

Ecneec okays 11 projects

UNB, Dhaka

The Executive Committee of the National Economic Council (Ecneec) yesterday approved 11 development projects involving about Tk 1,635 crore, including Tk 229 crore from Japan Debt Cancellation Fund (JDCF).

Prime Minister Sheikh Hasina, also the Ecneec chairperson, presided over the meeting in the NEC conference room that approved the projects.

The projects include "procurement of equipment for search and rescue operation for earthquake and other disasters (revised)" under food and disaster management ministry, "union linkage road construction and infrastructure development project: Greater Mymensingh (Mymensingh, Tangail, Jamalpur, Sherpur, Kishoreganj and Netrakona districts)" and "linkage road construction from Fire Brigade crossing of Rajshahi city to Uttar Naodapara on Chapainawabganj-Natore highway (amended)" under local government department, and "expansion of artificial reproduction activities and implementation of embryo replacement technology (2nd phase)" under fisheries and livestock ministry.



New CDA chief takes reins

STAFF CORRESPONDENT, Ctg

Abdus Salam, chairman of Well Group of Industries, took the reins of Chittagong Development Authority (CDA) yesterday.

The new chairman was introduced to officials and employees after he arrived at the CDA office around 9:30pm.

Salam later sat separately with the officials, engineers, town planners and architects of different sections and sought to know about the ongoing and proposed development projects of CDA.

Earlier in the day, the new CDA chairman expressed his commitment to speed up development efforts and develop infrastructure to upgrade Chittagong into a commercial capital in true sense.

Salam got the contractual appointment on April 23 for the next two years, after Shah Muhammad Akhteruddin went into retirement as CDA chairman.

Salam is also the treasurer of Chittagong city unit of Bangladesh Awami League.

OECD urges France to slash deficits

AFP, Paris

The Organisation for Economic Cooperation and Development on Tuesday urged France to rein in its ballooning public deficit as soon as a recovery is underway, using spending cuts instead of tax hikes.

France has said it expects its deficit to rise to 5.6 percent of gross domestic product (GDP) this year and remain at 5.2 percent next year.

But the OECD estimated in a report on France that the deficit this year would actually be 6.6 percent and would rocket up to 8.3 percent in 2010.

Under EU rules, France's deficit should be below three percent of GDP.

"Once the recovery is well underway, it will be necessary to urgently implement a programme for reducing the public deficit," the OECD said.

Production costs soar in power crisis: BKMEA

STAR BUSINESS REPORT

The use of diesel due to constant power outages has increased production costs in the knitwear sector by 20 percent, said BKMEA President Fazlul Hoque yesterday.

"The power situation turned so bad that outages continue through half of the factories' total production period," Hoque said.

"The production cost is increasing significantly due to the power and energy crises in the factories as the owners will have to depend on diesel," Hoque said.

On top of that, the prices of apparel items are declining because of global recession, he told a meeting with State Minister for Power and Energy Shamsul Haque Tuku at his secretariat office.

The leaders of Bangladesh Knitwear Manufacturers and Exporters Association

(BKMEA) met with the state minister to seek measures to improve power and energy supplies to their factories.

Hoque suggested the government supply gas to the knitwear factories -- even by halting gas supply to fertiliser factories -- as it has an option of importing fertiliser from the international market.

The BKMEA chief said the government can import fertiliser from the international market, but the knitwear is a local export item. "The government must keep alive the readymade garment sector," he said.

During the meeting, Hoque urged the minister to cancel the decision of fixing Tk 500,000 as licence fees on captive power plants as the business is not running well due to global recession.

The minister did not speak to reporters after the meeting.



Dilip Barua, industries minister, receives a bouquet from Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association, during a meeting in Dhaka recently.

Govt contemplating labour law reforms

STAR BUSINESS REPORT

The government is contemplating reforming the labour law of 2006.

The disclosure was made yesterday in Dhaka by the chairman of the parliamentary standing committee on the labour ministry.

"The government is firm to improve the garment sector scenario, attaching importance to the workers-owners relations in the interest of productivity," Shajahan Khan MP told a discussion, organised by Karmajibi Nari, a non-governmental organisation that works for the cause of garment workers, 80 percent of whom are females.

"Evaluating the progress of tripartite agreement on garments sector" was the topic of the discussion.

The speakers at the programme pointed to the fact that rights of these workers are being ignored, as the deal that was signed among government, garment owners and workers in the year 2006 is violated by the owners.

Dr Hamida Hossain, a founder member of Ain O Shalish Kendra, said although 30 garment factory

owners are members of parliament, they do not raise their voice to honour workers' rights.

"Our owners comply with the demands of foreign buyers. They do not go by the rules of the land," she pointed out, stressing improvement in the living condition of workers to sustain the competition in the global apparel market.

The findings of a survey were also presented at the discussion held at WVA auditorium in Dhanmondi. The survey covered 440 garment factories in Tongi, Savar, Narayanganj, Tejgaon, Khilgaon, Mirpur, Kafrul and Jatrabari.

It found that only 25.2 percent garment factories provide appointment letters to their workers, while around 47.5 percent factories pay wages to them within the first week of a month.

Around 41.8 percent factories have weekly holidays, the survey said. About 60.9 percent garment factories allow maternity leave, though in most cases it is without pay, it further detected.

Tawhidur Rahman, chair-

man of the Bangladesh Garment Workers' Oikyo Parishad, said workers cannot spell out their rights because of the ban clamped on trade unionism after the 1/11.

He rejected the recent survey of the Compliance Cell regarding the compliance with the tripartite agreement as biased.

Admitting to worker rights violation, Shahadat Hossain Chowdhury, former vice president of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) said it is not wise to go for any wages hike for now considering the tough condition the garment sector now pass through.

He said garment owners are affected by many problems, including the fallout from the ongoing global financial crisis.

But, most importantly, the current energy crisis in the country is increasing the production cost by 10 percent, Chowdhury added.

Shirin Akter, president of Karmajibi Nari, Shayamol Dutt, editor of the daily Bhorer Kagaj, and Sirajul Islam, chairman of Bangladesh Garment Workers Union, also spoke.



Shagufa Anwar, general manager (business development) of Apollo Hospitals Dhaka, and Rafez Alam Chowdhury, president of Gulshan Club Ltd, exchange documents after signing an agreement in Dhaka recently. Under the deal, the hospital will provide priority corporate benefits and medical services for the club members.

SKorea medical tourism booms

AFP, Seoul

Hospitals will be allowed directly to seek foreign patients from May as part of South Korea's efforts to become Asia's new medical tourism hub, officials said Tuesday.

"We expect about 300 billion won (221 million dollars) in revenue this year in this sector, which will grow fast thanks to our aggressive overseas marketing to be legalised this week," said Lee Young-Ho, a marketing director of the Global Healthcare Business Centre.

The centre, which is controlled by the health ministry, is forming a network of hospitals and travel agencies

which will be officially allowed to seek patients abroad under a law which takes effect Friday.

"We expect more than 40 local travel agencies and hundreds of hospitals and clinics to apply for state licences," Lee told AFP.

He forecast that about 50,000 foreigners would visit South Korea for treatment this year compared to 27,480 in 2008.

"In 2013 about 200,000 foreign patients are expected to come," Lee said, adding foreign residents are excluded from the data.

referral services.

US citizens accounted for 34 percent of total overseas patients last year, but the centre hopes to attract more patients from Russia, Mongolia and China this year.

Lee said South Korea could surpass Singapore and Thailand to become Asia's new medical tourism hub in five years, citing a pool of skilled surgeons. The government has eased regulations on visa issuance for overseas patients.

Plastic surgery cornered about four percent of foreign patients treated by clinics associated only with the centre last year. But many plastic surgeons did not report foreign patients.



Sakhawat Abu Khair Mohammad

Jamuna Bank gets new chairman

STAR BUSINESS DESK

Sakhawat Abu Khair Mohammad and Ismail Hossain Siraji have taken over as chairman and vice chairman of Jamuna Bank Ltd, says a press release.

The bank's Board of Directors elected them at its 118th emergency meeting on Monday.

Sakhawat, a textile engineer, is the managing director of Robintex Group, directors of Islami Finance and Investment Ltd and International Holdings Ltd and a member of the Board of Governors of Eastern University.

Siraji is the director of Reliance Tannery Ltd.



Top Citi official in town

STAR BUSINESS DESK

Jose K Joseph, managing director and chief risk officer of Citigroup, South Asia, arrived in Dhaka yesterday on a two-day visit, says a press release.

During the stay, Joseph was scheduled to meet senior government officials, economists and major clients of the bank. He will also review the bank's risk management strategy for Bangladesh.

Fed likely to maintain credit push for weak economy

AFP, Washington

The Federal Reserve opens a two-day meeting Tuesday with policymakers expected to keep boosting the supply of cheap credit to support a struggling economy showing only tentative recovery signs.

The Federal Open Market Committee (FOMC) meeting comes amid a somewhat less bleak economic backdrop, with some improvement seen in the troubled US housing market and consumer confidence.

But Fed members will see a stark reminder of the depth of the recession with data due early Wednesday on first-quarter US economic output -- expected to show a 4.9 percent contraction at an annual pace after the fourth-quarter drop of 6.3 percent.

Analysts say this week's meeting is likely to signal no change in policy since the FOMC March gathering, when the Fed added over one trillion dollars to its arsenal to fight the economic crisis.

The FOMC statement due Wednesday is expected to depict a weak economy that still needs extraordinary support, justifying its policy of near-zero interest rates and vast lending facilities to pump up credit availability.

"The economy remains weak thus it is still too early for the Fed to consider lifting interest rates and possibly sending the economy deeper into recession," said Fred Dickson, market strategist at DA Davidson & Co.

"The Fed statement might temper expectations held by a growing number of investors that the economy is about ready to bottom out and turn the corner."

Soybean oil to stay at Tk78

STAR BUSINESS REPORT

The government decided yesterday to continue the mill gate rate of unpacked soybean oil at Tk 73 per kilogram and retail price at Tk 78. But, no decision was taken about palm oil and bottled edible oil prices.

The decision came at a meeting between Commerce Minister Faruk Khan and the leaders of the Bangladesh Vegetable Oil Refiners and Vanaspati Manufacturers' Association (BVORVMA) at the minister's office in Dhaka.

In the meeting the minister urged the importers and refiners to continue importing edible oil, particularly palm oil and super palm oil, to avoid any possible shortage in the stocks, said officials who attended the meeting.

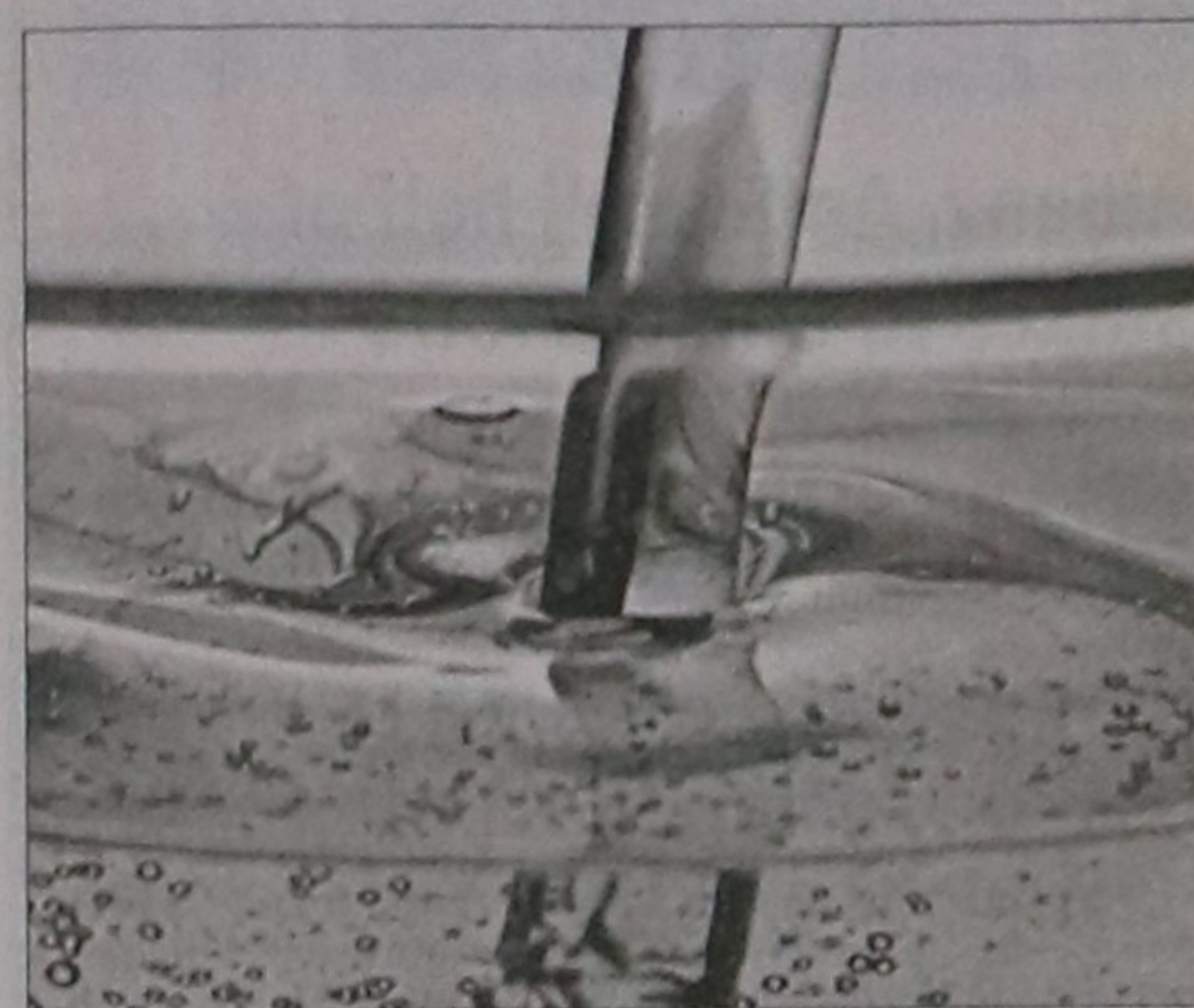
Faruk Khan said steps are being taken to ease the banking procedures like opening letter of credit (L/C) and reduce L/C margin.

"The prices of soybean oil will remain at its previous rates. We have already floated tender for importing edible oil through TCB. If necessary we would invite tender for importing more edible oil to keep the market stable," Khan said.

Economists suggested the government introduce government-to-government import of edible oil, import through TCB, enhance banking facilities for businessmen and constant monitoring of markets for keeping prices stable.

Executive Director of Centre for Policy Dialogue (CPD) Dr Mustafizur Rahman, economists Dr Atiur Rahman, Dr Abul Barakat, Dr MA Taslim and representatives of the Bangladesh Bank (BB), among others, were present at the meeting.

Khan sat with the refiners within one week, as the retailers were selling soybean oil much higher than



the fixed price at Tk 78 per kg at the consumers' end.

Although the mill gate rate of soybean oil was fixed at Tk 73 per kg and Tk 78 at retail level at a meeting on April 20, loose soybean oil was selling yesterday at its previous rates of Tk 82-Tk 90 per kg.

At the meeting MA Rouf Chowdhury, president of BVORVMA, who led the business delegation, said soybean oil would be sold at Tk 73 per kg at mill gate only from the present stock.

After the current stock of soybean oil runs out, the prices of the item may increase in the local market as the prices of edible oil increased recently on the international market, Chowdhury said.

"The current stock of soybean oil may supply for the next 20 days to the local market," he said.

At present there is a stock of around 10,000 tonnes of soybean imported at an average price of \$740 per tonne at the bonded warehouse that could be sold at Tk 73 per kg, the meeting was told.

"Now the import price of soybean oil stands at over \$900 per tonne and palm oil at \$825," said Jahir Ahmad Ratan, managing director of Nurjahan Group, an edible oil importer and refiner.

"It means when the edible oil of the present import

price would arrive within next two weeks, palm oil have to be sold at Tk 75 per kg and soybean at Tk 85 per kg or above," he observed.

Atiur Rahman, who is going to take over as the governor of the central bank on May 1, assured of necessary steps to ease the banking procedures and help facilitate import of edible oil.

Meanwhile, the edible oil market in Malaysia and Indonesia showed a declining trend following the spread of swine flue in the last few days.

Immediate after the swine flue was reported, China reduced its import of edible oil drastically that caused the edible price to fall in these two major exporters of palm oil and super palm oil.

The price of edible oil on the international market marked a \$33.33 fall per tonne on Monday.

However the importers claimed that the price shoot up again and the import price of palm oil rose to \$840 per tonne yesterday against \$825 on Monday.

The importers and refiners further said the price hike in the retail market would continue amid a persisting crisis with most of the importers reportedly declining to give booking or open L/C for import due to the volatile market.

Govt to hike warehouse capacity

Minister tells AmCham meet



Food Minister Abdur Razzaque speaks at a meeting on food security, organised by the American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel yesterday.

STAR BUSINESS REPORT

The government plans to increase the capacity of warehouses to ensure a sustainable food security, said the food and disaster management minister yesterday.

"We are trying to increase the country's food production," said Dr Abdur Razzaque.

"We are also planning to increase the capacity of warehouses by up to three lakh tonnes by the next fiscal year. It'll gradually increase the capacity by up to five lakh tonnes in two years," the minister said.

Razzaque was addressing a luncheon meeting on food security organised by the American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel.

Currently, the government warehouses have the capacity to store 12 lakh tonnes of rice, according to the agriculture ministry.

Razzaque said the government is planning to utilise abandoned and vacant warehouses along with setting up new ones for food storage. "If necessary, the private sector will also be encouraged," he said.

The food minister said the main goal of the government is to attain self-sufficiency in food production.

"It's not impossible to achieve self-sufficiency in food production, as we have

fertile soil and water. We will run a surplus of food production in a few years," he added.

The minister said 60 percent of land is under cultivation in Bangladesh and a good policy can boost production, prioritising farmers' interest.

The government will introduce latest technology and will encourage more investment in agricultural research to modernise the agriculture sector that will increase food production and enhance food security eventually, said food minister.

"We have selected the agro-based industry as a thrust sector. Industrial and trade policies offer some facilitating measures such as cash incentive for agricultural export, reduce interest rate for agriculture loans for high-value crops and rebate in electricity billing in the agro-based industry to make it competitive," said the minister.

At the same time, the government has plans to produce food items on an industrial basis and introduce diversified food production, including different vegetables and fruits, so the farmers can export them after meeting the local demand, Razzaque said.

He said the government would inspire and help the farmers to increase production of organic food and processed fish, as these products have increasing demand on the global mar-

ket. The minister hoped that the business leaders would come up to invest in agriculture in order that agriculture gets significant momentum to grow and agriculture trade gets a boost.

"The business community can play an important role by increasing investment in agriculture, value addition in agro products and help commercialise agriculture in a way to increase share of exports from agriculture," the minister said.

"I personally believe there are tremendous potentials for Bangladesh to become a food-exporting country from the status of food-importing country, especially if we can attain crop diversification, commercialise agriculture and ensure quality in the production and marketing chain," Dr Razzaque said.

"Once Bangladesh had spent most of its earnings on procuring food but the situation has now improved," he said.

"We don't have much problem but the problem is that 40 percent of the population, who make up nearly 65 million, are living below the poverty line," Razzaque said.

Heather Variava, deputy chief of the economic and political affairs of the US Embassy in Dhaka and Syed Ershad Ahmed, president of AmCham were also present at the meeting.