

TRANSTEC
Colour Television
TSNF - 2102
TRANSOM ELECTRONICS
8855766-8
01712-665463

Stocks

DGEN	0.16%
3,087.03	
CSCX	0.26%
5,584.40	

Currencies

	Buy TK.	Sell TK.
USD	68.20	69.20
EUR	104.11	108.71
GBP	131.61	136.76
JPY	0.66	0.69

Commodities

Gold	\$ 876 (per ounce)
Oil	\$126.25 (per barrel)

SOURCE: STANDARD CHARTERED
SOURCE: AFP
(As of Friday)

More News

Garments workers demand factory based rationing

Garments workers have demanded immediate introduction of factory based rationing to enable them to cope with the run away food price hike. The demand for rationing of rice, lentils, oil, potato, salt, powdered milk and other essential food items was raised by the National Garments Workers Federation at a press conference held at the Dhaka Reporters Unity in Dhaka yesterday.

Special allocation sought for silk industry in budget

Special allocation for silk industry in the next national budget was demanded at a function here yesterday. Silk traders, labourers and development workers at the discussion also sought government assistance.

International

Food crisis bites in Vietnam factories



Food prices, which take the largest chunk out of the paypackages of most Vietnamese, surged by 38 percent year-on-year in April this year. Many a worker is struggling to carve out a living with a factory job in the emerging Asian country.

New GCC law to ensure safety of foreign housemaids

The GCC countries are planning to formulate a new law that will ensure the safety of foreign housemaids working in the Gulf countries.

China unveils new jumbo jet company

China unveiled its own jumbo jet maker in Shanghai on Sunday, state press reported, in a move that could eventually rival Airbus and Boeing.

Contact Us

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

Ananda wins \$67m German order to build four ships

SOHEL PARVEZ

Ananda Shipyard and Slipways yesterday inked a \$67 million deal with a German company to supply four ships, a further evidence of the recent boom in Bangladesh's shipyards.

With the deal, the value of total orders fetched by Ananda Shipyard stands at about \$217 million for building 16 vessels. Ananda will now have to hand over these four ships of 7,100 dead weight tones (DWT) to the German buyer Hermann Lohmann by 2011.

Afruja Bari, managing director (MD) of Ananda Shipyard, and Hermann Lohmann, a director of the German company, signed the deal on behalf of their respective organisations, according to a press release.

"It's a big achievement. Our main goal now is to maintain quality and ensure timely delivery," the Ananda Shipyard MD told The Daily Star yesterday.

Bangladesh has started drawing attention of the global shipping companies amid

traditional shipbuilding nations' focus to build large ships. South Korea and China usually build large ships.

Now, industry people said, these countries are reluctant to build small ships.

"It has created a great opportunity for us," Md Saiful Islam, chairman of Western Marine Shipyard Ltd, which has also won orders to build small ships in January 2008.

"The global market for small ships is worth \$ 400 billion," the Western Marine chairman earlier told The Daily Star.

Local shipbuilders have been building ships of global standard since early 2000. Ananda was the pioneer in winning the confidence of international buyers, especially from Europeans, in 2005.

The company is set to hand-over its first consignment of ships to a European buyer on May 15.

Cost competitiveness, technical know-how, skilled manpower and above all excellent communication skills of Bangladeshi ship builders helped get orders, industry

stakeholders said.

The Ananda Shipyard MD said Bangladesh has been able to exploit the benefit of skilled workforce in building ships as some workers, who have working experience in different foreign countries, already came back to their own country.

Stakeholders said, thousands of Bangladeshis are now employed in Singapore, Korea and Dubai shipyards.

Bangladesh is also known for its small shipbuilding industry, which churns out dozens of launches every year. These shipbuilders have set up their construction units at various places such as Narayanganj and Khulna.

Industry people said about 300 small and large shipyards are now in Bangladesh, which employed about 1.0 lakh people.

Abdullah Bari, chairman of Ananda Shipyard, said his company wants to construct vessels with higher capacity in coming days.

"In future, I wish to make ships of 100,000 dead weight tonnes," he said.

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*** Ananda Shipyard wins orders for building 16 ships at about \$217 million.**
*** As countries like South Korea and China are now reluctant to build small ships, new avenues have been created for Bangladesh to build small ships, industry people said.**
*** The global market for small ships is worth \$400 billion.**

Forex regulations being rationalised

BB governor says

STAR BUSINESS REPORT
The central bank governor has said it is rationalising the foreign currency exchange regulations to facilitate more foreign direct investment (FDI) in the country.

"Bangladesh Bank (BB) is rationalising foreign currency exchange regulations, which will help attract more FDI," Dr Salehuddin Ahmed told the regular monthly luncheon meeting of the Foreign Investors' Chamber of Commerce and Industry (Ficci) at a city hotel yesterday.

The BB chief also suggested the government take quick decision on foreign investment proposals.

In this context he identified some major obstacles to luring FDI, which include political instability, lengthy decision-making process, corruption and underdeveloped infrastructures.

Mentioning predictions by different internationally recognised rating companies like Goldman Sachs and PricewaterhouseCoopers, Salehuddin said Bangladesh might be a good investment destination for foreign investors as the country has been maintaining a good economic growth over the last few years despite political instability.

business should be reasonable," he said.

Replying to queries from the businessmen, the BB governor said the central bank is an independent body and no agency influences its decision. "We are quite independent compared to other institutions," Salehuddin said.

He said the central bank cannot allow direct import of commodities without completion of letters of credit (LCs) formalities as the system does not support it.

In response to a query, Salehuddin said, "I heard that some airlines have been fixing the rate of foreign currency, but legally they cannot do so. I will investigate the matter."

Ficci President Waliur Rahman Bhuiyan demanded drastic reforms in the banking sector, including the guiding central bank, to ensure a better business environment.

"I think there is a reasonable ground to review the corporate tax," Bhuiyan said, adding that since the higher bank interest rate is a major concern for the businesses now, the government should also review such rate of interest.

"We have moved from political instability to political uncertainty," Waliur Rahman said.

Tk 20 crore Islamic mutual fund next month

STAR BUSINESS REPORT

A Tk 20 crore Islamic mutual fund, sponsored by Islamic Finance Investment Ltd, will be floated next month.

The Investment Corporation of Bangladesh (ICB) is the trustee of the 10-year mutual fund styled 'Islamic Finance Investment Ltd Mutual Fund One', while ICB Asset Management Company Ltd is the issue manager of the fund.

The ICB at a board meeting yesterday approved the mutual fund, which will be submitted to the Securities and Exchange Commission next month for its approval, sources said.

The raised money through the mutual fund will be invested in other securities on the stock exchanges.

According to experts, mutual funds are needed for sound stock market. The contribution of the existing mutual funds in terms of market capitalisation to the stock markets is around 3 percent, which is even more than 50 percent in many developed countries, they said. Now, there are only 14 mutual funds on the country's stock exchanges.

The ICB AMCL is managing 11 mutual funds, while private AIMS is managing two mutual funds.

Legal moves halt govt share sales

SARWAR A CHOWDHURY

The sale of more shares in four state-run enterprises has been halted by a legal action taken by company employees to prevent the government giving up majority control of the companies.

The government will lose majority control if more shares in Eastern Cables, Usmania Glass Sheet Factory, Atlas Bangladesh and National Tubes are offloaded in violation of the memoranda of articles of the companies, petitioners said.

A group of employees of Eastern Cables and Usmania Glass filed writ petitions after the government decided to offload 25 percent more shares in the four companies.

The stock market experts

however came down heavily on the petitioners for creating barriers to share offloading process when the stock market faces supply of quality shares.

"While the government takes decision to offloading shares, a group of beneficiaries wants to create barriers by filing writ petitions. The government should identify who are creating the barriers and what is their motive," said Abu Ahmed, professor of economics at Dhaka University.

There may be some barriers, but the government should remove all obstacles and implement its decision, he said.

In the memoranda of articles of the four companies it is said that the government must hold majority or 51 percent stakes.

As petitions were filed

against the moves to offload shares in Eastern Cables and Usmania Glass, it will not be possible to continue the offloading process in the case of two other state-run companies -- Atlas Bangladesh and National Tubes, said an official of Investment Corporation of Bangladesh, which is responsible to manage the offloading of government stakes.

Now the government should amend the memoranda of articles of the state-run enterprises to clear obstacles to offloading process, the official said.

The government owns the 51 percent stakes in Eastern Cables, the largest wire manufacturing company, while the rest 49 percent are in the hands of public. It was listed on the stock exchange in 1986.

In Atlas Bangladesh, the

government has 51 percent shares, while some institutions own 12 percent and public shareholders own 37 percent stakes. The state-run motorcycle assembling company was listed on the stock exchange in 1988.

The government owns the 53 percent stakes in National Tubes, a gas line pipe producing company, while 16 percent shares are in hands of institutions and 31 percent are in the hand of public. It was listed on the stock exchange in 1989.

In Usmania Glass, the plain and frosted sheet glass maker, the government has 51 percent shares, while institutions own 16 percent and public shareholders own 33 percent stakes.

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Ad firms come under NBR lens amid VAT evasion allegation

UNB, Dhaka

Advertisement firms are now under strict surveillance by the Central Intelligence Cell (CIC) of National Board of Revenue (NBR) amid allegations of VAT evasion.

"We've got allegations against the advertising firms including some big ones. We're now collecting papers in support of the allegations, as we have ascertained VAT evasions by some advertisement firms," a CIC official told the news agency.

Preferring unanimity, the official said it has been confirmed that some advertising firms were evading VAT for a long time.

"We never paid attention to

this sector ... now that we're looking for something in earnest, we have found cases of massive evasion," the NBR official said.

Replying to a question, he said it is not only a matter of the amount involved, but also a matter of responsibility to the nation and the country.

He said any VAT evasion by the advertising firms would not be spared and the NBR would impose penalty as per the NBR rules and regulations.

The NBR recently streamlined the drive to catch VAT evaders, as the board's revenue collection has showed decreasing trend.

Regarding the fines for VAT evasion, a VAT official said that as

per the rules the fine would be 25-75 percent of the amount of VAT, depending on the nature of the offense.

The VAT section of the NBR has been experiencing less collection, as most of the big VAT-payers have now come under the Large Taxpayers Unit (LTU).

"Recently, we have found that the VAT collection from the service sector has been declining alarmingly and that's why we have decided to strengthen the drive against VAT evasion," the NBR official said.

The government has fixed a revenue target of around Tk 15,000 crore from VAT (value added tax) for the current fiscal.

Clarification

Some facts were wrongly reported about Madura Coats Pvt Ltd, India in a news item 'Indians plan to set up bonded leather plants in Bangladesh' that was published in The Daily Star Business Page yesterday.

Actually, Madura Coats does not manufacture buttons, shoelace and safety pins and it does not intend to set up any plant in Bangladesh since its sister concern Coats Bangladesh has its plants in Dhaka and Chittagong.

Any expansion plan is under the sole purview of Coats Bangladesh.



A member of a non-government organisation protests against soaring oil prices in front of a gas station in suburban Manila in the Philippines yesterday. The demonstrators called on a nationwide transportation strike today as oil prices briefly surged to a record high above US\$126 on May 9, driven into uncharted territory by speculators trying to take advantage of global supply concerns.