

# Silk industry seeks budgetary support

RU CORRESPONDENT

The Bangladesh Resham Shilpa Malik Samity (BRSMS), the association of silk industry owners, yesterday sought budgetary allocation for silk industry.

The association said the local silk industry will not survive unless the government gives special priority to it.

Speaking at a press briefing in Rajshahi, Mohammed

Merajul Alam, president of BRSMS, criticised the government decision to impose 15 percent VAT on the import of silk yarn.

The silk industry owners will have to stop operations if the government imposes the 15 percent VAT on import yarn, the BRSMS leaders said.

The country produces 50 silk tonnes of yarn while the demand for the product is 300 tonnes.

To fulfill the deficit, the government formed rules and regulations and declared the industry as an agro-based industry in 2005, the leaders added.

The government should also consider the implications that the VAT will have on the employment of the 10 lakh women who are currently involved with this industry.

They may become jobless if factories shut down," said a leader of the association.

Earlier, one kilogram of yarn cost Tk 2400. Is the VAT is imposed, the price of the same quantity will rise to Tk 3000.

The BRSMS will submit a memorandum to Finance and Planning Adviser Mirza Azizul Islam June 30 requesting him to withdraw the VAT.

BRSMS Vice President Taharul Islam and General Secretary Abu Bakker Siddik also addressed the conference.

## Russian ban on European meat exporters

AFP, Brussels

Russia, which recently lifted a ban on Polish meat, is now barring chicken and pork imports from 70 European companies, EU officials said Tuesday, ahead of an EU-Russia summit.

The problems emerged in April, according to European Commission officials, when Moscow began refusing certain imports because they contained traces of antibiotics.

Now 70 companies, from seven EU nations -- Belgium, Denmark, France, Germany, Hungary, Italy and Spain -- have been placed on the Russia embargo list, representing restrictions on produce worth "certainly more" than 100 million euros (156 million dollars) one official explained.

"Of course Russia has the right to its norm and to not want traces of antibiotics," another official said.

"But there must be clear rules which are not applied in an arbitrary manner," he added.

The worst-hit country is Denmark, which has seen its pork exports to Russia halved to the ban hitting its biggest exporters.

The commission suspects Russia is seeking to boost its national producers.

"There is a suspicion," one of the officials said, as the measures appeared "shortly after Russia officials called for higher levels of self-sufficiency in the farm sector."

"And all of a sudden, there are stricter import controls."

He said the matter would be brought up at the EU-Russia summit in Khanty-Mansiysk, Siberia on Friday, "even if no one wants to give it too much importance."



The newly renovated Islampur branch of National Bank Ltd was inaugurated by Managing Director Abdur Rahman Sarkar recently. Senior officials of the bank were also present on the occasion.

## Labourers race to get Saudi oil oasis ready

AFP, Khurais

Deep in the Saudi desert, 28,000 Asian workers are racing to get a giant oil processing complex ready to help King Abdullah keep a vow to meet world demand for crude.

The king, and other top Saudi officials, promised at an oil summit they hosted in Jeddah on Sunday to increase current production by 200,000 barrels a day to 9.7 million barrels and to supply any further increase in global

market. In a year's time, the Al-Khurais field will be supplying 1.2 million barrels a day of Arab light crude to thirsty global markets, under a tight schedule set by Saudi Aramco, the national oil giant.

Khurais is city-sized but can only be reached up a seemingly endless desert road, with truck tyres and carcasses of burned out cars strewn along the sides and black camels roaming in the dunes.

Aramco vice president for production Amin Al-Nasser said 500,000 barrels a day will start coming out of its Khursaniyah field in August, and by the end of the year 250,000 barrels will be coming from the Shaybah field and 100,000 barrels a day from the Nuayyim field.

The company calls it "the largest industrial project in the

world."

Together the three fields have estimated reserves of 27 billion barrels and their joint daily production of 1.2 million barrels will be more than OPEC's three smallest members Indonesia, Qatar and Ecuador, according to Aramco.

World demand is growing by about one percent a year and Saudi Arabia has vowed to invest tens of billions of dollars to take production capacity to 12.5 million barrels by the end of next year and eventually 15 million if the demand is there.

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## Japan trade surplus falls less than expected

AFP, Tokyo

Japan's trade surplus in May fell a smaller than expected 7.6 percent, as Chinese demand to rebuild from a major earthquake supported exports, data showed Wednesday.

The trade surplus came to 365.61 billion yen (3.99 billion dollars), falling from 395.55 billion yen in May 2007, the finance ministry said.

It was the third straight month that the surplus dropped year-on-year but it was much better than the average forecast of a surplus of 3.2 billion yen.

Economists said that was mainly because of demand from China as it started rebuilding from a massive 8.0-magnitude earthquake last month that killed an estimated 80,000 people.

"There was special demand from the Sichuan quake," said Keiji Kanda, senior economist at Daiwa Institute of Research.

He noted that China-bound exports of fossil fuels such as light oil, which is used for diesel vehicles and heavy machinery, more than tripled, shooting up 227.5 percent from a year earlier.

Shuji Tonouchi, economist at Mitsubishi UFJ Securities, said the smaller than expected

drop in the surplus stemmed from the Chinese government's drive to promote oil imports.

Japan's overall exports to the rest of the world were up 3.7 percent to 6.81 trillion yen in May, while imports rose 4.4 percent to 6.44 trillion yen. Both figures were record highs for the month.

Oil imports rose 47.4 percent in value, with that of liquefied natural gas climbing 21.1 percent, even though import volume fell for both.

Imports rose in value due to higher energy prices but they are slowing in volume," said Daiwa Institute's Kanda said. "Demand is slackening as prices of energy, foodstuff and many other items rise."

Japan has virtually no natural energy resources and is heavily dependent on oil and gas imports from the Middle East.

Japan's trade surplus with the United States shrank 11.0 percent, falling for the ninth consecutive month on lower exports of automobiles.

## Trust Bank's Islamic banking service from July 2

Trust Bank is going to inaugurate Islamic banking on July 2, says a press release.

Meanwhile, the first meeting of Trust Bank Shariah Council was held on Monday in Dhaka.

Muhammad Nuruddin, chairman of Trust Bank Shariah Council and acting Khatib of Baitul Mukarram National Mosque, presided over the meeting.

Deputy Managing Director Ishtiaque Ahmed Chowdhury and head of Islamic Banking Division Shahid Ahmed were also present.

Policies, guidelines and activities on the Islamic banking services of the bank were approved in the meeting.

## Development of Ctg stressed

OUR CORRESPONDENT, Ctg

Infrastructure development of Chittagong airport and seaport needed for the country's overall progress, speakers told a discussion yesterday.

The participants spoke at a study circle on 'Infrastructure Development' organised by International Business Forum for Bangladesh (IBFB) in collaboration with Management and Resources Development Initiative (MRDI).

Chittagong Stock Exchange (CSE) President Nasiruddin Ahmed Chowdhury suggested the government to collect money from capital market to implement different infrastructural development instead of waiting for foreign donors.

The speakers also put emphasis on empowering local bodies like Chittagong City Corporation (CCC) to spur development and urged the journalists to focus on different problems and crises faced by the business sector with more importance and good coverage.

IBFB President Mahmudul Islam Chowdhury said business people should share their problems with journalists since the media could play a significant role in making government understand the importance of their needs.

Business editor of the Daily Prothom Alo Shawkat Hossain Masum moderated the session.

Masum urged the local journalists to do follow up reports on the prevailing issues like

easier transport and communication facility between Chittagong and other parts of the country.

Pointing to the difficulties faced by the business sector including lack of adequate supply of electricity, gas and water Chittagong Chamber of Commerce and Industries (CCI) Director Ershadullah said both local and foreign entrepreneurs are shying away from investing in the region for these problems.

He emphasised on increasing the number of inland container depot (ICD) to utilise Chittagong port properly.

Chittagong journalists M Nasirul Hoque, Jashim Chowdhury Sabuj, Reaz Haider and Ali Haider also participated in the discussion.

## India growth prospects positive despite rate hike

AFP, New Delhi

India's government said Wednesday that the country's economic growth outlook was "positive" despite a fresh round of monetary tightening by the central bank to tackle high inflation.

Samsung Electronics and Hynix Semiconductor will jointly develop spin torque transfer magnetic random access memory (STT-MRAM) chips under a state-backed programme starting in September.

The new type of memory chip is expected to play a significant role in flash memory development, by helping researchers overcome current capacity limits.

The rare tie-up was part of a research and development agreement signed by the heads of all local semiconductor firms and research laboratories as well as Knowledge Economy Minister Lee Young-Ho.

It will help South Korea retain its global leadership in the microchip market and take the global initiative in developing next-generation chips, Lee said in a statement.

"I welcome the alliance for technology cooperation by our semiconductor firms, which are now faced with a challenge from their foreign rivals," he said.

The agreement came after Japan's Toshiba, NEC and Fujitsu joined forces and agreed to spend three billion yen (28.3 million dollars) from 2006-2010 to develop STT-MRAM devices.

The rare tip-up between Samsung and Hynix will help secure vital technologies locally and avoid future royalties, the ministry said.

It also announced a two-stage hike of the cash reserve ratio, or the amount of cash banks must hold in reserve, by 25 basis points to 8.50 percent effective July 5, and by another 25 basis points to 8.75 percent on July 19.

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The policy stance adopted by the RBI should boost the confidence of investors both domestic and foreign, and augur well for economic growth," the finance ministry statement added.

Price rises have overshadowed better-than-expected growth of 9.0 percent in the last fiscal year.

Economists expect growth to slow this year to around 7.8 percent on higher borrowing costs and tough global financial conditions. The prime minister has projected growth of over eight percent.

Goldman Sachs said it expected "a tightening bias in monetary policy to continue."

"We think that the RBI will

wait and watch inflationary trends over the next several weeks, particularly signs of pass through to broad based inflation and broad money growth, before raising rates again," said Tushar Poddar, vice president of Asia economic research for Goldman Sachs.

"We do not think the rate hike will have a large negative impact on growth," he added, but cautioned there were "downside risks to our GDP growth forecast of 7.8 percent" for the current year.

But India's main business lobby group, the FICCI, warned businesses were feeling the pinch.

"Indian industry has been subjected to successive rate hikes over the last one and a half years. These have substantially pushed up the interest cost for industry particularly in the face of acute international competition," it said.



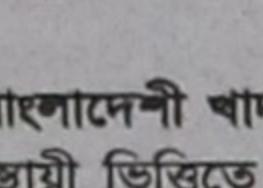
Bata Shoe Company has recently opened its refurbished Banani City Store as per international standard on Kemal Ataturk Avenue in Dhaka. Jorge Carbajal, managing director of Bata Shoe Company (Bangladesh) Ltd, and other senior officials were present at the opening ceremony.

“বাংলাদেশী বাদ্য এবং পত্রখন্দে এন্টিবায়োটিক, মাইকোট্রিন ও পেটিসাইড রেসিভিউ এর উপস্থিতি নির্ময়” প্রকল্প  
আইএফএসটি, বাংলাদেশ বিজ্ঞান ও শিক্ষা গবেষণা পরিষদ (বিসিএসআইআর) ডঃ কুমারজিৎ-ই-বুদ্ধা সচিব, ধনমন্তি, ঢাকা-১২০৫

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তারিখ: ২৩/০৬/২০০৮

## গাড়ী চালক নিয়োগ পুনর্বিভূতি



“বাংলাদেশী বাদ্য এবং পত্রখন্দে এন্টিবায়োটিক, মাইকোট্রিন ও পেটিসাইড রেসিভিউ এর উপস্থিতি নির্ময়” শীর্ষক প্রকল্পে সম্পর্ক অধ্যায় ভাবে করা যাচ্ছে।

পতেন নাম ও মাসিক বেতন পদের সংখ্যা ২৩/০৬/০৮ তারিখে ব্যবস্থা

ডাইভার ১ অনুরূপ ৩০ (এক) মাসিক প্রতিমাস চালনায় কর্মসূচি কর্তৃত স্বতন্ত্র ধনমন্তি, ধনমন্তি, ঢাকা-১২০৫ ক্ষেত্রে ব্যবস্থা

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