

**TRANSTEC**  
 টেলি-ফ্রিও  
 Pure Flat Colour Television  
 Model No.: TSPF - 2102



8855366-8  
01712-665463

TRANSCOM ELECTRONICS

## Stocks

DGEN ▼ 0.09% 2,732.01

CSCX ▲ 0.13% 5,461.77

## Asian Markets

MUMBAI ▲ 0.29% 15,117.25

TOKYO ▼ 0.98% 13,124.99

SINGAPORE ▼ 1.8% 2,834.71

SHANGHAI ▲ 0.30% 2,727.58

## Currencies

|     | Buy TK. | Sell TK. |
|-----|---------|----------|
| USD | 67.95   | 68.95    |
| EUR | 103.37  | 107.94   |
| GBP | 130.74  | 136.07   |
| JPY | 0.62    | 0.65     |

## Commodities

**Gold** ▼ \$882.50 (per ounce)

**Oil** ▲ \$120.23 (per barrel)

(Midday London Trade)

## More News

**Parjatan Corpn trying to revive tourism sector: Chairman**



Bangladesh Parjatan Corporation (BPC) is trying very hard to find out the problems of the country's tourism sector and solve those within the shortest possible time, said its chairman. Shafique Alam Mehdi, chairman of BPC, said, "Since formation of the BPC, we (BPC) failed many times to concentrate on the problems of the sector due to more involvement in commercial activities." B-4

**Sufficient security measures in RMG sector sought**

The Bangladesh Garments Manufacturers and Exporters Association (BGMEA) sought sufficient security measures to keep stability in the garment sector until Eid-ul-Fitr. B-3

## International

**Last obstacles to Asean-India FTA talks go**

Difficult negotiations over an Asean-India free trade deal have been concluded and the last obstacles overcome, Association of Southeast Asian Nations (Asean) secretary general Surin Pitsuwan said Thursday. "They have been concluded but not signed. They have just finished the negotiations," Surin told AFP from Bangkok. B-4

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# 16 banks fail to cut interest rates

Businesses, BAB expect regulator to be tough

SAJJADUR RAHMAN

Sixteen private commercial banks (PCBs), out of 30, have failed to keep their commitment to slash the lending rates by the June deadline, flouting both central bank and bank owners association's advice.

"These banks did not go by their own commitment despite a passage of one month from the deadline," a senior Bangladesh Bank (BB) official said quoting the bank's July lending rates.

Bangladesh Association of Banks (BAB), a platform of bank owners, said they have nothing to do with the issue, as they cannot enforce a bank to do so.

Businesses however asked the BB to be more active and stringent in regards to enforcing the banks to follow their own pledge.

The banks that have failed to cut the interest rates are; Pubali, Uttara, AB, Islami, UCBL, ICB Islamic (Oriental), Prime, Dhaka, Al-Arafah, Social Investment, Premier, First Security, Standard, Bank Asia, Bangladesh Commerce and Jamuna Bank.

The BB on July 30 warned these 16 PCBs for not reducing the lending rates as per their commitment. The BB sent a letter to the managing directors of these banks asking them to take immediate steps to comply with their own pledge.

Earlier in March, BAB and the Association of Bankers Bangladesh, a forum of managing directors of PCBs, pledged to reduce the maximum rate for term loans for large and medium industries at a joint meeting with the BB, by over

### The banks that still charge 15% or more interest rate for term loans

| Banks          | July lending rates (%) |
|----------------|------------------------|
| Islami         | 15                     |
| ICB (Oriental) | 15.5                   |
| Prime          | 14-16                  |
| First Security | 15.5                   |
| Bank Asia      | 14.75-16               |
| BCBL           | 16                     |
| Jamuna         | 15                     |
| Standard       | 15                     |

Source: Bangladesh Bank

one-percentage point to be at a maximum of 14 percent to be effective within three months, till June.

Finding that 16 PCBs failed to keep their commitment, the BB issued a letter to these banks.

"We observed that the PCBs failed to keep their commitments to make adjustments to the interest rates and this is a matter of great concern," the BB letters said last week.

BAB President Nazrul Islam Mazumder said, "We have already directed all the banks to bring down the interest rate for the productive sector, to be at a maximum of 14 percent."

"We cannot enforce the banks to follow it," Mazumder added.

Since early this year the central bank has been pursuing the commercial banks to reduce their lending rates, which, the regulator claims, is simply too high. BB has no legal authority to enforce the banks to control their interest

rates. The business community, including the apex trade body, Federation of Bangladesh Chamber of Commerce and Industry (FBCCI), has also been pressing the banks and the government to slash the lending rate.

FBCCI president Annisul Huq said the interest rate is too high and without a reduction in the rate, it would be tough to compete with global competitors, where the lending rate is between 4-7 percent.

It becomes difficult for businesses to meet liquidity needs or to borrow for expansion due to the high bank rates, he said.

"We want the BB to be more active on the issue," Huq said.

"BB should get written commitments from the banks to reduce the lending rates," President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Anwar-Ul Alam Chowdhury Parvez said.

He said garment exporters are facing challenges due to significant hikes in utility charges and appreciation of the local currency.

"If the banks' lending rates are not cut reasonably, it will be hard for us to continue business," Parvez said.

However, a highly placed BB source said that they are planning to sit with the BAB and ABB leaders to further discuss the issue.

"We will sit with the association leaders soon," the official said, adding that in case of failure, BB may take some punitive measures, including a halt in branch expansion and authorised dealers' licenses. [sajjad@thedailystar.net](mailto:sajjad@thedailystar.net)

# Banks urged to bring the poor under banking system

UNB, Dhaka

Commerce and Education Adviser Dr Hossain Zillur Rahman yesterday asked the commercial banks to bring the poor people under the banking services so that the country can join the club of developing countries soon.

He was addressing the inaugural function of a 3-day Bank and Non-Bank Financial Institutions Fair, organised by Hotel Sheraton in Dhaka to bring products and services of the banks and NBFIs under one roof for the first time.

Some 32 banks and financial institutions are participating in the fair, which will remain open to clients from 10 am to 8 pm everyday.

Bangladesh Bank Governor Dr Salehuddin Ahmed, Bangladesh Association of Banks (BAB) Chairman Nazrul Islam Mazumder, Association of Bankers Bangladesh (ABB) Chairman Mahmood Sattar and Bangladesh Leasing and Finance Companies' Association (BLFCA) Chairman Anis A Khan also spoke on the occasion.

Hossain Zillur said Bangladesh has achieved the capacity to attain 5 percent economic growth at any circumstance, while it has the potential for adding another 5 percent through a little extra effort, which would enable the country to join the club of developing countries.

"This could be achieved by focussing on the poor at the bottom of the pyramid," he said.

He said Bangladesh is passing through a period of transition, including political and economic transitions, adding that events such as the banks, NBFIs Fair will contribute to the economic development after the transition period is over.

Dr Salehuddin Ahmed said the commercial banks have done a good job despite global turmoil, but more is required from them to make Bangladesh a middle-income country by next decade.

# Local firm makes heavy crane

Eyes overseas market



JASIM UDDIN KHAN

Bengal Electric Ltd (BEL), a local engineering industry, manufactured heavy barge-mounted crane at its own factory, an achievement that will pave the way to end manual lifting of heavy machinery.

Having a capacity to lift around 300 tonnes of machinery or tools at a time, the crane will also be useful to lifting sunken vessels in a short time.

Bengal Electric applied cent percent indigenous technology and engineering expertise in developing the high-tech crane.

"The crane can be used in lifting bridge girder, transformers, turbine and generators for power plants, and heavy equipment for fertiliser factories," Abdus Salam, the company chairman said, adding that the introduction of the heavy crane will help reduce the time of constructing bridges.

He pointed to the fact that currently the bridge builders manually lift girders, which is time-consuming and around three to five years are needed to complete a bridge.

"If any company introduces such kind of

heavy crane it will help save time and the completion of construction work will be possible in a span of two to three years," Salam went on.

Bengal Electric's newly introduced barge-mounted crane unloaded Monday a 214 MT electric generator to a power project at Shiddhirganj.

The company earlier worked in Chittagong, Mongla and Munshiganj areas for salvaging sunken ships.

The chairman of the company said they wanted to establish supremacy in the sector and hoped that through their efficiency and expertise the company will get priority in the business.

He also sought government support saying: "As we are saving huge amount of foreign currency we seek government patronisation so that we can develop crane for overseas market."

As a support industry for shipbuilding, the company is trying to explore international market for its product.

[jasim@thedailystar.net](mailto:jasim@thedailystar.net)

# Essentials prices to remain tolerable in Ramadan

Commit businesspeople

STAR BUSINESS REPORT

Businesspeople and chamber leaders yesterday committed that they will keep the prices of essentials at tolerable level during the month of Ramadan.

The commitment came at a meeting of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) with its President Annisul Huq in the chair.

With this end in view the businessmen and chamber leaders will open some retail outlets in different districts and upazilas to sell the essential commodities at fair prices, they said.

Chamber leaders and their representatives from almost all the districts, and importers and wholesalers of essentials attended the meeting and vowed to keep the prices at tolerable level in Ramadan.

Annisul Huq said although FBCCI cannot directly control the prices of essential commodities, it can contribute indirectly to keeping the prices at tolerable level by selling those at retail outlets across the country in the time of need.

"We will try to open as many outlets of essential commodities across the country as we can during Ramadan," Huq said.

He said FBCCI will meet with the leaders of all retail markets of the city soon to advise them to minimise the price gap between wholesale and retail prices.

Meanwhile, the FBCCI has launched a website where data of almost all essential commodities will be available.

After launching the website Convener of the Price Monitoring Cell of FBCCI Kamaluddin Ahmed said the FBCCI will supply the compiled data to the media on every third day of a week to make those available for the consumers.

At the meeting President of Narsingdi Chamber of Commerce and Industry Mosharaf Hossain committed that he will operate some retail outlets of essential commodities in his district during Ramadan giving Tk 2000 subsidy for per tonne of essentials.

Some other chamber leaders also made such commitment.

# Airfreight business booming



Photo shows the interior of a cargo plane of Bismillah Airlines. Private airfreight business in the country is now booming as domestic and international trade has grown in recent time.

KAWSAR KHAN

Private airfreight business in the country is now booming as domestic and international trade has grown in recent time, according to industry sources.

Starting in 1998, seven local private airfreight companies are in operation both on domestic and international routes, carrying products and equipment of both private and

public sectors.

The operators carrying goods and equipment on domestic routes include Zoom Airlines, Voyager Airlines, MGH Airlines, Galaxy Airways and Best Air.

These operators also make frequent international trips, the sector people said, adding that

Bismillah Airlines and South Asian Airlines Ltd (SAAL) fly

regularly on international routes, while others operate on domestic routes.

"We operate at least one flight a week from Dhaka to China, carrying mainly live fish, crab, vegetables and other perishable items," said an official of SAAL, which operates a chartered flight with a carrying capacity of 20 tonnes.

The official added that the company's aircraft carried

relief goods of United Nations from Bangladesh to Tsunami ravaged areas.

The industry insiders said besides exporting garments and perishable items, the private air transport is also used for carrying equipment used in the telecommunications sector.

"The equipment used in telecom sector is too costly to carry by ship, said Ashraf Arafat, vice president (planning and development) of Bismillah Airlines.

The official said they operate at least three flights a week, which increases to six in peak season.

"We have three aircraft of our own along with four leased aircraft to carry cargo to different countries including China, Thailand, Dubai," said Arafat.

"On the domestic route the airfreight companies operate primarily through Cox's Bazar and Jessore, carrying mainly shrimp fry.

The industry sources said mortality rate of shrimp fry decreased significantly due to the introduction of airfreight services from Cox's Bazar and Chittagong to Jessore.

"Now it takes only a little more than one hour to carry shrimp to Jessore from Cox's Bazar, whereas before the introduction of the service a day and a half was needed to do the job. This achievement has contributed to the overall

development of the shrimp sector," said Farhad Hossain, director (Marketing and Sales) of Best Aviation.

"Not necessarily that we are making a huge profit, but we are contributing to the society since our service has created a huge impact on shrimp sector," said the official of Best Aviation, which claimed itself the pioneer in the airfreight service sector.

The country's airfreight business is booming, said Amirul Islam Chowdhury, a proprietor of Transworld Logistics and Distribution, a freight forwarding company.

"We take the services of private air cargos when we don't find space available in regular air lines. In peak seasons we consign our goods to Dubai or Singapore from Dhaka by private air cargos," he further said.

There is a huge prospect for the expansion of private airfreight business to the neighboring countries, including landlocked Nepal and Bhutan, said M Haider Uzzaman, chairman of Best Aviation.

The government should play its role in the development of the sector since it is now faced with the problem of oil price hike, said Haider Uzzaman, also convener of the recently formed Airlines Association of Bangladesh (AAB). [kawsar@thedailystar.net](mailto:kawsar@thedailystar.net)