

Stocks

DGEN	1.15%
2,991.37	
CSCX	1.20%
4,894.81	

Asian Markets

MUMBAI	Closed
TOKYO	1.88%
13,215.42	
SINGAPORE	0.25%
2,917.92	
SHANGHAI	1.59%
4,360.99	

Commodities

Gold	Oil
\$991.68	\$105.96
(per ounce)	(per barrel)

SOURCE: AFP

Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	102.53	107.08
GBP	133.86	139.04
JPY	0.65	0.66

SOURCE: STANDARD CHARTERED

More News

Banana shoes



Bangladesh made 100% parishable banana shoes are being exported to trendy European brands. Cor-The Jute Works has long been reputed for its contribution in exporting handicraft products including organic shoes.

B-4

17,990 poultry farms

now closed
Sharp price hike of poultry feed, bird flu panic and lack of insurance coverage have pushed as many as 17,990 poultry farms of the country out of business.

B-3

International

Gold price strikes near \$1,000

The price of gold hit a new record on Thursday close to the symbolic 1,000 dollars per ounce level as the precious metal was boosted again by the weak dollar.

B-3

Bangla Biz Lexicon

MS Rod - mild steel rod, a key raw material used in construction to re-enforce concrete. Produced locally it has risen sharply in price recently.

Contact Us

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

Rupali Bank in crisis as profit falls

JASIM UDDIN KHAN

Rupali Bank is in crisis as its fall, bad loans increase and key staff and customers desert the state-owned bank whose future has been thrown into uncertainty by its stalled privatisation.

Official sources said the bank's performance had deteriorated due to an embargo imposed by the Privatization Commission (PC) on its normal banking activities.

The PC asked the bank to suspend most of its financial and administrative activities due to the sale process that started in mid 2006.

The operating profit of the bank dropped about fifty percent from Tk 81 crore in 2005 to Tk 37 crore in the year 2007, according to the bank's annual balance sheet.

The slump comes at a time when many other public and private banks are showing significant profit growth.

Rupali has also seen an increase in its classified or bad loans, up to 35 percent in 2007 against 26 percent in 2006. Total bad debt rose to around Tk 1575 crore in 2007 from around Tk 1100 crore a year earlier.

The government owns 93.26 percent of Rupali Bank but agreed to sell its stake to Saudi Prince Bander Bin Mohammad Bin Abdulrahman Al-Saud for \$458 million. However, although the deal was agreed in early 2007 the sale has not been completed.

"As we are not able to issue



The head office of Rupali Bank in the capital, whose future has been thrown into uncertainty by its stalled privatisation.

new loans to the clients and many old clients are leaving the bank," a high official of the bank said preferring anonymity.

"Many of these big clients are leaving the bank and not paying their payments regularly due to the uncertainty of bank's privatization process,"

OPERATING PROFIT BY RUPALI BANK

Year	In Taka
2007	37 crore
2006	25 crore
2005	81 crore
2004	51 crore
2003	55 crore

headed.

The uncertainty has also hit staffing. The bank currently has only 2749 officers and 1681 staff at its 496 branches across the country against an approved staffing level of around 10,000.

According to bank documents, seven of its branches are now running with just two personnel, 40 are run by three personnel, 76 branches are run with four, 104 branches are run with five, and 67 branches are run with six.

The government recently approved to appoint 177 officers but the bank official said this will not even keep pace with the number leaving.

The official feared that activities of the bank will come to collapse in terms of its financial and management activities if the government does not act immediately.

A senior finance ministry official said they were aware of the concerns of Rupali Bank's management and were planning to allow the bank to resume some of its normal activities. These may include, staff promotion and recruitment.

Jasim@thedailystar.net

Two million More mobile users in Jan

STAR BUSINESS REPORT

More than two million new mobile subscribers were added in Bangladesh in January taking the total number of users in the country to 36.4 million, according to the telecom watchdog Bangladesh Telecommunication Regulatory Commission (BTRC).

The mobile phone company Grameenphone, majority owned by Norway's Telenor and also the market leader, raised its subscriber numbers to 16.88 million from 16.48 million at the end of December 2007. The Egyptian Orascom owned Banglalink increased its subscriber base to 7.45 million from its 7.08 million one month ago.

According to the figure, AKTEL, majority owned by Telekom Malaysia International, had the strongest growth with 7.28 million users up from 6.40 million in December 2007.

Ward Telecom International of the United Arab Emirates, which launched Bangladesh operations in May 2007, had 2.37 million users, CityCell 1.45 million and Teletalk 1 million.

Adamjee EPZ RMG factory to invest \$30m creating 8000 new jobs

STAR BUSINESS REPORT

Kwun Tong Apparels, a Hong Kong-based woven apparel factory operating in Adamjee Export Processing Zone, is to invest US\$30 million this year creating 8000 new jobs.

"We are going to set up two more production units as we are receiving a huge number of orders from international buyers," Chief Executive Officer of the company Adil Patel said Wednesday.

"The new units will be built on 1 million square feet area," Patel said, adding that JC Penny, Wal-Mart and Federated are the three main buyers of his company.

At present, Kwun Tong Apparels, which went into production in March 2006 with an initial investment of \$20 million, employ 2000 workers, said Patel.

Kwun Tong Apparels is a concern of Must Garment Corporation Limited of Hong

Kong that has also another concern, Lenny Fashions Limited, in Dhaka Export Processing Zone.

Patel also said western buyers are interested to buy products from his company since his factory ensures social compliance.

He said currently his company serves lunches, medical facilities and transport facilities to workers free of costs.

The minimum wage for the workers of the factory has been fixed at \$30 as per the rules of the EPZ regulatory body Bangladesh Export Processing Zones Authority (Bepza).

"We are ready to do whatever we need to improve our production," said Patel at his garment office Wednesday.

When asked, he said poor pay structures for workers, inefficiency of mid-level management and 'vested quarters' were behind the recent labour unrest in the country.

Exporters explore 21 new markets

SAJJADUR RAHMAN

Bangladeshi entrepreneurs have been exploring new export markets and they have exported \$6.2 million worth goods in 21 new countries in the first quarter of the current fiscal year.

According to Export Promotion Bureau, exports in these 21 countries were 'zero' in the corresponding period of the last fiscal year.

Of these countries, 13 are African, four former Russian Federation, two Asians, one European and one South American. EPB's latest country-wise statistics revealed.

Goods, which were exported, are frozen food, woven, knitwear, leather, raw jute, jute goods and chemical products were exported in these countries during July-September of fiscal 2007-08.

The countries are: Angola, Belize, Benin, Cambodia, Cote D'Ivoire, Gambia, Iceland, Ivory Coast, Kyrgyzstan, Laos, Lithuania, Macao, Namibia, Niger, Reunion, Senegal, Tajikistan, Tanzania, Tokelau Islands, Tunisia and Uzbekistan.

A leading woven exporter identified two major reasons entrepreneurs' efforts to look for new destinations and location of stores of big chain shops in different countries for the diversified markets.

"We're looking for new



export markets and everyday we're getting responses from different countries around the world," Anwar-ul-Alam Chowdhury, president of Bangladesh Garment Manufacturers and Exporters Association told The Daily Star yesterday.

Chowdhury said: "We're getting more and more orders from African and former Soviet Union countries."

Government data shows Bangladesh's total exports were \$12.1 billion in the last fiscal year ended on June 30 2007. Of which, about 76 percent was earned by apparel items.

Of these exports, majority goes to some specific countries that include the US and the European countries.

Analysts often said Bangladesh is in a vulnerable position as its export markets are very limited, but entrepreneurs have proved their potentials that they were able to tap

new export markets.

"Bangladesh's export to other countries will increase day by day as the sourcing countries for RMG are getting shrunk," the BGMEA president said.

He said the sourcing countries for apparel products have already come down to 36 countries from 56 five years ago.

"It is a good sign that Bangladesh's export markets and products are being diversified," Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue, told The Daily Star.

Rahman said some big local exporters have been exploring new export destinations after withdrawal of the quota system.

"Still many markets, including South American countries, are unexplored," he said. "An improved design and fashion can help Bangladeshi exporters to penetrate into the \$12 billion worth market in Japan."

Bahrain Air to operate flights from Dhaka from April

UNB, Dhaka

Bahrain Air takes off its inaugural flight from Dhaka on April 2, connecting Bangladesh to the Middle East with yet another airline to share a growing load of air traffic.

Director (Commercial Operations) of the Bahrain Air Saleh Al-Fakhri, who came here on a short trip, announced at a press conference at Dhaka Sheraton Hotel yesterday their plan to operate two flights a week.

Bahrain Air, the second national flag carrier of the Gulf country, will operate its flight

on the Dhaka-Manama route with an A320 Airbus on Wednesdays and Saturdays.

Every flight will be back next day. All the passengers' service will be economy class.

With this one, a total of 13 airlines, including the host Bangladesh Biman, will operate on different routes from here to the Middle Eastern region.

In the wake of serious shortage of flights for carrying workers and pilgrims to the region, the government has recently adopted a policy of giving permission on priority basis to any airlines from the Middle East to

operate flight from Bangladesh.

The Bahrain-bound flight will leave Zia International Airport at 1:35 am and reach Bahrain International Airport at 5:55 am.

Fakhri said that his airline would also provide connecting flight facility for its passengers bound for other destinations in the Middle East.

"We have operations in other cities in the Middle East... so we can easily provide immediate connecting flight to any other city in the Middle East," he told journalists.

Buffett topples Gates as the world's richest man



This AFP file photo shows US financier Warren Buffett (C), now the richest man in the world, second placed Mexico's telecom mogul Carlos Slim (L) and third placed Microsoft co-founder, US Bill Gates.

AFP, New York

US financier Warren Buffett has overtaken Bill Gates as the world's richest man, according to Forbes annual billionaire's list, which this year saw Russia, China and India making increasing inroads.

Buffett, the 77-year-old chief of the Berkshire Hathaway holding company, saw his wealth jump from 52 billion dollars last year to 62 billion, pushing Microsoft co-founder Gates into third position after 13 years at the top.

Mexico's telecom mogul Carlos Slim Helu grabbed second place with a tidy nest egg of 60 billion dollars, up from 49 billion last year.

Buffett, who announced in 2006 he was giving the majority of his fortune to the Bill & Melinda Gates Foundation, saw his wealth spike mostly due to the rising value of his Berkshire Hathaway stock.

"The amazing thing about Buffett going to the top of the list is that he did it at a time when he was giving away his money," said Steve Forbes, the magazine's editor in chief.

In total, this year's list sees 1,125 people around the world making the billionaire's list, up from 946 last year. Their total net worth stands at 4.4 trillion dollars, up from 3.5 trillion dollars in 2007.

"This past year was an amazing one around the world in terms of the global economy and it's reflected on this list," said Forbes, adding that the number of billionaires had almost doubled in the past four years.

"The reason for this explosion in wealth is that we're in the midst of a phenomenal global boom," he added.

By nationality, the United States still easily led the rankings with 469 billionaires up from 415 last year, but Russia

replaced Germany as the second placed country with 87 billionaires.

Third-placed India saw the number of its super-rich jump to 53 entries on the list -- four of them in the top 10 -- although China and Hong Kong if taken together would overtake it, with 42 and 26 billionaires respectively.

Japan, although still the second largest economy in the world, saw its number of billionaires trailing at 24 -- overtaken by Turkey, which this year saw its number of tycoons on the list jump from 22 in 2007 to 35.

Surprisingly, Buffett and Gates were the only Americans in the top 10, alongside one Mexican (second-placed Slim) four Indians (placed fourth, fifth, sixth and eighth), a Swede (seventh), a Russian (ninth) and a German (10th).

Among the biggest losers were Starbucks chief Howard

Schultz, whose stock dragged him off the list all together, and Spanish property billionaire Enrique Banuelos, whose wealth plunged from 7.7 billion dollars in 2007 to 1.3 billion.

The average age fell by one year to 61, helped by an influx of younger Russians and Chinese, 50 of them under 40, while the number of women grew to 99, up from 87 last year, but only 10 percent of them were self-made.

The richest woman in the world was France's Lilliane Bettencourt, of cosmetics company L'Oreal with a personal fortune of 22.9 billion dollars, partly helped by the weak US dollar, which has fallen notably against the euro.

"Most countries outside of the US have benefited from the currency fluctuations," said Forbes' senior editor Luisa Kroll. "It's definitely helped boost the numbers outside of the US."