

# Reform laws for insurers soon

STAR BUSINESS REPORT

The government is set to pass two insurance-related bills in the next parliament session, said the chairman of the parliamentary standing committee on finance ministry yesterday.

The government also considers appointing an ombudsman to settle disputes between the insurance companies and their clients, said AHM Mostafa Kamal.

"We need to reform Insurance Act, 1938 to make it more time-befitting, which will help strengthen the capital base of the market," he said.

So the government is going to enact Insurance Ordinance 2008 and Insurance Regulatory Authority Ordinance 2008 in the upcoming session, he added.

Kamal was speaking at a discussion between the parliamentary standing committee and Bangladesh Insurance Association organised by the association in Dhaka.

"We are trying to make the laws supportive for the insurance industry, and the laws will help reduce hassles in

operations of different companies," he said.

The new laws will allow foreign investment in the insurance industry to increase the capital base of the market, said Kamal, adding: "We have foreign investments in our stock markets, so I don't see any problem allowing them to invest in insurance sector."

"At the same time, we are aware of protecting the interests of the local companies," he added.

About the role of the ombudsman, he said the ombudsman will mainly look into risk coverage of insurance companies, and their terms and conditions. The official will also monitor performances of all the companies and help ensure transparency and accountability, he said.

Customers often blame the companies for not providing proper risk coverage as promised.

Kamal said the new laws will also allow companies to operate Islamic insurance without new registration and licence. "Presently the country's banks are operating Islamic banking without any new registration and licence. So the insurance sector should

get the same benefit."

He also stressed the role of insurance association in creating awareness among the clients.

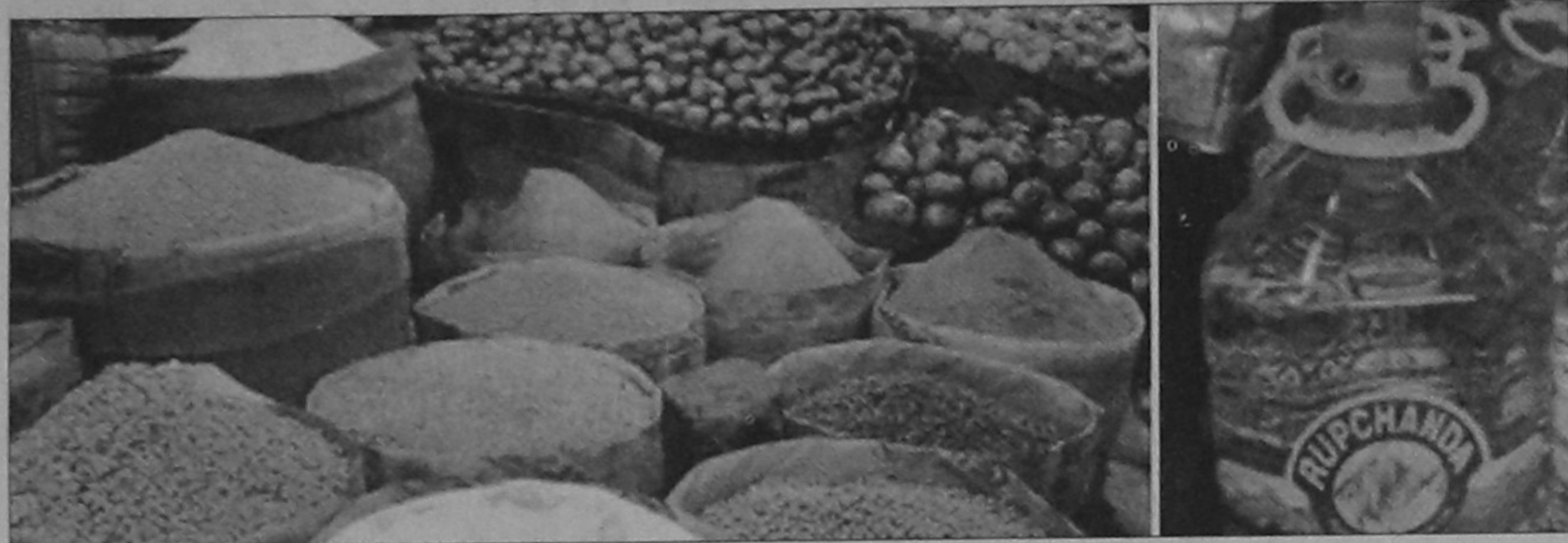
The laws will make it mandatory for both the general and life insurance companies to increase their paid-up capital. The amount of paid-up capital of a non-life insurance company should be raised to Tk 40 crore from Tk 15 crore, and Tk 30 crore for life insurance companies from Tk 7.5 crore.

A mandatory solvency margin for the companies will also be incorporated in the new laws.

AKM Rafiqul Islam, chairman of the insurance association, presented a set of recommendations to the parliamentary standing committee, demanding a 10-year time for increasing the paid-up capital.

He also urged the government to reduce the amount of deposit money, which the companies now have to deposit as 'approved security' to the Bangladesh Bank.

Tazul Islam and MA Mannan, members of the parliamentary standing committee, among others, were present at the discussion.



## Govt to procure essentials before Ramadan

BSS, Dhaka

Two state-owned organisations will procure 65,000 tonnes of edible oil, sugar, pulses, onion and gram ahead of Ramadan.

The Trading Corporation of Bangladesh (TCB) will import 12,500 tonnes of soybean and 12,500 tonnes of sugar.

TCB will also procure 12,500 tonnes of palm oil from the domestic market. Besides, Bangladesh Food and Sugar Industries Corporation (BFSIC) has taken steps to import 25,000 tonnes of sugar.

The latest purchase will take the import of sugar by the government for Ramadan to 37,500 tonnes, officials said.

TCB has signed an agreement with local company Prime Edible Oil Company Ltd to collect 12,500 tonnes of palm oil, each costing Tk 57,000.

Ampang Food Industries that has been given permission to import soybean oil opened letter of credit (LC) on July 9 to import the product from Malaysia at \$835 per tonne.

Asian Trading Company will import sugar at \$350 per tonne and open LC on sugar imports from Bangkok.

The procedure of importing 3,000 tonnes of pulse ahead of Ramadan is at the final stage. Besides, gram and onion will be collected from domestic market one week ahead of the holy month.



### Marico executive due today

STAR BUSINESS DESK

Milind S Sarwate, director of Marico Bangladesh Ltd and HR and Strategy chief of Marico Group, is scheduled to arrive in Dhaka today on a 3-day visit, says a press release.

During his stay, Milind will meet the chairman of Securities and Exchange Commission (SEC), president of Dhaka Stock Exchange (DSE), president and chief executive officer of Chittagong Stock Exchange (CSE) and business leaders.

### Hanoi real estate prices plummet in Q2

VIETNAM NEWS

Commercial real estate prices plunged in Hanoi during the second quarter of the year, according to a report from property consulting firm CBRE Viet Nam.

The firm cited declines in both exports and raw material and equipment imports as an indicator of slower industrial growth that is likely to last for a few more quarters as factors having a direct impact on the amount of capital being poured into the real estate market.

## Choosing fertiliser thru' mobile phone

BSS, Dhaka

The Soil Resource Development Institute (SRDI) under the Ministry of Agriculture has launched a digital fertiliser recommendation system for the farmers to help them get access to information on selecting precise dosage of different fertilisers for various crops through digital platforms.

The system has been developed with the technical cooperation of Katalyst, a Swiss based marketing development project, which innovated online fertiliser recommendation software incorporating the soil related data prepared by the SRDI.

Agriculture Secretary CQK Mustaq Ahmed launched the pilot phase of the system at a function yesterday at the Department of Agricultural Extension (DAE) here.

Under the system, any farmer in a remote area of the country will be able to get information regarding the cultivation of suitable crops and recommendation on required fertiliser through some 30 Grameenphone Community Information Centres (CIC) and by dialling 7676 of the Banglalink Jigyasha programme.

From now on, SRDI scientists said, the farmers can use either of the platforms to have precise fertiliser recommendations by providing five basic information: name of the crop, type of land, name of the union, upazila and district.

SRDI Director Md. Hamidul Haque presided over the function, while Katalyst General Manager James Blewett, DAE Director General Md Sayeed Ali and Executive Chairman of Bangladesh Agricultural Research Council Dr Wayes

Kabir attended it as special guests.

Addressing the function, they said the benefit of the service is twofold, increase in yield and decrease in production cost, as the SRDI study proved that the use of fertiliser as recommended by the system would raise the average yield of rice by 20-25 percent and other crops by 10-15 percent.

Termining the system as a milestone in building Digital Bangladesh, a commitment of the government, Mustaq Ahmed said, "We are expecting that implementation of the system would increase optimum production of crops".

He inaugurated the service by pushing the button of a computer, talked to a farmer of Modukhali upazila of Faridpur district over mobile phone and gave him fertiliser recommendation for his Aman crop.



MA Yousuf Khan, senior executive vice president of Mercantile Bank Ltd, and Syed Shawkat Mahmood, director of United Exchange, Canada, exchange documents after signing a deal recently. With this agreement, the bank will disburse inward remittances forwarded by United Exchange from Canada.



Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association, presents a crest to the vice-president of Japan Textiles Importers Association (JTIA) in Japan during his visit to that country recently as the head of a business delegation. Other members of the Bangladesh delegation and Japanese entrepreneurs are also seen.

## Gas crisis to invite disaster for primary textile sector

### Fear spinners

STAR BUSINESS REPORT

Leading textile and spinning millers fear a complete disaster soon in primary textile sector (PTS), as an acute gas crisis persists in the Joydevpur-Tangail-Kaliakoir industrial belt, the country's largest readymade garment (RMG) hub.

The entrepreneurs pointed to the fact that 38 factories in the belt now face a 60 percent shortfall in production capacity. The gas supply situation has worsened in the last two months, they said.

"A factory needs at least 85 percent utilisation of its capacity to become commercially viable," Abdul

Hai Sarker, president of Bangladesh Textile Mills Association (BTMA), told a press briefing at the trade body's office in Dhaka yesterday.

The domestic gas crisis is a bane for Bangladesh, which is already losing its competitiveness because of the ongoing global recession, Sarker pointed out.

A less utilisation of capacity has been causing a Tk 10 crore loss a day, whereas the 38 mills are capable of producing 160 million kg of yarn annually, the press meet was also told.

"We need gas to run the factories, otherwise we will lose our business, meaning joblessness of millions of

workers," the BTMA chief said.

At the briefing, A Matin Chowdhury, a former BTMA president, suggested Bangladesh get prepared to tap the potential of global apparel market in the post-recession period.

Chowdhury, also the managing director of Malek Spinning Mills, anticipated a further crisis for the country on an increased demand for apparels when signs of an improvement in the financial downturn worldwide will be more visible.

"A huge opportunity is waiting for us as demand for Bangladesh products rises globally," he said, pointing out that Japanese

buyers are entering Bangladesh market.

He said another wrong perception of the government is that the RMG and PTS do not need any stimulus package, as those are still immune from the recession.

But the reality is, Chowdhury said, makers and exporters are in struggle to maintain business. Data shows only 12 percent growth in exports of Bangladesh-made RMG products to the US market during January-March period of 2009.

It does not necessarily indicate a good position, it happened because of the cheaper prices of the items, he pointed out.

## Nielsen, BAT sign deal on retail audit services

STAR BUSINESS DESK

The Nielsen Company strengthened its market leadership in retail audit business as it signed an agreement with British American Tobacco (BAT) Bangladesh on Sunday to provide retail audit services, said a statement.

Nielsen also signed a separate agreement on the same day with Somra, buying certain assets that include intellectual property and goodwill to run the retail audit.

Khalid Hasan, managing director of Nielsen Bangladesh, and M Mahbubur Rahman, head of legal and company secretary of BAT Bangladesh, signed the deal between the two companies.

Nielsen is a global information and media company with leading market position in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and other business publications.

The privately held company is active in more than 100 countries, with headquarters in New York.

## Diabetic wheat flour hits market

STAR BUSINESS DESK

General Consumer Products Ltd, a subsidiary of General Pharmaceuticals Ltd, has introduced 'General Safe Diabetic Atta', a special type of wheat flour to meet proper dietary and nutritional supplements in diabetes patients.

The new product is formulated with cereals, pulses and other dietary fibres, fortified with minerals and vitamins, it said in a statement.

The atta is tested by the Biomedical Research Group of BIRDEM and resulted in effective control in diabetes, high cholesterol, excess body weight and high blood pressure and other metabolic syndromes.

## Analysts stress modern tech to boost farm yield

BSS, Rajshahi

A successful promotion of modern technology among grassroots farmers could help boost agricultural production, as planned by the government, said speakers at a workshop in Rajshahi yesterday.

They said importance should be attached to making the farmers familiar with the modern technology and field-level government and nongovernmental officials have a vital role to play in it.

The speakers made the observations at the workshop organised by the Department of Agricultural Extension (DAE) at the NCDP conference hall.

Around 100 people, including the district,

upazila and field-level DAE officials, farmers and others attended the workshop, designed to create awareness among farmers to enhance agricultural production through new tech applications.

DAE Deputy Director Akhterul Afghan addressed the opening session as the chief guest, chaired by District Training Officer Dr Ittefaquul Azad.

The speakers urged the farmers to farm the paddy of high-yielding varieties developed by the BRRI by using integrated crop and pest management methods, besides applying granular urea to make the country self-sufficient in rice output.

The workshop focused on the ways to increase

production and create rural employment through the Extension of Agriculture Engineering Technology Project.

The DAE has been implementing the project to make the modern engineering technology acceptable to the field-level growers, as demand for food and other agricultural crops is increasing with the rise in population.

The main objective of the project is to make the agriculture sector profitable through enhancing farm production after reducing expenditure at all stages along with disseminating modern agro-engineering and technological know-how to farmers.

## Indo-Bangla customs meet held

A CORRESPONDENT, Benapole

A bilateral meeting between high-profile officials of Bangladesh-India Joint Group of Customs was held yesterday at Benapole Customs House.

Issues related to making export-import trade more dynamic, modernising the ports of both the countries, solving travel-related problems and increasing the quality of service were discussed at the meeting.

The five-member Indian team included West Bengal Customs Commissioner Chander Van, Deputy Commissioner Vivek Pandey and Assistant Commissioner Bireswar Paul.

The Bangladesh side was represented by Benapole Customs Commissioner Abdul Kafi, Rajshahi Customs Commissioner Lutfor Rahman, Khulna Customs Commissioner Md Nurul Islam and Rajshahi Customs Additional Commissioner Hafizur Rahman, among others.

It was decided to hold such meetings in every six months.



## Sony Ericsson launches new model

STAR BUSINESS DESK

Sony Ericsson has launched C901, its latest addition to its 'CyberShot' mobile phone family in Bangladesh.

The new model is equipped with a 5.0 megapixel camera with a 'Smile Shutter' provision that detects smiles on faces, xenon flash, 2.2-inch scratch proof mineral glass display, bluetooth, Best Pic, YouTube and a 1GB external memory card, expandable up to 8GB, says a statement.

The model will be available in noble black colour at major outlets at a price of Tk 27,900.