

Stocks

DGEN	0.17%
3,075.44	
CSCX	0.29%
5,513.79	
(Thursday closings)	

Asian Markets

MUMBAI	0.72%
15,807.64	
TOKYO	2.92%
13,323.73	
SINGAPORE	2.03%
3,126.87	
SHANGHAI	0.61%
3,492.89	
(Friday closings)	

Commodities

Gold	\$927.75
(per ounce)	
Oil	\$109.72
(per barrel)	
SOURCE: AFP (As of Friday)	

More News

IT professionals: Knowing-doing gap



In recent years a good number of computer science and engineering graduates can not find jobs, while many IT firms are still struggling to fill positions with competent people, writes columnist Habibullah N Karim.

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No new tax in next budget

Finance and Planning Adviser Mirza Azizul Islam yesterday said there will be no new taxes in the budget for fiscal year 2008-2009. "Rather, we are trying to reduce taxes in several sectors," he said while addressing a voluntary taxpayers' meeting in Rajshahi. The allowances for freedom fighters will be increased in the new budget, the adviser said.

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International

US mortgage crisis could cost banks \$650b

The crisis in the US housing market, which has sent shockwaves around global financial markets, could cost the banking system a total of 650 billion dollars (411 billion euros), Credit Suisse economists said Friday.

Toyota to invest \$350m, make small car in India

Japanese giant Toyota Motor said Friday it plans to invest 350 million dollars to build a new plant in India and develop a small car for one of the world's fastest-growing motoring markets.

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Govt mulls private management for ZIA's cargo village

PORIMOL PALMA

The government mulls putting the management of the cargo village of Zia International Airport (ZIA) under private management in efforts to improve services.

The plan for private management comes following complaints of delay in delivery of goods and losses of cargoes from the village, said an official of Civil Aviation Authority of Bangladesh (CAAB).

"The government has formed a committee to find ways to improve ground and passengers' handling qualities. Options of appointing a private company or other measures are being considered. But nothing has been decided," said CAAB Chairman Air Commodore Sakeb Khan Majlis.

Seeking anonymity another CAAB official, however, said the government is analysing the terms of references to float tender inviting bids from private companies to operate ground-handling task at ZIA's cargo village.

Biman Bangladesh Airlines, which operates ZIA and its cargo village, however is not in favour of appointing private



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companies. Biman also operates ground handling in all airports.

Air Commodore Majlis said, "The government will not do anything against the interests of Biman and country. But, we surely need to improve the

quality of services in the airports."

"Our target is to improve the quality of the services in the airports," said Civil Aviation and Tourism Secretary Syed Mohammad Zobair. But no concrete decision has been

made so far, he said.

An official said although Biman Bangladesh is a separate company now, it does not pay any fee to CAAB for operating the ground-handling task of ZIA and its cargo village.

"It is the Biman that is the guarantor of imported goods stored in the warehouse before delivery to importers. Even Biman compensates in the event of loss of any goods, said a Biman official.

Asked why Biman does not pay any fees to CAAB, the official said CAAB is entitled to making earning from flight landing, parking, boarding bridges and rentals of the buildings in the airports.

Biman Bangladesh Managing Director MA Momen said as per air service agreements, Biman has been the ground handling agency of ZIA and its cargo village.

"If the cargo village goes under private management what will be the fate of the air service agreements?" he questioned.

When asked, CAAB Chairman Majlis said the government has formed a committee to discuss the modalities of the issues.

G7 begins to get to grips with crisis

AFP, Washington

The Group of Seven industrialised countries began Friday to get to grips with the global financial market crisis but they have been slow to recognise the problems and concerns remain, analysts said.

They said the G7 -- Britain, Canada, France, Germany, Italy, Japan and the United States -- was correct to note the economy is weakening and positive in requiring the banks to start revealing the true state of their accounts within 100 days.

This was especially welcome because only when the markets have transparency can the distrust at the heart of the credit crunch be lifted and funds can begin to flow again, they said.

The G7 warned that the world economy "continues to face a difficult period ... (and) near-term economic prospects have weakened."

"The turmoil in global financial markets remains challenging and more protracted than we had anticipated," it said.

Mark Weisbrot, an economist and co-director of the Center for Economic and Policy Research in Washington, said "it is very positive that the G7 recognized this ... I think that is about right."

At the same time, Weisbrot said the G7 and others have been slow to recognise the problems in the US economy.

Mittal delegates talk township development with advisers

ABDULLAH AL MAHMUD, Cig

UK-based industrial group Mittal delegates have held talks with the government to discuss the proposed plan to develop a \$1.5 billion coastal township in Chittagong, a local representative of the Mittal said yesterday.

The delegates met housing and commerce advisers of the caretaker government Thursday.

The delegates expressed their keen interests to go ahead with the plan that includes residential and industrial blocks along the Bay of Bengal, said Syed Golam Dostagir Nishat, a director of the Mittal's local partner company Global Oil and Energy Bangladesh.

Mittal Director Rakesh Dixit led the delegation at the meeting. Local representatives of Mittal Colonel (ret'd) Kamal Ahmed and Syed Golam Dostagir Nishat were present at the meeting with Housing and Public Works Adviser Major General (ret'd) Golam Quader and Commerce Adviser Dr Hossain Zillur Rahman at their respective offices.

The delegates also met Chittagong Development Authority (CDA) Chairman Shah Muhammad Akhteruddin who assured the delegates of extending full support to the project.

"We have visited some probable sites and talked about those sites with the advisers and the CDA chairman," Nishat said.

The advisers assured them of providing all out support and cooperation of the government, he said.

But they (advisers) suggested making a formal proposal to the government through the CDA, Nishat said.

The \$1.5 billion township investment plan has been taken as part of Mittal's last year's investment plan for power, energy and infrastructure projects, he said.

Guidelines for developing such townships are provided in the Chittagong Metropolitan Master Plan (CMMP), Akhteruddin said. A composite township can be developed conforming to the coastal belt development guidelines of the CMPP along the coast stretching from Patenga to Kumira under the Sitakunda district.

CDA sources said the coastal township could accommodate waterfront residential blocks, environment-friendly industries, industrial blocks, an airstrip, and shallow-port facilities besides hotel and cruising facilities.

Commodity price hike leads to rise in banks' profits

SAJJADUR RAHMAN

Banks in the country saw good profit making in 2007 mainly due to price hike of commodities in international market, industry people said.

Top bankers have attributed the profits to increased commissions from fat import bills following the price hike of commodities such as food grains, energy products and fertiliser.

According to Bangladesh Bank (BB) data, in 2007 some 26 private commercial banks (PCBs) out of 30 made operational profits of Tk 4,814 crore, an increase of 41 percent from Tk 3,404 crore in 2006.

PCBs and foreign commercial banks made a net profit of Tk 1,550 crore in 2006, banking sources said.

"The growth has mainly been fuelled by increasing global commodity and energy prices," Prime Bank Ltd Managing Director Shahjahan Bhuiyan said in the bank's annual report 2007 released recently.

Bhuiyan said: "Due to sharp changes in industrial inputs and food grain prices, the same volume of import resulted in higher bills without bringing in proportionate enhancement."

One can guess how the prices increased throughout the year 2007 seeing the inflation trend. Inflation on point-to-point basis went up to 11.59 percent in December 2007 from mere 5.94 percent in January. Food inflation hit the people hard as it reached 14.46 percent in December 2007 from 6.65 percent in January the same year.

Prime Bank dealt with Tk 7,061.7 crore

worth goods for import in 2007, 34.15 percent up from Tk 5,263.9 crore in 2006. The bank's net profit rose to Tk 140 crore in 2007 from Tk 105 crore in 2006.

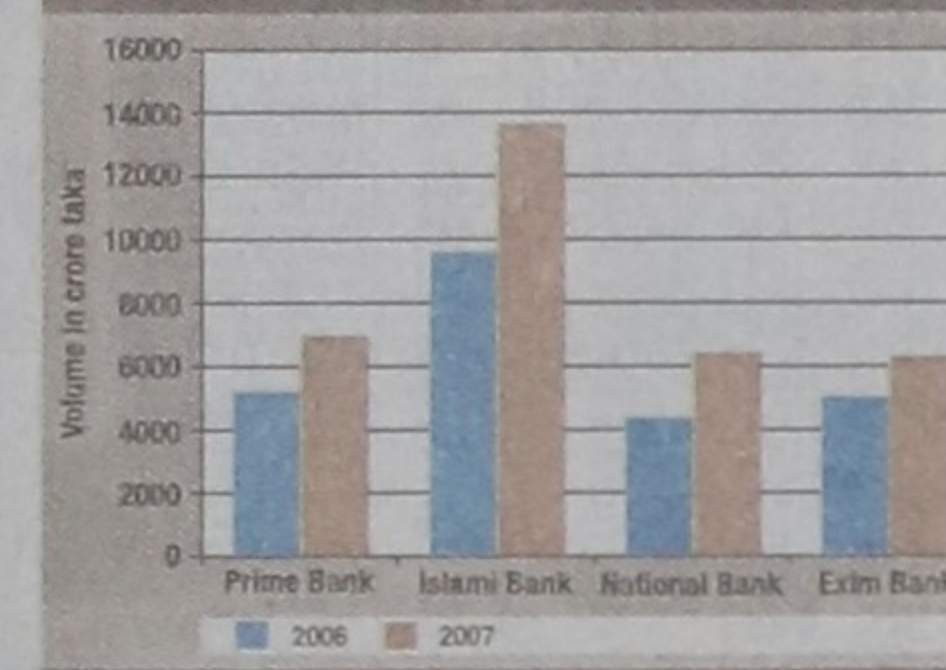
Islami Bank Bangladesh Ltd financed Tk 13,708.6 crore for imports in 2007 and the figure was Tk 9,687 crore in 2006. The growth rate was 41.5 percent on year-on-year basis.

Export Import (EXIM) Bank Ltd funded Tk 6,140 crore in 2007 for import of goods, a 24 percent rise from Tk 4,959 crore a year ago.

National Bank Ltd settled letter of credits (LCs) worth Tk 6,273 crore in 2007 from Tk 4,246 crore in 2006. Its net profit registered a staggering 144 percent growth at Tk 123.81 crore in 2007 and the bank's import value grew by 16.6 percent.

The banks opened all the large LCs for import of rice, wheat, edible oil, petroleum

IMPORT THROUGH 4 PRIVATE BANKS



products, fertiliser, capital machinery and consumer goods.

A recent BB report found that the commercial banks take 25 types of charges and commissions for import-related transac-

tions, and 12 types of fees for local transactions.

Businesspeople have long been demanding that the banks cut the rates, charges and commissions they take for lending and LC opening.

"The central bank should exercise its regulatory power to compel the banks to slash rates and reduce charges," Anwar-Ul-Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association, told The Daily Star.

Banks' lending rates now stand at 17-19 percent, Parvez said, adding that investment might slow down if the banks do not reduce the rates and numerous charges immediately.

sajjad@thedailystar.net



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2008

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