



Visitors flock to a stall where a handloom is on display yesterday at a month-long fair organised by Bangladesh Handloom Board in Dhaka.

AMRAN HOSSAIN

Govt promises to boost handloom sector

STAR BUSINESS REPORT

The government will take measures to revive the handloom industry to generate employment for women and the rural population, said the textiles and jute minister yesterday.

"We would take every necessary step to revive the handloom industry and the government has prioritised efforts to develop the sector to create new employment for women and the rural people," said Abdul Latif Siddiqui.

"The government has taken several measures, including organising handloom fairs all over the country, to encourage local weavers and new entrepreneurship," he added in a statement to the inaugural ceremony of a month long 'Handloom Fair 2009'.

Bangladesh Handloom Board has organised the fair at the Bangladesh Jute Research Institute in Dhaka.

"It's important to organise fairs of this kind to popularise the locally produced handloom products with

the urban people," said Siddiqui. "Simultaneously, fairs will help encourage new entrepreneurs to get involved with this industry."

The minister stressed the need to find new markets for the locally-made handloom products both at home and abroad.

Handloom, one of the oldest industries, meets 40 percent of domestic clothing demand.

Mostafa Kamal Haider, chairman of Bangladesh Handloom Board, said the board organises such fairs

every year to promote the local handloom industry.

Abdul Majid, a weaver from Gaibandha, urged the government to impose restrictions on the import of handloom products to save the local handloom industry.

A total of 62 stalls are showcasing products ranging from traditional Jamdani, Rajshahi Silk and Tangail sari, lungi (traditional wear for men) to handicraft products at the fair.

The fair will remain open from 10am to 8pm every day.

Govt moves to reopen two silk factories under PPP

ANWAR ALI, Rajshahi

The government has taken initiatives to reopen two silk factories in Rajshahi and the other in Thakurgaon under public-private partnership (PPP) by January next.

The Tk27 crore loss-burdened Rajshahi Silk Factory was shut down in 2002, forcing 359 employees out of job. At that time, Thakurgaon Silk Factory was also closed.

As per the prime minister's directive to the Ministry of Jute and Textile ministry to take immediate steps to reopen the factories, a high profile parliamentary body visited Rajshahi on Friday and Thakurgaon on Sunday to examine the feasibility of the move.

The three-member team completed an inventory of the factory machineries and

exchanged views with experts, businessmen, growers and officials of the Bangladesh Sericulture Board.

"Local businessmen showed interest in running the factories under PPP," Kazi Abdul Wadud Dara, the committee chief and a lawmaker from Rajshahi-5 constituency, told The Daily Star.

"We are to submit our report to the standing committee in a few days", he added.

Other members of the committee are M Shafikul Islam from Sirajganj-4 and Molla Jamal Uddin from Khulna-4 constituencies.

Dara said, "If the factories are reopened, it would help meet the domestic demand for silk and save huge foreign currencies that we spend on imports every year."

At present the country produces only 50 tonnes of silk yarn a year against the demand for 300 tonnes. The rest 250 tonnes are now imported, according to local silk traders.

Rajshahi City Mayor AHM Khairuzzaman Liton said, "If the factories are reintroduced, hundreds of people will be employed."

He blamed the previous governments' wrong policies for the present state of the silk sector, a heritage that made Rajshahi familiar worldwide.

There are also proposals for reopening the factories on 'no work no payment' basis initially, spending from all the BSB's Tk 40 lakh fund, sources in the sericulture board said.

A BSB experts' team, however, anticipated in 2008 a loss of Tk 42 lakh annually if those are re-introduced.

Tk 150cr Citi syndicated loan for farm sector

STAR BUSINESS REPORT

Citibank NA Bangladesh has arranged a syndicated loan amounting to Tk 150 crore for the agricultural sector, first-ever in the country.

As lead arranger, the bank provided the amount to BURO Bangladesh, a nongovernmental organisation, for a period of five years.

The loan will support BURO's expansion of microfinance activities directed towards the farm sector.

Agrani Bank, Dutch-Bangla Bank, Eastern Bank, Janata Bank, Mutual Trust Bank, Prime Bank, Pubali Bank, Sonali Bank, Southeast Bank, Standard Bank, The City Bank and United Commercial Bank are the participating banks.

Zakir Hossain, executive director of BURO, said the entire facility would be lent to the agricultural sector through an NGO-linking system, and for the participating banks, this will qualify as part of their agricultural sector lending.

tural sector lending.

"We are happy to provide BURO an important access to long-term local currency capital, which will help its programmes grow. This marks yet another milestone in our partnership with the country's microfinance sector and underlines Citi's commitment to supporting the cause of microfinance globally," said Mark T Robinson, chief executive officer of Citi NA South Asia.

Robert Annibale, global director of Citi Microfinance, said the first ever-syndicated agricultural loan in Bangladesh would support lending to small farmers.

Established in 1990, BURO Bangladesh serves more than 7,00,000 customers, 99 percent of whom are women.

BURO has a presence in 51 districts in Bangladesh, through over 400 branches. As part of its expansion programme, BURO plans to open 215 new branches, to cover a total of 1.65 million customers by 2013.

AB Bank teams up with BURO Bangladesh

STAR BUSINESS DESK

AB Bank Ltd has signed a remittance service agreement with BURO Bangladesh, an organisation specialised in micro-finance, according to a statement.

Kaiser A Chowdhury, president and managing director of AB Bank, and Zakir Hossain, executive director of BURO Bangladesh, signed the agreement on behalf of their organisations.

Under the deal, BURO Bangladesh will act as a representative for AB Bank to disburse inward remittances to its recipients through its 393 branches across the country.

Boeing to acquire 787 supplier Vought

AFP, Washington

Boeing said Tuesday it would acquire the business and operations conducted by Vought Aircraft Industries at its South Carolina facility.

Vought, also a US company, builds a key structure for Boeing's 787 Dreamliner airplane.

The 580 million dollar deal is expected to be completed in the third quarter of this year.

"Integrating this facility and its talented employees into Boeing will strengthen the 787 program by enabling us to accelerate productivity and efficiency improvements as we move toward production ramp-up," said Scott Carson, chief executive of Boeing Commercial Airplanes.

Elmer Doty, chief executive of Vought Aircraft Industries, said "the financial demands" of the program were "clearly growing beyond what a company our size can support."

After the transaction, Vought will continue its work on many Boeing programs.

CSE to bifurcate insurance sector into two

STAR BUSINESS DESK

The Chittagong Stock Exchange (CSE) has decided to bifurcate the insurance sector into two sectors, namely general insurance and life insurance, to provide more relevant and accurate information to investors and users of the market, according to a statement.

Due to this bifurcation, CSE will be renumbering the numeric identities of life insurance companies with effect from July 9, 2009.

The bifurcation will be done considering revised index values on base date as on December 30, 1999 with base index of 1000 like all other indices of CSE, except CSCX base date.

The bourse assured that all other necessary steps will be taken into consideration for smooth implementation of the bifurcation, added the statement.

UBS loses top wealth manager spot to BoA

AFP, Geneva

Swiss banking giant UBS has lost its top spot as the world's biggest wealth manager to the Bank of America, research firm Scorpio Partnership said Tuesday.

The US bank managed 1.501 trillion dollars' worth of assets at the end of 2008, while UBS managed the equivalent of around 1.285 trillion dollars' worth, according to the firm. UBS reported its assets in Swiss francs.

Citigroup came third and then fellow American bank Wells Fargo.

"M&A activity has influenced the top 10 with Bank of America now becoming the world's largest wealth manager although the core of its asset base remains inside the United States," said the research.

Bank of America agreed to buy Merrill Lynch last September in a bid to save the latter from a meltdown as the credit crunch intensified.



SQUARE HOSPITALS

Faisal Zaman, head of marketing and business development of Square Hospitals Ltd, and Shudhir Chandra Das, general manager of Bangladesh Bank, exchange documents after signing an agreement in Dhaka recently. Under the deal, the hospital will provide privileged coverage for medical services at special rate for the central bank's employees and their dependants.

ACI Logistics sets up own supply network

STAR BUSINESS REPORT

ACI Logistics Limited has moved to develop its own supply chain network across the country, aiming to sell products at lower prices in their retail outlets.

The company, a unit of ACI Group, claims that the venture will also ensure fair prices for farmers, who often get poor returns on their yields mainly due to market manipulation.

ACI will train some 20,000 farmers across the country, who will supply products to retail outlets known as 'Shwapno', Asif Iqbal, chief operating officer of Shwapno, said at a ceremony in Dhaka yesterday.

ACI will also train around 300 buying agents in different parts of the country, who will collect produces from the farmers and ship them to the sales outlets.

There are more than 32 outlets of the retail chain shop, covering Dhaka, Chittagong, Sylhet, Barisal, Bogra, Narayanganj and Jessore.

"When perishable products come to the city areas, a good part of it gets wasted due to poor handling and management. Our trained people will ensure quality of produces with proper handling," said Iqbal.

Katalyst that supports innovative and commercially viable projects will work with ACI to train the buying agents.

The Shwapno COO and James Blewett, general manager of Katalyst, signed an agreement in Dhaka yesterday, under which Katalyst will provide support to ACI Logistics to train the sales agents.

During the signing ceremony, Iqbal said: "Generally prices of products go up as these exchange several hands before reaching end consumers. But our market chain network will ensure avoiding middlemen and keep prices of our products down."

The retail chains of ACI sell different types of products ranging from rice, lentil, fish, meat, and vegetable to cooking products, toiletries, CD, VCD, and baby products.

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The European Central Bank warned last month that eurozone banks might have to take another 283 billion dollars (204 billion euros) in write-downs by the end of 2010, mainly to account for risky loans.

and the European Commission is due to make a proposal in October on changes to EU laws needed to achieve the aim.

The move comes amid growing calls to clean up European bank balance sheets.

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backing to help create "capital buffers" through accounting reforms and other measures "to be raised in good times and to be drawn down in downturns," a statement said.

The economic cushions would be built up with "provisions deducted from profits in good times for expected losses on loan portfolios," it said.

Such a buffer already exists in Spain to help counter the fallout from the cyclical nature of the economy,

German industrial orders gain 4.4pc

AFP, Berlin

German industrial orders climbed by 4.4 percent in May from the previous month, official data showed Tuesday, pursuing a rise begun in March as the economy ministry saw prospects for stabilised output.

On a yearly basis however, orders for industrial goods in the biggest European economy fell by 29.4 percent, the ministry figures showed.

Both numbers were nonetheless better than analyst forecasts that had expected a monthly rise of 0.5 percent and an annual fall of 31.5 percent.

The ministry revised the monthly figure for April to a slight rise of 0.1 percent from a previous estimate of no change, meaning that industrial orders, a key indicator of future output, have now risen for three months running.

"Is this the turn for the better?" ING senior economist Carsten Brzeski asked. "After the dramatic declines since end-2007, new orders have started a fragile recovery."

Wall Street lower

AFP, New York

Wall Street opened lower Tuesday as investors mulled prospects ahead of the second quarter earnings season and the possibility of added government stimulus to jolt the economy from recession.

The blue chip Dow Jones Industrial Average fell 44.66 points (0.54 percent) to 8,280.21 in opening trades a day after a mixed session.

The tech-heavy Nasdaq composite dropped 6.14 points (0.34 percent) to 1,781.26 while the Standard & Poor's 500 broad-market index shed 4.52 points (0.50 percent) to 894.20.

"Investors continue to prepare for and debate the outcome of the looming second-quarter earnings season," said Joseph Hargett of Schaeffer's Investment Research.

The earnings season for companies reeling from a prolonged recession kicks off with Wednesday's release of second quarter results by US aluminum giant Alcoa.

Meanwhile, Hargett said "murmurs are rising on the Street about the potential for another stimulus package out of Washington."

Laura Tyson, a member of US President Barack Obama's Economic Advisory Panel, said at a Singapore conference Tuesday that the United States might need a second stimulus package focusing on infrastructure projects.



Samson H Chowdhury, chairman of Mutual Trust Bank Ltd (MTB), and Md Yeasin Ali, managing director of Dutch-Bangla Bank Ltd (DBBL), among others, are seen at the inauguration of an MTB-DBBL co-branded ATM booth at MTB's Pabna branch in the district town yesterday.

MTB