

Stocks

DGEN 2.01%
 2,972.08
 (Tuesday closing)

CSCX 1.76%
 5,301.66
 (Thursday closing)

Asian Markets

MUMBAI 2.22%
 16,371.29

TOKYO 1.7%
 12,820.47

SINGAPORE 0.22%
 3,031.90

SHANGHAI 4.94%
 3,580.15
 (Friday closing)

Commodities

Gold \$934.25 (per ounce)
Oil \$105.62 (per barrel)
 SOURCE: AFP (As of Friday)

More News

Tk85,000cr budget planned

Finance Advisor Dr Mirza Azizul Islam said the caretaker government plans to announce a Tk85,000 crore budget for the coming fiscal year, accommodating demands of the common man. B-3

International

Doha deal still 'possible' with concessions: Bush President George W. Bush said Friday his administration is prepared to make "serious concessions" to help achieve a global trade liberalization pact if other countries reciprocate. B-4

Bangla Biz Lexicon

Hartal-a Gujarati expression signifying closing down of shops and warehouses with the object of realising a demand. In Bangladesh, hartal is a constitutionally recognised political method for articulating demands.

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

Local bank picks up home-grown software for automation

SAJJADUR RAHMAN

For the first time in Bangladesh a local private bank, Al-Arafah Islami Bank Ltd, has gone for automation using local software, officials said.

Use of the locally developed software has reduced the automation cost for the bank by over 90 percent compared to the banks automated by foreign software.

"We have taken the risk and saved crores of taka of our depositors by using local software. We are successful and finally take pride in promoting local vendors," Managing Director of the bank MA Samad Sheikh told The Daily Star.

The bank has recently completed automation of its 46 branches and is now waiting for inaugurating the system.

While other local banks such as Dutch-Bangla Bank Ltd (DBBL) and BRAC Bank Ltd spent Tk 100 crore each for automation, the cost for Al-Arafah was less than Tk 10 crore, officials said.

Local software maker

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Millennium Information Solution Ltd has supplied the software to Al-Arafah. The hardware and other equipment were imported, according to bank officials.

"We spent only Tk 7 crore for the bank's automation," said Masoudul Bari, head of IT of Al-Arafah.

The bank will not need to hire foreign software consultants for repair or maintenance works that will further save a huge amount of foreign currency, Bari said.

The banking sector in Bangladesh has been experiencing a rapid transformation for the last several years. Although this sector was limited to some state-owned

banks just a decade back, now 30 private commercial and 9 foreign banks are in operations. These banks have now got involved in competition -- from launching new and innovative products to automation of their services.

With the automation of the banks, consumers have the choice of conducting transactions from any branch and they can also transact through ATMs, telephone or internet.

BRAC, DBBL and Eastern Bank Ltd have completed automation, while Prime Bank Ltd has done it partially. Another two banks -- Islami Bank Bangladesh Ltd and IFIC -- took the initiative several years back, but are yet to complete

automation.

No other banks in Bangladesh have so far taken the risk of using local software for automation, said Al-Arafah officials. NCC Bank Ltd is also planning for using local software for its automation, sources said.

Foreign software for automation of a bank costs Tk 30 crore to Tk 50 crore, while local software costs less than Tk 1 crore, bank officials said.

"We've bought hardware and core banking applications from the Oracle, as other banks do," Bari said.

While Bari said his bank will get advantage for customisation of new products by using local software, an official of DBBL said they will also be able to do so without hiring experts from the foreign software supplier.

"There is no security concern as we've bought only software from local company, and the device and database have been bought from renowned foreign companies as it is done by other banks for automation," Bari noted.

Fashion houses eye Pahela Baishakh sales



A saleswoman displays a saree at a store in Dhaka yesterday. Local fashion houses expect good sales in Pahela Baishakh or Bangla New Year as demand for trendy local clothing brands is on the rise.

STAR BUSINESS REPORT

Local fashion houses expect good sales in Pahela Baishakh or Bangla New Year as demand for trendy local clothing brands is on the rise.

"Now we are busy making T-shirts and fatua both for men and women as the Bangla New Year is approaching," said Soumit Ranjan Mazumder, sales and operations manager of Cats Eye.

He said Cats Eye will start displaying the Baishakhi collections from the first week of

the next month as the Bangla New Year is scheduled to be celebrated on April 14.

He said usually Baishakhi sales get momentum after April 10.

Soumit said designs of clothes such as saree, fatua and T-shirt reflect traditional Bengali cultural and heritage.

The clothes generally get images of pastoral scenes and Bangla alphabet painted or printed.

Managing Partner of fashion house Rang Soumik Das said sales during the Pahela

Baishakh is amazing.

"We eagerly wait for the Pahela Baishakh as this occasion is a big season after Eid and Puja festivals," he added.

An official of the Ecstasy said his company is now busy making special fatua.

He said Ecstasy makes only fatua both for men and women for the celebration.

Officials of Westecs, another major local brand, said they only bring in summer collections for Bangla New Year.

Dhaka needs to seek WTO support to offset impact of food subsidy abolition

STAR BUSINESS REPORT

Bangladesh should demand emergency support from the World Trade Organisation (WTO) to offset the negative impact of gradual elimination of subsidies, especially on foods, independent think tank CPD said yesterday.

The net food importing countries like Bangladesh will be hit hard if the subsidies on farm products are withdrawn, said CPD (Centre for Policy Dialogue).

"Elimination of export subsidies and domestic supports is likely to be widespread on a global scale, which will negatively affect the net food-importing countries. Bangladesh, thereby, should raise its voice as it is the net food importing country," CPD Executive Director Prof Mustafizur Rahman said at a press briefing after a

recent visit to Geneva.

CPD is closely following the negotiations on the Doha round agenda in Geneva.

CPD executive director said Bangladesh is likely to organise a 'road show', offering its potential projects to the multilateral and bilateral donors under the Aid for Trade deal.

Rahman said the WTO negotiators, in 2005 at Hong Kong ministerial meeting, promised that WTO would continue with its Aid for Trade programme regardless the outcome of the meeting.

However, despite the over US\$15 billion commitment no major fund has been allocated under the Aid for Trade programme. Rahman said Bangladesh should be specific regarding projects like 'Mongla port' and 'Dhaka-Chittagong highway' to get fund under Aid for Trade.

Indian inflation hits 13-month peak

AFP, New Delhi

India's inflation rate accelerated to a near 13-month peak, hitting 6.68 percent, according to official data on Friday, dashing hopes of a cut in interest rates to spur a slowing economy.

Annual inflation accelerated by nearly eight-tenths of a percentage point to climb to 6.68 percent for the week ended March 15 from 5.92 percent the previous week, India's most watched cost-of-living monitor.

Inflation stood at 6.56 percent in the same period last year.

The rise was driven by a surge in prices of vegetables and other foods and metals, according to the wholesale price index, amid rising commodity prices worldwide.

The increase was bad tidings for the Congress-led government, which largely owes its 2004 polls win to support from India's poor masses.



Indian Finance minister P. Chidambaram inspects the statue of the bronze bull outside the Bombay Stock Exchange (BSE) in Mumbai Friday. India's inflation rate accelerated to a near 13-month peak, hitting 6.68 percent.

Bangladesh follows India as investment destination: Study

PALLAB BHATTACHARYA, New Delhi

After India, Bangladesh with its buoyant economy and untapped market is the next big destination for foreign investors, especially those from the United States and India.

This is the message sent out by a meeting of South Asian business experts here on Friday and the American Chamber of Commerce (AMCHAM) in India that is sending a 22-member delegation to Bangladesh from April 1 to explore business expansion opportunities in the country.

A joint study by United Nations Conference on Trade and Development (Unctad) and Asian Development Bank (ADB) said, "Over 60 percent of the increase in exports of India and Pakistan to South Asian region would be to Bangladesh".

AMCHAM in India says American companies, while retaining their base in India, are targeting Bangladesh as their next destination.

During its tour of Bangladesh, the delegation led by AMCHAM India Chairman KN Memani will meet senior government officials and industry representatives of that country, allowing the Indian representatives of diversified sectors to have a broader perspective of the Bangladesh market, says AMCHAM India in a statement.

"The common affinity between India, USA and Bangladesh will allow the delegation to embark on a faster road of business development", it added.

Memani said, "We would like to expand the Indo-Bangla trade through US companies to a newer height."

Bangladesh BRAND FORUM
 Inspiring Brands in Bangladesh
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Venue: Grand Ball Room, Hotel Radisson
 Date: 26-27 April, 2008

For Registration and other information please contact:
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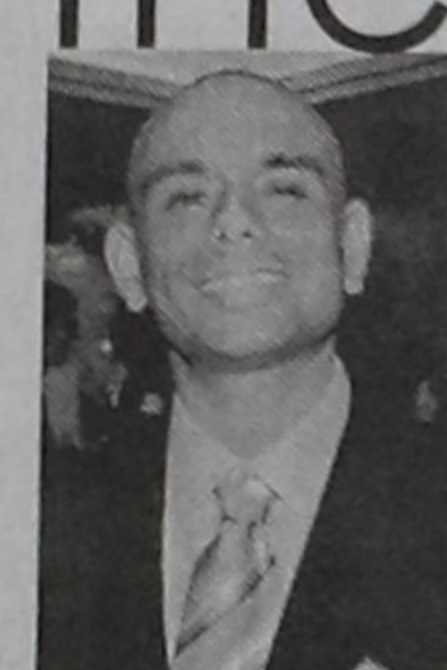
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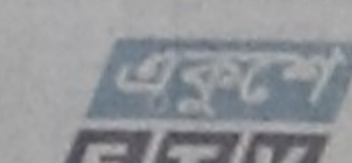


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