

Stocks

DGEN ▼ 0.35%
3,284.49

CSCX ▼ 0.30%
7,134.52

Asian Markets

MUMBAI ▼ 0.21%
17,195.20

TOKYO ▲ 1.77%
10,238.65

SINGAPORE ▲ 0.14%
2,712.15

SHANGHAI ▲ 0.31%
2,979.79

Currencies

| | Buy Tk | Sell Tk |
|-----|--------|---------|
| USD | 68.42 | 69.45 |
| EUR | 100.47 | 105.75 |
| GBP | 107.93 | 113.36 |
| JPY | 0.75 | 0.82 |

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼
\$1,067.00
(per ounce)

Oil ▲
\$75.56
(per barrel)

SOURCE: AFP

(Midday Trade)

Banks cut some service charges

FBCCI puts forward a set of proposals

SAJJADUR RAHMAN

A forum of chief executives of private commercial banks has decided to reduce some service charges in response to demands placed by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body.

"We sent the revised charge rates to the central bank and all commercial banks on October 1," said K Mahmood Sattar, chairman of the Association of Bankers Bangladesh (ABB).

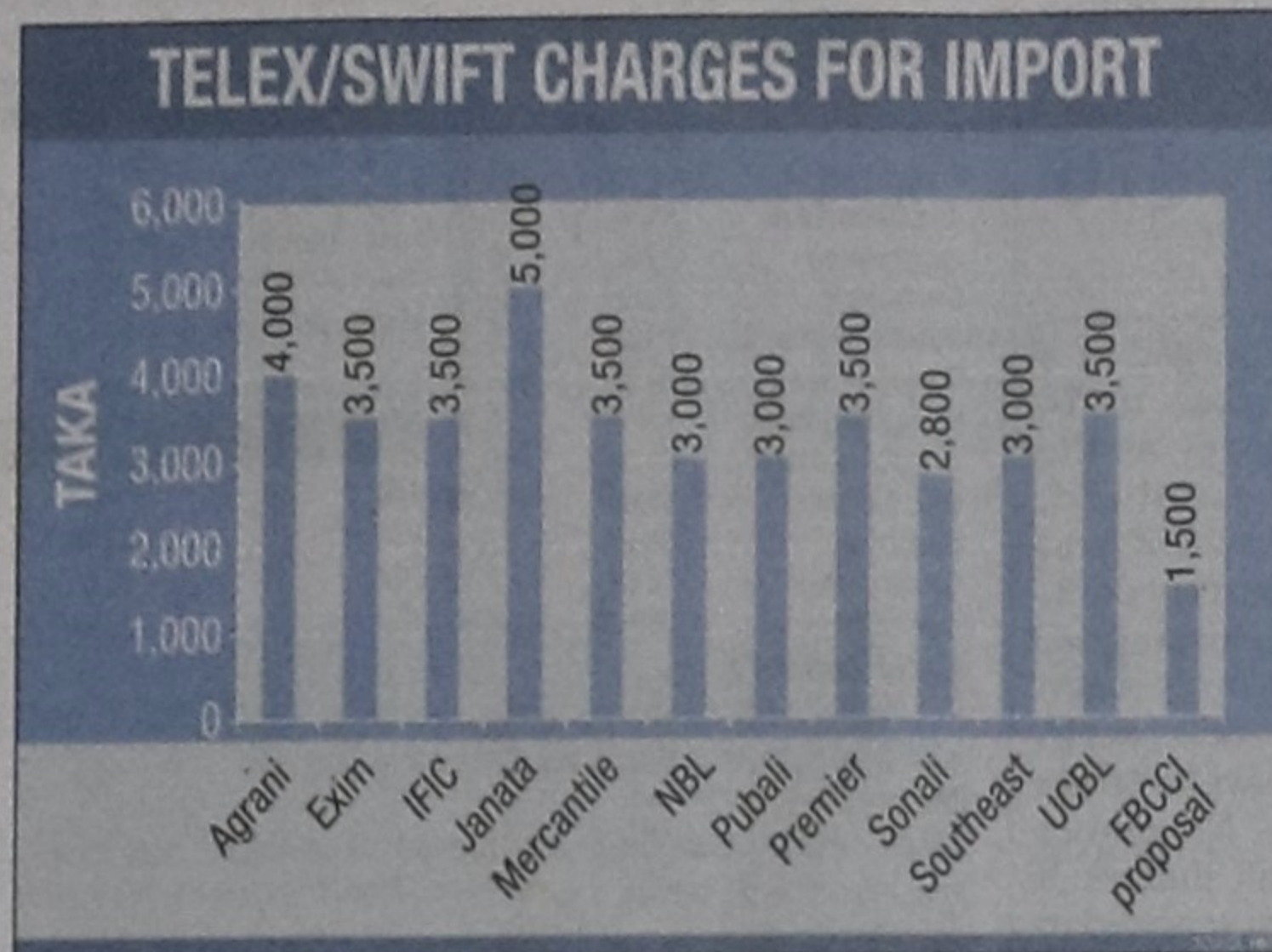
Sattar, also the CEO of City Bank, however said ABB could not address all the demands placed by FBCCI.

For instance, he said FBCCI demanded zero charges for LC acceptance for imports, which is impossible for a bank to comply with.

"A bank charges for LC acceptance because it assumes risks. Importers accept their goods and pay the banks even after 120 days, and so high risks are involved," the ABB chairman told The Daily Star yesterday.

FBCCI sent a proposal to Bangladesh Bank a few months back, demanding it pressurise commercial banks to reduce service charges. Accordingly, BB forwarded the proposal to ABB for consideration.

The association, after consulting matters with its members, sent a recommendation to the central bank. In 2008, private



banks reduced charges following a similar demand from the business community.

In the latest proposal, FBCCI demanded discontinuation of charges in 10 areas related to imports, including LC acceptance and handling charges and copy documentation endorsement.

The trade body also demanded discontinuation of commissions, overdue interests and handling charges for export bill negotiations.

FBCCI called for withdrawal of commission and handling charges for export bill collection. It also demanded reducing the rate for Telex/Swift from up to Tk 5,000 to Tk 1,500.

"We reduced the rate in many

areas, but we could not address all the demands placed by FBCCI," said Sattar.

Pubali Bank Managing Director Helal Ahmed Chowdhury said all the banks are trying to reduce several service charges, but they could not do so in all the cases because of declining demand for investment in times of global recession.

Talking to The Daily Star, FBCCI President Annisul Huq said he had submitted the proposal on bank charges to the central bank to create pressure on them to reduce charges, which he said are "very high".

"The central bank told us that they always maintain pressure on banks in this regard," Huq said.

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Half a million overseas jobs by year-end

Minister says

UNB, Dhaka

Bangladesh is going to send some 5 lakh job-seekers abroad by this year-end, as new overseas job markets are being found out by the government.

Expatriate Welfare and Overseas Employment Minister Engr Khandaker Mosharraf Hossain said yesterday, sounding a note of warning against any fraud on the part of manpower exporters.

"Of them, Saudi Arabia will take some two lakh Bangladeshis after the beginning of their six mega-city projects and Iraq take more than 1 lakh," the minister told a meeting at the city's Bureau of Manpower, Employment and Training.

The labour and employment and expatriate welfare and overseas employment ministry organised the meeting with the Sramik-Karmachari Oikya Parishad (SKOP) leaders.

"The government has moved to sign an agreement with its labour-market countries to settle a minimum plane fare and other facilities with Bangladesh," said the minister.

New bank hours

STAR BUSINESS DESK

The new office timing for Bangladesh Bank and scheduled banks with offices in Dhaka will be from 10am to 6pm from Sunday, the central bank said in a statement.

The banking transaction hours will be between 10am and 4pm. There will be a break from 2pm to 2.30pm for prayers and food.

Functioning hours for BB and the other scheduled banks will remain unchanged until further notice.

The cabinet approved new office timing on Monday for the capital to get rid of severe traffic congestion.

Body to recommend recession remedies

STAR BUSINESS REPORT

The government has formed a nine-member committee to make recommendations and assess the extent of losses suffered by the overall export sector including woven and knitwear due to the global financial meltdown.

A government circular yesterday asked the committee, led by former finance minister and Chairman of Credit Rating Agency of Bangladesh M Syeduzzaman, to give its report within one month.

The circular directed the committee to give its report containing review of the post-recession situation in the export sector, especially in textile (woven, knitwear and yarn).

The committee has been asked to assess the losses the sector has suffered due to recession and suggest remedies.

In line with the government directives, the committee will also determine the possible measures to be taken for the sick industries and make recommendations accordingly.

Bangladesh Bank governor or a deputy governor, Centre for Policy Dialogue Executive Director Mustafizur Rahman, Policy Research Institute Executive Director Ahsan Habib Mansur and the presidents of FBCCI, BTMA, BKMEA and BGMEA are the members of the committee.

The finance secretary has been made member-secretary of the committee.

Before the last Eid-ul Fitr, BGMEA in a press conference said they would not be able to pay salaries and allowances to the workers and employees if Tk 3,000 crore was not given to bail out the garment sector. However, the demand drew huge flak.

A meeting of the task force on recession decided last month to form a committee to review not only the situation in the garment sector but in the overall export sector.

Finance ministry officials said the committee has been formed in line with the decision.

Export growth was 11 percent last fiscal year despite recession, but from the start of the current fiscal year there have been ups and downs in the export sector.

In the first two months of the fiscal year woven export fell by 2.06 percent compared to the same months in the last fiscal year. Knitwear export went down 0.48 percent during the period.

In the budget for the current fiscal year, Tk 5,000 crore has been set aside to provide assistance to different sectors including those affected by the recession.

Beximco Pharma plans to issue Tk 410cr preference shares

STAR BUSINESS REPORT

Beximco Pharmaceuticals, a listed drug maker, plans to issue Tk 410 crore worth of preference shares at 5 percent dividend.

These shares of Tk 100 each will be converted into ordinary shares in six months and be traded on bourses after a one-year lock-in.

The company in its extraordinary general meeting yesterday endorsed this plan, according to a Dhaka Stock Exchange web posting.

Such shareholders, who enjoy privileges over ordinary shareholders, are guaranteed in receiving dividends at a specified rate.

The raised fund will be used for capital expenditures to finance ongoing BMRE projects and working capital of the company, a concern of Beximco Group.

Beximco Pharma officials say the conversion will be completed in two stages. In the first stage, half of each preference share, meaning Tk 50, will be converted into ordinary shares on February 1 next year with 25 percent discount on a weighted average price of the company's share on DSE during the three-month period ending January 31, 2010.

The remaining half will be converted into ordinary shares on May 2, 2010 with the same discount on a weighted average price within a stipulated time of three months ending April 30, 2010.

The preference shares will be issued on November 1, subject to approval from the Securities and Exchange Commission.

Contact Us

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

Govt focuses on rice to dodge crisis

STAR BUSINESS REPORT

The government has targeted production of 3.30 crore tonnes of rice for fiscal 2009-10 to achieve food autarky in times of crisis.

The target is 8.19 percent higher than the amount of rice produced last fiscal, when the output stood at 3.05 crore tonnes, officials said yesterday.

To realise the goal, the agriculture ministry has taken steps to bring fallow lands under cultivation by introducing small irrigation projects, ensuring boro rice cultivation in the south and developing various rice seed varieties that are capable of resisting salinity, drought and flood.

Other steps include crop zoning, surface water irrigation and reclamation of cultivable land in waterlogged areas, Agriculture Secretary CQK Mustaq Ahmed told a press conference.

"Our food production usually remains close to mere self-sufficient levels. But attaining autarky becomes difficult in case of losses due to natural disasters like cyclones and floods," said Ahmed.

"For food, a poor country like ours is more vulnerable than rich countries. That is why we have taken steps to ensure production of crops," he said.

The agriculture ministry organised the press meet to share the government's initiatives to observe the World Food Day today that calls for 'achieving food security in times of crisis'.

The government has taken up various programmes such as rallies, fairs, meetings and seminars to create awareness among farmers to continue efforts to produce more, so that the country can meet demand during the days of crisis.

"In times of crisis, we may not be able to buy food despite having the funds to do so. That is why we arranged programmes to prompt farmers to continue increasing food production," Mustaq said.

At the end of 2007 and early 2008, when Bangladesh was ravaged by recurrent floods and the cyclone Sidr, the country encountered deficits in staple food output.

Procuring food from international market also became difficult as leading rice producing countries imposed restrictions on exports in the wake of a global production shortfall.

Bangladesh, with a population of about 15 crore, however emerged from the problem because of good output in the two biggest crops -- boro and aman latter in 2008.

Production of boro in the last harvest season of 2009 stood at 1.85 crore tonnes, 2.77 percent higher than the target.

"We are also expecting favourable aman output this season," said the agriculture secretary.

He, however, said Bangladesh needs to continue efforts to raise production and agricultural growth to meet the increasing needs in the backdrop of declining land and rising population.

Mustaq said the government emphasises vertical expansion of agriculture and development of stress-tolerant rice seed varieties to resist the effects of changing climate.



Visitors throng stalls at the three-day Japan Trade Fair that began at Bangabandhu International Conference Centre in Dhaka yesterday.

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Bad image hurts foreign investment

Says industries minister at Japan Trade Fair

STAR BUSINESS REPORT

The government is trying to brighten Bangladesh's image to attract more foreign investment, said the industries minister at the Japan Trade Fair that began yesterday.

"Foreign investment has suffered because of the country's negative image about political instability in previous years. We have to change the image to attract more foreign investment to the country," said Dilip Barua.

"We will take steps to encourage and facilitate foreign investment to the country, as the government is investment-friendly. At the same time, we will move to create a more investment friendly political atmosphere in the country."

The minister inaugurated the three-day trade fair, organised by the Japan Bangladesh Chamber of

Commerce and Industries (JBCCI) at Bangabandhu International Conference Centre in Dhaka.

"In addition to attracting new investment in the country, the government is also enthusiastic about strengthening domestic industrial capacity and diversifying the export basket to boost local economy," added the minister.

Anisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the government should take measures to increase the confidence level of both local and foreign investors.

"The government should ensure good governance and facilitate present and future investments in the country," he said.

"We should take lessons from Japan to boost our economy, Japan

took effective measures to reconstruct the economy after the massacre in the Second World War and now it is one of the largest and strongest economies in the world," he added.

Tamotatsu Shinotsuka, ambassador of Japan, said his government is keen to enhance bilateral trade relations and investment between the two countries.

"Simultaneously, there is good demand for Bangladeshi products on the Japanese consumer market. Local entrepreneurs can take advantage of this opportunity by diversifying their products and increasing export volumes to Japan," he added.

Abdul Haque, president of JBCCI, and Toshihito Tamba, president of Japan-Bangladesh Committee for Commercial and Economic Co-operation, were also present at the ceremony.

The Embassy of Japan, Japan External Trade Organisation and Japanese Commerce and Industry Association in Dhaka are supporting the event.

Along with several Japanese government and semi-government organisations, 45 companies are showcasing products and services at the fair, which includes automobiles and spare parts, electronics, capital machinery, IT equipment, leather products, shipping and logistics.

Aktel is sponsoring the fair, while Windmill Advertising Ltd is managing the event. The Daily Star, Channel i, Daily Samakal and ABC Radio are the media partners for the three-day fair.

The entry fee has been fixed at Tk 20 for a person and the all proceeds from ticket sales will go to charity.