trend is that people construct high rise buildings in Dhaka and Chittagong which is not possible without using quality rod. As the building, of high rise buildings will rise in coming years we want to meet the demand with our product."

The two new factories will be a Tk 260 crore billet factory with a capacity of six lakh tonnes and a steel mill for rod production again costing around Tk 260 crore. Billets are the raw material from which rod is made. Both factories will



BSRM Director Aameir Alihussain says the construction of high rise buildings will increase in coming years. "We want to meet the demand with our product."

be built in Chittagong.

Alihussain made his comments just weeks before the company opens its new Tk 370 crore steel factory in Chittagong. The plant will have

an annual production capacity of 3.75 tonnes rod.

Currently there are nearly 100 steel mills, 250 re-rolling mills in the country while the total output capacity is 2.4

million tonnes per year. Consumption of quality steel products in Bangladesh is between 1.5-1.6 million tonnes, Alihussain said.

However, company officials identified problems that are undermining growth in the sector, especially the power crisis.

"We are the biggest power consumer in the country and paying around Tk 1.8 crore per month in electricity bills, but the fact is we never get quality electricity," Kazi Anwar Ahmed, general manager of H.Akberali Group, said.

He said that the group's steel production would have been doubled if an uninterrupted supply of power could have been ensured. During the interview the officials of the company also brushed aside the allegations of syndication in the steel market, adding that cost of construction rod is lower than that of India and Pakistan.

"There are around 300 steel and re-rolling mills in Bangladesh, therefore it is not easy to go for syndication," Alihussain said.

He also forecast that the prices of steel raw materials will raise further in upcoming days as the global consumption of steel have shot up and China has imposed extra duty on steel export.

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South Korea may double investment in Bangladesh RMG sector

Dhaka trade team to go to Seoul next month

STAR BUSINESS REPORT

South Koreans, encouraged by better quality of Bangladesh's ready made garments (RMG) and availability of cheap labour, are contemplating doubling investment here, said the director of Korea Trade-Investment Promotion Agency (Kotra), Dhaka.

"The quality of Bangladesh RMG products and lower labour cost compared to Vietnam and Cambodia would attract more Korean investment in the RMG sector," Hanil Kim told The Daily Star from the one-day Korean trade exposition site at the Pan Pacific Sonargaon Hotel in the capital yesterday.

A Korean trade mission that organised the fair is now in Dhaka on a 3-day visit to Bangladesh. As many as 11 new companies were introduced in the fair.

According to the Kotra, a Bangladeshi trade team will visit Korea next month to explore business prospects with their counterparts.

Hanil Kim said in recent years entrepreneurs from the Republic of Korea (ROK) invested a lot in Vietnam and Cambodia on Bangladesh's political instability in the pre-1/11 period. However, cheaper labour force and

better production quality of RMG have brought them back here, the chief of the Dhaka office of ROK investment promotional agency added.

Korean Ambassador to Bangladesh Suk-Bum Park, who was also present at the exposition, echoing Kim's view on political stability said, "Such stability and business-friendly climate are pre-requisite to more foreign investment in Bangladesh."

Kim expected that the future \$1 billion investment plan would create an employment opportunity of at least 350,000 people, directly and indirectly.

A total of 120 Korean companies, including 62 in the export processing zones (EPZs), are now in operation in the country Bangladesh, where 62 in EPZ, which produce mainly textile products, paper and plastic.

Kim said Koreans would invest the additional amount of money within a year in power and construction besides RMG sectors. The amount of their present investment in the EPZs is US\$ 900 million.

The Korean Electricity Power Company (KEPCO) has already started operation in

the power sector here with constructing individual power plant (IPP) in recent months.

Meanwhile, SK Network and KT Korea, two Korean telecom companies who are interested to invest in Bangladesh's telecommunications sector, have already opened their branch offices in Dhaka recently to get themselves prepared for future operation.

"Korea is interested to invest in telecoms sector, but not in manufacturing," according to Koo Ja Dong, head of the Korean Trade Mission.

Bangladesh is also a major export destination of South Korea. It exported goods worth around US\$ 600 million to Bangladesh last year, while Bangladesh exported mainly garments products and frozen foods worth around US\$ 100 million.

The items Bangladesh imports from ROK are garment machineries, such as textile, dyeing, embroidery and circular machineries, and adhesive tapes.

Kotra was established in 1962 as a national trade promotion organisation, which now operates as the national investment promotion agency of Korea.

Euro surpasses \$1.50 mark for first time

AFP, Washington

The euro broke the 1.50-dollar mark for the first time ever Tuesday in the wake of lackluster US economic reports that renewed fears the American economy could be falling into a recession.

The European currency reached 1.5047 dollars at 2230 GMT late Tuesday before falling back to 1.5017 dollars.

Analysts say the euro was given a sudden boost from a better-than-expected German business indicator, which stood out amid a series of lackluster macroeconomic indicators in the United States.

The greenback has come under pressure as traders believe sluggish economic reports could pressure the Federal Reserve to keep cutting US interest rates.

Speculators generally prefer to invest or hold currencies in countries where interest rates are rising or expected to increase in they hopes they can increase their potential returns.

The dollar fell to a record low against the single European currency in electronic trading in New York as traders continued assessing the latest economic readings.

An influential survey, released earlier Tuesday, on US consumer sentiment during February delivered fresh ammunition to market forecasters who are predicting a recession.

The Conference Board private research group said its consumer confidence index dipped to a reading of 75.0 in February, compared with 87.3 in January. The index had also



A picture taken on December 18, 2003 shows US dollar and Euro bank notes at an exchange counter in Paris. The euro took a breather in Asian trade on February 27, 2008 after breaking the 1.50-dollar mark for the first time ever as weak economic data stirred fears of a recession in the United States, dealers said. The single European currency was changing hands at 1.4991 dollars in Tokyo morning trade, down from the all-time high of 1.5047 dollars hit late on February 26.

fallen in January.

The survey showed the confidence of American consumers had slumped to its lowest level since November 1993, with the exception of polling conducted as US forces toppled the government of former Iraqi dictator Saddam Hussein five years ago.

"With so few consumers expecting conditions to turn around in the months ahead, the outlook for the economy

continues to worsen and the risk of a recession continues to increase," said Lynn Franco, a director of the Conference Board's consumer research center.

The euro's new record run saw it smash a prior record high of 1.4967 dollars struck on November 23.

A separate report on wholesale inflation also weighed on the dollar's fortunes, market participants said.

The Labor Department said inflation at the wholesale level surged a stronger-than-expected 1.0 percent in January due to rising food and energy prices.

The accelerating costs of food and energy -- especially crude oil prices -- have caused producer prices to rocket 7.4 percent in the United States in the past twelve months to January.

BB signs deal on Oriental Bank sale today

STAR BUSINESS REPORT

The Bangladesh Bank today signs a sale and purchase agreement with the Switzerland-based ICB Global Finance Group Holdings AG on the sale of Oriental Bank's 50.1 percent stake.

Earlier this month, the Swiss financial firm won the bidding to buy 50.1 percent shares in the scam-ridden Oriental Bank at Tk 350.77 crore.

Jahangir Alam, acting general manager of Banking Regulation and Policy Department of BB, AH Toufique Ahmed, chairman of Oriental Bank, and Dr Hadenan Bin Abdul Jalil of ICB will sign the SPA on behalf of their respective sides.

ICB Global Finance Group Holdings AG has already deposited over Tk 350.77 crore to the BB account in the Federal Reserve Bank of New York, BB sources confirmed.

The BB in an advertisement on August 2 last year invited expressions of interest for selling the bank to which six bidders responded. Of those, two submitted technical and financial proposals.

Correction

In a chart along with a news item headlined 'Multinationals to be asked to list on stock markets' printed on this yesterday, it was mistakenly mentioned Mirpur Ceramics Works Ltd as a multinational company. The company is not a multinational company.

Moreover, Fisons (Bangladesh) and Hoechst (Bangladesh) were mentioned as separately companies. According to Sanofi-aventis website, Sanofi-aventis Group in Bangladesh is comprised of Aventis Limited, Fisons (Bangladesh) Limited and Hoechst Marion Roussel Limited. We regret the mistakes.

ATMs' rapid spread upgrades bank customer services

SAJJADUR RAHMAN

The rapid spread of ATMs in Dhaka and Chittagong is transforming the way the country's banks operate, with time consuming cash transactions no longer being conducted by human tellers.

In the past few years the number of ATMs (Automatic Teller Machines) has jumped from a handful in the capital to around 500 nationwide, the majority in Dhaka and Chittagong.

"Consumers now prefer to use ATMs for withdrawing cash and printing their recent banking transactions rather than deal with a human teller," Abedur Rahman Sikder, head of marketing and corporate affairs of BRAC Bank told The Daily Star.

He said some 55 percent of BRAC Bank's daily transactions are done by ATMs.

As of Feb 26, BRAC Bank deals some 15,500 transactions everyday by ATMs, which was 12,000 in December, he said.

Although there is no record in the central bank on ATMs in Bangladesh, however it was seen that local banks such as Dutch-Bangla, BRAC, Islami Bank, Shahjalal, Southeast, Dhaka, Asia and Agrani and foreign banks like Hong Kong Shanghai and Standard Chartered are now involved in ATM services.

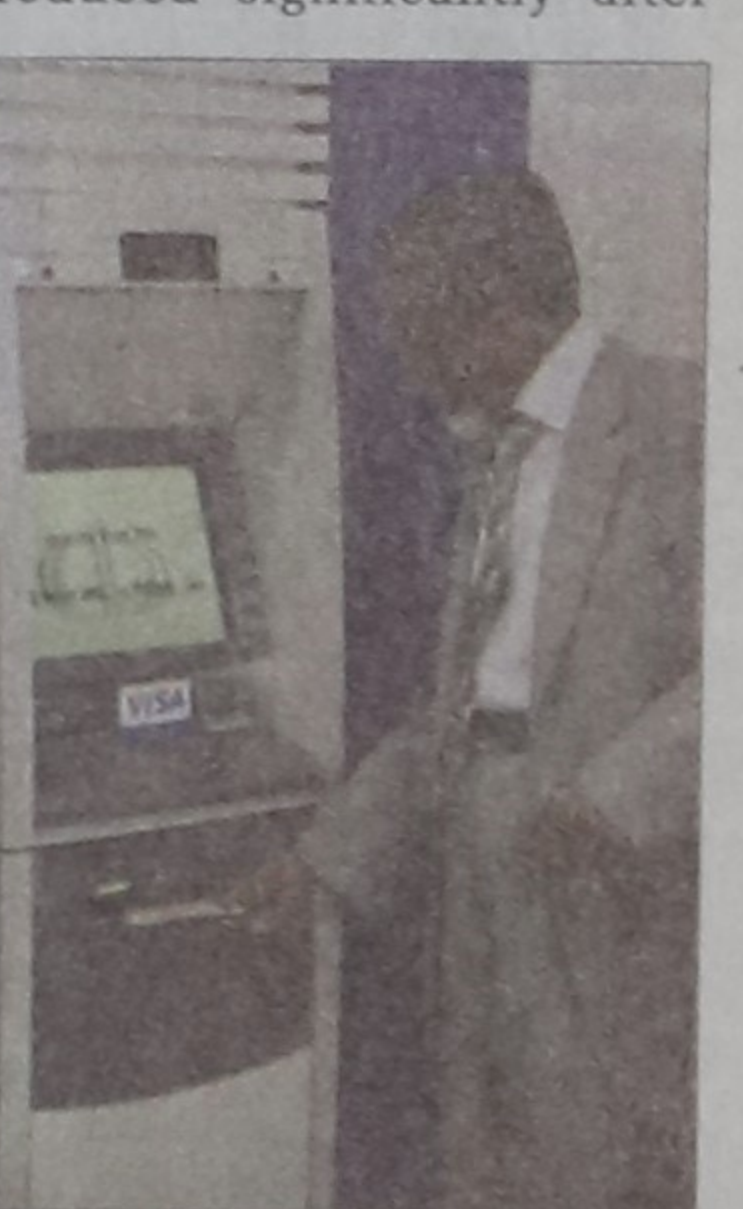
American Express Bank, Bangladesh, which was acquired by Standard Chartered, Bangladesh in 2005, started ATM operation 7/8 years ago. But the service gained momentum a couple of years ago when the local banks came up with the services first in 2004.

According to banks, some 500 ATMs are now in operation.

Of which, DBBL tops the list with about 250 branches, followed by BRAC Bank 70 and another 70 of Q-cash booths, Standard Chartered Bank 34, IBBL 20 and HSBC 16.

BRAC Bank has a plan to set up more 130 ATMs this year, officials said.

BRAC Bank has 3.5 lakh ATM cardholders and DBBL 1.2 lakh. "Workload on us has reduced significantly after



A client drops by an ATM in Dhaka yesterday to withdraw cash.

introduction of ATM services," Shahinor Alam, who has been working with DBBL as a cashier for about four years, told The Daily Star yesterday.

"I did not go to the bank branch for withdrawal of cash since I have got an ATM card of a foreign bank about one and a half years ago," a young executive of a multinational company said.

According to bankers, most of the banks use Indian software for operations of ATMs and BRAC Bank use Pakistan-made software.