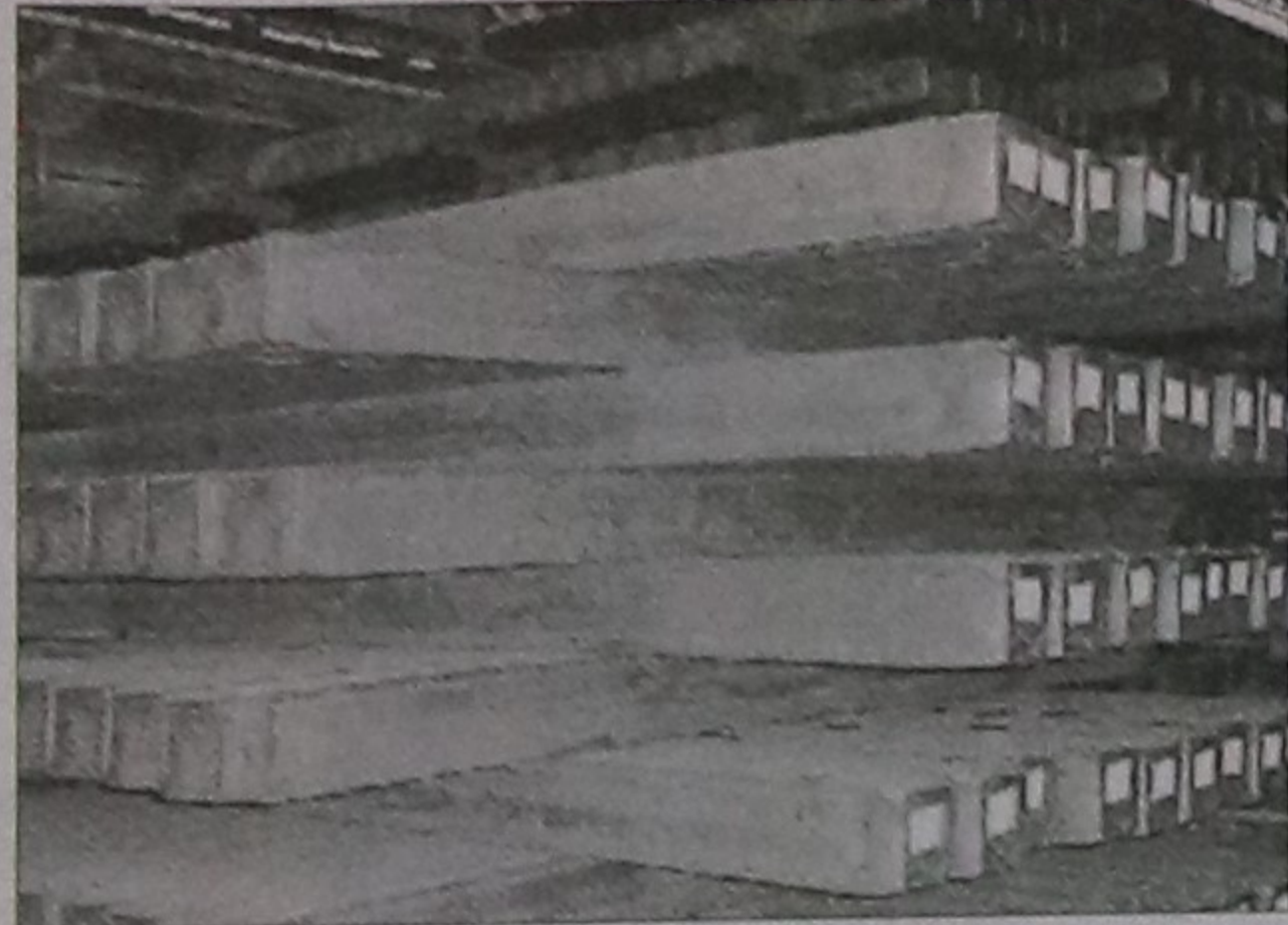


BSRM's billet plant goes into operation by August

STAR BUSINESS REPORT
BSRM Group, a leader in iron and steel manufacturing in Bangladesh, is setting up a high quality billet making plant in Chittagong to ensure a steady supply of quality billets for its rolling mills, senior officials said.



Picture shows billet, a raw material for steel. BSRM will set up its largest billet-manufacturing unit in Chittagong by August.

The construction of the new plant, BSRM Iron & Steel Company Ltd (BISCO), claimed to be the largest billet-manufacturing unit, is progressing fast. It is expected to start its commercial operation from August this year.

BISCO's estimated cost will be Tk 1,946 billion, of which Tk 1,362 will be provided by several financiers. "We signed a syndicated term loan facility for the Tk 1,362 billion with 14 financial institutions on Tuesday," said Aameir Alihussain, director of BSRM Group.

tor of Standard Bank, Erfanuddin Ahmed, president and managing director of Bank Asia, M Shahidul Islam, deputy managing director of United Commercial Bank, Rakibur Rahman, president of Dhaka Stock Exchange, and AB Siddique, CEO of Chittagong Stock Exchange, were present at the signing ceremony.

"The production capacity of the new plant will be around 1.50 lakh tonnes billet per year. The full output of the plant will be consumed by BSRM Steels Limited, an entity of our group," Aameir Alihussain said, revealing another plan to set up a 1.50 tonne capacity billet making plant after setting up the ongoing plant.

Rich should give part of stimulus to poor countries: UNDP

AFP, Manila
Wealthy nations should give a small part of their stimulus packages to poorer nations to help them recover from the world financial turmoil, a senior UN official said Wednesday.

UN Development Programme (UNDP) assistant secretary general Ajay Chhibber warned that this was necessary to keep millions of people from falling back into poverty. Chhibber, who is on a tour of Asian nations, said developed nations could funnel between 0.5 and one percent of their stimulus packages to poor countries, particularly social services.

"Even one percent of total spending is enough to make sure that people are provided for during the crisis," he told reporters in Manila. He warned the financial turmoil was leaving millions of Asians jobless, saying some experts estimated that at least 50 million people worldwide had fallen back into poverty due to the crisis. Chhibber conceded it would be difficult to convince developed nations to use their stimulus funds abroad but said that ultimately, this would benefit all countries. "It makes sense economically and it requires political leadership," he said. "If most of the developing world stays down, it will lead to more instability, more social problems and then the markets of developing nations won't exist anymore," he warned.

Play key role in executing Digital Bangladesh

French envoy urges local businessmen



French Ambassador Charley Causeret speaks at the certificate giving ceremony of a two-day ICT workshop for the teachers of SOLINFO, a French non-government organisation, in Dhaka on Tuesday. Bangladesh Computer Samity organised the workshop.

STAR BUSINESS REPORT
The French ambassador in Dhaka on Tuesday asked the local IT businessmen to play a leading role in execution of the Digital Bangladesh project. "I am delighted to see that you are, not only businessmen, considering information technology as a profitable technology, but you also value computing skills as a means of development," Charley Causeret told the certificate giving ceremony of a two-day ICT workshop for the teachers of SOLINFO, a French non-governmental

organisation. Bangladesh Computer Samity (BCS) organised the workshop. In addition to your activities in BCS, may I remind you that you were the key actor of the promotion of IT system at national level with Digital Bangladesh project, aiming to implement a countrywide IT network by 2010. He said such a network would surely accelerate economic development and heighten Bangladesh's position in the world market. Digital Bangladesh also intends to equip all universi-

ties and high schools with computers, he added. Causeret thanked the BCS for taking such a socially responsible initiative together with SOLINFO, which has already trained more than 1,000 children to IT in only four years. BCS President Mustafa Jabbar chaired the function, also addressed by MM Niazuddin, a joint secretary to the Ministry of Science, Information and Communication Technology and Zahirul Islam, the BCS secretary general.

Australia heading for recession

AFP, Melbourne
Australia is heading for a recession, according to a monthly economic index compiled by one of the country's largest banks released Wednesday.

The monthly Westpac-Melbourne Institute leading index, which predicts the likely pace of economic activity three to nine months into the future, was -3.1 percent in January, its worst reading in almost 18 years.

Westpac senior economist Matthew Hassan said the index had been lower on only four occasions in its 49-year history -- the early 1960s, mid-70s, early 80s and early 90s. "Each of these was followed by recessions in the Australian economy," Hassan said.

He said deep interest rate cuts since September and stimulus measures worth more than 50 billion dollars (33 billion US) should help cushion the Australian economy from a recession as intense as the 1990s.

"Both monetary and fiscal policy has been eased aggressively and early," he said.

S'pore Feb exports fall 23.7 pc

ANN/THE STRAITS TIMES

Singapore suffered another bleak month for exports last month - but the figures contain some glimmers of hope.

Non-oil exports fell 23.7 per cent in February from the same month last year as demand continued to slump in major overseas markets such as the United States, European Union and Japan.

It was the 10th straight month of shrinking exports here.

But the drop was not quite as severe as the 27.5 per cent plunge that economists had anticipated.

And last month's figure was far better than January's crash of 34.8 per cent, the worst monthly nosedive since the Government began compiling year-on-year figures in 1977.

In fact, last month's data even showed a 1.8 per cent rise from January this year after seasonal adjustment, according to data released by trade agency International Enterprise (IE) Singapore on Tuesday.

While economists are all anticipating a rough ride ahead, a few were hopeful that the worst for exports may be over.

Investors, brokers see bias in DSE move

SARWAR A CHOWDHURY

Investors and brokers, angered by the bourse's decision to halt trade of Aftab Automobiles and Eastern Housing shares, have alleged that the DSE's move is discriminatory in monitoring trade practices.

Even though the trade of Eastern Housing shares resumed yesterday, the trade of Aftab Automobile shares did not.

The Dhaka Stock Exchange (DSE) management halted the trade of the two companies on Tuesday for a market probe, in response to unusual price jumps of shares.

The share prices of several companies soared more than Aftab and Eastern, but the DSE overlooked those, aggrieved investors and brokers said. "It's a biased decision," said a broker.

The prices of each Beximco Synthetics share almost doubled in just five days, while the prices of Bangladesh Welding Electrodes (BD Welding), Kay&Que and Olympic Industries shares soared by more than 100 percent in the last two and a half months, he cited.

"But the DSE management did not halt trade of those issues," he said. The DSE management however denied any bias in monitoring trade. "We did it to make a market probe," said AFM Shariful Islam, chief executive officer of DSE.

Asked why they did not take steps against shares whose prices doubled or trebled in the last two and a half months, he replied, "We are observing the price movement of those issues."

In response to an inquiry regarding the factors, the DSE might have considered

before halting the trade of Aftab and Eastern shares, the CEO said, "The price hike was one factor."

He however did not disclose the other reasons, saying, "We will disclose the other factors after the inquiry."

An investor, nicknamed Mannan, said the DSE management could not present any valid reason to explain the suspension of trade of the two companies.

"The DSE was pressurised to take the decision by some member of the board of directors, who would benefit from the halt," he alleged.

"If the DSE gave the same treatment to the other scrips, whose prices rocketed, then we would not raise any allegations," he said.

Denying the allegations, DSE President Rakibur Rahman said the Board of Directors has no influence over management.

Meanwhile, Aftab Automobiles, in response to the DSE probe, said they do not have any undisclosed material, decision or information relating to the company's operation or profitability that might have an impact on the price and volume of their shares traded in the stock exchange.

The company however said they are exploring possibilities of BMRE of their assembling and body building units and fund raising thereto. The exploration is at a preliminary stage, it said.

Eastern Housing said they do not have any undisclosed materials, facts, decisions, or information relating to the company's operations and profitability that may influence share prices.

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Lanka set for bailout talks with IMF

AFP, Colombo

Sri Lanka is set to open talks with the IMF for a 1.9-billion-dollar bailout, officials said Wednesday, with the island's economy hit by the cost of a military campaign to crush Tamil rebels and the global financial crisis.

"We will start talks with an IMF team next Monday to work out the modalities for a standby arrangement," Nandalal Weerasinghe, the Central Bank of Sri Lanka's chief economist, told AFP.

The island turned to the International Monetary Fund after pouring an unprecedented 1.6 billion dollars into financing the military drive against Tamil Tiger rebels which the government says is close to victory.

Economists say the economic woes caused by the high defence spending have been compounded by the global meltdown and the government's policy of halting privatisation of state-run enterprises.

The IMF has made no comment on the talks but economists expect the international lending body to insist on cuts in government spending, higher interest rates and a gradual depreci-

ation of the local currency.

President Mahinda Rajapakse said he would get the IMF money on his terms and vowed to resist any conditions deemed unpalatable by his government.

"We will not pawn or sell our motherland to obtain any monetary aid," the state-run Daily News quoted Rajapakse as saying. "Neither will we bow to any conditions or transform our land to a colony."

Sri Lanka is going back to the IMF for a second time after a previous loan deal was aborted midway through 2004 when the government pulled out because it said the terms of the agreement were unacceptable.

"During our preliminary discussions, they (IMF) agreed not to insist on privatisation. But they will structure their facility to support the government's medium-term economic agenda," the central bank's Weerasinghe said.

He said the global economic slowdown had hit export earnings of Sri Lanka's tea and garments, while the central bank had used up limited foreign currency reserves to prevent the rupee from losing value against the dollar.

Thai exports fall again

AFP, Bangkok

Thai exports fell 11.3 percent year-on-year in February but there were signs of recovery in some areas, the commerce ministry said Wednesday.

The data was not as bad as January, when exports were down 26.5 percent due to weak demand caused by the global financial crisis, said the ministry's permanent secretary, Siripol Yodmuangcharoen.

But the figures, showing exports in February worth 11.74 billion dollars, still represented a continuing downward trend in nearly all sectors of the country's main source of revenue, he said.

"Our exports in February were still in the negative zone in nearly all categories as demand from our main and new markets slipped," Siripol told reporters.

"(But) an expansion of rice, rubber, shrimp as well as gems and jewellery exports helped improve export figures last month," he added.

It was the fourth consecutive month that Thai exports have fallen. Import figures were also weak, down 40.3 percent from a year earlier at 8.16 billion dollars, representing a total trade surplus of 3.58 billion dollars.

Bangladesh to export bamboo soon

BSS, Chittagong

Bangladesh will become a bamboo-shoot exporting country soon as the Bangladesh Forest Research Institute (BFRI) has taken initiatives to promote its cultivation through introducing scientific methods and motivating farmers.

BFRI officials told the news agency that the country could fetch huge foreign exchange by exporting bamboo-shoots and other products made of bamboos as these have a huge demand in the international market.

After necessary processing, various types of tasty foods can be prepared from bamboo-shoot, a soft upper part of mature bamboo saplings, and the foods have a good demand internationally, including in USA, China, Japan, Malaysia, Thailand and some European countries.

"At present we need to motivate farmers and private entrepreneurs to cultivate bamboo and to make them acquainted with modern technologies for the farming," said Md Jashim Uddin, director of a BFRI project for the bamboo cultivation promotion.

BFRI sources said around 200 acres of land have already been brought under bamboo cultivation in Chittagong and three CHT districts. The land areas with bamboo farming are likely to be doubled by the middle of next year.

Bangladesh received Taka 1.37

crore from International Network for Bamboo and Rattan (INBER), a global body to promote and finance bamboo and cane production through China-based International Center for Bamboo and Rattan (ICBR).

The INBER gave the fund to popularise bamboo and rattan cultivation and introduction of modern technologies in Bangladesh.

For proper utilisation of the fund, the BFRI has taken a project to promote bamboo cultivation through motivating farmers and private entrepreneurs as well as to provide them with technical support for processing various exportable products of agri-output.

Project Director Md Jashim Uddin said a treatment and scientific processing plant for bamboo-shoots will be set up in Fatikhkhari upazila by June next.

The machinery for the plant is expected to reach next month.

An agreement was signed to this effect between the BFRI and the ICBR in September 2008.

Under the agreement, ICBR would provide necessary technologies for bamboo shoot processing and other marketing support from China free of cost.

A memorandum of understanding (MoU) was signed between the BFRI and the Brac last year to promote bamboo cultivation and export.

According to the agreement, the BFRI will provide technical support

to the Brac for cultivating bamboo at four Brac-owned tea estates and the Brac authorities will procure domestic exportable bamboo and bamboo-shoots from local cultivators and would give necessary marketing support for their export.

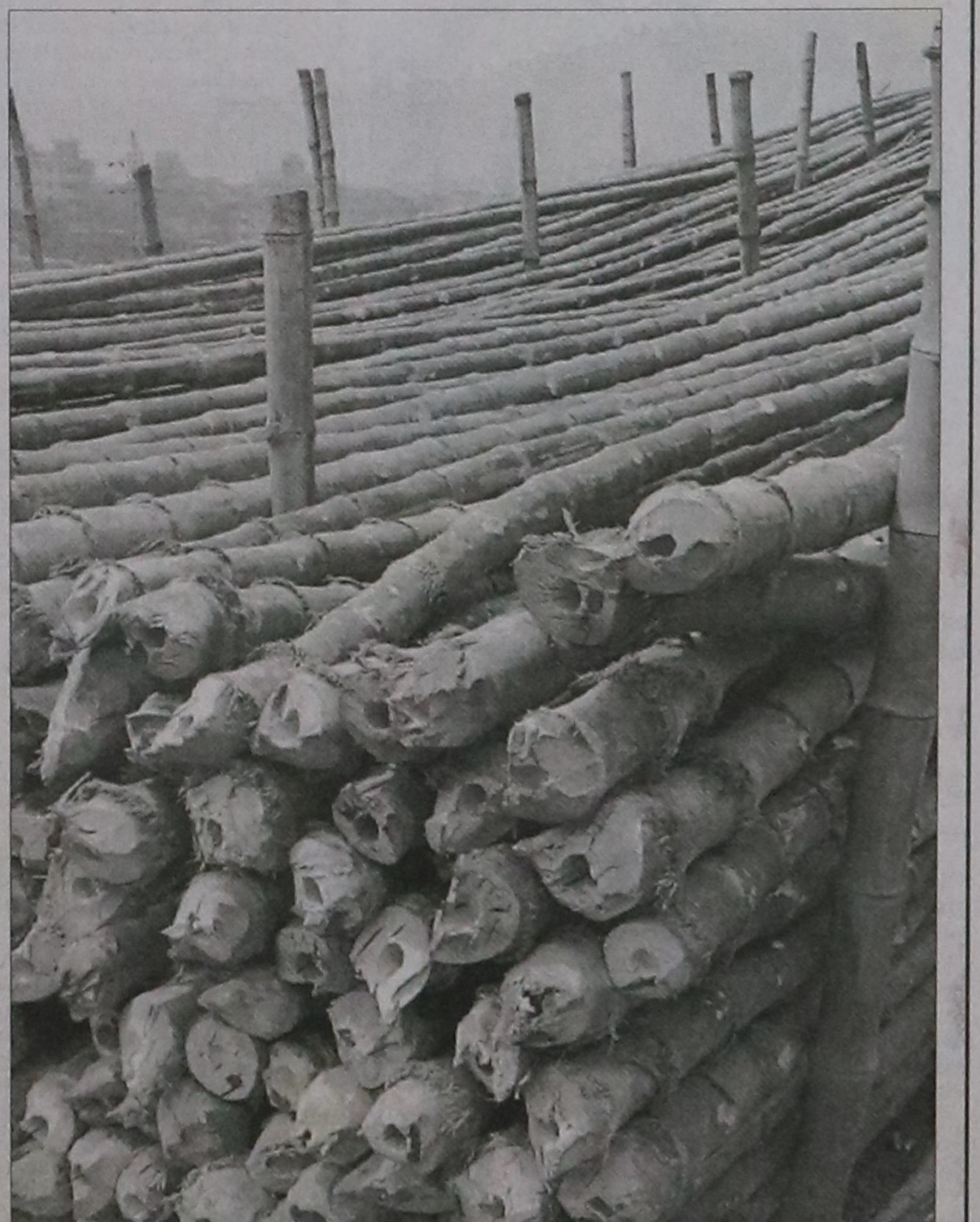
Jashim Uddin said China is currently producing 2,500 items from bamboo and rattans, including food, medicine and cosmetic, and exporting those to different countries, including Japan and the United States. Bangladesh will also import high quality bamboo saplings from China for boosting local production.

The export growth rate has been increased by 20 percent every year, he added.

Bangladesh has a huge prospect to earn huge foreign currencies by utilising properly the Chinese technology in this sector.

The main objective of the project is to motivate the farmers about commercial cultivation of bamboo. Apart from fetching foreign currency by exporting bamboo-shoots, expansion of commercial bamboo production would also contribute in creating employment and reducing poverty, Jashim Uddin added.

The BFRI authorities organised a training programme for its officials and prospective entrepreneurs last month. Three motivational programme were also held for the farmers and entrepreneurs in three hill districts during the last six months.



British joblessness tops 2m

AFP, London

Recession-hit Britain took a fresh blow Wednesday as official data showed two million people in the country claiming jobless benefits for the first time since Labour came to power in 1997.

Britain's unemployment rate jumped to 6.5 percent in the three months to January, also a 12-year high, said the Office for National Statistics.

The claimant count soared by 138,400 in February, the biggest monthly gain since records began in 1971 as Britain endures its first recession in 18 years.

The thirteenth consecutive monthly rise in claims was far higher than the market consensus estimate of 87,500, according to Dow Jones Newswires.

"The unemployment data are truly awful, heightening fears about the potential depth and length of the recession" in Britain, said Howard Archer, chief European economist at IHS Global Insight.