

Stocks

DGEN ▲ 2.90%
2,590.95

CSCX ▲ 2.82%
5,290.38

Commodities

Gold ▼
\$835.75
(per ounce)

Oil ▼
\$34.18
(per barrel)

SOURCE: AFP
(As of Friday)

More News

Automated Kamalapur ICD ready to start this month

Kamalapur Inland Container Depot (ICD) is ready to start customs clearance under an automated system any day this month. The ICD authority now awaits the Chief Adviser's consent to launch the automated operation, Mahbub Zaman, managing director, Data Soft Limited, said yesterday.

DSE ups transaction capacity

The Dhaka Stock Exchange has added two new processors to the existing two, which increases the transaction capacity of the premier bourse, as part of the first phase of an uplifting programme.

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Stocks rise on polls spirits

Dhaka stocks jumped yesterday amid investors' increased participation in trade on expectations the market would be vibrant under an elected government next year. Investors have started injecting idle money into the market ahead of the year-end polls, according to market experts.

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International

Obama's new deal sparks debate



The vast public works spending plan proposed by President-elect Barack Obama has stirred fresh debate on the 1930s New Deal and whether such Great Depression programs would be useful today. Some economists see a desperate need for a big stimulus program investing in infrastructure such as roads and bridges along the lines of Obama's plan, estimated at 500 billion to 850 billion dollars.

Kuwait income hit by oil price plunge

Opec member Kuwait earned 1.255 billion dinars (4.65 billion dollars) in November, its lowest monthly income this year due to the sharp decline in oil prices, the finance ministry said on Sunday. The oil-rich emirate's revenues have been declining since peaking at 12.9 billion dollars in August.

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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

Exports post 30pc rise, October a laggard

KAWSAR KHAN

Bangladesh has posted 30.68 percent export growth in the July-October period, earning \$5,251.49 million against \$4,018.67 million in the same period of the previous fiscal year in signs of slowing growth.

In the same period, exports posted a 1.29 percent surplus over its strategic target, with remarkable growth in knitwear, woven garments and frozen foods -- the main export earners of the country, according to data by the Export Promotion Bureau (EPB).

But export earnings dipped 7.48 percent in October from the same month last year that exporters said was due to probable fallout from the global financial crisis.

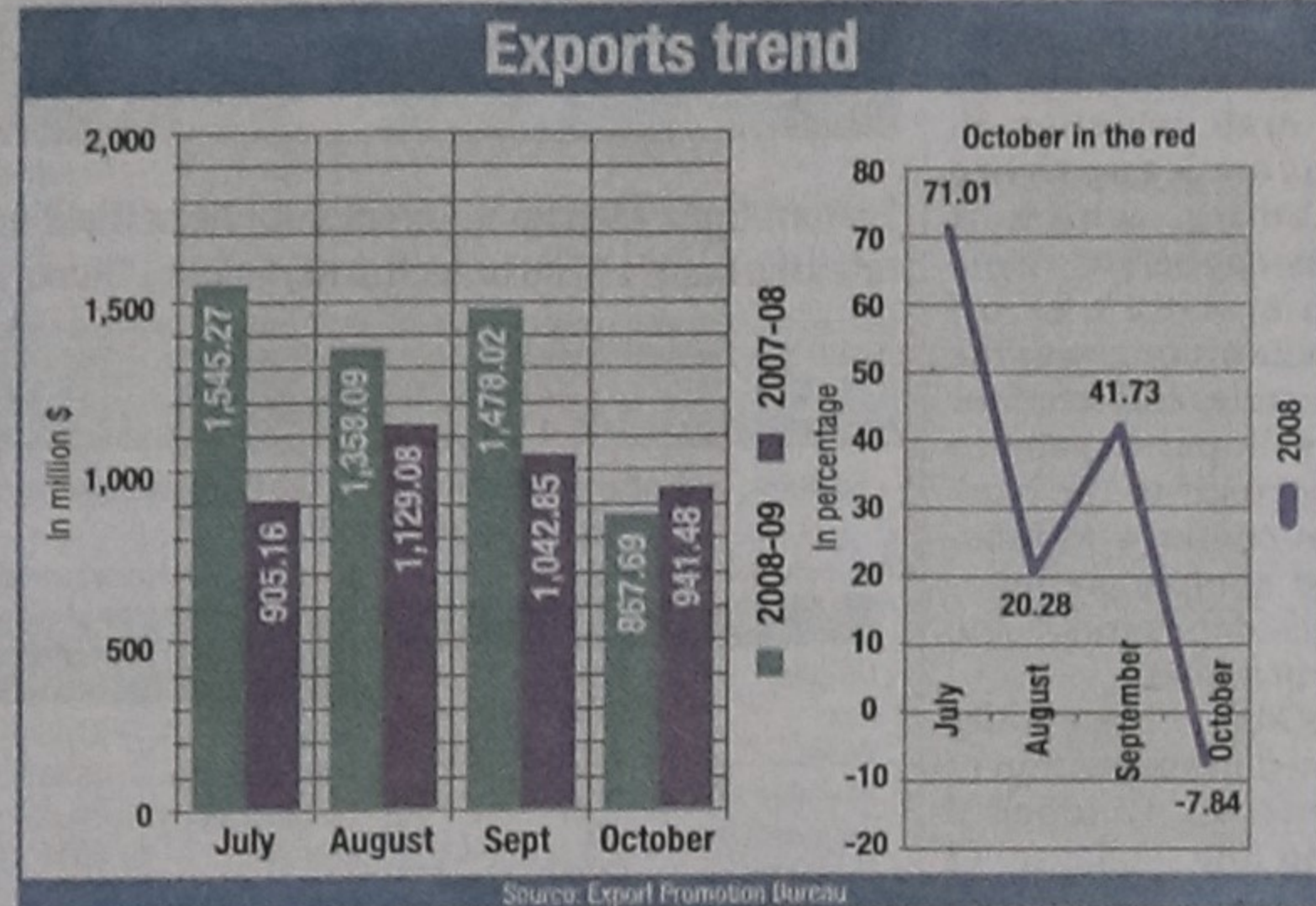
Government officials and economists said it would still take some time to conclude whether the country was being affected by the global financial meltdown, however mildly.

Bangladesh earned \$867.69 million in October compared to \$941.48 million in the same month a year ago, which fell 25.85 percent short of the \$1,170 million strategic export target for the time.

Although exports plummeted in October, the overall export for July-October is on the rise indicating that Bangladesh is still not affected by the global crisis, said EPB Vice Chairman Shahab Ullah yesterday.

"Despite lower growth in October, I have seen that export performances in November is better than in October, meaning the fall is an unusual event which has no link with the global crisis," he said.

However the exporters said they



were feeling that the country's export was eventually affected by the ongoing global financial crisis.

"We are saying from the very beginning that the global problem, which will eventually trickle down to Bangladesh, requires safeguard measures to protect the country from its effect. But the government is claiming that the country is immune to the crisis, which the export figure proved wrong in October," said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

The buyers are now placing orders at reduced rates compared to the previous months to gain more competitiveness in international market that is reducing the profit margin of local players, Hoque said, urging the government to sit with all stakeholders for finding solutions to the crisis.

October is a transitional month between winter and spring when

exports generally remain low as exporters shift from making winter clothes to spring clothes, exporters said of October's export performance.

"But we are already feeling the pinch of global crisis as almost all the buyers except Walmart reported a sales decline in recent months," said Mohd A Salam, first vice president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

International weekly The Economist last week reported that the two emerging economies of Asia -- China and India had suffered an export fall due to the global financial crisis.

According to the report, India's exports in October decreased 12 percent over the same month last year, while China's export fell 2 percent and import 18 percent in November.

To tackle the crisis different countries including India and Pakistan have depreciated their

currencies, the BGMEA leader said.

When the issue was raised, Executive Director of the Centre for Policy Dialogue (CPD) Mustafizur Rahman said this export downturn suggested that there exists volatility in international demand. However, it was still premature to tag the fall with the global crisis, he added.

He, however, urged the government and all others concerned to observe the whole situation cautiously as the overall apparel import of USA decreased in recent times, while garment export of Vietnam and Cambodia to the US market also marked a decline.

Exports to Europe and the US generally increase after the Christmas but the situation may be different this year if the buyers have a bigger inventory this time due to lower sales, he said.

According to export statistics, in the July-October period, woven garments showed 27 percent growth fetching \$1,817.50 million and knitwear earned \$2,188 million with a robust 37.48 percent growth.

Frozen food remained the third largest export earner of the country, bringing \$203.61 million with nearly 15 percent growth.

Petroleum byproducts, terry towel, textile fabrics, footwear, tea and home textile also showed positive export growth during the time.

On the downside, pharmaceuticals, vegetables, camera parts, cut flower/foilage, iron chain, raw jute, jute goods, electronics, including some others, posted negative growth.

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Govt signs 50mw Chittagong rental power deal

STAR BUSINESS REPORT

The Power Cell of the power ministry yesterday signed a deal on the 50 megawatt Sikalbaha, Chittagong, rental power project with a joint venture led by Royce Power Engineering Ltd of Hong Kong and two local companies for a three-year term.

Earlier this month, the Cabinet purchase committee of the caretaker government approved this power project that will use cheap but environmentally hostile Heavy Fuel Oil (HFO).

Local companies Asian Entech Power Corporation and Shasha Denims Ltd hold 49 per cent of the stake in the investment of around Tk 200 crore.

Although the contract does not have environmental obligations, a representative of the joint venture told The Daily Star that the rental project would obtain World Bank (WB) financing and would ensure the environmental standards of the WB. These standards relate to the HFO fuel treatment facility, pollution from the engine and sound.

In evaluating the bid, the Power Cell did not work on the environmental aspect of HFO nor did it seek any documents from Royce about how the environmental issues will be handled.

It sought proposal for the 50 MW Sikalbaha plant in October. Though rental power is costlier than conventionally produced power, this projectsupposed to be installed in six months after signing of agreementhas been taken up considering a severe power crisis in Chittagong.

The cell floated tender seeking offers for both diesel and HFO based power plants although the price of diesel is much higher than the HFO.

Meanwhile, the local partners of Royce Power are also involved with four small power projects (SPP) as Doreen Power. Of these, a 22mw SPP in Tangail began commercial operation last month, while a 22 mw plant in Narsingdi and another 22 mw in Feni are expected to commission this month. Another 11mw plant in Feni would launch operation in January.

Local companies Asian Entech Power Corporation and Sha-sha Denims Ltd hold 49 per cent of the stake in the investment of around Tk 200 crore

Online supermarket hits snag

Absence of payment method blamed

JASIM UDDIN KHAN

The country's first online supermarket 'Chorka' is facing difficulties in exploring e-business opportunities due to absence of a proper payment method.

It can conduct transactions only by international credit cards.

The company is also faced with identity crisis as Bangladesh does not have any definition of e-business in its policy guidelines.

The online supermarket conducted around 1000 transactions since its inception on September 02, 2008 which the company executives say satisfactory for the period.

"So far we have provided services to around 1000 customers, mostly non-resident Bangladeshis (NRBs). But if the government allowed the local banks' credit or debit cards in online transactions, the trade might be multiplied," said Khondaker Anwar, one of the directors of Chorka.

The management of the company is happy over the responses it received. "For the first year our target is to make the name of the company familiar to the customers across the world. And we are going to fulfil our target soon," Anwar added.

The company registered 40,000 hits from 80 countries during the period among which 55 percent hits were from NRBs, Anwar said. Among the NRBs, 75 percent visitors were from USA, he added.

Chorka sold mainly apparel products during the period, Anwar said, adding that the NRB customers send gifts to their dear ones in Bangladesh through international cards.

The company is facing problems in remitting money from its US account as Bangladesh Bank and other commercial banks do not have any option for e-commerce business.

"When we remitted money from USA to Bangladesh we had to face various difficulties in getting clearances," Anwar said, adding that as the country does not have any definition of e-business we face problems even in opening a bank account for the company.

When asked about the matter, a high official of Bangladesh Bank said the government has initiated a move to set a policy for such online transaction, and a high level committee comprising officials from Chief Adviser's Office, Bangladesh



Bank, National Board of Revenue and commercial banks is working.

The committee has already placed some suggestions to the cell concerned at the Chief Adviser's Office to immediately open an international online transaction gateway.

Chorka's product lines include apparels, food items, furniture, books, electronics and lifestyle accessories.

The company has signed agreements to display online and sell products of Kay Kraft, Anjans, Deshal, Fit Elegance, Rang, Dustbin, Oboyob, Charon, Mahua Pushpalya, Ferns 'N' Petals, Pushpo Nir, Harappa, Mr Baker, Webcom, Thakral Information Systems, CMPL, Global Brand, Oitijhya, Somoy Prokashon, International Book Agency, Shop21, Ruposhi, RanksTel and Prestige Bengal.

The company is also working to introduce point of sale (PoS) at district levels to make capital city's brand products available among semi-urban people.

Chorka conducts transactions only through international credit cards, but if the government approves, it will start transactions through mobile phone pay and payment upon delivery for registered customers, officials said.

On commission basis, Chorka sells products at the same prices as it buys.

Mohammad Moniruzzaman, a director of Chorka, said the idea of starting an online supermarket originated from the trend of increasing use of internet among general people.

"At present our targeted customers are the NRBs. We expect they will start using the site for sending gifts to their parents and relatives living in the city. But gradually we will expand our reach," he said.

The charges will be reasonable as many outlets will maintain the original prices of their products. But the delivery charges will be added. Orders from overseas customers will be delivered by DHL, said Chorka officials.

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Canada offers \$3.29b auto bailout

AP, Toronto

The federal and Ontario governments will provide the Canadian subsidiaries of the Detroit Three automakers with 4 billion Canadian dollars (\$3.29 billion) in emergency loans, the prime minister said Saturday.

The announcement follows a pledge Friday by US President George W Bush to offer \$17.4 billion in emergency loans to General Motors Corp and Chrysler LLC.

Prime Minister Stephen Harper said Canada's bailout plan, the equivalent of 20 percent of the US aid package, will help keep the plants afloat while the automakers restructure their businesses to retain one of the country's most important economic sectors.

"We cannot afford, in the United States or Canada, the catastrophic short-term collapse of the Big Three automakers. The US has signalled that they are not going to allow these companies to fail, and we will do our share of the North American package to see that this doesn't happen either," said Harper speaking at a news conference in Toronto.

Canada's automotive industry represents 14 percent of the country's manufacturing output, 23 percent of manufactured exports, and directly employs more than 150,000 Canadians. The country's largest industry within the manufacturing sector, it has been suffering from its slowest sales in 26 years and dwindling operating cash.

Ontario has agreed to provide 1.3 billion Canadian dollars (\$1.07 billion) of the total since the province alone employs about 400,000 auto sector workers -- both directly and indirectly -- and the industry is the mainstay of about 12 Ontario communities.

Parjatan mulls bringing cable car project under private management



Cable cars are seen plying in a hilly region of a foreign country.

SAYEDA AKTER

Bangladesh Parjatan Corporation considers handing over the construction and management of the first-ever cable car project in Banderban to the private sector, said the corporation chairman.

"The groundwork and initial preparations have been delayed because of fund constraints in the related ministry. This has prompted us to seek private investments," said Shafigue Alam Mehdi.

"The cable car was primarily a project of the Ministry of Chittagong Hill Tracts Affairs and it was supposed to bear the entire cost," he said.

He said the cost of the project is estimated to be around Tk 5 crore, but the ministry informed the corporation in November that they had to use up the budget for another purpose.

The cable car is to be developed by connecting two slopes at Mirinza in Banderban district. The project was supposed to commence by the year-end.

The cable car will run over more than one kilometre, connecting two hills at Mirinza, under Lama upzila in Banderban.

"We expect this project will help double the number of tourists who visit the area, and so we need to begin construction immediately," said the Parjatan Corporation chief.

"We are now considering leasing out the project to private companies to speed up the financing of the venture," Mehdi said. However, they have not undertaken any

initiatives as yet, such as advertisements in national dailies.

A cable car is a mode of transport that relies on cables to pull vehicles along or lower them at a steady rate.

The most popular variety of the cable car in South Asian countries is a ropeway conveyor that is a subtype of a gondola lift, from which vehicles are suspended in the air.

The concept of the cable car came at a time when Cox's Bazar is facing competition in the run for the new seven natural wonders of the world, as the world's longest sea beach. It remains at the top of the nominations in recent weeks.

Shafigue Alam Mehdi hoped that the cable car would attract domestic and foreign tourists and help the sector grow.

"It will be an exciting destination for domestic tourists, as many have never been on a cable car. The foreign tourists will also have something to look forward to," he said.

The cable car will be built as part of the corporation's project titled Mirinza Tourist Complex Project, under which an internal road between the two hills and a restaurant in Banderban has already been developed.

Nazrul Islam, head of the project and project engineer of Mirinza Tourist Complex, said construction of the cable car would take six to eight months.

He said the Parjatan Corporation has already established a power substation at Mirinza as part of infrastructure development for launching the cable car in the area.

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