

# Watch fallout from financial crisis

Business leaders ask govt



The Council of Chamber Presidents accords a reception to Chief of Army Staff General Moeen U Ahmed at Bangladesh-China Friendship Conference Centre in the city yesterday.

STAR BUSINESS REPORT

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) President Fazlul Hoque yesterday asked the government to properly monitor the global economic crisis to save the country from its brunt.

"Though our economy seems isolated, it is not immune to fallout from the global financial crisis. So the government must handle the issue carefully," Hoque said at a ceremony at Bangladesh China Friendship Conference Centre in Dhaka.

The Council of Chamber Presidents (CCP) organised the ceremony to accord a reception to Army Chief General Moeen U Ahmed in recognition of his contributions to the nation.

Hoque criticised the government for not taking the global economic crisis seriously.

The BKMEA chief alleged that the government did not select any representative from the business community for the taskforce formed to monitor the recession. Nor did it invite any

businessman to any meeting of the taskforce, he added.

Despite the global economic meltdown, the knitwear sector posted 45 percent growth, Hoque said.

He hoped Bangladesh would overtake China and Turkey in knitwear exports if the government gives proper support.

General Moeen told the function that the sector would not face any problem if it could find special areas.

There was wide speculation about a fall in readymade garment exports due to withdrawal of the quota system, but the fears did not come true, he said.

Anwar-ul-Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the prices of Bangladeshi products are increasing compared to the export competitors, including India for their currency depreciation, as the local currency remains stable.

Parvez also said Bangladesh failed to tap the potentials it has due to lack of proper policy support.

He said the pharmaceuticals and ICT sectors could not grow due to improper policy support.

Latifur Rahman, president of Metropolitan Chamber of Commerce and Industry (MCCI), said gas, power, communications and infrastructure are the prerequisites for exploiting the potential in Bangladesh.

He hoped that no party would enforce hartal in future.

"I am not against a strike which is workers' right. I am against hartal which causes huge losses to the country," the MCCI leader said.

MA Rouf Chowdhury, president of Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers Association, stressed special efforts for Call Centre Services and ICT to keep the country under the clutch of poverty in future.

Anisul Huq, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Abul Kashem Ahmed, president of CCP, former FBCCI presidents Abdul Awal Mintoo and Yusuf Abdullah Harun also spoke.



Rafiqul Islam Nizam Uddin

## Insurance assoc new executives

STAR BUSINESS DESK

AKM Rafiqul Islam has been elected chairman and Nizam Uddin Ahmed vice chairman of Bangladesh Insurance Association (BIA) for a two-year term (2009-10), said a press release.

Islam is the founder managing director of Pragati Insurance and now sits in the board of company as sponsor director. He is also a director of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Ahmed, a former MP, is the chairman of Meghna Life Insurance, Karnaphuli Insurance and Nizam Hashina Welfare Foundation.

Other executive committee members of the BIA are: Nasir A Choudhury of Green Delta Insurance, Tofazzal Hossain of Islami Insurance Bangladesh, M Tajul Islam of Fareast Islami Life, AK Azizul Huq Chaudhuri of Bangladesh General Insurance, AKM Iftekhar Ahmad of Eastern Insurance, AKM Sarwardy Chowdhury of Federal Insurance, Shah Abul Kashem of Asia Pacific General Insurance, Das Deba Prasad of Delta Life Insurance, Ahasanul Islam of Sandhani Life Insurance, Kazi Md Mortuza Ali of Prime Islami Life Insurance, Mahmudun Nabi of Desh General Insurance, AK Montaz Khan of Islami Commercial Insurance and KAM Ferdous of Dhaka Insurance Ltd.

## BTRC to discipline rogue ISPs

STAR BUSINESS DESK

Bangladesh Telecommunication Regulatory Commission (BTRC) has drafted guidelines for licensing the unauthorised small internet service providers (ISPs) at minimal fees.

To illicit opinions of the stakeholders concerned, the BTRC had a parley Monday with the ISPs, cyber café owners and cable operators in Dhaka, according to a press statement.

The draft guidelines will be placed soon at www.btrc.gov.bd, website of the BTRC for seven days for public opinion.

The telecom regulator will finalise the guidelines after reviewing these opinions.

BTRC sources said if these small illegal ISPs are provided with licences at lower fees, people will have better

access to internet service.

The proposed guidelines suggest an open licence for upazila-based service areas on easy terms and at minimal annual fees.

Businessmen will be allowed to provide internet service and run cyber café using the same licence. The licensee will buy bandwidth from ISP, IIG, national and zonal ISP. They will not be able to apply for V-sat and IP telephony.

BTRC Chairman Major General (retd) Manzurul Alam said, "If the small illegal ISPs are brought under licence, hundreds of honest young men involved with it will get opportunity to run business. They will spread internet business in a legal way and internet penetration in the country will increase."

The BTRC chief vowed to go tough on illegal ISPs.

## Banglalink launches 'healthlink' services

STAR BUSINESS DESK



হাসের মুঠোয় স্বাস্থ্য সেবা

Banglalink has recently launched 'Healthlink Service' for its subscribers, according to a press statement.

Under this service, Banglalink subscribers will now be able to get health counselling services through a call centre managed by Synesis IT.

Customers just have to dial 789 and they will be put through to a Healthlink call centre agent. The agents are all MBBS professionals and specially trained to provide health related consultancy services over the phone. The services that will be offered include professional medical consultancy, health care information, beauty tips and hair care.

## Asian stocks rise on Citigroup bailout

AFP, Hong Kong

Asian markets surged yesterday following a rally on Wall Street after the US government agreed a massive support package for banking giant Citigroup.

Washington's pledge soothed investors' fears of a collapse in the ailing financial icon and a repeat of the turmoil which followed the collapse of Lehman Brothers in September.

Tokyo, which was closed Monday for a public holiday, leapt 5.22 percent, while Sydney soared 5.8 percent and Hong Kong 3.4 percent.

"The bailout eased risks to the entire financial system," said Hideaki Higashi, strategist at SMBC Friend Securities. "A sense of relief spread as the rescue plan erased fears of a repeat of the Lehman shock."

Seoul rose 1.4 percent, Taipei 2.55 percent and Singapore 2.3 percent.

However, Shanghai was marginally down amid concerns for the domestic economy.

The rallies came after Wall Street closed up 4.93 percent on the Citigroup news and European stocks surged 10 percent.

## US trade show Feb 26

UNB, Dhaka

The 18th annual US Trade Show will begin here at Dhaka Sheraton Hotel on February 26 next year.

The American Chamber of Commerce in Bangladesh (AmCham) will organise the three-day event in cooperation with the US Embassy, according to a press release.

Interested participants, wishing to exhibit US products and services at the show, have been requested to contact AmCham office.

## DBH rated top scale 'AAA'

UNB, Dhaka

Delta Brac Housing Finance Corporation Ltd (DBH) was rated 'AAA' (triple A), top of the rating scale for long term and ST-1 for short term for the third consecutive year.

Hamidul Huq, managing director of Credit Rating Agency of Bangladesh (CRAB), handed over the credit rating report to QM Shariful Ala, managing director of DBH, at a function here Monday, said a press release.

The rating report said the highest credit quality rating

reflects DBH's strong market position in the housing finance industry along with its sound asset quality and conservative provisioning policy, well-diversified resource base and ability to maintain steady track record of profitability in a strong competitive market environment.

The report was made based on qualitative and quantitative analysis of financials and other information of DBH for FY 2007-08.

The report was later approved by an independent rating committee (RC) of CRAB.

## German consumer confidence up

AFP, Frankfurt

German consumer confidence has risen slightly despite Europe's biggest economy falling into recession, but could drop quickly if hit by gloomy jobs news, a poll released on Tuesday showed.

The outlook index from the GfK institute for Europe's biggest economy rose to 2.2 points for December from 1.9 points this month.

Although it remained at a very low level, the general mood favoured moderate

consumption despite economic headwinds, a statement said.

"The financial crisis may have reached the real economy, but on the whole is not affecting consumer sentiment," the Nuremberg-based institute said.

"Indeed, as in the previous month, the consumer climate seems to again be making low level gains towards the end of the year. Both the rise in income expectations and the improved propensity to buy support this."

Falling energy prices which helped push up disposable income were a main factor behind the increase, the institute explained.

A bellwether wage agreement in the metal working sector that gives workers a 4.2 percent increase over 18 months also brightened moods.

And approaching end of year holidays provided further encouragement for shoppers, with GfK noting that Germans had in general reduced their normally high average savings levels.



Kazi Md Shafiqur Rahman, managing director of Mutual Trust Bank, inaugurates the shifted brokerage house of the bank in Pallabi yesterday. Deputy Managing Director Quamrul Islam Chowdhury was also present.

## BIZ LETTERS

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### EPB and jute exports



I was browsing the Export Promotion Bureau's (EPB) website the other day and it gave me a dismal scenario. In the introduction it is stated, "Employment opportunities can be created in a populated country like ours with the promotion of export." Authorities of EPB can easily say this but I am skeptical about how much help the exporting companies receive from EPB in this regard.

It also proudly praises the export of ready-made garments (RMG) in developed countries and says, "Although Japan proves to be a good market for garments, we are yet to actively enter that market." Has EPB ever encouraged business people in the RMG sector to export their items to that market? What is the EPB's contribution, when it comes to helping exporters? EPB could have easily come forward in reviving the country's jute sector. Jute products should have been our country's number one export oriented item but instead, the RMG sector took over.

In today's competitive world, value addition is of utmost importance. If a firm or an organisation adds value to its products, there will be lower competition and a larger profit margin. This cannot be achieved in our RMG sector but this could easily have been done in the market for jute products. Jute is our pride and our 'so called' politicians just wasted that golden opportunity. We have seen that most of our jute-based industries have eventually shut down.

At the same time, when our jute industries are shutting down, our neighboring nation India is expanding their export opportunities by opening more jute industries. There are around 60 jute mills alone in West Bengal. The 100 percent export oriented jute mills are: 1. Champdany Industries

Ltd, 2. Libra Exporters Ltd, 3. Mohand Jute Bag, 4. Kajaria Yarns and Twines Ltd, 5. Cheviot Co Ltd (Budge Budge), 6. Cheviot Co Ltd (Falta SEZ), 7. Budge Budge Co Ltd, 8. Meghdoot Projects Ltd (I and II) and 9. Gloster Jute Mills Ltd.

It is sad to see the way our jute mills have shut down. Our government has never taken substantial steps to eradicate the problems existing in this sector. We could have easily produced various jute products and sell at handsome prices with good profit margins.

Minhaj Ahmed  
Dhaka

### CTG's counter business policy is praiseworthy

Recently, bankers have commented in the dailies, "Banks fear deficit on slow input loan repayment." Re rolling mill owners associations have also demanded a safeguard for their operations. In these regard, we should remember that once again, after formation of the present care government brought about dimensional changes in economical systems and political affairs. Several times, the concerned adviser and ministry tried to minimise on going price hikes, but to no avail. Business communities did not think about the common people of the country. On the other hand, they continued fueling the price hike of every essential item of day-to-day life and strategically making the government dysfunctional. After 21 months, the present government has cordially undertaken tremendous counter business policies.

The very common item 'Atta' has reduced from Tk 40 to Tk 22 per kg. Similarly, MS rod, which was Tk 78000 per tonne, now sells at Tk 48000 per tonne. The prices of edible oil have also declined. However, it is regrettable that bankers and businessmen do not feel the same way about the price decreases. They can do anything for their personal interests. Now, bankers are counting Tk 5000 crores in deficit.

Zaglul Haider  
Dhaka

### Cultivating coffee: Potential and profit

Coffee as we all know is a widely-consumed stimulant beverage prepared from roasted seeds, commonly called coffee beans.

It was first consumed in the 9th century, when it was discovered in the highlands of Ethiopia. From there, it

spread to Egypt and Yemen, and by the 15th century had reached Azerbaijan, Persia, Turkey, and northern Africa. From the Muslim world, coffee spread to Italy, then to the rest of Europe, Indonesia and the Americas.

Today, coffee is one of the most popular beverages worldwide.

As coffee consumption grows, its cultivation is gaining popularity among farmers in Bangladesh's three hill districts. Chittagong Hill Tracts Development Board started the nine-year project with a view to popularising some non-traditional value added crops like coffee, orange etc. So far, coffee has been produced in 400 gardens in Ruma upazila. Approximately, 5 kg of coffee beans could be produced from each tree and 500 grams coffee could be collected after processing 1 kg coffee beans. Generally, coffee plants bear flowers in February-April and matured seeds are available in December-January.

We strongly believe if government takes more initiative with expert hands things can be changed in Bangladesh in terms of coffee plantation and export. Here we can see the production in tonnes of large coffee growing countries.

Coffee around the world is consumed in different ways, but the tendencies for certain areas of the planet may surprise us. It's probably of little surprise that the United States of America is the largest single market for coffee products, but it may surprise one to know that the second largest is Germany. Again the nation of Finland consumes the most coffee per head of population in the world today. The cafe is an almost entirely North American and European trend, turning the serving of tea, sandwiches, pastries, and other light refreshments into an extremely profitable industry.

In Bangladesh we can also see its growing trend through coffee cafes. The biggest hindrance in our country is we have huge import duty on coffee beans, which makes each cup of coffee expensive. We are yet to accomplish with our own coffee plantation.

Around the world, large coffee buying companies sponsor events in small countries, to determine which growers have the 'best tasting' coffee. In the United Kingdom, where tea has traditionally been the drink of choice, coffee has overtaken the distinctly British beverage as the favorite hot drink of the population. The Ethiopians hold coffee ceremonies that are an important part of the social scene. Being invited to an Ethiopian coffee ceremony is considered a high praise.

Coffee is thriving in Asia. Almost one third of Chinese for example now consume coffee outside their home. In Asia, the coffee of choice is a lighter sweeter coffee, unlike that in many of the Western countries. The favourite coffee in Hong

Kong, for example is cappuccino, preferred by about thirty percent of those who purchase ready to drink coffee outside the home. Traditionally, the people in Asia prefer tea, but the presence of chains like Starbucks have created a large and growing coffee culture in Asia.

A growing coffee culture in Asia has been fueled in part by young urban professionals. The coffee drinking habit is seen as sophisticated and more westernised than the more traditional tea. Coffee is imported to China from about 50 different coffee producing countries. There are companies as large as Arabica and companies small enough to carry beans into the country by hand. China itself has a small but growing coffee producing area.

Starbucks and Nestle are two of the major US companies with a presence in Asia. Several European coffee companies compete for the Chinese market, including Illy, Lavazza and Jamaica Blue Mountain Coffee which is also very popular in Japan. Indonesia, one of the major coffee exporting countries in the world, has a strong and well-established coffee culture. Most of the fresh coffee is consumed by the older generation, which has grown up using the product and enjoys the taste. The younger generation typically uses instant coffee for its benefits in helping one stay alert.

In Bangladesh we can look into this business, which has potential for both in house consumption and export. And a great deal of job opportunities can be created both in plantation and business.

AZM Saifuddin  
Dhaka

