

50 factories resume production in Chittagong as gas returns

Bakhrabad Gas expects further improvement in supply by year-end

DWAIPAYAN BARUA, Ctg

On resumption of production in around 50 gas-based industrial units in Chittagong because of the gas connection they recently got, many entrepreneurs are now waiting to invest in industries that are dependent on gas.

These industries sat idle for a period of one and half years due to the absence of gas supply.

Bakhrabad Gas Systems Limited (BGSL) authorities said they had been able to provide gas to 50 out of the 213 industries on a very little improvement in overall gas generation.

Since January, BGSL has started giving gas connection to these 213 industries that have been cleared of any restriction. Those industries applied for such connection before September 2007.

In September 2007, the then interim government, as a cautionary measure to restrict gas usage following deterioration in the supply position, decided to stop gas connection to any new industrial unit.

The BGSL now expects that the remaining 163 units could be provided with gas gradually by the year-end, if more gas from Petro Bangla is available.

The industries that have already

been awarded gas connection include readymade garment, knitting, dying and spinning, textile, oil, cement, steel, power plant, washing plant, chemical plant and CNG refuelling stations.

The availability of additional 10 million cubic feet gas a day (mcf) from the Bangura Gas Field since January for the BGSL has helped improve the situation.

The gas rationing has also paid dividend, the authorities said, pointing to the fact that around 50 mcf gas was saved after shutting down the Chittagong Urea Fertiliser Limited (CUFL) last month.

Deputy General Manager

(Sales) of BGSL South zone Ehsanul Hoque Patwary said, "4 to 5 industries are getting gas supply every month."

A BGSL senior official, however, said the improvement in fact is not noteworthy since production at the country's lone offshore Sangu Gas Field declined.

Although the leaders of the Chittagong Chamber of Commerce and Industries (CCCCI) and entrepreneurs see the latest development as a good sign, they suggested the government take necessary steps for increasing gas generation to ensure smooth supply to the industrial sector.

FBCCI fears less private investment on high revenue target

STAR BUSINESS REPORT

The apex trade body has feared a less domestic private investment because of the high revenue target in the upcoming budget.

"We came to know unofficially that the government would fix an 11 per cent revenue earning growth next fiscal year. If it is correct, it would hurt private investment since people would no more feel encouraged to invest money," MA Rouf Chowdhury, a director of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), told a meeting with the National Defence College (NDC) at the Federation Bhaban in Dhaka yesterday.

A 51-member NDC delegation led by Lieutenant General Sina Ibn Jamali, commandant of NDC, attended the meeting. The delegation also included defence officers from 11 other countries of the world, including Malaysia, Saudi Arabia, Sudan, Indonesia, and India.

According to media reports the government has targeted Tk 61,000 crore revenue earnings for the next fiscal, a 15 per cent higher than the Tk 53,000 crore revised revenue target of the previous fiscal.

al Defence College,

Organized by
Federation of Bangladesh Chambers of Commerce
9 Jun 09



Abu Alam Chowdhury, acting president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), speaks at a meeting with National Defence College (NDC) at the Federation Bhaban in Dhaka yesterday.

On foreign direct investment (FDI), Rouf Chowdhury, also president of Bangladesh Vegetable Oil Refiners Association, said, "We have also heard of a possible withdrawal of tax holiday facilities from some sectors. It will also hamper FDI inflow."

The FBCCI leaders also emphasised enhancing regional trade to create a prosperous South Asia.

Though 25-26 years have passed since the inception of Saarc, the volume of regional trade among the member countries is still below five per cent, said Aftab-ul-Islam, another

director of FBCCI. The business leaders also urged the Saarc members to put emphasis more on multilateral trade instead of bilateral trade.

During the meeting, different issues ranging from transit, bilateral and regional trade, women empowerment and ongoing global financial crisis came up for discussion.

Jamali said the visit to FBCCI is a part of their curriculum. He also gave a briefing on NDC.

Abu Alam Chowdhury, acting president of FBCCI, also spoke.

Petroleum dealers in Sylhet call on strike from June 21

STAFF CORRESPONDENT, Sylhet

Petroleum dealers of greater Sylhet region have announced that they would stop lifting petrol, diesel and octane from Petro Bangla's Rupantarita Praktik Gas Company Limited (RPGCL) plant at Golapganj in Sylhet from June 21 to press home their demands.

The announcement of the strike came at a press conference organised by Sylhet Division Petroleum Dealers Association on Monday.

Their demands include reducing LPG (liquefied petroleum gas) price to Tk 400 from existing Tk 850 per cylinder and withdrawal of the decision of bulk supply of LPG to Jamuna Space Track and other private companies.

They also demanded withdrawal of the decision to shut down the barge depot at Sachina Bazar in Sunamganj and making functional the depot of Meghna Petroleum at Moglabazar in Sylhet, which has been lying unused for the last 15 years.

President of the association Mohsinur Rashid alleged that the authorities concerned have failed to implement the decisions taken at a meeting on May 6 at the office of the prime minister's adviser for energy affairs where the state minister for energy and high officials of Bangladesh Petroleum Corporation (BPC) were also present.

"During the last one and a half months, we had meetings with the education minister, finance minister and industries minister, who accepted our demands," he added.

But there has been no implementation yet, Rashid said. "Now we are compelled to call on the strike again."

Earlier Sylhet Division Petroleum Dealers Association, Tank Lorry Owners Association and CNG Filling Station Owners Association called on an indefinite strike from April 29 to press home the demands.

After four days' of strike, the authorities concerned assured them of taking measures, but nothing has been done yet, Rashid claimed.

Due to the four-day strike that time, petrol, diesel and octane worth Tk 4 crore remained stockpiled at the RPGCL plant at Golapganj.

Dollar weakens

AFP, London

The dollar dipped Tuesday but traded in a narrow range after winning a boost from encouraging US payrolls data, as dealers eyed this week's upcoming G8 finance meeting.

In late morning London trade, the European single currency rose to 1.3931, down from 1.3893 in New York late on Monday.

Against the Japanese currency, the dollar fell to 98.11 yen from 98.50 yen on Monday.



President Zillur Rahman inaugurates the Third International Telecom Fair 2009 at Bangladesh China Friendship Conference Centre in Dhaka yesterday.

President spurs local tech innovators

STAR BUSINESS REPORT

President Zillur Rahman invites technology innovators to come forward and manufacture mobile sets locally to free the country from its dependency on handset imports.

"Our mobile phone sector is totally dependent on imports. The country has to pay large sums of foreign currencies each year to pay for imports," the president said at the inauguration of the third "International Telecom Fair-2009" at Bangladesh China Friendship Conference

Centre in Dhaka yesterday. "I believe local information and communication experts are competent enough to produce the hardware and software needed to manufacture mobile sets," Rahman said. "I hope local experts and businesses will think about the opportunity."

Rahman also asked authorities to take necessary steps to stop mobile technology misuse. He said some vested interest groups create panic in society by misusing the mobile technology.

Rajuddin Ahmed Raju, minister for posts and telecommunications, said the

government would introduce the 3G licences soon to the next generation of mobile users.

He asked businesses to bring laptops worth around Tk 10,000, so that students can afford the technology.

The four-day fair is being organised by the Bangladesh Mobile Phone Businessmen Association (BMBA). Operators, including mobile and landline, importers of mobile sets and accessories, mobile phone service providers and online banks are taking part in the fair.

The fair will remain open from 10am to 9pm every day.

Germany against targeted stress tests for banks

AFP, Luxembourg

German Finance Minister Peer Steinbrueck voiced scepticism Tuesday on US-style stress tests to check the health of individual banks, dismissing an IMF recommendation.

"We are for a stress test for the whole system not with a view on the specific capital situation of banks," Steinbrueck said as he arrived for a meeting with his EU counterparts in Luxembourg.

He also said that he was against publishing results of the tests as Washington has done, warning that their release could prove "counterproductive" by jolting investors.

"There is a clear difference between the banks in Europe and in the United States," he said.

EU finance ministers agreed last month to subject their biggest banks to stress tests in the coming months to see if there are any more nasty surprises lurking on their balance sheets.



Yakub Ali
New chairman of NCC Bank

STAR BUSINESS DESK

National Credit and Commerce (NCC) Bank Ltd has recently elected Yakub Ali as its chairman and Harunur Rashid as vice chairman, said a statement.

Yakub is also the chairman of Habib Group, Regent Power Ltd, Anowara Paper Mills Ltd and Anowara Apparels Ltd, while Rashid is chairman of NCC Consortium and vice chairman of Global Insurance Ltd.

Romanian economy enters recession

AFP, Bucharest

The Romanian economy shrank 4.6 percent in first quarter 2009 compared with the previous three months, official data showed on Tuesday, confirming that the country had entered a recession.

Romanian gross domestic product contracted 3.4 percent in the final quarter of 2008, according to the statistics institute Ins. Recession is traditionally defined as two consecutive quarters of negative growth.

The agency said the agriculture sector registered a 7.6 percent decline in activity in the first quarter and the industrial sector 1.4 percent.

Compared with first quarter 2008 the momentum declined by 6.2 percent in the same period this year.



Tawfiq-e-Elahi Chowdhury, adviser to the prime minister, speaks at a luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel yesterday. (Story on page 16)

Loan hassles set back women entrepreneurs

Speakers say

STAR BUSINESS REPORT

Complexities over getting a bank loan are barriers to the success of women entrepreneurs, speakers said yesterday.

Lack of a proper marketing channels and negative social attitude towards women-run businesses are also obstacles for them, speakers said at the launch of a project, "Promoting Women Entrepreneurship Through Advocacy" at the National Press Club.

The project is being executed by the Women Chamber of Commerce and Industries (BWCCI) in cooperation with the Centre for International Private Enterprise, aiming to facilitate increased participation of women entrepreneurs in the economy.

Presenting the keynote paper, BWCCI President Selima Ahmad said a majority of women entrepreneurs are facing hardships due to a lack of financial support, capacity to use investment, skill, training, information on proper marketing net-

work, market trend, taxation and legalities.

Moreover, the social and cultural structure of Bangladesh does not permit women to enter business. They often face domestic violence and other forms of barriers from society and family, Ahmad said.

There is even price discrimination on the products made by women entrepreneurs, she pointed out.

Ahmad urged the government to make a policy for women entrepreneurs. A proper survey is needed to find out the number of women entrepreneurs, she said.

Ahmad informed that women are mainly involved in 39 sectors of business, which include boutiques, beauty parlours, fashion designing, interior designing, poultry, home made cooking, confectionary, restaurants, floriculture, garments, cottage industry and tailoring.

Speaking as chief guest, Minister for Industries Dilip Barua said mainstreaming women entrepreneurs is important to speed up eco-

nomic development. "The hidden talent in women can change social and economic scenario of Bangladesh."

The current government is prioritising the economic empowerment of women, he added.

Advocate Sultana Kamal, executive director of Ain O Shalish Kendra and former advisor to the caretaker government, said women entrepreneurs are thriving without any government support.

"Their contribution needs recognition. This social division of labour must be addressed," she added.

Women entrepreneurs demanded establishment of a separate bank, revision of the industrial policy to address the financial needs of women, setting-up of a special cell for women in the Board of Investment, bank loans at low interest rates, a special 30 percent quota for women at the international trade fair, and establishment of a design school and entrepreneurship development academy for women.

Plastic raw material maker eyes markets in Asia, Middle East

STAR BUSINESS REPORT

Taking advantage of the reduction in plastic item production in developed countries, including US and Europe, due to the ongoing global financial meltdown, LyondellBasell, a Dutch company who produces polypropylene and fuel, now eyes capturing Asian and Middle Eastern (ME) market, said the company's commercial director yesterday.

"Asian countries, including Bangladesh, are emerging as plastic products makers, while the production has reduced in the rich countries, hurt by the financial crisis worldwide. This scenario has prompted us to pay special attention to these markets," Domenico Gigliobianco told a seminar in Dhaka.

LyondellBasell and Linkers (Far East) Private Ltd jointly organised the seminar on Presence of LyondellBasell in the Region and the Value for Our Customers.

Linkers (Far East) Private Ltd, a Singapore based company, is the sole agent of LyondellBasell in Bangladesh.

The LyondellBasell official further said, "Bangladesh is an important market for us, as its RMG and plastic furniture manufacturing has experienced a huge growth, which requires polypropylene."

Bangladesh, the plastic goods market size of which is worth Tk 4,000 crore a year, imported \$40 million polypropylene, polyethylene and spherizone, the raw materials for plastic goods, last year.

Lauding that Bangladesh is doing well in plastic furniture, Gigliobianco said, "Bangladesh, who also produces plastic hangers for the RMG industry, a front on which it has showed a tremendous performance, creates a huge prospect for exporting plastic goods."

He also pointed to the fact that the market for plastic products in Asian and Middle Eastern countries is

growing at six percent in recent years. The global production of polypropylene will double and reach 3500 million tonnes by 2013.

Currently, the local plastic industry fetches Tk 600 crore a year from exports, while the country has potential to export goods worth Tk 1200 crore, according to industry insiders.

Local plastic products include hangers, various sheets, HIPS sheets and polystyrene sheets, billboards, POPs, POSMs, dispensers, pipe, home appliances, luggage, dangles, banner stands, shop signs, kiosks, road safety signs, scroll signs, tri-vision, zigzag signs, automated moving signs and electro-magnetic signs.

Deepali Kelekar, technical and innovation manager of LyondellBasell, and Rezwanul Haque, country manager of Linkers (Far East) Private Ltd, were also present at the seminar.



Shabbir Ahmed, president of Bangladesh Indenting Agents' Association (BIAA), presents his keynote paper on Facing Global Finance Crisis: Economic and Trade Cooperation between China and South Asian countries, at the China-South Asian Business Forum in Kunming, China on Friday.

10 US banks to repay \$68b

AFP, Washington

The US Treasury gave clearance Tuesday for 10 major US banks to repay a total of 68 billion dollars for government capital injections made to stabilize the financial system.

The Treasury, without naming any specific banks, made the announcement a day after the Federal Reserve

said the 10 banks ordered to raise new capital following "stress tests" have developed sufficient programs to shore up their finances.

"Following consultation with the primary banking supervisor of each institution, Treasury has notified the institutions that they are now eligible to complete the repayment process," a Treasury statement said.

"If these firms choose to do so, Treasury will receive 68 billion dollars in repayment proceeds."

The Treasury statement noted that the repayments "follow a period in which many banks have successfully raised equity capital from private investors" and had issued long-term debt not guaranteed by the government.