

Aziz tells Muhit not to worry about economy this year

UNB, Dhaka
Former finance adviser to the immediate past caretaker government Dr Mirza Azizul Islam yesterday assured his successor, new Finance Minister Abul Mal Abdul Muhit, that there is no reason for him to worry about the economy this (calendar) year.
"He (Muhit) has no reason to worry about the economy this fiscal year and even until the end of this (calendar) year," Aziz told reporters, after a meeting with the finance minister at his office.
Muhit invited the former finance adviser to share views on the current economic situation. They exchanged ideas for over one hour.
Aziz said the economic condition remained sound and it would con-

tinue so this year, but advised the new government to be cautious about the possible impact of global recession.
He said the economic growth has been sound and inflation was showing a declining trend while investment, though weakened, increased to some extent relative to GDP.
He, however, advised the minister to remain alert about the impact of recession on the country's exports, Official Development Assistance (ODA) and wage earners' remittance.
Replying to a question, Aziz said the new government has no worry about the food security as the caretaker government left a comfortable food stock of 1.3 million (13 lakh) tonnes. "By the grace of Allah, and due to the efforts by the farmers, we have had a bumper

production."
Replying to another question, he said reduction of diesel and kerosene price by Tk 2 per litre was a realistic decision considering the economic situation. "A cut by more than Tk 2 would have made financial management difficult," he said welcoming the decision.
The former finance adviser further explained that a deeper cut would encourage smuggling of fuel oil to the neighbouring countries.
He also suggested looking into whether the consumers were getting the benefit of the price cut.
Finance Minister Muhit defended the decision on the fuel oil price considering the current economic situation. "We tried to give a signal (to the market)," he said.

Sheltech offers discount at real estate fair

STAR BUSINESS DESK
Sheltech Real Estate Developer, one of the major developers in the country, is offering a 20 percent discount on apartment sales, at a fair to attract more customers.
A statement yesterday said Sheltech organised a week-long fair at its corporate office on 55 West Panthapath, to sell flats at a discounted rate.
"This is the first of such initiatives for Sheltech," said Toufiq M Seraj, managing director of Sheltech Private Limited.

Popular Life shareholder pays Tk 1 cr fine

SARWAR A CHOWDHURY
The capital market regulator yesterday realised Tk 1 crore fine from Arif Ahmed, a shareholder and a relative of some sponsor directors of Popular Life Insurance, who was found guilty of involvement in stock market manipulation.
The fine, imposed by the Securities and Exchange Commission (SEC) in September last year, is the highest amount of penalty so far on an individual, SEC officials said.
"For the first time we slapped such a highest amount of penalty on an individual and realised the amount," said Farhad Ahmed, executive director of SEC.
"The fine realisation will send a clear signal about our

actions to others and hopefully will help bring discipline to the market," he added.
The market watchdog also realised another Tk 44 lakh fine from three directors and a shareholder of Popular Life Insurance who were found guilty of involvement in insider trading.
Sayka Zabin Islam, Shabbir Ahmed and Farzana Jahan Ahmed, three directors of Popular Life Insurance, paid Tk 5 lakh, Tk 10 lakh and Tk 5 lakh respectively in fine to the market regulator.
Farzana Naj, another shareholder of Popular Life and wife of Arif Ahmed, also submitted Tk 5 lakh in fine to the SEC.
The SEC also realised Tk 19.12 lakh from Sayka Zabin

Islam, who gained the amount as profit from share sale during a restricted period.
The commission earlier in September last year imposed the fine on them following an investigation by an SEC probe body, which was formed in March to find out why share prices of Popular Life reached Tk 5,000 each in March 2008 from Tk 811 in June 2007.
However Abdul Mannan, another shareholder of Popular Life who was also fined Tk 5 lakh for creating artificial supply shortage of Popular shares through buying excess shares of the company over a certain period of time, is yet to submit his fine to the SEC.

Asian markets lower as corporate fears shake investors

AFP, Hong Kong
Asian stocks fell Tuesday as investor confidence was dealt a blow by more bad corporate news as fears about the global economic slowdown continued to spread.
Tokyo, which was closed Monday, was pulled almost five percent lower amid reports that Sony was set to announce its first annual operating loss in 14 years.
Hong Kong fell more than two percent -- its sixth consecutive loss -- as did Shanghai, while Sydney ended 0.7 percent off and Bangkok dumped more than four percent.

almost one percent.
The Tokyo market was closed on Monday for a national holiday and was also catching up with two days of losses on Wall Street, where investors took fright at a jump in US unemployment on Friday.
Sony is reportedly set to sink into the red in the financial year to March and is likely to post an operating loss of 100 billion yen (1.1 billion dollars) due to sagging demand and a stronger yen, the Nikkei business daily reported.
Meanwhile, Japan's current account surplus shrank 65.9 percent in November from a year earlier as exports slumped, while a private survey showed corporate bankruptcies jumped 15.7 percent in 2008.

expected to log an operating loss of about 200 billion yen for the current financial year to March, the first such loss in seven years, the Nikkei reported.
With the dollar languishing below the key 90-yen level, other exporters also suffered. Toyota Motor fell 6.4 percent to 2,875.
HONG KONG: Down 2.2 percent. The Hang Seng Index closed down 302.95 points at 13,668.05. Turnover was 47.28 billion Hong Kong dollars (6.06 billion US).
China Mobile fell 1.8 percent to 72.20 dollars, extending its 13.5 percent slide in the previous five sessions.
PetroChina, the second-biggest heavyweight in the blue chip index, fell 3.9 percent to 6.42 dollars, and CNOOC was down 3.0 percent at 6.89. Sinopec, which focuses on refining, dropped 3.8 percent to 4.35.
SHANGHAI: Down 1.95 percent. The benchmark Shanghai Composite Index, which covers A and B shares, closed down 36.98 points at 1,863.37 on turnover of 49.3 billion yuan (7.2 billion dollars).
Banks led the fall after Shenzhen Development Bank said it expected a 77 percent year-on-year fall in net profits for 2008.
"The poor earnings forecast by Shenzhen

Development Bank and the falling exports data triggered investors' worries over corporate earnings for other blue chips," Amy Lin, an analyst at Capital Securities, told Dow Jones Newswires.
Shenzhen Development Bank closed down four percent at 9.47 yuan, while Industrial and Commercial Bank of China fell 2.3 percent to 3.48 yuan.
Aluminum Corporation of China was down 3.7 percent to 6.44 yuan.
Coal producers also fell on expectations that demand for the resource will decline as global oil prices head south. Datong Coal Industry fell 4.0 percent to 13.06 yuan.
TAIPEI: Up 1.76 percent. The weighted index rose 78.46 points to 4,532.36 on turnover of 49.72 billion Taiwan dollars (1.51 billion US).
SEOUL: Up 0.9 percent. The KOSPI index ended up 10.96 points at 1,167.71. Volume was 374.8 million shares worth 4.03 trillion won (2.99 billion dollars).
SINGAPORE: Down 0.81 percent. The Straits Times Index (STI) dropped 14.43 points to 1,761.82 on volume of 1.02 billion shares worth 1.08 billion Singapore dollars (724 million US).
The government will unveil the national budget on January 22, expected to help individuals and businesses cope with a recession.

DBS was up 17 cents to 8.28, United Overseas Bank slid 18 cents to 12.38 and Overseas-Chinese Banking Corp was eight cents lower at 5.07.
Singapore Telecommunications fell two cents to 2.53 and Singapore Airlines closed 14 cents lower at 11.20.
KUALA LUMPUR: Down 1.1 percent. The Kuala Lumpur Composite Index lost 9.87 points to close at 913.70.
BANGKOK: Down 4.19 percent. The Stock Exchange of Thailand (SET) composite index lost 18.99 points to close at 433.81 points.
The Thai cabinet on Tuesday approved a 115-billion-baht economic stimulus plan, saying it expected to put it into effect in March.
Top energy firm PTT Plc dropped 12.00 baht to close at 156.00 baht while its subsidiary PTT Exploration and Production lost 8.00 to 100.00.
JAKARTA: Down 0.5 percent. The Jakarta Composite Index closed 6.82 points down at 1,399.73.
MANILA: Barely changed. The composite index dropped 0.09 percent, or 1.79 points, to 1,996.04.
MUMBAI: Down 0.42 percent. The 30-share Sensex index fell 38.69 points to 9,071.36, its fourth consecutive day of losses.

Business leaders call for better climate



Abdul Hafiz Choudhury, president of Metropolitan Chamber of Commerce and Industry (MCCI), with other office bearers, calls on Faruk Khan, commerce minister, yesterday.

STAR BUSINESS REPORT
Business leaders of the Metropolitan Chamber of Commerce and Industry (MCCI) yesterday demanded that the government continue measures to keep up a congenial atmosphere at the Chittagong Port.
They also called for efforts to strengthen law and order across the country to ensure a business-friendly environment and strengthen the Trading Corporation of Bangladesh to keep the prices of basic commodities under control.
"Chittagong Port is the main business hub of the country's external trade, activities of which should be kept uninterrupted," MCCI President Abdul Hafiz

Choudhury said at a meeting of MCCI delegates with Commerce Minister Faruk Khan at his office.
If the export and import trade is hindered at Chittagong Port for an unwanted situation, the country would not achieve expected growth in coming years," said Choudhury.
Other MCCI leaders Latifur Rahman, Syed Manzur Elahi and Amin Ahmed Choudhury were part of the delegation.
The business leaders urged the government to take an initiative to reduce bank interest rates. "The present high bank interest rate is one of the main hurdles to investment," said the MCCI president.
The leaders also

demand that the Better Business Forum continue to take steps to ensure a better business environment.
The MCCI president urged the minister to consider a proposal earlier placed by the MCCI to the government to reform the Companies Act.
In a separate meeting with the minister, knitwear exporters raised a demand for administrative support to control "miscreants" in garment-waste business.
"We feel insecure with the recent emergence of miscreants in the so-called 'jhut' (garment-waste) businesses," MA Baset of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).



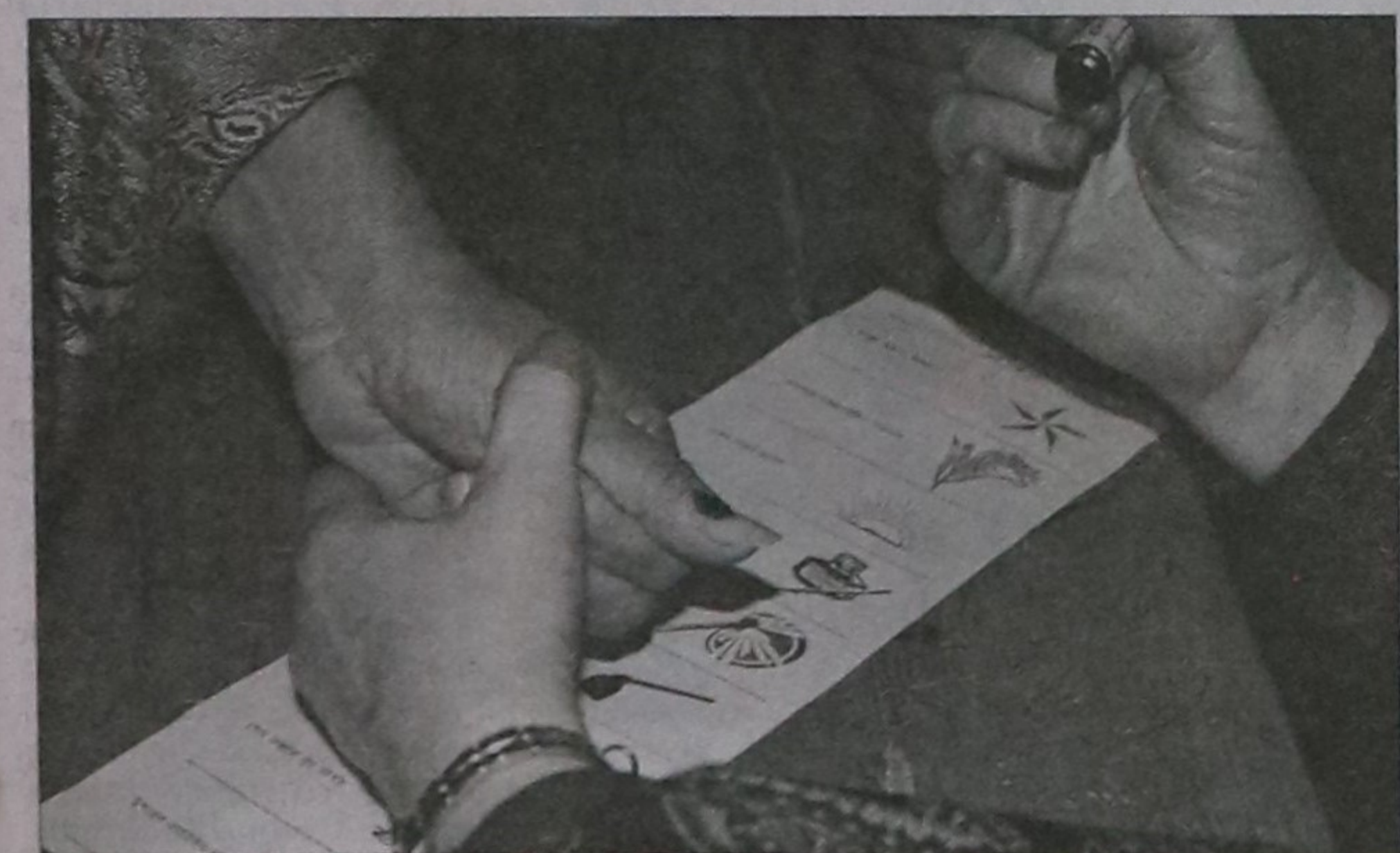
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BIZ LETTERS

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Towards a stable Bangladesh



The year 2009 started with great hopes and expectations as we witnessed the coming of a new government to power through a free and fair election. The military backed caretaker government ruled the nation for almost two years. Now, as the nation welcomes the newly elected democratic government, who came to power after a landslide victory, people's expectations have also become more demanding.
People now expect more from the Awami League-led grand alliance as they have majority seat in the parliament.
People will be anxious to see the new government to accomplish most of their promises one after the other,

as mentioned in their manifesto. The first and foremost task for the new government will be to strengthen the economy of the nation.
Awami League has promised to provide jobs for the youth and they have to implement efficient strategies in minimising the rate of unemployment.
At the same time, the new government also has to keep in mind that the country's foreign loan stands at \$20.4 billion as of September 30, 2008. Efficient planning should be done to disburse funds in various sectors so that the funds are not being misused. We cannot afford to take too many loans and burden our next generations.
In order to settle the for-

eign loans and develop our economy, our government should seek opportunities. In this case, foreign remittance plays a vital role for the economic growth of our nation. Foreign remittances have earned us \$8.22 billion so far, topping at \$6.55 billion in the year before. We are headed to cross the \$10 billion mark by the end of the current financial year. We know that those who live abroad send money here in Bangladesh but in return they do not get many facilities. In fact, they are often harassed by the recruiting agencies. The government must set up stringent laws for the recruiting agencies so that they stay away from further foul play.
Our government can also

encourage business people to set up training facilities that provide proper training on a knowledge on various services so that when people go abroad for jobs, they are well trained.
Another sector our previous governments have often neglected is the tourism sector. Statistics from the civil aviation and tourism ministry shows that a total of 3.50 lakh foreign tourists visited Bangladesh until October 2008, which was a sharp rise from 2.65 lakh in 2007, 2 lakh in 2006 and 2.07 lakh in 2005.
Our country has the largest mangrove forest and the world's longest unbroken beach, Cox's Bazaar. These are our assets but we fail to utilise these. We are backed by rich cultural history as well. During Pohela Boishakh our government can take initiatives to introduce special packages to foreigners, so that they will not only get to know about our culture but they will also have the chance to see the scenic beauty of Bangladesh.
Our Government should encourage the private sectors to set up five star hotels, theme parks and shopping complexes at Cox's Bazaar. These will allow us to earn more forex.
I wish our new government would take drastic and proactive initiatives to boost the economy of our nation and make this country a stable one.
Minhaj Ahmed
Dhaka

Fertiliser distribution not a trifle matter

Urea fertiliser consumption was estimated at 30 lakh tonnes in the fiscal year 2008-2009 in Bangladesh. However, state-owned fertiliser factories can support only 15 lakh tonnes of urea. The rest of urea has to be imported from countries like Saudi Arabia, United Arab Emirates, Jordan, Kuwait, Qatar, Russia, Belarus and the joint venture factory KAFCO in Bangladesh.
The hefty amount of fertiliser distribution is not a trifle matter. More than five thousand dealers are engaged from grass root level to every union parishad area. To distribute fertilisers, BCIC (Bangladesh Chemical Industries Corporation) is using fertiliser factories' warehouses, which each contains 50,000 to 60,000 tonnes of urea fertiliser. Another twenty-one ex-BADC abandoned godowns are now also using potential buffer stocks.
A total of 28 urea dispatch points are divided among 64 districts considering the distance, location, road transport and river navigation accessibility issues. For the eastern regions, the Cittagong fertiliser factory Ltd, Natural Gas Fertiliser Factory Ltd, Zia fertiliser Factory Ltd, Polish fertiliser Factory Ltd, Ghorasal Fertiliser Factory Ltd are present.
In the northern regions, the buffer points are

Bagabari, Shantahar, Joypurhat, Kurigram, Mohendra Nagar, Natore, Parbutipur, Dinajpur, Sheromoni, Kaligong, Jennidha, Jessore, Barishal, Bola, Bogra, Rajshai, Thakurgoan.
In the peak season, 4000 private trucks are available and 20 thousand day laborers, helpers, and drivers are engaged for loading, unloading and dispatch, around 24 hours in a day. The BCIC has a near about 300 officers; who are successfully performing day and night for the uninterrupted supply of urea, ignoring all government holidays, except Eid-ul-Fitr and Eid-ul-Azha all around the year.
There are three seasons for urea distribution; the

peak season, lean season and normal season.
The Ministry of Agriculture and Ministry of Industries jointly surveyed the Boro and Aman paddy lands with the help of Upazilla agriculture extension officers in Bangladesh.
Every dealer gets urea allotments and it is sent to commanded fertiliser factories and buffer in chargers, on a monthly basis. Dealers or their representatives deposit money with 'exfactory rate' in specific bank accounts. The dealers names are published on a 'first come, first serve' basis. Private trucks and laborers are engaged at every dispatch point to receive delivery.
Now a days, two paths are

available, one is the truck line and the other is the shipping line. But the truck lines, for its door-to-door services, charm most dealers. Then the upazilla agriculture officers physically receive the amount of urea and hoist per kilogram retail prices.
Farmers are complacent with this present system. The UNO, AEO and other law enforcing agencies also actively perform their duties. Recalcitrant will not be able to use trucks for smuggling. Quick service systems have ensured a smooth supply of urea for the past 13 magnanimous years of BCIC.
MZ Haider
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