

Stocks

DGEN ▲ 1.55%
3,001.46

CSCX ▲ 1.96%
6,610.30

(Week-on-week)

Asian Markets

MUMBAI ▼ 0.69%
15,411.63

TOKYO ▲ 0.76%
10,597.33

SINGAPORE ▲ 0.66%
2,631.51

SHANGHAI ▼ 2.98%
3,046.97

(Friday closings)

Commodities

Gold ▼
\$953.50
(per ounce)

Oil ▼
\$70.01
(per barrel)

SOURCE: AFP

(As of Friday)



FBCCI watches prices in Gulshan today

BSS, Dhaka

A team of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will visit the No. 2 City Corporation Market in Gulshan today to monitor the prices of essential commodities.

FBCCI President Annisul Huq will lead the team.

The other members of the team are FBCCI vice-president, directors and members of its monitoring taskforce, the apex trade body said in a statement.

Local interior decors shoring up foothold

KAWSAR KHAN

Bangladeshi products meant for interior decoration are gradually getting a strong foothold in domestic market, as many local companies have sprung up over the past few years on increased demand for less expensive but quality items.

The items like sanitary ware, tile, aluminium products including doors and windows, bathroom fitting and cable now drive out foreign products.

Sector people attribute the present position to the local realtors' quest for low cost but quality interior materials to make apartments affordable to customers.

In a span of only eight years, local makers of such materials have been able to grab a major market share, they said.

Rashed Mowdud Khan, president of Bangladesh Ceramic Ware Manufacturers Association, said, "You can even buy a square foot of tile for only Tk 30 now, which was Tk 130-140 seven to eight years back. It has become possible, as local manufacturers in a bigger way have come into the scenario. Earlier, a major portion of the local demand for the item was met through imports."

Khan also pointed to the fact that availability of cost-effective tiles has driven out mosaic largely from the market. "I guess local manufacturers account for more than 65 per cent market share of domestic tile consumption," he said.

Around seven companies now exist in the market, of which where RAK Ceramics (Bangladesh) Pvt Ltd and Bangladesh Insulator & Sanitary Ware Factory Ltd are on the front line. RAK Ceramics is a joint venture with the United Arab Emirates, while the other is a state-



Locally-made sanitary fittings are on display at a shop in Dhaka. Demand for Bangladeshi sanitary accessories is gradually increasing in domestic markets.

run enterprise. These two companies also manufacture sophisticated bathroom fittings and other equipment.

"We produce around 2,700 pieces of sanitary ware every month," a sales executive of RAK Ceramics said.

The chief of the trade body for ceramic ware manufacturing sector is also upbeat on the item's exports in a very near future.

Meanwhile, demand for local doors, made of wood, plastic and aluminium, is also on the rise.

"Even five-six years ago, most readymade doors in the local market were foreign, but things have changed with the entry of different local companies who make quality wood and plastic doors," said M

Shamim Ullah, proprietor of Shamim and Brothers, a door vendor and manufacturer in the capital.

Around 10 companies are producing doors with reputation, according to an official of a renowned furniture company.

"Now most buyers are enthusiastic about locally made doors because these are durable," said Ranjit Roy, an assistant manager (Sales and Marketing) of Akhtar Furniture Ltd.

Besides, local companies are making aluminium-made doors, windows and stairs as an alternative of wood products.

"Now the demand for aluminium-made interior material in the construction sector is fully met by local makers. But things were

different just eight years back when the sector was import-dependent for such item," said M Moniruzzaman of Ornate Thai Aluminium.

The annual turnover of the aluminium industry is around Tk 1,000 crore, according to industry insiders.

President of the Real Estate and Housing Association of Bangladesh (REHAB) Tanveerul Haq Probal said realtors prefer to use local products as manufacturers offer warranty and also provide after-sales services.

"People in the downtown prefer locally made interior materials as those are cheaper," he added.

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Govt repays Tk 2,754cr amid sluggish ADP

REJAUL KARIM BYRON

The government in July, the first month of the current fiscal year, paid back around Tk 2,754 crore bank loans although it has targeted a big amount from banks for the year.

Planning ministry officials said the government returned the loan due to a slow pace in implementation of the Annual Development Programme (ADP) at the beginning of the fiscal year.

In the current fiscal year the government's target to borrow from the banks is Tk 16,755 crore, around 57 per cent higher than the previous fiscal year.

According to Bangladesh Bank (BB) statistics, the government repaid a total of Tk 4,356 crore loan from July 1 to July 29 of the current fiscal year. However it borrowed Tk 1,602 crore from commercial banks in the same period, and so the government's net borrowing from the banking system was reduced by Tk 2,754.67 crore in nearly one month.

The reduction was Tk 140 crore in the same period last year.

A central bank official said although the government has a target of borrowing a big amount from the banks, it repaid instead of taking loan at the beginning of the fiscal year because of a slow ADP implementation pace.

As the repayment is higher this time, it seems that the pace of ADP implementation is slower than that of last year, BB officials said.

The ADP size in the current fiscal year is Tk 30,500 crore. Besides, around Tk 3,000 crore has been allocated for development projects under revenue budget.

The planning ministry officials said the pace of ADP implementation usually remains slow at the beginning of a fiscal year. Information about implementation is yet to come out from the ministries. However the dynamism required in the ministries for implementing a big ADP is yet to be seen.

The size of the revised ADP was Tk 23,000 crore last fiscal year. Information about the ADP implementation for the whole year is still not available. However projects worth only Tk 14,088 crore were implemented in 11 months till May.

Officials said projects worth at best Tk 20,000 crore are likely to be implemented in the whole year.

An official of the Implementation, Monitoring and Evaluation Division (IMED) of the planning ministry said the government has taken a 'big' plan for implementing the ADP, and the ministries have been apprised of the matter.

The ministries will hold meeting on ADP implementation every month. The finance ministry will monitor the implementation progress made by other ministries. The ministries were directed to ready procurement plans in the first month of the fiscal year, the IMED official said.

Meanwhile, the central bank governor has said the ADP implementation is important to increase investment.

Talking with a group of journalists last week, the BB governor said the government should start investment right now in power and infrastructure sectors instead of waiting for donor assistance.

A seminar of the Centre for Policy Dialogue (CPD) on Wednesday was told that boosting public investment is required for faster implementation of ADP and stimulating private investment.

Krishi Bank to go more commercial

SAJJADUR RAHMAN

Bangladesh Krishi Bank has planned to boost commercial banking from this year in addition to its traditional practice of dealing with farm credit only.

The change in the business model has encouraged the bank to set its profit target at Tk 350 crore for the current fiscal year, an increase of over 2,800 percent from Tk 12 crore last fiscal year.

"The target is achievable if the whole organisation becomes serious to utilise its potential," said Khondkar Ibrahim Khaled, chairman of the state-owned specialised bank.

He said the bank has a wider network and a huge penetration rate across the country.

"The bank has a great possibility of procuring higher remittances due to its huge presence in rural Bangladesh," said Ibrahim Khaled, a career banker who served in top positions of different organisations including the central bank as its deputy governor.

The Krishi (agriculture) Bank has also emphasised increasing export-import business from this year, according to the bank's business plan.

The bank was established in 1973 to lend farm credit and help rural

people come out of poverty. It has a network of 952 branches, higher than any other banks in the country except state-owned Sonali Bank.

But the bank had been incurring losses since its inception mainly because of poor management and limited business pattern within the farm loan. It could earn Tk 12 crore profit only in fiscal 2008-09.

The bank has set deposit collection target at Tk 1,800 crore for the current fiscal year, over 23 percent more than the previous year. Loan disbursement target has been fixed at Tk 4,600 crore, an increase of nearly 15 percent than a year ago.

Export and import business have been set at Tk 2,000 crore and Tk 3,000 crore, an increase of nearly 50 percent and 30 percent respectively for fiscal 2009-10 than those of the previous year.

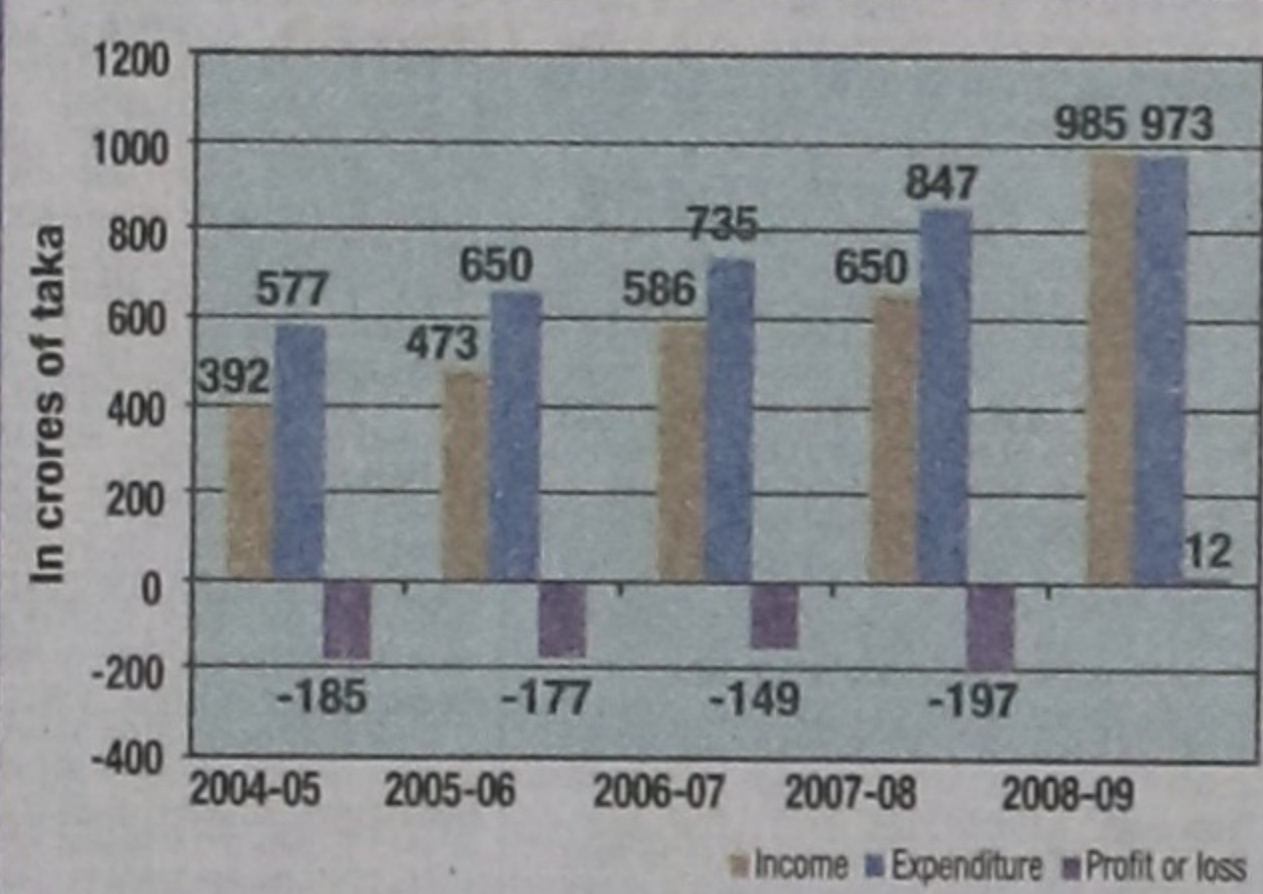
The growth of remittance has been estimated at nearly 60 percent to Tk 1,500 crore from only Tk 951 crore in 2008-09.

"The bank will be able to lend and subsidise more farmers if it can earn more from trade and remittances," the chairman of the bank said.

If necessary, rural savings will be mobilised for export and import trade, he added.

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INCOME AND SPENDING OF BKB



Solar power planned for Chittagong houses

ABDULLAH AL MAHMUD, Ctg

Chittagong Zila Parishad has taken up a solar power project to provide electricity to people in outlying areas, a senior official said.

The authorities will install 41 solar plants in the remote areas of Rangunia, Raozan and Patiya in the first phase involving Tk 17 lakh.

In Rangunia, 17 plants will be set up for religious establishments such as mosques, temples and pagodas, at the cost of Tk 5 lakh.

Raozan will get 14 plants and 10 plants will be built in Patiya at a cost of Tk 7 lakh and Tk 5 lakh respectively.

The youth, now being trained in solar power and solar energy at Zila Parishad, will be engaged in the project to be implemented by June next year.

Each plant will produce 85 watts of power to be shared by two families or one religious establishment. This is enough for three bulbs, a black and white television set, a small fan and a single mobile charger in each family.

The installation cost of each plant will be Tk 50,000.

"The project is meant to ease the power crisis and improve the living standards of people in remote areas," said Chittagong Zila Parishad Chief Executive Officer Syeda Sarwar Jahan.

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Musammar Hossain
Musammar Hossain & Mary Moin

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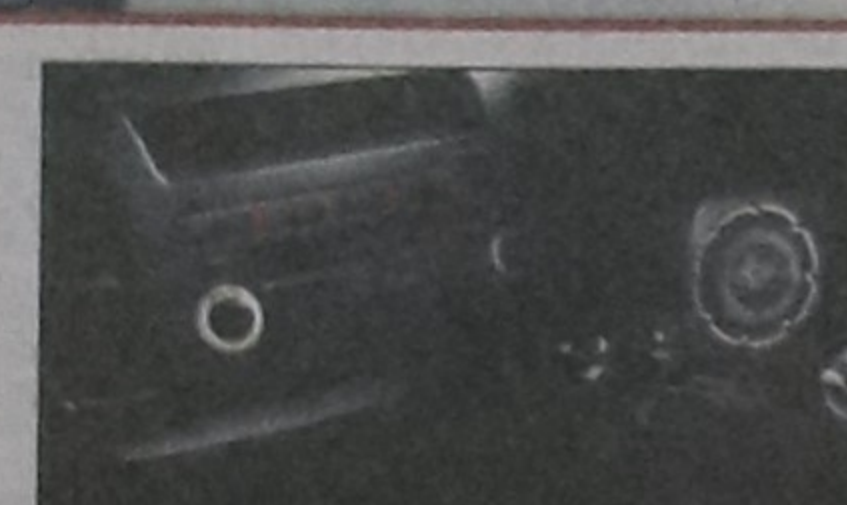
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