

Stocks

DGEN ▲ 0.88%
3,027.94

CSCX ▲ 0.90%
6,704.82

(Week-on-week)

Asian Markets

MUMBAI ▲ 1.52%
15,240.83

TOKYO ▼ 1.40%
10,238.20

SINGAPORE ▼ 0.57%
2,554.86

SHANGHAI ▲ 1.69%
2,960.77

(Friday closings)

Commodities

Gold ▲
\$952.50
(per ounce)

Oil ▲
\$73.05
(per barrel)

SOURCE: AFP

(As of Friday)

News in Brief

Vietnam English daily closes, blames global crisis

AFP, Hanoi

A Vietnamese newspaper that helped expose a major corruption scandal announced on Saturday it was shutting down its daily English-language print edition, citing difficulties caused by the global economic crisis.

In a front-page note to readers, Thanh Nien Daily said it was being transformed into a weekly paper to be launched on Friday, September 4.

Putin launches vast Siberian oil field

AFP, Moscow

Russian Prime Minister Vladimir Putin on Friday inaugurated a vast new Siberian oil and gas field intended to help feed energy-hungry Asian markets as Russia struggles to ramp up its production.

Putin said the Vankor field was the first step in "a vast strategic project" to tap the energy reserves of the surrounding Krasnoyarsk region.

"In the next few years a new oil and gas region will rise up here."

Large Texas bank shut down

AP, Washington

Guaranty Bank became the second-largest US bank to fail this year after the Texas lender was shut down by regulators and most of its operations sold at a loss of billions of dollars for the US government to a major Spanish bank.

The transaction approved by the Federal Deposit Insurance Corp. marked the first time a foreign bank has bought a failed US bank.

The bank failure, the 10th largest in US history, is expected to cost the deposit insurance fund an estimated \$3 billion.

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Gloom thickens over industrial sector

SAJJADUR RAHMAN

The troubled industrial sector may run into further setbacks this year as the energy situation will not show signs of immediate improvement, bankers and industrialists said yesterday.

In the immediate-past fiscal year to June 2009, Bangladesh achieved only 5.9 percent industrial growth, the lowest in seven years.

Industrial growth was 7.2 percent in fiscal 2007-08, down from nearly 10 percent and 11 percent in fiscal 2006-07 and 2005-06 respectively. The growth was 5.5 percent in fiscal 2001-02.

"Not many are going for new investment because of the gas crisis," said Touhidul Alam Khan, head of Prime Bank's syndication financing unit.

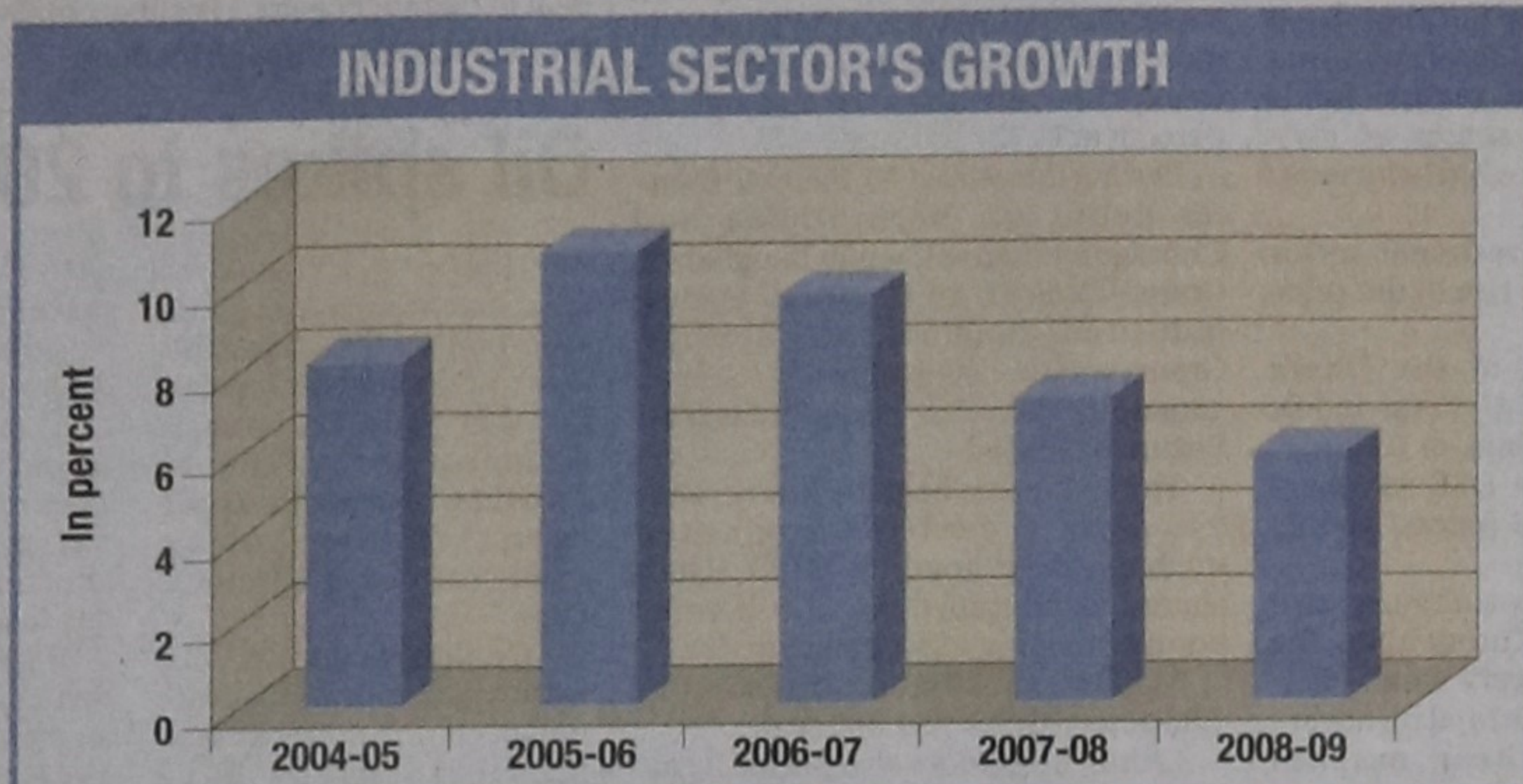
"Now we have to be fully certain that an industrialist has a gas connection even before he opens a letter of credit for an industry," Khan said.

Nasiruddin Biswas, a leading industrialist who plans to set up several new industrial units, including pharmaceuticals and fertiliser for tobacco, is uncertain whether he would be able to implement his plan in time. For him, the acute gas crisis is the worst of hurdles.

"An inadequate gas supply lowers productivity and makes output costlier," said Biswas who owns Nasir Group, a nearly Tk2,000 crore turnover company.

He said the country's industrial output could triple if there was an adequate supply of gas and power.

Economic growth has been steady at 6 percent or a little more for the past five years, but it came down to 5.8 percent last year, hurt by the global financial turmoil and a decline



in export demand.

Although the recent recovery trend in global economy is boosting confidence of investors, the gas crisis is dampening the spirits of local investors. The existing industrial units are facing an inadequate supply and new ones are missing out on connections.

"Gas has become the most vital issue for industrial development. Everything will collapse if no new gas is explored and supplied," said Khondker Fazle Rashid, managing director of Dhaka Bank.

Currently, the bank has nearly Tk 1,200 crore in approved, yet unutilised loans, as investors are reluctant to take the money. Most banks have more of the same situation.

Pubali and United Commercial banks have also over Tk 1,000 crore in unutilised approved loans.

Bangladesh Bank data says credit to the private sector declined by more than 10 percentage

points to 14.6 percent in the immediate past fiscal year compared to a year ago.

In fiscal 2008-09, the private sector credit grew by 14.6 percent, down from 24.9 percent a year ago.

The country has been facing the gas crisis since 2007, which hit scores of existing industrial plants and discouraged new investments.

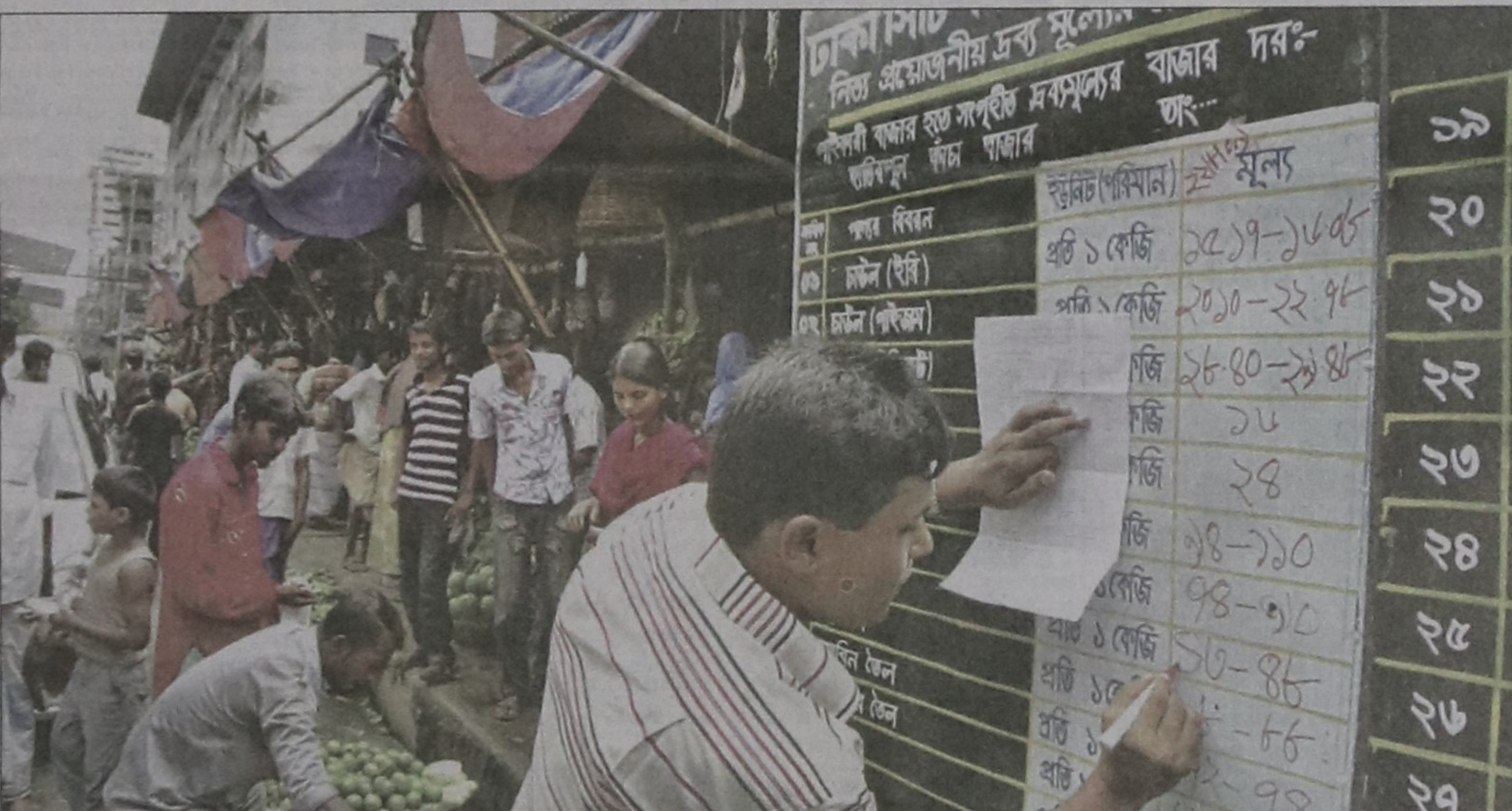
Gas company officials said applications are piling up for increasing capacity and new connections as the global economy is on the road to recovery.

"We are discouraging new connections," said MA Aziz, managing director of Titas Gas Transmission and Distribution.

Another Titas official suggests new industrial subscribers use furnace oil.

The government forecasts the nation's current gas reserves will run out by 2015 at the present rate of consumption.

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A man updates the daily price list of essentials at Hatirpool kitchen market at 12:15pm yesterday, almost halfway through the shopping hours. He said he had received the updates from the authorities at 11:20am. (Related story on page 1)

Mobile operators poised for Eid festivity

MD HASAN

Some mobile operators have introduced lucrative promotions targeting Ramadan and the Eid to rope in more customers.

Some other operators are preparing to come with specials. Banglalink has already introduced their offers for the season, while Grameenphone, Aktel, Warid, Citycell and TeleTalk officials said their offers would come up in a week.

Banglalink has announced 50 percent bonus talk-time on recharge and 300 percent bonus on reactivation, and reset SMS at Tk0.50, down from Tk1.

Lower tariffs, free SMS, cheaper new connections and bonus talk time are the most common offers by the operators.

Mobile use in Bangladesh peaks during Eid. The abnormally high use of the mobile also sometimes leads to network disruptions.

"The number of SMS and voice calls usually jump by more than 30 percent in the first week of Ramadan, while numbers sometimes cross network capacities during Eid," said Zakiul Islam, president of Association of Mobile Telecom Operators Bangladesh (AMTOB).

Calls made during Eid and Ramadan are mostly diverted to rural areas as people mostly visit their



extended families outside Dhaka, said Rubaba Dowla, chief communication officer of Grameenphone. "We experience complete network usage during festivals."

Bangladesh's mobile market boost up during any festival time as mobile now is not only communication device; it's a gift item as well.

The growth in mobile usage is mainly based on the rise in the use of value added services during this season. Ring tones, games, SMS (short message service), MMS (multimedia messaging service), and the latest, call block and voice chat, are the most popular services among customers.

Subscriptions to religious content increase during Ramadan, said Md Sharif Uddin, chief technical officer of

Infocore Ltd, a local content developer.

"Customers download more religious items during Ramadan and Eid than any other time," he said. "While others content downloads, like songs, decreases during the holy month of Ramadan."

The six mobile operators are now serving around 48 million people in Bangladesh. The monthly average usage by a single customer is only Tk 150. On an average, 48 mobile users generate more than 60 lakh SMSs a day, while during the Eid week, usage doubles.

According to the Bangladesh Mobile Phone Load Traders Association (BMPLTA), people traditionally load more money into their mobiles during Eid.

A total of 25 lakh retailers load credit for 48 crore mobile phone users, on behalf of the six mobile operators. If a retailer loads Tk 2,000 a day on average, figures double during Eid, said Md Aminul Islam, president of BMPLTA.

Rubaba noticed the issues over maintaining network quality during such times of high usage. She said, along with proving to be a good business case, a challenge remains.

"We always try to provide better services during such special times, so that none of our customers shift to other operators," she said.

PRAN signs \$3.5m export deal with Angola

STAR BUSINESS DESK

PRAN Export Ltd, a concern of PRAN-RFL Group, will export \$3.5 million worth of products to Angola, the company said in a statement yesterday.

An agreement was signed at Dhaka Reporters' Unity between the two parties.

Md Mizanur Rahman, chief of PRAN Export and Aidibe Jihad, director general of Distrimarca Lda Angola, signed the deal.

Eleas Mridha, director of PRAN, said PRAN products are exported not only to African countries but also to European and Middle Eastern countries.

"At present we are exporting our products to more than 73 countries all over the world," he added.

Aidibe Jihad said Bangladeshi food products have a huge potentiality in Angola and other African countries.

"We will start exporting PRAN products to Papua New Guinea, East Timor, Brunei, Mauritius, Algeria and some other countries," Rahman added.

Yunus Centre opens at Thailand's AIT

STAR BUSINESS REPORT

Nobel laureate Muhammad Yunus has launched Yunus Centre at the Asian Institute of Technology (AIT) in Thailand, the first of its kind outside Bangladesh.

Yunus, chairman of Yunus Centre, Dhaka, and Prof Said Irandoust, president of AIT, signed a charter on August 19.

"This will be a landmark development for Southeast Asia," Yunus said.

The centre will help alleviate poverty by enabling people to be in charge of their livelihoods through farming and other agriculture related business, he said.

"All activities at the centre will pursue poverty reduction and sustainability with an initial focus on agriculture and food security issues," Yunus said.

Irlandoust said it is appropriate that AIT is the venue for the centre as AIT was recently endorsed by the United Nations Secretary General Ban Ki-Moon as the official site for the Asean Centre of Excellence on Millennium Development Goals.

Yunus Centre at AIT will address issues such as ICT for the poor, food security, climate change and social business and the objectives and goals are aligned to the 'AIT Strategy 2013' document, Irlandoust said.

At 14th Association of Southeast Asian Nations' Summit on March 1 in Hua Hin, Thailand, Asean issued a joint declaration on attainment of the millennium development goals, which specifically pointed to AIT's role.

Prof Peter Haddawy, vice president (academic affairs) of AIT, said the institute is engaged in a number of other initiatives to sharpen its focus on poverty reduction such as the professional bachelor's degree programme in poverty reduction and agriculture management (PRAM).

PRAM targets mid-career district extension officers in Lao PDR and aims to equip them with key competencies for poverty reduction.

The PRAM model of education for poverty reduction has attracted interest from other countries in the region.

Discussions between AIT and National Academy of Science and Technology (Philippines) have resulted in the University of the Philippines embarking on development of an educational programme similar to the PRAM.

The thrust of Yunus Centre at AIT will be its own action-based research and practice complementing textbook knowledge.

India grants transit facility to Nepal

PALLAB BHATTACHARYA, New Delhi

As Nepalese Prime Minister Madhav Kumar Nepal yesterday wrapped up a five-day visit to India, New Delhi has decided to grant transit facility to Kathmandu at an Indian port for enhancing the Himalayan nation's foreign trade and grant Rs 660 crore for a cross-border road project.

A joint statement issued at the end of the visit said the two countries agreed to boost bilateral cooperation in tapping Nepal's water resources to help the country generate 25,000MW of hydro-electricity in the next two decades.

Kathmandu also invited Indian public and private sector investments in the sector.

The two countries initialled a revised treaty of trade and agreement of cooperation to curb unauthorised trade and consider reaching two separate agreements on bilateral investment and protection and avoidance of double taxation.

To facilitate Nepal's foreign trade, India agreed to the utilisation of its port at Vishakhapatnam in the southern state of Andhra Pradesh for movement of transit traffic to and from Nepal.

India also expressed willingness to favourably consider Nepal's request for usage for trade purposes of an additional seaport on the former's western coast.

The two sides discussed security concerns relating to the open border. The Nepalese side assured that it would not allow its territory to be used for any activity against India and the Indian side also gave the same assurance to the Nepalese side.

India will give Rs 320 crore for setting up a police academy apart from Rs 800 crore for integrated check posts along Indo-Nepal border.

The emerging Asian economy will fund the first phase of over 1300km roads that will promote connectivity with Nepal's Terai region and parts of Indian side as well.

India will release another Rs 680 crore for upgrading the rail link and building Nepal's rail network.

In order to accelerate implementation of Pancheshwar multi-purpose project, the two prime ministers directed Joint Ministerial Commission on Water Resources and Joint Committee on Water Resources to expedite the finalisation of Terms of Reference for Pancheshwar Development Authority and the Detailed Project Report of the project.

The prime minister of Nepal said his country planned to generate 25,000MW of hydro-electricity in the next twenty years and sought India's participation to harness Nepal's hydropower potential.

Both the sides also agreed to expedite progress on Sapta Koshi High Dam and Sunkoshi river Diversion Project and the Naumure project as per bilateral discussions.

During his visit to Delhi, the Nepalese premier held talks with Indian Prime Minister Manmohan Singh and called on President Pratibha Patil besides meeting other Indian leaders.

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