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Stocks

DGEN	▲ 0.53%	2,584.23
CSCX	▲ 0.50%	5,495.05

Asian Markets

MUMBAI	▲ 0.19%	13,913.22
TOKYO	▲ 1.31%	9,347.00
SINGAPORE	▲ 0.99%	2,267.46
SHANGHAI	▲ 0.48%	2,610.01

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	93.91	99.99
GBP	106.78	112.40
JPY	0.71	0.79

SOURCE: STANDARD CHARTERED BANK

Commodities

Oil	▲	\$61.42
(per barrel)		

SOURCE: AFP

(Midday Trade)

More News

Western Union plans big



Western Union, a US-based money courier, plans to reach out to all villages and unions of Bangladesh to better manage the country's increasing flow of remittances under its 'massive expansion plan', says the company's senior vice president. "Remittance flow in Bangladesh increased dramatically in recent years. The country is now one of the top 10-remittance receiving markets in the world, which made us pay special attention to this market," Anil Kapur says.

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International

Ford announces production halt at Russian plant

US automotive giant Ford on Monday said it had halted production at its Russian plant until June 5 in response to a slump in demand, a spokeswoman for the company said.

European exchanges slide

Share prices fell in Frankfurt and Paris Monday, dragged down by a mixed assessment from German businesses and auto sector weakness and in the absence of direction from London and Wall Street. Markets were closed in Britain and the United States for public holidays.

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An influx of imported cars stretches the capacity of Chittagong Port. Businessmen are importing vehicles in larger numbers than before, as they fear a duty hike in the upcoming budget on imported, reconditioned cars.

ZOBAER HOSSAIN SIKDER

Vehicles pile up at Ctg port

Duty hike fear prompts massive import ahead of budget

SHAHIDUL ISLAM, Ctg

The authorities of the country's premier seaport here have been struggling for the last few weeks to accommodate a large number of imported reconditioned vehicles as the importers of such vehicles are on an import spree ahead of budget assuming an increase in duty.

Chittagong Port Authority (CPA) has a total of four designated sheds with a capacity to accommodate 2,800 vehicles. But as of yesterday, there were 5,400 imported vehicles in the port area and the CPA had to arrange alternative spaces for additional 2,600 vehicles.

Officials said around 3,500 vehicles arrived this month alone until May 17, and a ship containing 1,400 more vehicles is scheduled to reach the port on Thursday. The space crisis is likely to deepen further in the first week of June when more vessels are expected to arrive before the

announcement of budget for the next fiscal year, they said.

CPA however alleged that non-cooperation of importers is a major reason that aggravates the situation prior to the budget announcement every year.

"We noticed in the last few years that months before budget announcement in June, a large number of reconditioned vehicles were imported and being dumped for quite a long period at our sheds," said Motahar Hossain, deputy traffic manager of CPA.

He said the CPA would not face space crisis of such a serious extent if the importers took a regular and quick delivery of the vehicles.

Citing the slower pace in delivery, the CPA officials said on an average the importers take delivery of around 200 to 250 vehicles per day. On Sunday 244 vehicles were cleared from the port sheds, they said.

Importers however denied the

allegation of their non-cooperation and non-delivery in time and blamed the CPA for not expanding the existing parking sheds or building new sheds to resolve the crisis.

"Although the port has so far been developed much in different sides, the authorities always ignored the necessity of building newer parking sheds or expanding the older ones," said Mahbubul Haque Chowdhury Babar, secretary general of Bangladesh Reconditioned Vehicle Importers and Dealers Association (Barvida).

Babar said: "We import vehicles as per the growing market demand but the CPA never realised that the four-decade-old sheds were not sufficient to accommodate the vehicles. So it's in fact their (CPA) lack of timely initiative that is creating the present problem."

However officials said CPA is considering construction of a multi-storied parking shed and

the matter is under serious consideration.

In this regard Barvida secretary general claimed it was in fact their association that few months ago gave such a proposal to the CPA, which welcomed the idea.

The importers urged the government not to impose further duty on import of reconditioned vehicles in the next budget, saying it would force them to increase the price of vehicles. They also called for withdrawal of supplementary duty from 2000CC cars, 3000CC jeeps and minibuses.

The Barvida secretary general demanded a stable policy for the import of reconditioned vehicles to ensure a good, transparent and useful market that would benefit both the customers and traders.

Import of used vehicles rose sharply in the last four to five years especially in 2008 that saw import of 31,652 vehicles against 20,895 in 2007. Besides, 17,342

vehicles were imported in 2006 and 13,298 in 2005.

The number of imported reconditioned vehicles may reach a record high this year as over 15,600 vehicles were already imported in a span from January 2009 to May 17, said industry insiders.

According to available data, 2,322 vehicles were imported in January, 2,043 in February, 3,240 in March and 4,550 in April this year whereas the figures stood at 2,171, 1,604, 2,638 and 1,952 respectively in the same months last year.

However the government decided that the imported reconditioned cars will now be unloaded at Mongla Port also, as a foreign vessel carrying 300 reconditioned cars imported from Japan will anchor at Mongla Sea Port on June 3.

Import of used vehicles started first in Bangladesh in 1976 under baggage rule, while the commercial import began in 1980.

New ADP awaits NEC nod today

REJAUL KARIM BYRON

The Tk 30,500 crore annual development programme (ADP) for the next fiscal budget will be placed before the National Economic Council (NEC) meeting today for its approval.

Prime Minister Sheikh Hasina will chair this crucial meeting.

Planning ministry officials said the new ADP has marked a 33 percent rise over the revised one.

This fiscal year's (2008-09) ADP has been slashed to Tk 23,000 crore from the Tk 25,600 crore original one.

Tk 16,365 crore or 53.65 percent of the new ADP will be foreign aid, while Tk 14,135 crore or 46.34 percent is internal resources.

The amount of foreign resources in the revised ADP was 56.47 percent, which is less in the next ADP.

The ministry wise highest allocation of ADP goes to Local Government Division, Tk 6,486 crore or 21 percent of the total ADP, the next is Power Division with Tk 3,233 crore or 10.27 percent, health ministry has got Tk 3,063 crore or 10.05 percent, communications ministry Tk 2,889 crore or 9.47 percent, primary and mass education ministry Tk 2,828 crore or 9.27 percent, education ministry Tk 947 crore or 3.11 percent, agriculture ministry has got Tk 860 crore or 2.82 percent and Energy and Mineral Resources Division Tk 683 crore or 2.24 percent.

To address regional disparity, an additional amount has been earmarked in the next budget for different projects in Rajshahi, Khulna and Barisal divisions.

The break-up is as follows: Tk 1,268 crore or 4.15 percent of the ADP has been allocated for Rajshahi, Tk 1,563 crore or 3.18 percent for Khulna and Tk 1,019 crore or 3.34 percent for Barisal.

Computer import duty may go

BCS team meets NBR chief

MD HASAN

The government is likely to waive duties on the import of computers and computer accessories, in the budget for fiscal 2009-2010.

In a meeting with the members of Bangladesh Computer Samity (BCS), National Board of Revenue (NBR) Chairman Nasiruddin Ahmed yesterday assured ICT leaders of removing the existing 3 percent duty on computer imports.

"The NBR chairman assured us that the duty structure would be brought down to zero from whatever exists now," Mustafa Jabbar, president of BCS, told The Daily Star.

If the new duty structure gets through, computer technology may be extended to more people, as prices are likely to fall by 7 percent.

Every year, businessmen import more than 1.5 lakh computers from the global

market. The selling price in the market now ranges from Tk 18,000 to Tk 1.5 lakh, depending on the brand and configuration.

In the 2007-08 budget, duty on computer imports was 5 percent, which was then reduced to 3 percent in the current budget. However, the market did not witness a substantial change in prices due to duty cuts.

This time, the market price may not experience a deep fall even if there is zero duty on computer imports in the upcoming budget, said the BCS president. "The price fall will be minimal."

"The government's willingness to make the technology available at affordable prices will help the informational and communication technology-based industries to go forward," said Jabbar.

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Navana CNG applies for direct listing

SARWAR A CHOWDHURY

Navana CNG Limited, a sister concern of Navana Group, plans to list directly on stock exchanges by offloading Tk 18 crore shares.

The CNG (compressed natural gas) service provider submitted a direct listing proposal to the Dhaka Stock Exchange yesterday, people close to the issue said.

Ifukhar-Uz-Zaman, general manager of ICB, told The Daily Star: "We have turned in the proposal to the DSE. ICB's Capital Management Ltd is the issue manager for the direct listing of Navana CNG."

In line with the proposal, 1.80 crore shares with Tk 10 each will be offloaded under direct listing rules, under which the price of a security is built up by prospective investors directly on the secondary market.

This means the best value of the floated shares will go to entrepreneurs.

On the other hand, the initial public offering (IPO) system allows a company to float shares on the primary market with fixed value. But in most cases when the trading of the shares starts on the second-

ary market, the prices shoot up manifold against face value and the benefits go to the IPO lottery winners.

Navana CNG has Tk 30 crore in existing paid-up capital, while earnings per share are Tk 8 and net asset value per share is Tk 12.

According to the company website, it is running nine CNG conversion workshops across the country -- five in Dhaka, two in Chittagong and two each in Sylhet and Bogra.

Navana CNG is the third private sector company that applied for direct listing after ACI Formulations and Shinepukur Ceramics, which listed directly on the stock exchanges last year. In 2002, Square Textiles listed directly for the first time on a test case basis.

Five state-run enterprises offloaded their shares in the stock market under direct listing rules. The entities are Dhaka Electric Supply Company, Power Grid Company of Bangladesh, Jamuna Oil Company, Meghna Petroleum, and Titas Gas Transmission and Distribution Company.

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Tourism policy suggests one-stop service for private investment



STAR

KAWSAR KHAN

The Ministry of Civil Aviation and Tourism has drafted a new policy with several recommendations such as one-stop-service for private investment in the tourism sector, aiming to make it time-bound and pragmatic.

The tourism policy of 1992 has also been amended, as the drafting authority foresees a stiff competition in the sector by 2020, thanks to possible extensive investments by local and multinational businesses.

Presently, tourism is one of five top earning sectors for the world's 83 percent countries, with one in every 11 employed persons in the world is engaged in tourism.

As per the draft paper, the government plans to make beaches as ideal holiday destinations by creating facilities such as cultural centre, club, bar, discotheque, casino and international standard resorts.

Setting up a tourism village near Zia International Airport in Dhaka for foreign tourists are also under the plan.

"Besides coastal areas, if there is any permanent island on the big rivers

around the capital, it would be developed as special tourism zone for foreigners," the paper reads.

To diversify tourism attractions, the government in collaboration with the private sector would develop adventure tourism, tracking, surfing, hiking and scuba diving.

Dublar Char will also be brought under the tourism development programme and eco-tourism in the Sundarbans be expanded. Facilities such as eco-lodge, watchtower, walkway and night-hiking facilities will also be created to attract tourists there.

The draft policy suggested easing visa procedures to arrange visa on arrival for group tourists.

As per the plan, the country will be divided into eight greater tourism areas. Besides, committees comprising local leaders and government representatives will be formed in areas where big number of tourists flock.

The government also wants to deploy plain clothed Tourist Police in top tourist spots for tourists' safety.

A National Tourism Council will be formed with the prime minister as its head to facilitate prompt decisions for

tourism development.

The government will facilitate public-private partnership, supporting the private sector in the areas of land allocation, infrastructure development and training.

However, the policy paper is undergoing different changes in line with suggestions from government bodies, tour operators, academics and other stakeholders.

"The paper is undergoing huge changes and the latest meeting on the issue will take place on May 27," said a high official of the ministry concerned.

The ministry will submit the policy before the cabinet soon for its approval, the official added.

On the public-private partnership, Hasan Mansur, managing director of Guide Tours, suggested, "The government should be cautious in such partnership, because in the past some facilities of the tourism sector were leased out to some inefficient people resulting in bad performances of such services."

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