

think electronics... think **DIGITAL**

**TRANSCOM**  
DIGITAL

Your Trusted Electronics Retailer

Consumer Electronics | Appliances | IT & Cameras | Electrical Products

Customer Care Center: 855366-8, 01713 665483

## Stocks

DGEN ▲ 1.20%  
2,437.78

CSCX ▲ 2.62%  
5,041.49

## Currencies

	Buy Tk	Sell Tk
USD	69.00	69.02
EUR	90.94	90.98
GBP	101.14	101.20
JPY	0.69	0.69

## Commodities

**Gold** ▼ \$880.50 (per ounce)

**Oil** ▲ \$54.06 (per barrel)

(Friday closings)

## More News

### New import policy to focus on financial crisis

Commerce Minister Faruk Khan said yesterday the next import policy for 2009-12 would target measures to tackle the global financial crisis, ensuring a hassle-free business atmosphere and protect the local industries. The government will follow the rules of the World Trade Organisation (WTO) in making the new policy to achieve the goals, as the country is an active member of the agency, Khan said. B-4

## International

### Summit debacle sets back Asia



The dramatic cancellation of an Asian summit after rampaging Thai protesters stormed the venue has set back a regional effort to tackle the global economic crisis, analysts said. The Association of Southeast Asian Nations (Asean) was to have hosted two days of talks with the leaders of China, Japan, South Korea and other allies in the biggest international gathering since the G20 summit in London this month.

### SKorea offers tax break on old cars in stimulus bid

South Korea's government offered a tax break Sunday to motorists who replace ageing cars with newer models, in bid to boost sagging demand in the auto industry.

### China to keep 'loose' monetary policy

China's central bank said Sunday that it would maintain a "moderately loose" monetary policy amid the worsening global financial crisis. The decision was made at a recent meeting of the monetary policy committee, the key decision-making body at the People's Bank of China, the bank said in a statement posted on its website.

# Deep-sea port raises trade hope

## Minister urges multilateral lenders to finance project

STAR BUSINESS REPORT

Shipping Minister Md Afsarul Amin yesterday urged multilateral lenders to finance the development of a deep-sea port off Sonadia Island to help it emerge as a future regional hub of trade thanks to the arrival of large vessels.

A deep-sea port is essential to meet future exports and import demand and serve regional markets, the minister said.

His remarks came at a workshop on a "techno-economic feasibility study of a deep-sea port" in Bangladesh at Sonargaon Hotel, where Pacific Consultant International (PCI), a Japanese firm, presented its findings.

Amin said Bangladesh could be turned into a commercially important country like Singapore with the implementation of the proposed project.

PCI predicts that implementation of the first phase of the project by 2016 will cost \$2.2 billion.

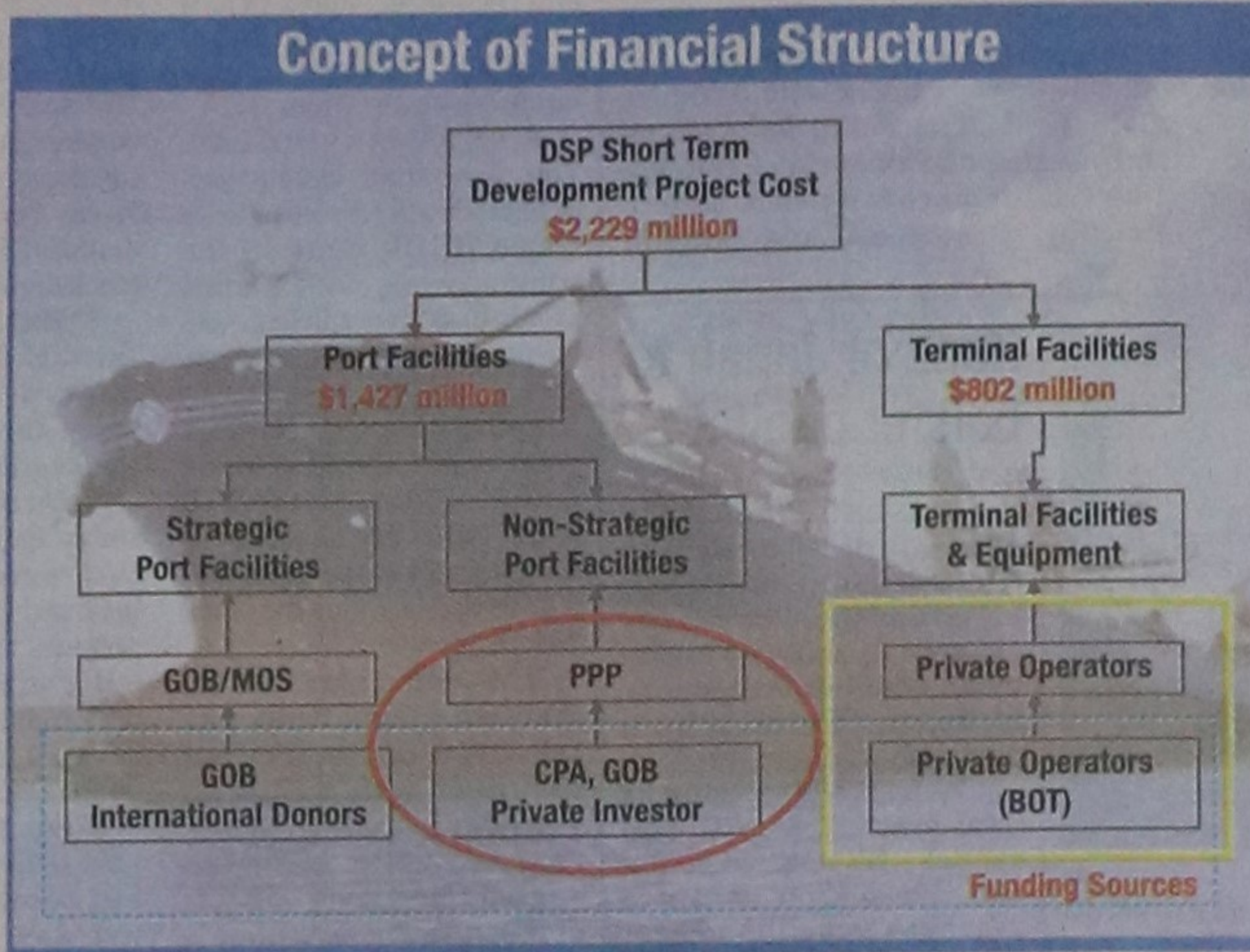
On the cost of implementing the first phase, the minister unveiled the government's plan to patronise a public-private partnership. He also said the Chittagong Port Authority would invest in the project to be a major shareholder.

The PCI study said the deep-sea port would generate additional income, create new jobs and industries, reduce freight rates for containers and cargo vessels, and cut shipping times for both exporters and importers.

It said the geographic location of Bangladesh could play a major role in regional trade and act as a gateway for the region to the rest of the world.

On that note, Amin expects cargo to come from Nepal, Bhutan, and possibly Myanmar, China and the landlocked north-eastern states of India.

"Since there is no operational deep-sea



port in Myanmar and on the east coast of India, there is a possibility that a deep-sea port in Bangladesh can provide services to these areas," Amin said.

"In addition, it can also support the Chittagong and Mongla ports in handling an increased volume of export and import cargoes," he said.

"In this context, we expect the deep-sea port to be a major vehicle to the economic development of Bangladesh, like in Hong Kong and Singapore," he said.

"If we can implement the deep-sea port in time and maintain a standard of services, we can expect a new Singapore or Hong Kong within Bangladesh."

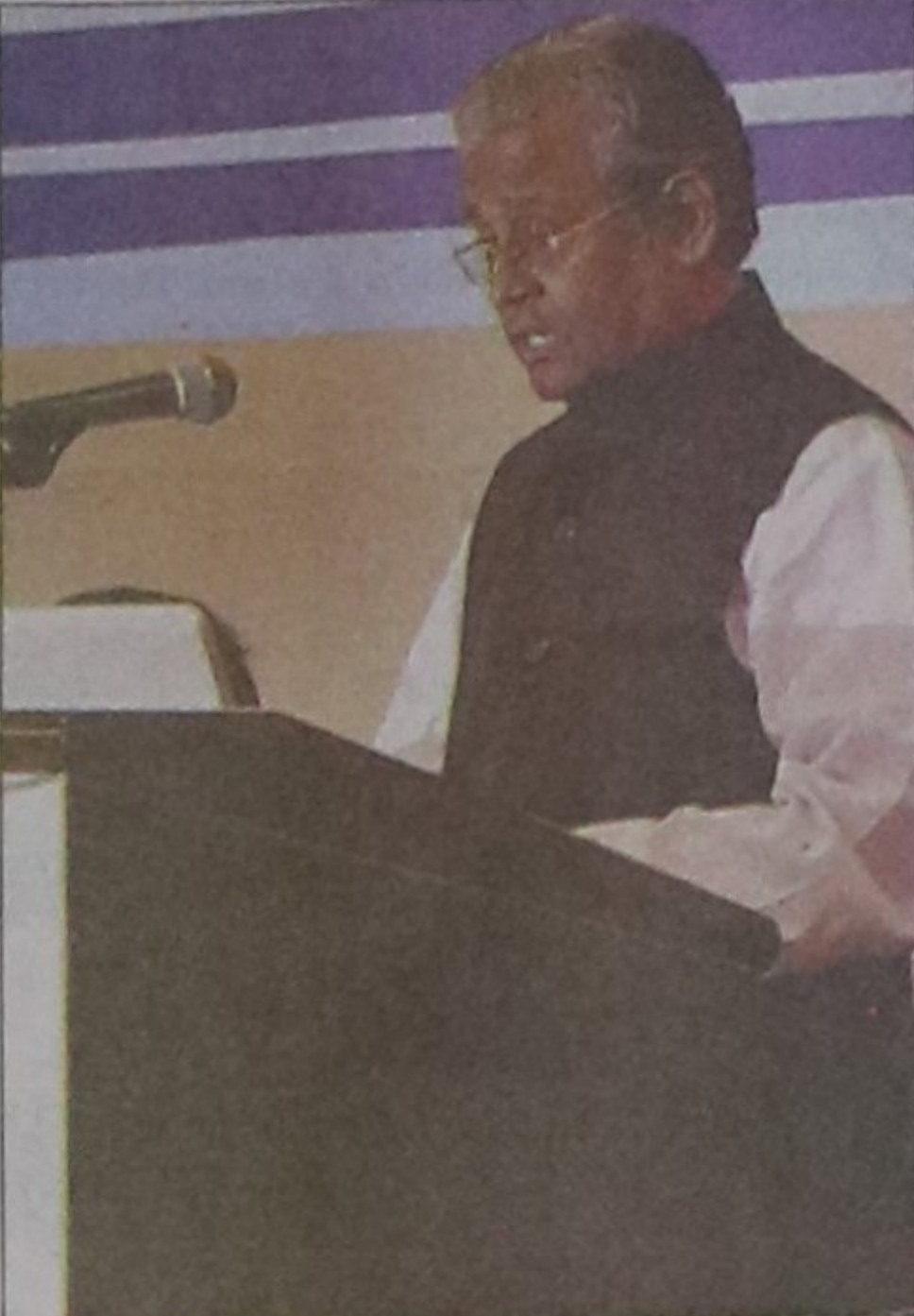
PCI recommended the setting-up of an

interim port authority to execute the implementation of the project.

Dr Mashiur Rahman, economic affairs adviser to the prime minister, Eddy Declercq, private sector expert of PCI, and Nobuaki Nagao, team leader of PCI, spoke at the programme organised by the Ministry of Shipping. Parliamentarians, businessmen, bureaucrats and representatives from global lenders were also present.

"It (study) shows that the deep-sea port will be viable if we use our own cargo. But it needs to be seen whether we will require scaling up of investment if we use other's cargo," said Rahman.

He also suggested examining various aspects such as the impact of the port on



Shipping Minister Md Afsarul Amin

economic growth, investment needed from the government and regulatory arrangements.

"Obviously, it will facilitate economic growth. But the question lies in how much it will grow and whether the benefits of growth could be distributed regionally," he said.

"If our preparations are proper, the next steps become easier," said Rahman.

He also pointed to harmonisation of duties to attract transit cargo, agreement with countries, fixing of tariff rates and increased investment on road, water and rail transport for faster delivery.

On handling foreign cargoes, Rahman said: "We should consider the benefits we obtain by offering benefits to others."

## DSE seeks tougher rules on mutual funds

STAR BUSINESS REPORT

Dhaka Stock Exchange will urge the market regulator not to approve any new mutual fund worth below Tk 50 crore to prevent an unusual price hike in the fund's unit prices on debut.

A trend shows the unit prices of a Tk 20 crore new mutual fund have jumped by more than seven times or 700 percent on its trading debut.

By definition, a mutual fund should trade under face value, as there is no net asset value of the fund on the first day.

"The market went volatile because of the mutual fund's size was small, while a higher number of investors flocked to the scrip," DSE President Rakibur Rahman said in a press briefing at the DSE yesterday.

The bigger size of a mutual fund will ensure a larger number of units, he said.

"We think mutual fund managers should disclose net asset value on a fortnightly basis," Rahman said. Presently, the fund managers disclose the net asset value on a monthly basis.

The DSE is also working on fixing a set of recommendations to be placed to the Securities and Exchange Commission to bring some changes to initial public offering (IPO) rules.

# Sheraton likely to stay on

## Starwood team due in Dhaka Wednesday

SAYEDA AKTER

Starwood Hotels and Resorts Worldwide is likely to operate and manage Bangladesh's first five-star hotel for another term.

A high-profile Starwood team will arrive in Dhaka on Wednesday to start negotiations with the government to renew a deal on Dhaka Sheraton Hotel. Sheraton is Starwood's largest hotel chain brand.

Starwood's 25-year-deal with Bangladesh Services Limited (BSL) that owns Dhaka Sheraton Hotel expired on December 31, 2008. The company had later extended its contract up to March 31.

Trevor McDonald, general manager of Dhaka Sheraton, said Starwood proposals and government's renovation plan for the hotel will prominently figure in talks.

"The government's flexible stand on renovations has prompted Starwood to rethink renewing its contract for another term with BSL," McDonald said.

BSL is the state-owned company that possesses more than 98 percent stakes in the five-star hotel, operated and managed by Sheraton.

"We are optimistic about the outcome of the parley. If both parties agreed, Sheraton is likely to operate and manage Dhaka Sheraton for another term," added McDonald.

Meanwhile, Sheraton has extended its management contract with BSL for three months up to June 30.



A night-time view of Dhaka Sheraton Hotel. Starwood Hotels and Resorts, the parent company of Sheraton chain of hotels worldwide, is likely to operate and manage Bangladesh's five-star hotel for another term.

The government has welcomed the upcoming talks with Starwood, terming the move 'a positive attitude'.

GM Quader, civil aviation and tourism minister, said the government is open to discussion and wants a world-class hotel chain to operate and manage the hotel.

"We are ready to renovate the hotel immediately, but our main concern is that the hotel should be open during the refurbishment work," he said. "It should be ensured that 600 members of the Sheraton staff would not be unemployed."

"We just don't want a complete shut-

down of the hotel during renovation," Quader said. "If we can agree on these points, I don't see any problem to renew contract with Sheraton for another term."

Earlier in February, the government cancelled a bidding process that aimed at appointing a company to manage Dhaka Sheraton Hotel under a franchise arrangement. Later BSL re-advertised for both the direct operation and management and franchise arrangement.

As many as six companies took part in the bidding, from which two were short-listed by BSL.

sayeda@thedailystar.net

# BB upbeat on farm, industrial sector

REJAUL KARIM BYRON

Bangladesh Bank (BB) has projected year-on-year growth in agriculture by about 0.2-0.4 percentage points.

Also, the central bank has predicted 0.5-1 percentage point year-on-year growth in the industrial sector.

The forecast has been made in BB's recent report sent to the parliamentary standing committee on finance ministry, showing 6 percent growth in gross domestic product (GDP).

However, the World Bank in its recent outlook said Bangladesh's GDP growth would be 4.5 percent because of the global recession.

BB says the services sector growth might come down by 0.2 percentage point.

Growth in the farm sector has been set at 3.8-4 percent for fiscal 2008-09, up from 3.6 percent last fiscal year. The industrial sector will see growth at 7.4-7.9 percent against last fiscal year's 6.9 percent.

Growth in the services sector will slow to 6.5 percent this time from 6.7 percent a year ago, according to a BB estimate.

MK Mujeri, director general of the Bangladesh Institute of Development Studies (BIDS), said the available information suggests a higher farm and industrial output than last year, as there has not been any major calamity this time.

Although the industrial sector felt the pinch of the global crisis a bit, the production also marked a rise, said Mujeri, also the former chief economist of the central bank.

He, however, foresees slowing growth in the services sector, attributing it to the low pace in the ADP execution.

Rice contributes most to the farm output, according to agriculture ministry preliminary statistics.

Around 23.12 lakh tonnes of aus rice have been estimated to be produced this fiscal year, while aus production was 22.92 lakh tonnes last year.

Around 1.30 crore aman output is likely this time against its last year yield of 1.10 crore tonnes.

Boro production has not yet been estimated, although the production target has been fixed at 1.80 crore tonnes by the agriculture ministry.

However, the officials concerned expect its output to go ahead of the target, as an additional 2 lakh hectares of land has been brought under boro plantation this year. The boro output was 1.86 crore tonnes last year.

Meanwhile, the Bangladesh Bureau of Statistics has shown an 8.9 percent rise in the production of medium and large industrial units in the July-December period of the current fiscal year, compared to the period a year ago.

# Bright days ahead for Panchagarh tea

KONGKON KARMAKER, Dinajpur

Tea farming has peaked in Panchagarh, boosting the sector and creating employment for thousands, especially women, across the district.

Panchagarh is now recognised as the third largest district for tea estates after Sylhet and Chittagong. It produced 537,000 kilograms of tea last fiscal year.

In addition, the entry of Kazi and Kazi Tea Estates (KKTE) organic tea into the global market brightened scope for tea farming there.

According to the Panchagarh Tea Board officials, there are about 19 tea estates in the district.

Panchagarh boasts about 16,000 hectares of

land suitable for tea cultivation. Tentulia Tea Company Ltd, Karotoa Tea Garden, Karotoa Tea Associates Ltd and KKTE have set up tea gardens in the district.

About three tea-processing units collect tealeaves from growers in Panchagarh.

However, several setbacks, including low prices offered for the leaves and high tariffs on inputs, are hindering the entry of new tea growers into the sector. Farmers said tea growers are selling leaves at Tk 12 per kilogram.

Md Motiur Rahman, a tea grower in Bhitargarh village under Panchagarh, said at least Tk 30,000 is required to cultivate tea on one acre. Input prices shot up in the last two years. Rahman urged the

government to roll out loans to small-scale tea growers.

"I am selling tealeaves at Tk 12 per kilogram to the tea processing factories and earning almost no profit because of low prices," he told The Daily Star.

Chairman of Sallylun Tea Estate Md Reza Humayun Faruque said they have tea gardens over 140 acres in Bhitargarh and Shukhdevpur, under Tetulia upazila. He said he had sold Tk 4 lakh worth of tealeaves at a rate of Tk 12 per kg.

He observed that small and large-scale tea growers are struggling with the present rate of Tk 12 a kilogram. He suggested the government raise the rate to Tk 16 per kg in addition to interest-free loans for tea

growers.

Local tea growers, chamber leaders and officials said more tea processing industries should be set up, competitive markets established, and problems associated with the gas supply and power crisis need to be eliminated to boost the tea sector.

The neglected areas in Panchagarh house thousands of families that are involved with growing tea. Growth of the sector has been boosting the economic condition of the area since 2000.

According to locals, the tea gardens created employment for hundreds of women in the locality and made them self-reliant.

Over 7,000 skilled and unskilled workers, mostly women, work in the gar-

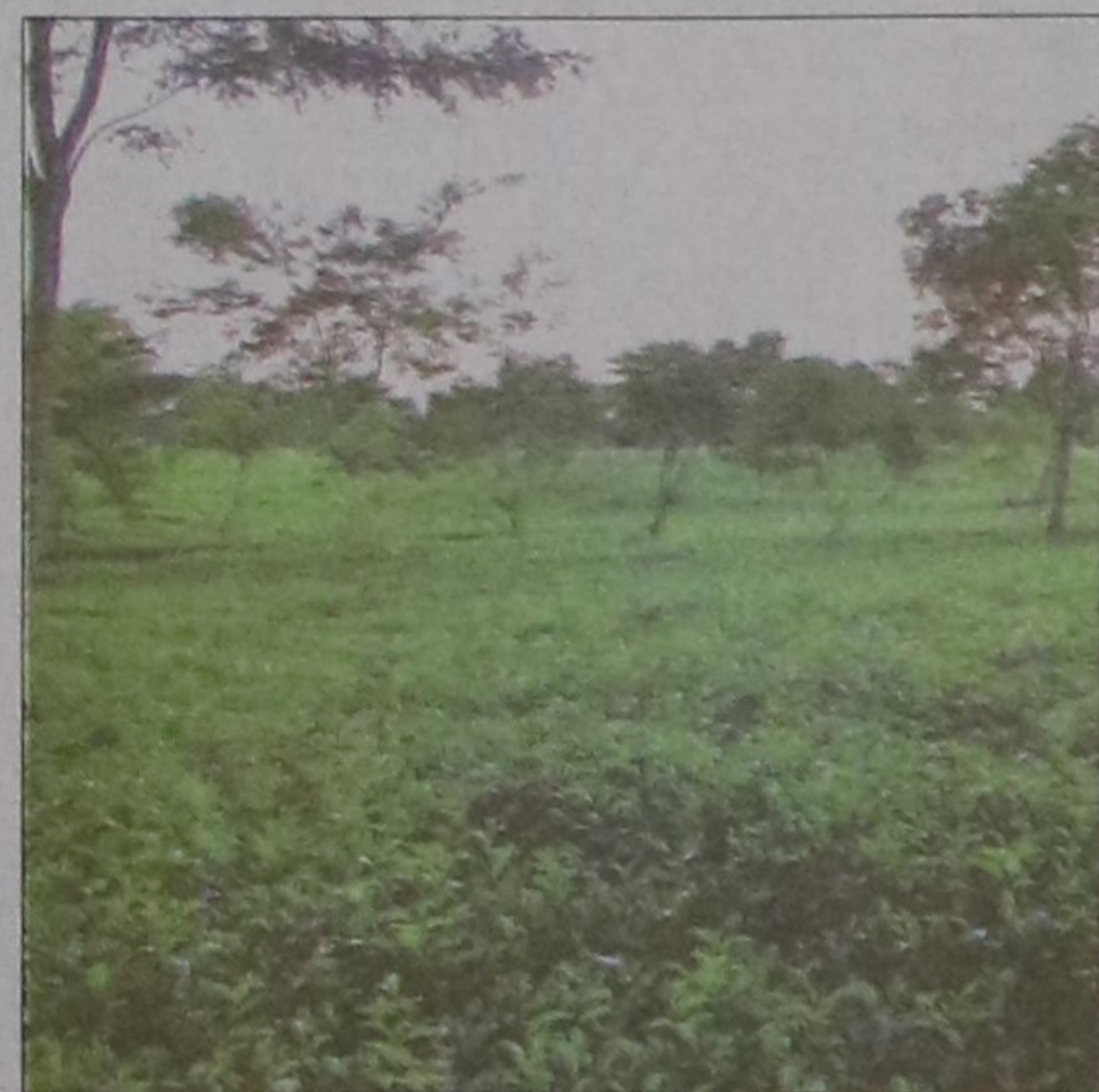
dens scattered over 2,200 acres of land in Tentulia and its surrounding areas. Of them, nearly 2500 workers are working at KKTE.

Panchagarh Regional Tea Board Development Officer Md Amir Hossain said there are still about 15,000 hectares of land available for cultivation.

According to officials of the Bangladesh Tea Board (BTB), the government has taken steps to expand the tea zones to increase tea production in the country in line with growing demand.

KKTE has recently bagged export orders from the quality conscious Japanese market, opening a new avenue for the local tea sector.

Officials said initially they would export 4,000



The picture shows a tea garden in Bangladesh.

kilograms of organic tea to Japan, under the brand name 'Tetulia'.

Export earnings from tea stood at \$14.89 million in fiscal 2007-08, up 114.55 percent from \$6.94 million in fiscal 2006-07, according to the Export Promotion Bureau.

## 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)