

## Stocks

DGEN ▼ 0.22%  
2,599.08

CSCX ▼ 0.26%  
5,124.22

## Asian Markets

MUMBAI ▲ 0.30%  
9,042.63

TOKYO ▲ 0.31%  
7,557.65

SINGAPORE ▼ 1.31%  
1,629.35

SHANGHAI ▲ 0.78%  
2,227.13

## Currencies

	Buy Tk	Sell Tk
USD	68.35	69.35
EUR	84.37	88.96
GBP	95.74	100.64
JPY	0.72	0.77

SOURCE: STANDARD CHARTERED

## Commodities

Gold ▲  
\$976.27  
(per ounce)

Oil ▲  
\$35.26  
(per barrel)

SOURCE: AFP

(Midday Trade)

## More News

**Ekushey, boom time for books**



Little Maumita gestures disapprovingly, as she tightly holds on to two nursery rhyme books she got. She is not willing to share the books she bought from the book fair. The five-year-old and her parents meander through the rows of bookstalls at the Ekushey Bô Mela, the biggest book festival centring the Language Movement of 1952 on February 21. B-4

## International

**Japan steps up efforts to tackle recession**

Japan's central bank on Thursday announced new emergency measures to tackle a deepening recession in Asia's biggest economy as it left its super-low interest rates unchanged for a second month. The Bank of Japan said it would buy up to one trillion yen (10.7 billion dollars) of corporate bonds from commercial banks as part of efforts to fight a credit crunch.

**India's inflation falls to 13-month low**

India's inflation rate fell to a 13-month low, slipping below four percent, official data showed Thursday, stoking expectations of more interest rate cuts to spur a flagging economy. 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)

# Counterfeit bearings roll into market

KAWSAR KHAN

Counterfeit bearings have flooded the lucrative domestic market, affecting productivity mainly of industrial and agricultural sectors, two major bearing consuming sectors.

Presently 90 percent of the bearings used in different mechanical and semi-mechanical devices are fake as a section of businessmen prefers to sell and distribute sub-standard bearings as it is more profitable than selling original bearings, said the importers and salesmen at Nayabazar, the largest bearing market of the country.

"If profit by selling an original bearing is Tk 20, the amount is Tk 400 for a duplicate bearing, which prompts many traders to take unfair means," said Noor Mohammad, who has been selling bearings at Nayabazar for the last 35 years.

He said as it is difficult to differentiate an original bearing from a fake one, a section of importers and wholesalers misuses the opportunity, ultimately affecting the end users.

Although the business activities of bearings are not much visible, the monthly turnover of the sub-sector is worth around Tk 200 crore, sector people said.

Mizanur Rahman, general manager (Operation) of Rangpur Foundry Ltd (RFL), said: "RFL distributes bearings with its own brand name across the country, but

once we found that some unknown unscrupulous people were flooding the market with duplicate bearings using our brand name."

This prompted RFL management to make special bearing packages with security hologram to prevent misuse of the company's brand name, said the company official. "But the counterfeiting has already tainted the image of RFL to some extent," he added.

The country's import-dependent bearing market brings the item mainly from China, Poland, the UK, Japan, Germany and Hungary, according to the sector people.

Japanese NTN and NSK, and the UK-made SKF are the most popular and reliable bearing brands in Bangladesh.

But these bearings are much costlier compared to duplicate China-made bearings.

"If an NTN brand bearing costs Tk 3,000, a China-made fake one will cost not more than Tk 300," said Musa Bhuiyan, owner of Janata Machineries, a bearing importer and distributor.

Describing the reason for the high demand for substandard bearings, he said: "Customers always prefer low-cost product. So when I hardly can sell an NTN brand bearing at Tk 2,000, some other traders sell it at Tk 1,500 because their product is duplicate. Customers buy the low-cost product without knowing the fact." The business houses that sell



original bearings are suffering a lot for the malpractice as it has reduced sales of those shops significantly.

"As the honest businessmen suffer a lot for the malpractice, once we initiated a move to float a platform styled Bangladesh Bearing Merchants Association to tackle the situation, but the association failed to work for unknown reasons," said Bhuiyan.

About the methods of counterfeiting bearings, the sector people said some importers buy low quality bearings from China and inscribe popular brand names on those through laser writing, while some traders import well-packaged duplicate bearings from China and Dubai.

Productivity of factories, garment and agricultural sectors gets interrupted due to the use of duplicate bearings, they said.

When a bearing goes out of order, it takes two to three hours to replace it with a new one, and at the same time it also wastes power, energy and money, said the RFL official.

"Consumption of bearing in the country has also increased as the fake bearings don't last long," an official of Brothers Corporation at Nayabazar said, suggesting that the government should monitor the import of counterfeit and original bearings.

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# ADB asks Bangladesh to prepare for recession risk

UNB, Dhaka

ADB Deputy Director General for South Asia Frederick Roche said yesterday Bangladesh needs to begin preparation by now to face any worst situation of the global economic recession, which has gone beyond predictions by the world's top economists.

"Bangladesh's macro-economy has so far remained immune from the impact of recession. But, of course, time is now to begin preparation," the visiting official of Asian Development Bank told reporters, after a meeting with Finance Minister AMA Muhith at the finance ministry.

The last caretaker government had discussions with the major stakeholders, who are vulnerable to the recession, and the then Finance Adviser AB Mirza Azizul Islam feared the recession would affect Bangladesh in fiscal 2009-10 if the global recession deepens.

The new government continued the discussion and immediately after assuming office formed a high-powered committee to monitor the emerging situation and take necessary measures to face the challenges.

After a meeting with the frozen food exporters on Thursday, Muhith told reporters that he was planning to call a meeting of the committee in the first week of March.

Asked if the country's safeguard measures were falling behind the pace of recession's impact on the economy, he said: "I don't think so. It (preparation) is not being delayed in that sense."

The minister said the frozen food sector has so far become the worst victim of the recession while leather, jute, jute goods and apparel sectors were also affected by the recession.

During his four-day visit to Bangladesh that ended yesterday, the ADB senior executive had a series of meetings with ministers, Bangladesh Bank Governor and senior officials of the ministries receiving ADB assistance, and exchanged views on issues including macro-economy, priorities of the new government and emerging situation of the global recession.

"The situation of Bangladesh would remain quite manageable until this fiscal year (2008-09). But, if the recession deepens further, the situation could worsen in the next fiscal year," Roche said, stressing the need for careful attention to exports, remittance, external sectors and budgetary measures.

The ADB official said the major challenge for Bangladesh in the changed scenario is to protect the poor through sustained social safety net programmes and emergency response to food crisis.

# Scottish city to emulate Grameen Bank model

STAR BUSINESS REPORT

The Glasgow Caledonian University (GCU) authorities and Nobel laureate Prof Muhammad Yunus yesterday signed a deal to replicate the Grameen Bank model in Glasgow to help reduce poverty in the Scottish city.

Pamela Gillies, vice chancellor of GCU, and Yunus, chairman of Grameen Trust, signed a memorandum of understanding (MoU) on behalf of their respective sides to establish Grameen Caledonian Creative Lab in Glasgow.

Both Gillies and Yunus announced the deal at a press conference at the Grameen Bank Bhaban in Dhaka.

Gillies said the initiative came following Yunus' visit to Glasgow in December last year.

During his visit to GCU in Scotland, he was awarded a Doctor of Letters. Both sides discussed emulating the Grameen programmes in Glasgow to help the poor in that country, Gillies said.

"We are truly inspired and deeply honoured to announce the establishment of the Grameen Caledonian Creative Lab in Glasgow, Scotland as a result of our discussion with Professor Yunus," Gillies said.

The lab will bridge the two countries and focus on applied action research on poverty alleviation, environment and social business, she said.

The lab will host workshops, seminars and conferences and be a clearinghouse for information to manage the network between education, the public, private and voluntary sectors and civil society, she added.

"The lab will facilitate the set-up of Grameen Glasgow, a branch of the Grameen Bank in Scotland, oriented to serve the needs of the poor but talented people in Glasgow," Gillies said.

Yunus said the set-up of such a lab would help build a cultural bridge between the two countries as both sides joined to cooperate with each



Pamela Gillies, vice chancellor of Glasgow Caledonian University, and Prof Muhammad Yunus, chairman of Grameen Trust, exchange documents after signing an agreement in Dhaka yesterday. Under the deal, Glasgow city will emulate Grameen Bank model to cut poverty.

other.

Many poor students will be able to take training on nursing, as GCU is a renowned institute in this sector, Yunus said.

Under the MoU, the Grameen Caledonian Creative Lab will undertake replication of Grameen Bank in Scotland, targeting the most disadvantaged in the society of Glasgow City, Yunus said.

"As part of its commitment to the MoU, the GCU team is exploring the potential for masters level scholarships and student exchange programmes between Bangladesh and Scotland," he said.

# Developing Asia doing worse than expected: ADB

AFP, Tokyo

Asia's developing economies are suffering more than expected from the global slowdown and must take steps to reduce their reliance on exports, the head of the Asian Development Bank said Thursday.

ADB president Haruhiko Kuroda called on developing countries such as India and China to take steps to boost domestic demand to offset the impact of recessions in major developed economies.

With growth slowing more than expected, the Manila-based ADB may lower its 2009 economic forecast for developing Asia, he told reporters.

The bank's current projection, released in December, is for growth in the region to slow to 5.8 percent this year from 6.9 percent in 2008.

"Asia faces the threat of worsening conditions for socially vulnerable people, due to rising unemployment caused by slowing growth," he said.

"But Asia remains the engine of growth for the world economy. With developed economies shrinking, Asia is the only region seeing growth, even if the pace is slowing," Kuroda said.

The ADB chief said Asia's export-led economies needed to spur domestic demand and boost trade within the region so as to reduce their dependence on ailing markets in developed Western countries.

# Muhith stresses CSR efforts for welfare



KM Rezaul Hasanat, chairman & chief executive officer of Viyellatex Group, receives a CSR award from Finance Minister AMA Muhith, third from left, at a programme co-organised by Standard Chartered Bank and The Financial Express yesterday.

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday asked the business community to come forward to contribute to people's welfare, as it is difficult for the government alone to ensure all facilities for the entire population.

"The government alone cannot ensure welfare for 150 million people," Muhith said at the Standard Chartered Bank and Financial Express corporate social responsibility (CSR) awards ceremony at Radisson Water Garden Hotel in Dhaka.

Muhith also stressed the government's responsibility to the business community and said the state should provide tax incentives to businessmen for CSR activities.

Back in history, the minister said, CSR activities started in the region 200 years ago, when rich businessmen had willingly contributed part of their profits to social welfare.

The CSR awards went to Rahimafrooz Bangladesh and Viyellatex Group for their "outstanding contribution" to society. Rahman Knit Garments bagged a CSR award in a special category.

Rahimafrooz operates in different segments, including automotive batteries, power and energy and retail. Much of the Rahimafrooz CSR effort is carried out through its Rural Service Foundation, a social development initiative.

Apart from creating more than 10,000 job opportunities, Viyellatex that operates in textiles and garments has significant spending in educational, social and free health care programmes, in line with its CSR activities.

Standard Chartered and The Financial Express jointly initiated the award in 2005.

Bangladesh Bank Governor Dr Salehuddin Ahmed suggested industry leaders should mention CSR activities in their financial statements to make people aware of their contributions to society.

Economist Prof Wahiduddin Mahmud said CSR activities could be a good business strategy as it helps deepen relations between the business community and the rest of the society.

Osman Morad, chief executive officer of Standard Chartered, and Moazzem Hossain, editor of The Financial Express, were also present.

# Kay & Que share rockets 58pc in one month

SARWAR A CHOWDHURY

Share prices of Kay & Que, a concern of Multimode Group, rocketed by more than 58 percent in just one month, riding on a speculation that the listed company is going to start CNG refuelling business very soon.

Kay & Que however said the news of entering CNG (compressed natural gas) refuelling business is nothing new. "We have declared it in our last annual general meeting in August last year," said Tabith M Awal, managing director of Kay

& Que.

He said: "We are waiting for clearances from the government to start our new business at Dhamrai in Savar. After getting the go-ahead we will need at least six weeks to kick off the refuelling station."

Each Kay & Que share closed at Tk 465 yesterday, up from Tk 293.25 on January 19 this year against the face value of Tk 100, according to Dhaka Stock Exchange website.

Market insiders said the investors are betting on Kay & Que shares on expectations that the company will be able to make a healthy turnover from its CNG unit, which will strengthen the com-

pany's balance sheet.

According to the company's website, Kay & Que is the only carbon rods (electrode for dry battery cell) manufacturer in Bangladesh. The company, located at Dhamrai in Savar, started commercial operations in November 1989.

The production capacity of the plant is approximately 400 million pieces of rods per year. The company is selling its products to various international markets such as Mali, Senegal, Iran, India, Nepal and Pakistan, after meeting the entire domestic demand.

Kay & Que also has a coal tar (locally

known as Alkatra) dehydrated plant where pure coal tar and coal tar pitch are being produced for the company's use as well as for the local market.

The existing paid up capital of the company, which was listed on the DSE in 1996, is Tk 42 million and the authorised capital is Tk 100 million.

In 2007 the company made a net profit of Tk 0.61 million and as of June 2008 the net profit was Tk 0.17 million. The company gave 10 percent stock dividend for the year 2007.

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