



DSE gets new CEO

STAR BUSINESS DESK

Dhaka Stock Exchange has appointed AFM Shariful Islam as its chief executive officer, effective from March 1, it said in a press statement yesterday.

Prior to his new assignment, Islam served the DSE as acting CEO from January to February this year.

He also served as the chief operating officer for the exchange from September 2008 to December 2008.

Islam started his career as a probationary officer with Arab Bangladesh Bank in 1986.

Before joining the DSE, he was the executive vice-president and head of the credit administration division of Southeast Bank.

Euro drops to 3-month low in Asia

AFP, Tokyo

The euro fell to a more than three-month low against the dollar in Asia Wednesday as investors fled risky currencies after a sharp contraction in the Australian economy, dealers said.

The euro slipped to its lowest since November 21. In late Tokyo trade it was at 1.2492, down from 1.2556 in New York Tuesday.

The dollar climbed to 98.44 yen from 98.15. The euro slipped to 122.98 yen from 123.32.

"The dollar continued to advance across the board as it was seen as better than other currencies given the terrible economic situation everywhere," said Marito Ueda, forex dealer at FX Prime.

Australia's economy unexpectedly shrank 0.5 percent in the fourth quarter of 2008, putting the country on the brink of recession.

The news weakened the Australian dollar, "which in turn brought down the euro" and other risk-sensitive currencies, Akio Shimizu, chief forex manager at Mitsubishi UFJ Trust and Banking, told Dow Jones Newswires.

The Australian dollar dropped to 0.6287 US dollars from 0.6387.

The yen fell against the greenback as Japan's opposition leader Ichiro Ozawa, seen as a potential future prime minister, dismissed calls to resign after a close aide was arrested in a fund raising scandal.

Obama aims to save billions in federal contracts

AFP, Washington

US President Barack Obama on Wednesday outlined a plan to save tens of billions of dollars a year in wasteful government spending, especially targeting bloated defence contracting.

"We are spending money on things we don't need, and we are paying more than we need to pay. That's completely unacceptable," Obama said at the White House.

The US leader signed a presidential memorandum reforming the contracting system across the entire government, in line with a vow to cut unnecessary waste.

The president, flanked by Democratic Senator Carl Levin, head of the Senate Armed Services Committee, and his onetime Republican rival for the presidency, Senator John McCain, along with other US legislators and officials.

Obama said it was time to end "an era of fiscal irresponsibility so that we can sustain our recovery, enhance accountability, and avoid leaving our children a mountain of debt."

NBR chief hints at changes in duty structure in next budget

UNB, Dhaka

NBR Chairman Muhammad Abdul Mazid yesterday hinted at logical changes in duty structure in the national budget for the 2009-10 fiscal, taking into view the current worldwide recession.

Speaking at a pre-budget meeting with representatives from the pharmaceuticals sector in his office, he said the economic meltdown could affect flow of remittance from workers abroad and also the employment opportunity for Bangladeshi workers in the developed country might shrink.

He said under the given context, local industries should be expanded to create employment opportunities. "The business activities would be allowed to carry on for rich revenue collection."

Mazid underscored the need for quality development of

export products to attract more consumers in abroad.

Leaders of pharmaceutical companies demanded VAT waiver on sample medicines and sought more budgetary assistance from the government to flourish the sector.

Samson H Chowdhury from Square Group said that building up better confidence and trust between NBR and businessmen is necessary for more VAT collection. "Big companies never evade tax, they want to do business."

He said that each pharmaceutical company has to use 5-7 percent of their production as sample. "Because the sample medicines are the advertisement of the pharmaceutical companies, VAT should be waived on samples."

Abdul Moqtadir asked the NBR chief to ensure hassle-free import of pharmaceutical machinery. "Pharmaceutical sector is flourishing, the government should provide duty facilities for blooming the sector."

Bangkok keen to reduce trade gap with Dhaka

Says envoy



Thailand Ambassador in Dhaka Chalermpol Thanchitt speaks at a press meet in the capital yesterday, in connection with Made in Thailand Exhibition 2009, a four-day fair to be organised on March 11.

STAR BUSINESS REPORT

The government should conduct a joint study to pinpoint products that would help reduce trade gap between Thailand and Bangladesh, said the Thai Ambassador in Dhaka.

"To reduce trade gap between the two countries, I have proposed to the commerce minister to conduct a joint study to assess some 15 to 20 Bangladeshi products, which would be a hit in the Thai market, and could reduce 5 percent tariff on those items," Chalermpol Thanchitt told a press meet in Dhaka yesterday.

He announced that a four-day fair 'Made in Thailand Exhibition 2009' would begin at the Pan Pacific Sorganago Hotel in the capital on March 11.

The products to be put on display in the fair might include readymade garments, leather goods, frozen foods, jute items, the envoy added.

Commerce Minister Faruk Khan is expected to inaugurate the exhibition where about 45 Thai exporters will showcase items like food and beverage, gifts and decoration, health and beauty, garments and fashion, gems and jewelry, household, stationary, elec-

trical, construction and machinery, chemicals, auto parts, accessories and service trade, in 55 stalls.

The fair will take place from 10:00 am to 3:00 pm, but visitors can stay back till 8:00 pm.

The ambassador also said a delegation from Thailand is planning to visit Dhaka to explore the possibility of importing 10 million sets of jute sags from Bangladesh.

Trade between Bangladesh and Thailand was close to \$600 million last year, with exports from Thailand accounting for more than 90 percent of this amount, said the ambassador.



AEA Muhaimen, managing director and chief executive officer of BRAC Bank Ltd, and Mohammad Abu Musa, managing director (current charges) of Dhaka Bank Ltd, exchange documents after signing a deal on El Dorado, remittance and payment system software, recently in Dhaka. Other senior officials were also present.

E Europe central banks say risk alerts are dangerous

AFP, Bratislava

Six central banks in eastern Europe launched an assault on Wednesday on warnings that strains in their economies threaten banks in west Europe, saying this view was a "high risk" to their economies.

In an exceptional statement underlining warnings of a rift in Europe over the crisis, five banks later joined by Hungary, referred especially to credit rating downgrades.

These have warned that western European banks with units in the region are at risk from huge lending exposure, and the six central banks said this could harm "the region and the whole of Europe."

The Slovak, Czech, Polish, Romanian, Bulgarian and later also Hungarian central banks said: "Such initiatives mean a high risk to the reputation of supervisory bodies but above all for the financial systems they supervise."

Hungary, one of the hardest-hit countries in the region, joined the initiative later in the day after the foreign exchange market showed signs of concern that it had been left out by its former communist partners.

On Sunday, Hungary told a European Union summit that there was a danger of a new "iron curtain" falling between crisis-hit emerging economies in east and central Europe and countries in west Europe.



NR Khandakar Pasha, secretary general of Bangladesh Caterers Association, UK, calls on Zafar Osman, president of Dhaka Chamber of Commerce and Industry, at the chamber's office in the capital recently. They discussed the issues of mutual interests. MS Shekil Chowdhury, DCCI's senior vice president, was also present.

Qatar Airways cuts ticket prices

STAR BUSINESS DESK

Qatar Airways has recently reduced fuel surcharge on its international flight network, says a press release.

Passengers choosing the Doha-based airline will be able to purchase tickets to and from destinations at lower rates.

The decrease in the fuel surcharge on short- and long-haul services comes after an earlier reduction by the airline in December 2008 on one-way and return flights from Doha, the carriers' hub.

"In response to the recent reduction in oil and jet fuel prices, we are now pleased to lower the fuel surcharge substantially in our network," said Akbar Al Baker, chief executive officer of Qatar Airways.

Australia woes stoke global recession fears

AFP, Sydney

The first contraction in Australia's economy for eight years sent shockwaves through markets Wednesday, after the US unveiled a credit drive to stem a crisis that shows no sign of relenting.

Dashing hopes Australia could avoid the global recession, shock figures showed the economy contracted 0.5 percent in the December quarter, well below market expectations of 0.1 percent growth.

Ending a long run of expansion on the back of a China-driven resources boom, the figures came despite government attempts to kick start the economy with two stimulus packages worth more than 50 billion dollars (32.5 billion US).

Treasurer Wayne Swan said the figures were a "sobering reflection" of an extremely difficult global environment that was likely to get worse before it improves.

"Although the Australian economy has held up better than most other economies, the inevitable impact of the global recession is clearly evident in today's data," he said.

Russia's Lada carmaker halts production

AFP, Moscow

Russian carmaker AvtoVAZ, famed for its Communist-era Ladas and Russia's biggest auto plant, was forced to shut its main production line on Wednesday amid financial troubles, the company said.

Reflecting the seriousness of the crisis at AvtoVAZ and its home town of Tolyatti, Health and Social Development Minister Tatyana Golikova told parliament 3,200 workers were to be laid off at the factory, Interfax reported.

Another 12,500 workers have been put on leave, she said.

The carmaker, which was set up with Italy's Fiat in the Soviet era and is now 25-percent owned by Renault, said it had to shut its main conveyor belt due to problems with parts suppliers.



Commerce Minister Faruk Khan goes round a stall at an international construction fair at Dhaka Sheraton Hotel after inaugurating it yesterday. (Story on page 16)

Leather industry leaders seek 25pc cash incentive

STAR BUSINESS REPORT

Leather industry leaders yesterday sought a 25 percent cash incentive from the government to boost leather production.

They also demanded that the government take safeguard measures for the industry as per a deal signed in 2003 between Bangladesh Finished Leather and Leather Goods and Footwear Exporters Association (BFLLEA) and Bangladesh Tanners Association (BTA).

The leaders urged the government to reduce the bank interest rate on loans intended for leather production.

The demands were raised as a delegation of BFLLEA and BTA met Industries Minister Dilip Barua at his office.

The delegation also demanded that the government immediately set up the central effluent treatment plant (CETP) in Savar.

"Unless we can ensure an environment-friendly leather industry by 2010, this export-based sector will face serious threat, as European buyers will not accept Bangladeshi finished leather and leather products any more," said Rezaul Karim Ansari, chairman of BFLLEA.

He referred to the memorandum of understanding (MoU) signed with the government that agreed to relocate the Hazaribag tanneries and build the Dhaka Leather Industry City in Savar. He said as per the MoU, the government should bear the cost of setting up the CETP and com-

pensate the industry people.

Ansari said the government should reduce the interest rates of both the national and private banks that fund the purchase of rawhide and leather production.

"In our country the rate charged by nationalised banks is 9 percent and 16-18 percent by private banks, whereas it is only 6 percent in India and Pakistan," he said.

He urged the government to reduce the rate from 9 percent to 6 percent.

Industry leaders demanded withdrawal of duties on import of chemicals that are essential to process rawhide to leather.

They also urged the government to ensure duty-free entry of local products to developed countries, including China.

Dilip Barua assured the leaders of all-out government supports to develop the industry.

The minister said the government would take necessary steps to build the CETP by 2010.

The Leather Industry City will be built on a 200-acre land at Tetuljhara in Savar with 195 industrial units, which will directly and indirectly create jobs for nearly five lakh people, said the leaders.

Barua advised the leather industry leaders to produce diversified products to overcome the export drop in international markets in the recent months.

Harun Chowdhury, chairman of BTA, was also present at the meeting.

Branded soyabean oil prices fall in Ctg

STAFF CORRESPONDENT, Ctg

All the branded soyabean oil companies finally slashed the product's prices by Tk 5 per litre here on Tuesday following a promise made by them to the prime minister on February 23.

Retailers however are still charging higher prices showing the ground of a poor supply and a huge old stock bought at higher rates.

Leading edible oil importers of the country at a meeting with the prime minister on February 23 announced to reduce the prices supposed to be effective from the following day (February 24).

Representatives of City Group, Meghna Group, TK Group, Mostafa Group, MEB Group, SA Group, S Alam Group, Abul Khair Group, PHP Group, KDS Group and Nur Jahan Group were present at the meeting.

The new company rate of a 5-litre jerry can of Rupchanda brand soyabean oil was fixed at Tk 369 on Tuesday from its earlier price at Tk 394.

Price of a 5-litre jerry can of Mostafa brand soyabean oil came down to Tk 348 from Tk 373, while Dada brand dropped to Tk 343 from Tk 364 and Teer brand to Tk 344 from Tk 373.

Md Sadek, a wholesaler at Karnaphuli CDA Market, said the importers 'mysteriously' took nine days to reduce the



prices only to make 'quick profit'.

"This delay was done intentionally by the importers," he alleged.

Shoab Riad, director of MEB Group, said they had to delay due to 'poor supply'.

"We had to take some time to cut the price on poor supply," he said.

Meanwhile, retailers at different kitchen markets were found charging higher rates for the product.

A five-litre can of Rupchanda brand soyabean oil was selling at Tk 380 at a store at Karnaphuli Market.

Jahangir, owner of the store, said they had some old stocks bought at previous rates, and so they had to charge higher to adjust loss.

He alleged some companies like Mostafa, Teer and Pusti re-fixed the prices but did not ensure enough supply.

EU nations to clamp down on ratings agencies

AFP, Brussels

EU governments on Wednesday reached an agreement to clamp down on credit rating agencies, foreseeing fines and bans if they flout the rules, diplomats said.

"There is an initial agreement" among ambassadors for EU governments, one diplomat said on condition of anonymity. The agreed text now has to go before the European Parliament, where it is likely to pass easily.

"The main development is that rating agencies will be regulated in Europe, which is not currently the case," another diplomat said.

Credit rating agencies have a deep influence on debt markets because their judgements on how likely a country or company is to repay its debts play a pivotal role in how high an interest payment investors will demand.

Leading rating agencies Moody's, Standard and Poor's and Fitch have come under fire for being too slow to alert investors to the dangers of investments based on US high-risk subprime home mortgage loans.



Eastern Bank Ltd.

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Management Trainee Exams Rescheduled

Management Trainee Written Examination of Eastern Bank Limited will be held on Saturday, March 07, 2009.

Candidates are requested to follow the instructions mentioned in the Admit Card, we have already issued.

Examination Time & Venue: 3:00 PM at Ideal College, 65 Central Road, Dhanmondi, Dhaka 1205.