

Entrepreneurs call for Sirajganj Bscic belt expansion



Photo shows a portion of the Bangladesh Small and Cottage Industries Corporation (Bscic) estate in Sirajganj. Established in 1985 on 10 acres of land, the estate now finds it difficult to accommodate new investors.

GOLAM MOSTAFA JIBON, Sirajganj

Acute accommodation problem in the Bscic estate in Sirajganj has forced entrepreneurs to establish industries in the district in an unplanned way.

In the estate, established by the Bangladesh Small and Cottage Industries Corporation on 10 acres of land in 1985 with 19 industrial units, nine units are in operation, other nine units are under

construction or waiting for construction while one remains shut for long.

A total of Tk 12.55 crore was invested initially in nine units, including three cotton, dyeing and processing mills, a cement mill and a salt mill.

Around Tk 75.24 crore annual earnings by the units provide Tk 3 crore to the government as revenues every year. The units spend Tk 1.28 crore for telephone, power, gas and estate's development purposes annually.

Abdul Latif, Bscic's assistant general manager, said there is sufficient gas supply in the estate but no entrepreneur can set up new units inside the area due to lack of land. Another 40 acres of land is required now for the new ones.

Latif further said that the district administration is yet to respond to a letter with regard to expansion of the Bscic belt.

He added that around 15 acres of land of Roads and

Highways Department and another 100 acres of land under private ownership remained unused on the northern side of the estate. If the government brings the lands under the estate, the land requirement for the entrepreneurs could be met up easily.

On the other hand, the roads in the Bscic estate are now in so deplorable condition that it hampers transportation of raw materials drastically.

US durable goods orders slip in August

AFP, Washington

Orders for US durable goods fell 2.4 percent, government data revealed Friday in a survey showing surprising weakness in the manufacturing sector.

The decrease following a revised surge of 4.8 percent in July, the Commerce Department said.

Excluding transportation, new orders were down slightly. Excluding defense, new orders decreased 2.4 percent.

The drop contrasted with market expectations of a 0.4 percent increase. Manufacturing has been leading the US recovery from recession, although some analysts say this is largely due to rebuilding of factory inventories instead of growing consumer demand.

Durable goods are those likely to last three years or more, such as autos and appliances, and represent a key segment of the manufacturing sector.

The monthly report on durable goods is subject to volatility due to big orders for aircraft and defense equipment.

Excluding defense and transportation, orders were down 0.4 percent in August.

Chhatak cement factory to be renovated next month

BSS, Sylhet

The renovation of Chhatak Cement Company Limited will begin next month at a cost of Tk five crore.

The renovation work includes replacement of roadway and repairing of ropeway trestle and an eight-megawatt turbine power plant.

The work will start in the second week of October and likely to be completed in 20 to 22 days.

"The company, named as Assam Bengal Cement Company when it was established in 1937, came under Bangladesh Chemical Industries Corporation on July 1 in 1982," said Nazmul Haq, acting managing director of the company.

Indian limestone, a particular kind of clay of Chhatak, TSP complex, and gypsum collected from Chittagong, is used in the cement manufacturing factory.

The annual production

capacity of the factory is now 2.33 lakh tonnes, which was 1.25 tonnes in 1987, and 60,000 tonnes in 1941.

The factory produced 1.8 lakh tonnes of cement in 2007-08 fiscal year. The output reached 1.40 lakh tonnes in 2008-09 through utilisation of 75 percent of its total production capacity.

The factory imported 1.3 lakh tonnes of limestone from India against its annual demand for 1.75 lakh tonnes.

Barisal hilsa export earnings rise



UNB, Barisal

Earnings from export of delicious hilsa fish have increased here three times, as the government has fixed its export price.

Abdul Hye, manager of Barisal fish landing centre of Bangladesh Fisheries Development Corporation said the earnings from hilsa export in August and September 2009 increased three times than that in the corresponding period of the previous year.

He said export earnings have increased, as the government on April 12, 2008 fixed the minimum price of hilsa weighing between 600 grams

and one kg at US\$ 6 per kg, that between 1 kg to 1.5 kg at US\$8 and that weighing over 1.5 kg at US\$12.

Belayet Hossain, assistant marketing officer of Bangladesh Fisheries Development Corporation in Barisal, said in the last two months 190.64 tonnes of hilsa fishes were exported from this centre which earned Tk 8.68 crore.

Hilsa season has just started and hilsa export earnings from this centre will exceed Tk 100 crore, he hoped.

Indian importers stopped import on February 19, 2009, protesting the fixation of hilsa price by the Bangladesh government and demanding reduction in the price of the delicious fish.

But later Indian importers resumed hilsa import at the Bangladesh government fixed rate on June 29 to meet their local demand.

Zahiruddin Shikdar, a

local hilsa trader, said due to pressure from the local consumers the Indian importers were compelled to resume hilsa import from Bangladesh at the government fixed rate.

After visiting local market it was found that standard size of hilsa weighing 600-1000 grams are being sold at local wholesale market at Tk 350-500.

Hilsa over 1000-1500 grams are being sold at Tk 500-750, while 1500-2000 grams or over at Tk 750-1500 in the local market.

Ajit Das Monu, president of Bangladesh Non-frozen Fish Exporters Association, said plenty of hilsa are being netted but the fishermen and traders are facing storage and packaging problems due to acute shortage of ice and irregular electricity supply.

Krishi Bank in trouble to realise Tk 31 cr loan

MONIRUL ISLAM MANI, Bandarban

Realising of Tk 31 crore loan by the Bangladesh Krishi Bank (BKB) from the lessees of a number of rubber and horticulture plots in Bandarban has become uncertain, as the government has cancelled the lease of the land.

The government has turned the land into Khas land (government land) and the regional office of BKB informed the Bandarban deputy commissioner of this through a letter last week.

The letter said that realising the money of the BKB deposited by the people would become impossible if the leases of the plots were cancelled without taking any alternative steps.

Meanwhile in a reply to the letter for reconsidering the decision of canceling the lease, the district administration said the problem was created by the BKB itself.

The district administration alleged that the BKB is trying to hide its faults by accusing others.

It also alleged that the

opportunistic loan receivers have taken the loan without cultivating the lands because of the negligence of the officials concerned of the BKB.

When asked, Adviser to Bangladesh Rubber Malik Samity (BRMS) Kazi Shahadat Hossain said there is a standing committee headed by the divisional commissioner of Chittagong regarding rubber cultivation. There is also an investigation cell under the committee.

He claimed that any investigation carried out bypassing the committee will not be legal.

Shahadat alleged that the district administration has ignored the investigation cell of the district's standing committee in taking actions, which will seriously affect the industry.

He demanded reconsideration of the district administration's decision.

According to the district administration, it leased out 50,000 acres of land to create horticulture and rubber gardens.

Though the influential people took leases and

enjoyed all types of facilities including bank loan, collecting and selling forest resources, and transit permits, they did not cultivate rubber.

Against this backdrop, the parliamentary standing committee on the Ministry of Chittagong Hill Tracts Affairs recently decided to cancel all the leases of land, which was left uncultivated.

Accordingly, Bandarban district administration took steps to cancel lease orders of 800 plots, and already sent final notice to cancel leases given to 324 persons.

But the BKB authorities are concerned about the matter, as many of the loan recipients are in the list of those whose leases were cancelled.

BKB Bandarban Branch Manager Mohammad Ruhul Amin said the bank has invested more than Tk 25 crore and including interests the amount stands at Tk 31 crore.

He said it will be difficult to realise the money if the lease of the plots is cancelled.

Bandarban Deputy Commissioner Mizanur Rahman told The Daily Star that the bank should have provided the loans on the basis of field visit.

"Now the bank authorities have to take the responsibility," he said.

An official at the BKB said some of the lessees have even got write-off interests on the grounds of increased production cost, burning of garden, destruction by elephant attacks.

Former adviser to the caretaker government Maj Gen (ret'd) MA Matin, his family members, Bangladesh's former permanent representative to the UN late Humayun Kabir, former secretary Asaf Ud Dowla, Prof Abdullah Abu Sayeed, Bandarban's former DC Abdul Haque, Prof Rakhal Acharya, Dhaka University Prof Late Mofazzal Haque, Col (ret'd) Bazlul Haque, Maj (ret'd) Abdul Mannan, Bandarban's former civil surgeon Dr Faiz and Dr Z Alam are on the list of the total 324 lessees whose leases have been cancelled.



Meghna Life gets new CEO

STAR BUSINESS DESK

Meghna Life Insurance Company Ltd has appointed MA Majid as its managing director and chief executive officer, said a press release.

Prior to the new appointment, he was serving as the adviser and director for administration, finance and accounts of the company.

Majid is a former managing director of Jiban Bima Corporation.



New DMD for Janata Bank

STAR BUSINESS DESK

Janata Bank Ltd has promoted Tapon Kumar Ghosh to deputy managing director, says a press release.

He was acting as the general manager of the bank, prior to the promotion.

Ghosh, a graduate in management and postgraduate in mass communication and journalism from Dhaka University, started his banking career with Sonali Bank in 1977.

New home sales edge higher, extend streak

AFP, Washington

US new home sales edged higher in August by 0.7 percent for a fifth consecutive monthly increase, government data showed Friday.

The Commerce Department said sales of new single-family homes rose to a seasonally adjusted annual rate of 429,000. That was below market forecasts of a level of 440,000 and 3.4 percent lower than the level of a year earlier.

The data suggested a sluggish recovery for a sector that has been battered since the collapse of the US housing bubble that led to a global financial crisis.



Anti-gambling alliance members celebrate their victory following the results of a referendum on casino's in Makung, Penghu county, in the west islands of Taiwan yesterday. Residents in Taiwan's Penghu group of islands voted against hosting a new casino in a referendum following the repeal of a law banning such gambling facilities.

Poverty gap widens in S Africa

AFP, Cape Town

South Africa has reduced poverty but remains the world's most unequal society, a report said Friday, with analysts warning the yawning gap between whites and blacks threatens social stability.

The Development Indicators report showed that the income of South Africa's poorest 10 percent rose by a third from 783 rand

(105 US dollars, 71 euros) in 1993 to 1,041 rand a month in 2008.

The richest 10 percent got richer by nearly 38 percent over the same period.

While the report acknowledges a "racial underpinning" of inequality, figures show that while black South Africans' salaries increased by 38 percent, the incomes of white South Africans jumped by 83.5 percent between 1995 and 2008.

Haroon Bhorat, an economist with the University of Cape Town, said sustained growth up until about 2006 had partially reduced poverty, but at the same time the gap between the rich and the poor had widened.

"Income inequality in the long run is bad for growth. It is a threat to social stability," he told journalists at the report's launch.

While South Africa and Brazil were the world's most

unequal societies in the early nineties -- based on the "Gini co-efficient" which measures inequality -- South Africa has now surpassed the south American nation.

While other countries may occasionally come in below South Africa in inequality indices, as a nation with regular and reliable data it was "now singularly the most consistently unequal society in the world."

AFP, New York

Wall Street has stepped back from a spectacular six-month rally, leaving investors pondering the depth of the latest pullback in the context of a fragile economic recovery.

Some analysts say a "correction" would be healthy for the market by working off some of the gains and easing speculative fervour from short-term traders.

Still in doubt however is whether the bull market can keep running even after stunning gains of some 60 percent for the broad market as the economy struggles to emerge from recession.

Over the past week, the Dow Jones Industrial Average lost 1.58 percent to end Friday at 9,665.19, as the market pulled back from 11-month highs.

The tech-dominant Nasdaq slipped 1.97 percent to 2,090.92 while the Standard & Poor's 500 broad-market index retreated 2.24 percent to 1,044.38.

The market appeared to hit a roadblock Wednesday as stocks rallied in the wake of a Federal Reserve announcement that it intended to hold interest rates near zero for some time.

The rally pushed the Dow briefly above 9,900 but then a pullback began. Analysts said the market used the occasion to lock in hefty gains and wait for further evidence that the economy is pulling out of recession.

Al Goldman, chief market

strategist at Wells Fargo Advisors, urged clients to wait out the correction.

"A several-day pullback has begun," he said.

"We believe it will be measured in days, not weeks but it still must be respected after the 60 percent rally from the March 9 lows. The big picture is still a bull market which we believe will be higher by year-end."

Bob Dickey at RBC Wealth Management said the market is in "an established bull trend" until proven otherwise.

"Today the market is likely telling us what the economic condition may be six to 12 months from now, and although it currently may not make sense, the market has tended to lead these economic changes historically," he said.

Gregory Drahushak at Janney Montgomery Scott said that "for the very short-term that the market is getting a bit tired" but that does not alter the long-term outlook.

"We are not concerned about a short-term pullback since we are focused more on GDP (gross domestic product) and earnings potential into the first half of 2010 -- potential we do not think the market has discounted fully yet," he said.

Also optimistic was John Praveen at Prudential International Investments, saying: "Equity markets are now facing the sweet spot in the economic cycle with a stronger and faster rebound from the recession, inflation

close to a trough but not yet picking up enough to cause concern, ample liquidity and interest rates remaining low."

Others remained skeptical, including David Rosenberg, chief economist and strategist at Gluskin Sheff & Associates.

Rosenberg said he sees "a bear market rally as opposed to the onset of a new secular bull market" and urges investors to stay cautious.

"I am always skeptical of rallies that are purely premised on technicals and liquidity but bereft of a solid economic foundation," he said.

"While green shoots did appear in the economic data, all the growth we have seen globally, and in the USA in particular, has come courtesy of unprecedented government stimulus. We see nothing organically in the economy to get us excited."

In the coming week, the market begins the fourth quarter and will be tested by data on personal income and spending, monthly auto sales and most importantly the September report on US payrolls and unemployment, a key to economic momentum.

"The data point to healthy growth in the near term, but evident risks of a slower pace come 2010," said Avery Shenfeld at CIBC World Markets.

Also looming is the corporate earnings season for the quarter that ends Wednesday.