

# Indian businessmen keen on further investment



An Indian chamber delegation from Kolkata, led by Sanjay Budhia, meets Prime Minister Sheikh Hasina at her office in Dhaka yesterday.

UNB, Dhaka

Indian business leaders expressed interest to invest in Bangladesh in a greater way and extend all cooperation in reducing the existing trade gap between the two neighboring countries.

A five-member delegation of Indian Chamber of Commerce, Kolkata, led by Sanjay Budhia, called on Prime Minister Sheikh Hasina at her office and expressed their interest to work for ensuring a balanced trade between Bangladesh and India.

Prime Minister's Press Secretary Abul Kalam Azad briefed newsman

after the meeting.

The Prime Minister told the delegation that a process is underway to establish Special Economic Zones in the country and urged the Indian businessmen to invest there.

When the matter of coordination in economy came up for discussion, Sheikh Hasina said her government attaches equal importance to both the public and private sectors for overall development.

The premier also assured the Indian team that her government would contemplate setting up a Bangladesh Consulate office in Guwahati, the largest city in Assam, as the visiting team

requested her to take initiative in this regard.

Commerce Minister Faruque Khan, Prime Minister's Finance Adviser Dr Moshir Rahman, Secretary to the Prime Minister's Office Mollah Waheeduzzaman and businessman Salman F Rahman were present during the meeting.

Later, Indian High Commissioner in Dhaka Pinak Ranjan Chakravarty paid a courtesy call on the Prime Minister at the PMO.

They discussed various issues of bilateral interests, including trade and business and maritime boundaries of the two countries.

## Dubai launches budget airline

AFP, Dubai

The Gulf emirate of Dubai announced on Monday the launch of its first budget airline called flydubai, despite the global financial crisis.

Flydubai will start with flights to the Lebanese capital of Beirut on June 1 and to Jordan's capital Amman on June 2, chairman Sheikh Ahmed bin Saeed al-Maktoum told reporters.

Flydubai will operate two next-generation Boeing 737-800 aircraft on both routes, he said.

Dubai first announced the establishment of flydubai in March 2008, with a start-up capital of 250 million dirhams (67 million dollars).

The emirate owns the largest Middle East carrier, Emirates, and has the busiest airport in the region which handled more than 37 million passengers in 2008.

# Govt plans to cut price of rice under RMG food rationing

REFAYET ULLAH MIRDHA

The government plans to reduce the price of the rice to be sold among garment workers under the proposed food rationing programme, said the top official of the Ministry of Food and Disaster Management.

The programme is due to start from April 10.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) are the two associations that proposed to the government to sell rice at Tk 15 a kg, instead of the previous Tk 18. The price of the staple food item recently declined in the local market, as its supply is plenty.

The association leaders also proposed the government fix rice prices at Tk 13.50 per kilogram at wholesale level from the government warehouses.

Earlier, the government fixed the wholesale price at Tk 16.50 per kilogram and retail price at Tk 18 per kilogram.

"We will discuss the proposal in the committee soon. But we are ready to start the operation as the government has a bountiful stock of rice at the moment," said Mukhlesur Rahman, secretary to the ministry.

According to an earlier decision, each worker will be able to buy 20 kilograms of rice per month after showing their service books or valid identity cards, Rahman said.

Talking to The Daily Star, BGMEA President Abdus Salam Mursheedy said 552 factories until Sunday have submitted their applications to the association to procure rice from the government warehouses and ration it to garment workers.

He said of the total 4,500 factories, a majority would participate in the programme to extend a support to workers, in the wake of the price hikes of basic commodities in the local market.

He said they would initially sell rice from Mirpur, Ashulia, and Savar in Dhaka, Konabari in Gazipur and Rugganj and Fatulla in the industrially dense Narayanganj district.

The rationing of rice would gradually spread to other parts of the country, such as Chittagong and other industrial areas, he said.

BKMEA President Fazlul Hoque said it is assumed that primarily at least 5 lakh garment workers, out of 30 lakh, would directly be benefited from such an operation.

"If we get a good response from the workers, the programme would be continued for some time, maybe even a year, so that more and more workers are benefited," Hoque said.

He said if the government does not appoint its dealers to run the operation, the garment owners would appoint people from the factories to do the same.

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## Saudis tap reserves to boost economy

AFP, Riyadh

Opec powerhouse Saudi Arabia is pumping money from its huge 400-billion-dollar stockpile of reserves into the economy to keep up growth, economists and bankers in Riyadh said.

A decline in net reserves over the last three months suggests that the world's biggest oil exporter is using the money to keep up liquidity in the Saudi banks and possibly as well to shore up government investment spending, they said.

The result should be slightly positive growth in gross domestic product even as most major global economies and some of Saudi Arabia's Gulf neighbours endure contractions.

SABB bank, the Saudi affiliate of British banking giant HSBC, has forecast 0.7 percent growth this year, after 4.2 percent in 2008, while investment bank Jadwa has predicted 0.2 percent.

"The economy is still vibrant," said John Sfakianakis, economist at SABB. "I don't think they have any systemic risks."

"The domestic economy here is pretty healthy" despite a fall in oil export earnings, added Jadwa's Paul Gamble.

The Saudi Arabian Monetary Agency released data Saturday showing a nearly two percent decline in reserves in February, to 1.585 trillion riyals (422.6 billion dollars), from January.

Reserves peaked at 443.2 billion dollars last November following a year of skyrocketing oil prices.

Government spending on major projects -- projected at some 400 billion dollars over the next five years -- is crucial in driving the economy.

# India has potential for luxury

AFP, New Delhi

Purveyors of luxury goods are waking up from their dream of conquering India as the last great frontier for their high-end and high-priced wares.

With the world's economy in recession, luxury retailers are rethinking plans that saw them rushing into what they hoped would be the next China -- a market of more than a billion people with middle-class aspirations and their eye on the next fashion status symbol.

A combination of global downturn, domestic red tape, regulatory hurdles and a thriving trade in smuggled goods means it will be a long time yet before India becomes big business for Europe's luxury retailers, experts said.

At a recent conference in the Indian capital, industry executives conceded India has potential -- but is a long way from realising it.

"Before it becomes a very big business for us -- I am already a grandfather -- I think I will be a grand, grand, grand grandfather," Christian Blanckaert, executive vice-president of French giant Hermes International.

Delegates to the "Sustainable Luxury" conference at New Delhi's exclusive Imperial Hotel represented the broadest range of the international luxury goods industry, which has been struggling to find a strategy for dealing with the global economic downturn.

Having fattened up during the boom

years, they turned their attention to emerging markets such as China and India, hoping that economic growth would create new markets where money was no object.

As European and American markets have withered, the roll-on effects of the recession are now being felt in the countries that retailers such as Hermes, Gucci and Chanel had hoped would be the source of future profits.

"It's a bit like watching a cocktail party on the Titanic," said one US fashion executive at the conference, as delegates air-kissed, sipped Champagne and nibbled canapés.

Worldwide luxury goods sales are expected to fall this year by 10-15 percent, according to US-based research consultancy Bain and Co.

India accounts for just 0.4 percent of the estimated 233.9 billion dollars in global luxury sales, Bain says.

The big luxury retailers began their foray into India in 2002, targeting the newly affluent beneficiaries of economic reforms.

So far more than 50 premium and luxury brands, including Jimmy Choo, Gucci, Christian Dior, Piaget, Moschino, Todd's, Chanel and others, have set up shop in India, opening boutiques in five-star hotels and shopping malls.

But window-shoppers have vastly outnumbered buyers, even throughout the economic boom that has just come

to an end, said B.K. Murjani, who developed India's first luxury mall in Mumbai.

International brands came to India with "euphoric expectations" but had not done due diligence, said Murjani, whose Murjani Group is the biggest in India's premium sector.

Their estimates had been wildly incorrect, he said, with sales averaging 500 dollars per square foot of floorspace, compared with 3,000 to 6,000 dollars a square foot internationally.

He told the conference the average luxury retail outlet in India last year lost 375 dollars per square foot, before overhauls.

Along with delegates from abroad, Murjani agreed India has great potential as a luxury goods market, but he added: "The bottom line is that Indian luxury business as it is currently structured is not a commercially viable model."

Since the mid-1980s the number of people in India living on less than a dollar a day has fallen to 54 percent of the population from 94 percent, according to global consultancy McKinsey.

Those who can afford luxury goods are a wafer-thin minority of the 1.1-billion population -- though still estimated at around 1.2 million Indian households, accounting for some two trillion rupees (40 billion dollars) in spending, McKinsey said.



Romo Rouf Chowdhury, managing director of Rancon Motors Ltd, and Andrew Ridsdale, service expert from Daimler South East Asia, inaugurate the week-long service campaign for Mercedes-Benz passenger vehicles in Dhaka yesterday.

### CORPORATE WATCH

**Berger Paints Bangladesh**

The 124th meeting of the company's Board of Directors will be held on Thursday to consider and adopt the accounts and reports of directors and auditors. The meeting will decide on the company's dividend for the year ended December 31, 2008 and fix the date, time and agenda to host the 36th annual general meeting (AGM), according to the Dhaka Stock Exchange website.

**Social Investment Bank**

The bank said it has credited the rights shares to the respective shareholders' BO accounts.

**Green Delta Insurance**

The company's Board of Directors recommended a 100 percent stock dividend (1:1) for its shareholders for the year 2008. The AGM will be held on June 25, 2009 at 11 am at Hotel Purbani International, Dhaka. The book closure will be May 28, 2009.

**Meghna Pet Industries**

In response to a DSE query dated April 2, 2009, the company said its reactivation is under process. The company will announce further development in due course of time.

**Apex Weaving**

The SEC said it is not in a position to accord consent to Apex Weaving and Finishing Mills to raise its paid-up capital in the course of acquiring Sattar Textile Mills, due to a non-compliance of securities rules.

**Bangladesh Autocars**

In response to a DSE query, the company said it decided to install the 3rd compressor at the 'SUPER CNG Re-Fueling Station' to double CNG production capacity from 800 m<sup>3</sup>/hr to 1600 3/hr. The 3rd CNG compressor and gas generator has already been installed, making it self-sufficient and saving the cost of electricity. The estimated project cost is Tk 45 million.

## Crisis-hit Russia faces tough year

### Says Putin

AFP, Moscow

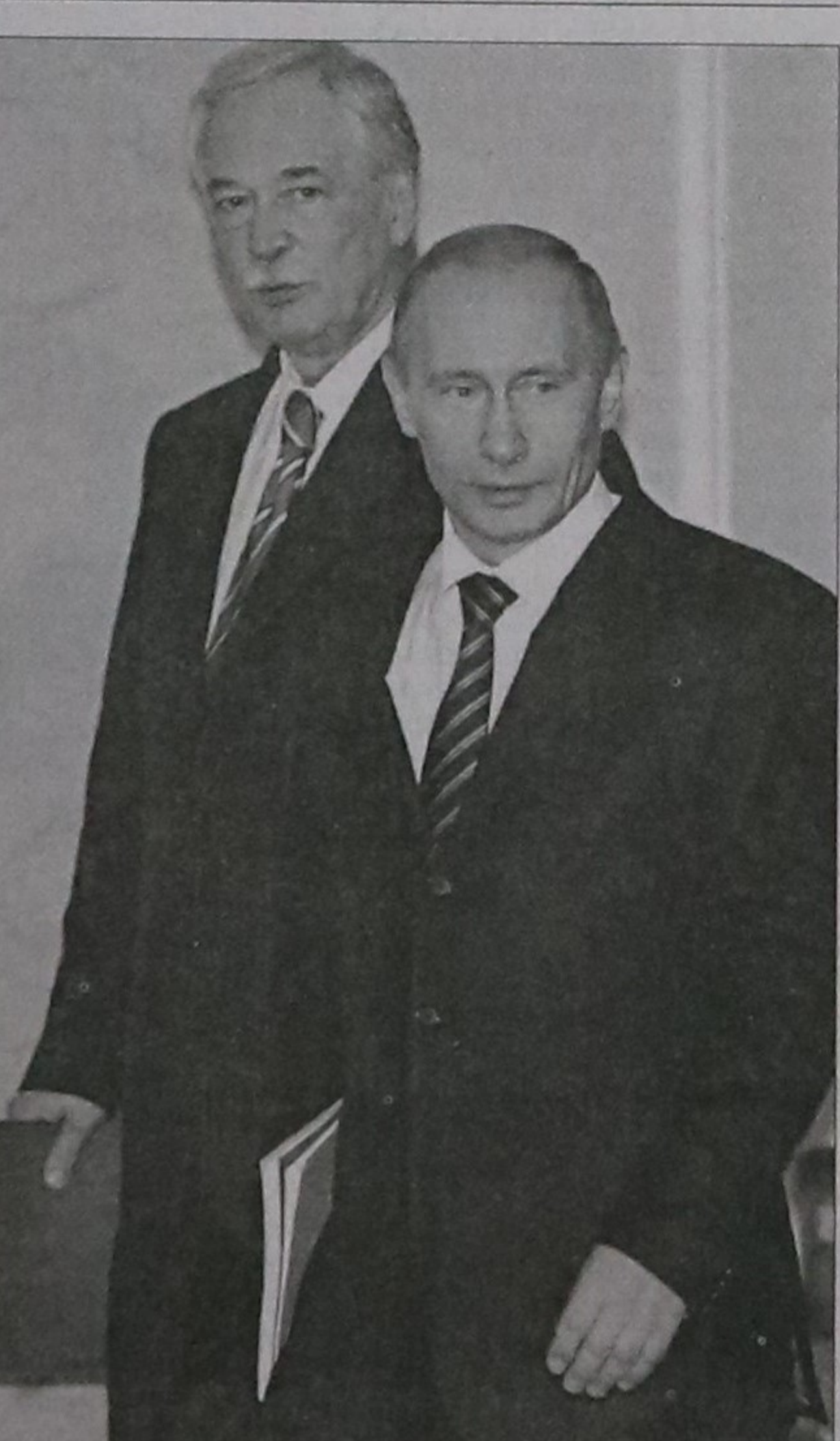
Russia faces a difficult year as the global economic crisis bites but has managed to avoid the worst-case scenario, Prime Minister Vladimir Putin said Monday.

"The year 2009 will be very difficult for us," Putin said as he presented his government's anti-crisis plans before the State Duma, the lower house of Russia's parliament.

"But we have managed to avoid a worst-case scenario," he said. "The economy has proven its ability not just to survive but to develop in new, less favourable conditions."

Putin's address fulfilled a new law requiring the premier to address the Duma once a year and answer lawmakers' questions, a normal practice in Western democracies but an unusual event in Russia in recent years.

The format put the powerful president-turned-premier on the defensive as he took heat under questioning -- notably from the opposition Communists.



Russian Prime Minister Vladimir Putin (R) and State Duma Speaker Boris Gryzlov enter the parliament in Moscow yesterday. Putin said Russians would face a "very difficult" 2009 owing to the economic crisis.

## BPDB's International Re-Tender Notice

1	Ministry/Division	Ministry of Power, Energy & Mineral Resource/Power Division		
2	Agency	Bangladesh Power Development Board		
3	Procuring entity name	Director, Purchase, BPDB, Dhaka.		
4	Procuring entity code	Not used at present.		
5	Procuring entity district	Bhola.		
6	Invitation for	Procurement of Spare Parts/Materials of Turbocharger for Bhola Diesel Power Station, BPDB, Bhola.		
7	Invitation for tenders Ref No.	Pur-404/2009.		
8	Date	31.03.2009.		
<b>KEY INFORMATION</b>				
9	Procurement method	Open tendering method.		
<b>FUNDING INFORMATION</b>				
10	Budget and source of funds	BPDB's revenue budget.		
11	Development partners (if applicable)	Not applicable.		
<b>PARTICULAR INFORMATION</b>				
12	Project/programme code (if applicable)	Not applicable.		
13	Project/programme name (if applicable)	Not applicable.		
14	Tender package No.	88 (FY 2008-2009).		
15	Tender package name	Procurement of Spare Parts/Materials of Turbocharger for Bhola Diesel Power Station, BPDB, Bhola.		
16	Tender publication date	31.03.2009.		
17	Tender selling date	01.04.2009 to 05.05.2009.		
18	Tender closing date and time	06.05.2009 at 11.00 am.		
19	Tender opening date and time	06-05-2009 at 11.30 am.		
20	Name & address of the office	Directorate of Purchase, BPDB, WAPDA Building (9th Floor), Motijheel C/A, Dhaka.		
	Selling tender document (principal)	Directorate of Purchase, BPDB, WAPDA Building (9th Floor), Motijheel C/A, Dhaka.		
	Selling tender document (other)	Note applicable.		
	Receiving tender document	Directorate of Purchase, BPDB, WAPDA Building (9th Floor), Motijheel C/A, Dhaka.		
	Opening tender document	Directorate of Purchase, BPDB, WAPDA Building (9th Floor), Motijheel C/A, Dhaka.		
21	Place/date/time of pre-tender meeting (optional)	N/A.		
<b>INFORMATION FOR TENDERER</b>				
22	Eligibility of tenderer	As per tender document.		
23	Brief description of goods or works	Procurement of Spare Parts/Materials of Turbocharger for Bhola Diesel Power Station, BPDB, Bhola.		
24	Brief description of related services	N/A.		
25	Price of tender document	BDT 2,000.00 (two thousand) as a Pay-Order (non-refundable) of any schedule bank of Bangladesh in favour of Director of Purchase, BPDB, Dhaka.		
26	Lot	Identification of lot		
		Location		
		Tender security amount in USD or BDT		
		Validity of shipment		
	Procurement of Spare Parts/Materials of Turbocharger for Bhola Diesel Power Station, BPDB, Bhola.	Bhola Diesel Power Station, BPDB, Bhola.	USD 1500.00 or BDT 1,00,000.00 (one lac) only	150 days from the date of opening of L/C
27	Validity of tender and tender security	150 (one hundred fifty) days and 178 (one hundred seventy eight) days respectively from the date of opening of tender.		
28	Name of official inviting tender	Md Abduhu Ruhullah.		
29	Designation of official inviting tender	Director, Directorate of Purchase, BPDB, Dhaka.		
<b>PROCURING ENTITY DETAILS</b>				
30	Address of official inviting tender	WAPDA Building (9th Floor), Motijheel C/A, Dhaka.		
31	Contact details of official inviting	Tel: +88 02 9550532, Fax: +88 02 7126151.		
32	Special instruction	Any tender received by the purchaser after the deadline for submission of tenders shall be declared late, will be rejected, and returned unopened to the tenderer. The purchaser reserves the right to accept any tender, to annul the tender process, or to reject any or all tenders at any time prior to contract award.		

Biddyt/Jan-1249(4)/2-4-09  
GD-1795

Md Abduhu Ruhullah  
Director, Purchase  
BPDB, Dhaka