

PHILIPS sense and simplicity
Home Theatre System Model No.: HTS 3548
TRANSCOM ELECTRONICS

Stocks

DGEN	0.94%
3,101.94	
CSCX	0.89%
5,644.20	

Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	103.55	108.25
GBP	132.58	137.70
JPY	0.64	0.67

SOURCE: STANDARD CHARTERED

Commodities

Gold	Oil
\$855.15 (per ounce)	\$116.32 (per barrel)

SOURCE: AFP (As of Friday)

More News



Agrani Bank aims high

When Syed Abu Naser Bukhtear Ahmed took over as the CEO of state-owned Agrani Bank in October 2004, daunting challenges awaited him. The CEO now vows to improve all indicators, saying there will be no negative figures just after two and a half years, in 2010.

B-4

Budgetary allocation for jute industry demanded

Leaders of the Committee for Protection of Jute and Jute Industry, Khulna have demanded of the government to allocate necessary fund for the jute and jute industry in the upcoming national budget to save the industry.

B-3

International

Microsoft abandons Yahoo bid

Microsoft Corp. withdrew its \$42.3 billion bid to buy Yahoo Inc. on Saturday, scrapping an attempt to snap up the tarnished Internet icon in hopes of toppling online search and advertising leader Google Inc.

The decision to walk away from the deal came after last-ditch efforts to negotiate a mutually acceptable sale price proved unsuccessful.

Asean committed to FTA with Australia, NZ

Asean was showing strong commitment to try to wrap up negotiations on a free trade pact between the regional grouping, Australia and New Zealand, Australian Trade Minister Simon Crean said Sunday.

Crean, who attended the Asean Economic Ministers Closer Economic Relations

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Contact Us

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

Govt mulls direct banking with Myanmar

SAJJADUR RAHMAN

Bangladesh is examining introducing direct banking with neighbouring Myanmar to facilitate trade between the two countries, Bangladesh Bank (BB) sources said yesterday.

"We are examining the pros and cons to develop direct banking link with Myanmar," a senior official of BB said seeking anonymity.

Although Bangladesh and Myanmar are close neighbours, the countries do not have any direct banking link, which has been blamed by businesses for the poor trade between the countries.

Absence of direct banking causes troubles to a Bangladeshi importer, as he/she has to pay exporters through a third country, which is time-consuming.

Major Gen Abu Roshde Rokonuddawla, Bangladesh ambassador to Myanmar, has recently written a letter to the foreign ministry urging it to take steps to develop direct banking with the military-ruled Myanmar.

"The exporters and importers of both the countries are

Bangladesh's import & export with Myanmar

Fiscal year	Import	Export
2006-07	20.56	6.31
2005-06	29.53	5.16
2004-05	32.66	4.18
2003-04	26.55	3.93
2002-03	35.94	1.13

(Figure in million \$)
Source: Export Promotion Bureau and Bangladesh Bank

facing difficulties as the remittances are sent via a third country, thus increasing the price of commodities," the ambassador said in his letter.

Bangladesh imported \$20.56 million worth of goods from Myanmar in fiscal 2006-07, which was \$29.53 million in fiscal 2005-06a and \$32.66 million in 2004-05. While Bangladesh's export to Myanmar in these three fiscal years was \$6.31 million, \$5.16 million and \$4.18 million respectively.

"We feel the need for a direct banking system with Myanmar as Bangladesh is increasingly getting dependent on import of food grains, especially rice," the BB official said.

"But there are some risk factors involved. Both the

countries have poor infrastructure at their border trading points. Unscrupulous people may smuggle arms instead of essentials," observed the official.

Meanwhile, as an alternative to the direct banking system, the government has doubled the ceiling of border trade volume with Myanmar to facilitate more import of essential commodities, particularly the rice, to ease the soaring domestic market prices, BB officials said.

The government decided to increase the border trade volume to \$20,000 from the existing ceiling of \$10,000 in a single shipment.

"The decision will be implemented soon to boost import of essential items," another BB

official, who also preferred not to be named, said.

"There is no direct banking because Myanmar is not a member of the International Chamber of Commerce," an official in the foreign exchange policy department of BB said.

Myanmar is an ACU (Asian Clearing Union) member and so is Bangladesh.

"The official said direct banking system may be developed under the ACU arrangement between the countries," the forex department official said. But traders are not interested to deal with the ACU payment system as it is time-consuming.

State-owned Sonali Bank Limited and private National Credit and Commerce Bank Limited have dollar accounts in two banks in Myanmar. Bangladesh ambassador to Myanmar also suggested the government to devise ways to make trade transactions by using these two accounts. But he said the banks have to deposit more dollars in the accounts.

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11 firms aim to raise Tk 222.50cr from stock market

Sarwar A Chowdhury

Eleven companies from services and manufacturing sectors aim to raise Tk 222.50 crore from the public through initial public offerings (IPOs).

The companies submitted IPO proposals to the Securities and Exchange Commission (SEC) last week seeking approval from the stock market regulator, SEC officials said.

Of the firms, eight are going to public to meet the regulatory requirements, while the three others will use the money for their business expansions.

Of the eight companies from financial services sector, Takaful Islamic Insurance plans to raise Tk 9 crore, First Security Bank Tk 115 crore, National Housing Finance and Investment Tk 5 crore, Industrial and Infrastructure Development Finance Company Tk 5 crore, Bay Leasing and Investment Tk 25.50 crore, Republic Insurance Company Tk 9 crore, Northern General Insurance Company Tk 9 crore, and Standard General Insurance Company Tk 9 crore.

Face value of the companies' shares will be Tk 100 each.

From manufacturing sector, Maksons Spinning Mills

Who wants to raise funds

Companies	Fund
Takaful Islamic Insurance	Tk 9 crore
First Security Bank	Tk 115 crore
National Housing Finance and Investment	Tk 5 crore
Industrial and Infrastructure Development Finance Company	Tk 5 crore
Bay Leasing and Investment	Tk 25.50 crore
Republic Insurance Company	Tk 9 crore
Northern General Insurance Company	Tk 9 crore
Standard General Insurance Company	Tk 9 crore
Maksons Spinning Mills	Tk 8 crore
Dhaka Dyeing and Manufacturing	Tk 17 crore
Summit Alliance Port	Tk 10 crore

wants to raise Tk 8 crore, while Dhaka Dyeing and Manufacturing plans to raise Tk 17 crore. Face value of the companies' shares will be Tk 10 each.

Another company, Summit Alliance Port submitted proposals to raise Tk 10 crore through IPO.

If allowed, the entry of the eleven new companies into the stock market will increase the supply of shares in the market, said Farhad Ahmed, executive director of SEC.

"Moreover, the companies' move to raise funds from the stock market will encourage other entities to list on the exchanges," he said.

If there are no loopholes in the proposals, the SEC will give permission to the companies as early as possible to start IPO process, he added.

Brac Bank meanwhile has also submitted application to the SEC to raise Tk 132 crore through offering rights shares. In 2007, the stock market absorbed 14 new issues, which raised a total of Tk 1,005.68 crore through IPOs. This year, so far only one, Delta Brac Housing, raised Tk 10.50 crore including a premium of Tk 5.50 crore from the market.

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Japan warns rising food prices could lead to unrest

AFP, Madrid

Soaring prices for food staples, especially for rice which have tripled over the past year, could lead to social unrest in Asia, Japanese Finance Minister Fukushima Nukaga warned Sunday in Spain.

"The recent hike in the price of rice will hit Asian countries particularly hard. The ones who are most affected are the poorest segment of the population including the urban poor," he said at a meeting of the Asian Development Bank.

help the poor deal with surging prices could place a tremendous burden on state budgets.

"Export restrictions will not only distort the proper functioning of markets in price formation but further exacerbate the price hikes in international markets," he said.

"Subsidies that are intended to keep food prices under control have the risk of becoming a significant burden to budgets and are not sustainable over time," he added.

Food subsidies in Bangladesh, one of the poorest

"Export restrictions will not only distort the proper functioning of markets in price formation but further exacerbate the price hikes in international markets"

"It will have a negative impact on the living standards and also affect their nutrition. Such a situation may lead to social unrest and unrest and therefore safety nets addressing the immediate needs of the poorest are needed," he added.

Prices for the benchmark Thai variety of rice, a food staple across much of Asia, are at about 1,000 dollars a tonne, up threefold from the last ADB annual meeting held in Japan one year ago.

Global food prices have nearly doubled in three years, sparking riots last month in Egypt and Haiti, protests in other countries and restrictions on food exports in Brazil, Vietnam, India and Egypt.

Nukaga warned that export restrictions lead to higher prices while food subsidies to

nations in Asia, are estimated to double in the current fiscal year and reach over 1.5 billion dollars (973 million euros) in the current fiscal year.

The ADB announced Saturday on the opening day of its four-day annual meeting that it will provide soft loans to help Asian countries subsidise the price of food staples for the poor.

It will also provide two billion dollars in 2008 and 2009 in loans to finance agriculture infrastructure projects such as irrigation systems and rural roads aimed at boosting farm output in the region.

Rising use of biofuels, trade restrictions, increased demand from Asia to serve changing diets, poor harvests and increasing transport costs have all been blamed for the price rise.

Use jute geo-textile in road construction

International Jute Study Group suggests

REPAYET ULLAH MIRDHA

The International Jute Study Group (IJSJ) has suggested that Bangladesh government should use jute geo-textile with concrete in construction of roads and highways in order to enhance jute usage.

Pointing to the Indian experience of effective usage of jute geo-textile with concrete in constructing roads in some cases, Sudripta Roy, the group's secretary general, made this suggestion with a recent meeting with some high officials of the Ministry of Jute and Textile.

"The result of such experiments in India was successful. This is one of the main reasons for returning of good days for jute in India," he said in an informal talk with The Daily Star yesterday.

Engineers can use geo-textile as layers in making highways as the item is much more biodegradable than any other ingredients, Sudripta also pointed out.

The Bangladesh government's stand on the research group's suggestions with regard to the jute's new usage will be made clear in an inter-ministerial meeting scheduled to be organised by the jute ministry on May 15 in Dhaka. Representatives from different ministries and stakeholders as well as IJSJ people will attend this crucial meeting.

Sudripta said if the usage of jute geo-textile in the construction of roads, the production of jute will definitely increase and farmers will get fair prices of the item because the government will purchase the item in bulk amount directly from them.

In response to a query, he said the durability of geo-textile layers in the construction of roads and highways is similar to the fully concrete made roads and highways.

He said at present two jute-processing industries in the country have been exporting such items to different countries.

Earlier, in a roadmap for revival of the jute sector, the IJSJ suggested the



HASIBUR RAHMAN BILU

A file photo shows a rickshaw van and an indigenous vehicle carrying jute in Bogra. International Jute Study Group suggested that Bangladesh should use jute geo-textile with concrete for constructing roads and highways in order to enhance jute usage.

government introduces a system for direct purchase of the item at growers' level.

"We suggested that the government should buy jute from the growers to stop any price deprivation by middlemen. The jute has lost its glory from this region as farmers are often denied fair prices of their produces," he said.

The IJSJ also suggested a public-private partnership for operating the jute mills to minimise the losses.

The research group prepared the roadmap for the jute sector under a project funded by the Geneva based International Trade Council (ITC), according to Sudripta.

The roadmap also advocated for awarding the jute farmers subsidy and increasing uses of jute bags in processing of sugar, rice and other daily necessities.

The IJSJ top official said the Indian government made the usage of jute bags mandatory in processing of sugar and rice as the bags made of jute are more environment-friendly.

Meanwhile, Kamran T Rahman, former president of the Bangladesh Jute Mills Association (BJMA) said the raw jute being grown in the country is too inadequate to cope with the demand for jute geo-textile to be used in the construction of roads and highways.

He also pointed to the fact that the country has been producing jute geo-textile for export purposes, not for local use.

"Of course the usage of jute in the country will increase if the jute geo-textile can be used in roads and highways construction, but the prices of machinery for processing of jute to produce jute geo-textile is very high," he said.

The United States of America has been using both synthetic and jute geo-textile for roads and highways construction, he pointed out. reefat@thedailystar.net