

Stocks	
DGEN	▲ 1.43% 5,828.38
CSCX	▲ 1.55% 11,086.74

Asian Markets	
MUMBAI	▲ 1.25% 16,428.91
TOKYO	▲ 2.72% 10,306.83
SINGAPORE	▲ 1.27% 2,794.06
SHANGHAI	Closed

Currencies	
Buy Tk	Sell Tk
USD	68.70 / 69.70
EUR	93.20 / 97.37
GBP	106.95 / 111.32
JPY	0.74 / 0.79

Commodities	
Gold	▲ \$1,119.80 (per ounce)
Oil	▲ \$77.35 (per barrel) (Midday Trade)

News in Brief	
Confidence Cement to diversify operations	

STAR BUSINESS REPORT

Confidence Cement Ltd, a listed cement manufacturer, has decided to invest in two projects -- one in textiles and the other in electronic and electrical goods, according to a web posting on the Dhaka Stock Exchange yesterday.

The textile project styled 'Confitex Ltd' will be set up at an estimated cost of around Tk 185 crore and 'Confidence Electric Ltd' at Tk 100 crore.

Confitex Ltd will be a modern textile mill to produce home textiles, dyeing and other textile related items.

Confidence Cement Ltd and its associated company, Confidence Steel Ltd, will hold 50 percent shares each in the textiles project.

The second project, Confidence Electric Ltd, will make transformers, energy savings lamps, automotive and industrial batteries and various other electrical products.

Confidence Cement will hold 49 percent shares in the second project, while Confidence Steel Ltd will hold 51 percent.

The land for these projects has already been purchased. Construction work on the projects will begin by the first quarter of this year.

The cement manufacturer was listed on the DSE in 1995 and is now being traded under A-category.

The company's shares were traded between Tk 1,694 and Tk 1,560, before closing at Tk 1,572.75 yesterday.

Sponsors hold a 25.46 percent stake in the company, institutions have 25.37 percent shares, while the public holds 49.17 percent.

One in seven Germans 'on poverty line'

AFP, Berlin

Nearly one in seven people in Germany, Europe's top economy, lived on the poverty line in 2008, with youngsters most affected, a study from an influential economic institute said Wednesday.

Around 11.5 million Germans from a population of approximately 82 million were defined as poor, with 60 percent of the average income, the DIW institute said, using the most recent available data from 2008.

Coca-Cola scouts for partner to set up plant

SOHEL PARVEZ

Soft drinks brand Coca-Cola looks for a joint venture with the government to set up a manufacturing and bottling plant in Bangladesh.

Board of Investment officials said Coca-Cola had proposed an investment of around \$50 million to set up the plant.

But the company would not reveal the amount of investment it sought to make in Bangladesh as well as the shareholding it offers to the government.

Coca-Cola also plans to begin sales and distribution operations in Dhaka and Rajshahi regions in the next six months to recoup its market share, lost to other competitors largely because of absence of Coca-Cola drinks in these markets since August 2008.

"We want to come back with Coke, Sprite and Fanta to Dhaka and Rajshahi regions. These are big markets and we have been away from consumers for a long time," Debasish Deb, country manager of Coca-Cola Far East Ltd, told The Daily Star yesterday.

"We want to set up a manufacturing plant here by forming a joint venture with the government," he said.

"We want to build a quality products manufacturing system, which we do have in many countries. We want to do the same in Bangladesh," Deb added. "It's only because our consumers are not getting our products and we want to make our products available to the consumers."

Coca-Cola places the proposal to the government as the beverage maker has been showing reluctance in renewing a bottling agreement with state-run Tabani Beverage since July 2008.

The move comes partly because of Tabani's failure to timely address the issues such as establishment of a PET (Polyethylene terephthalate) bottling plant to compete with other local and global brands.

Tabani, which bottled and marketed Coca-Cola products for Rajshahi and Dhaka regions before July 2008, however, claimed that it would face a loss of \$197 million if Coca-Cola discontinues business with it.

"We want to do business with Coca-Cola fulfilling all its conditions. If it does not do business with us, we will incur \$197 million in losses," said AK Mohammad Ali Sikder, managing director of Bangladesh Freedom Fighters Welfare Trust, the parent organisation of Tabani Beverage.

"We have investment in machinery, marketing network and work force. The biggest loss will be in business reputation. We have already informed the government of

our concern," said Sikder.

AB Tajul Islam, state minister for liberation war affairs, said the soft drinks maker placed the proposal to invest around \$35 million to set up a manufacturing plant by offering 10 percent share to the government.

"The company also wanted to invest another \$15 million after a couple of years. But it has not said anything about whether the investment will be done in partnership with Tabani Beverage," he said.

"I think it's (the Coca-Cola proposal) not feasible. That's why I have sent the proposal to the government high-ups for a decision," he said referring to the cabinet committee on economic affairs.

"We would like to invest the same amount having majority stakes in government hand. We are also ready to hand over the management to Coca-Cola."

The investment proposal to form a joint venture awaits approval from cabinet committee on economic affairs, BoI officials said.

The proposal is expected to be discussed at today's meeting of the cabinet committee, they said.

The Coca-Cola country manager did not make it clear whether the soft drinks maker wants to form the joint venture with Tabani Beverage, but said the company is not looking forward to the earlier agreement.

"We are looking for a new relationship. But I am not in a position to comment on whether it would be with Tabani or not," Deb said. "We have a long relationship with the government. We want to continue that relationship."

But its franchise agreement with another bottler and marketer, Abdul Monem Ltd, will continue to market Coca-Cola products in other regions such as Chittagong, he said.

Deb declined to share the details of the investment proposal -- shareholding, management and investment amount -- it submitted to the BoI in September last year.

"As the government is studying the proposal, it will not be right to share the details as the proposal is yet to be finalised. So it's difficult to say what the shape it will take finally," he said.

He said Coca-Cola would invest and build the best facilities in Bangladesh it does in over 200 countries. "We are not thinking of having a small plant here," he said.

"We have investment in countries like India, Philippines, Germany, China and Brazil," he said.

Bangladesh's soft drinks market was around Tk 900 crore in 2009, market players said.

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SW Multimedia looks to animated days

MD HASAN

SW Multimedia, a local animation maker, is upbeat on making domestic and global footprints after winning a deal with BBC Trust.

Under the deal, SW Multimedia will produce a 30-episode animation drama, Rinku's World, for BBC Buzz, a new entertainment show for the youth, which is being broadcast on ATN Bangla.

"We completed 10 episodes which have already been broadcast on ATN Bangla," said AFM Shamsuzzaman, managing director of SW Multimedia Ltd.

As part of the Tk 1.45 crore deal, the rest of the episodes will be delivered in line with BBC Trust's requirements. The deal was signed in September 2008, and the delivery of episodes started in December 2009.

But the deal is no recipe for the animation industry to celebrate, as it has been slack for the last few years due to a lack of orders from the global market. The local market is yet to flourish, as animation is more expensive than any other medium.

However, Rinku, the main character of 'Rinku's World', the three-minute animation show, has become popular giving the company some hope, said Shamsuzzaman.

Rinku's World is a story that focuses on learning English. Rinku, a smart character,

works in an office but faces obstacles, as his English language is poor.

"Although in terms of money, it looks very small, we are happy with the deal with BBC, as it will help us get an access to the global market."

Like other local animation companies, SW Multimedia incurred losses in the last few years. "We have been struggling to match costs to our revenues."

"It is a different experience for us to be working with BBC Trust. It proves that Bangladesh's animation industry can deliver world class products," said Shamsuzzaman.

More than 30 local animators are working at SW Multimedia. The company had earlier produced a self-funded animated television series for children using local stories, settings and role models, called 'Lechu and Pachu'.

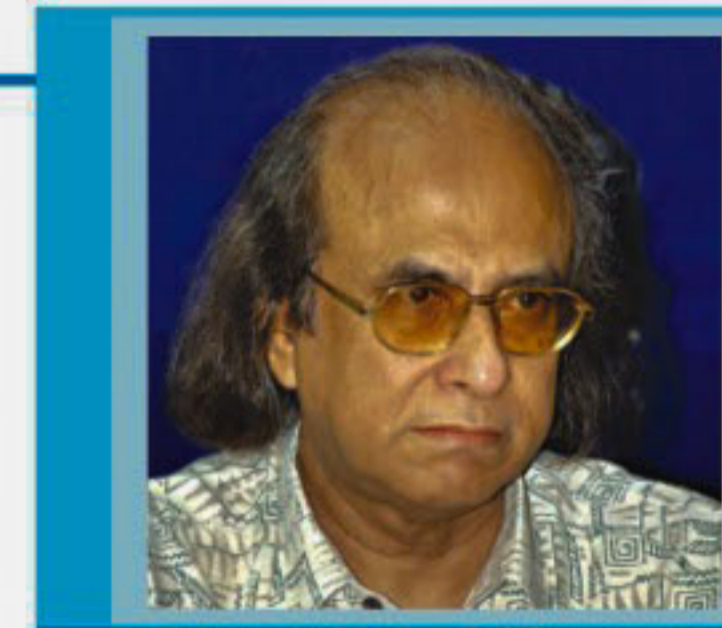
The company also produced an eight-episode animation series for the Millennium Development Goals campaign for United Nations Development Programme, The United Nations Children's Fund and the British High Commission.

Another five-episode animation project for the British High Commission on climate change that was produced by SW Multimedia was broadcast on local TV channels.

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Set priorities based on demand

Economists and development experts urge govt



Qazi Kholiqzaman Ahmad

Private sector and NGOs were involved in the process for the first time, a move that will bring transparency to the public sector's development work



Hossain Zillur Rahman

New schools won't improve the quality of education. There should be a specific strategy to achieve it



Mustafizur Rahman

Development programmes should be based on national priority, not under donors' pressure

SAJJADUR RAHMAN

The government has to set its national priorities based on demand rather than compromising with the pressure from donors, economists and development experts said yesterday.

Different stakeholders such as the private sector, civil society and nongovernmental organisations (NGOs) are to be consulted before preparation of the final document on the outcome of the Bangladesh Development Forum 2010 concluded in Dhaka on Tuesday, they also advised.

The experts however appreciated the government and the development partners for making this year's meeting a participatory and interactive one through the involvement of the private sector, civil society and NGOs.

The Daily Star talked to Qazi Kholiqzaman Ahmad, president of Bangladesh Economic

Association, Dr Hossain Zillur Rahman, former commerce adviser to a caretaker government and a development expert, and Prof Mustafizur Rahman, executive director of the Centre for Policy Dialogue (CPD), a private think-tank. All of them have participated at least in one session of the two-day BDF meeting.

"There must be a sense of partnership between the government and the development partners," said Prof Mustafizur Rahman.

The government should frame its development programmes based on national priorities, not by surrendering to the development partners, he added.

Dr Hossain Zillur said: "There must be a greater sense of urgency based on priority needs."

He cited three areas of the millennium development goals (MDGs) where Bangladesh lags in efforts to control child mortality and maternal mortality and ensure

primary school completion.

"We're seriously off-track in those areas and won't be able to achieve the MDGs by 2015 if the trend continues," he added.

The former adviser identified some missing points of the BDF meeting. The key issues that were not highlighted are quality education, social protection and serious weakness in statistics, the development expert said.

"New schools won't improve the quality of education. There must be a strategy to do it," Hossain Zillur viewed.

Prof Mustafiz said the government has to see whether development partners work properly and align their activities in line with the government's priorities.

Both Qazi Kholiqzaman Ahmad and Prof Mustafiz asked the government to consult the private sector, civil society and NGOs before finalising a development strategy. All of them, however, agreed with

the concerns expressed by donors over poor governance, corruption, centralisation of power, weakness in bureaucracy and energy crisis.

They said these are also their concerns.

Kholiqzaman said this year's meeting was completely different from the previous ones in terms of participation and interaction between all parties.

"Private sector and NGOs were involved in the process for the first time. The move will bring transparency in the public sector's development works," he said.

Prof Mustafiz, also a noted trade expert, said there was a broad-based deliberation on the documents such as poverty reduction strategy paper and five-year plan, placed by the government at the meeting.

"More feedback from outside the government will strengthen the final document," he said. sajjad@thedailystar.net

Committee to review sea freight charges

JASIM UDDIN KHAN

The government formed a high-profile committee yesterday to review the hike in sea freight proposed by feeder operators.

The decision taken by Shipping Minister Shajahan Khan followed the concerns expressed by readymade garment makers and exporters.

The minister also reached a decision to extend the stay time of vessels at sea ports round the clock.

Feeder vessel operators proposed a 40 percent rise in freight charges from this month, meaning that charges for each 20-foot (6.1-meter) container be raised by US\$100 and 40-foot container by \$200.

Currently, the freight charges between Chittagong and Singapore range between \$260 and \$280 for each 20-foot container.

The committee, headed by Md Alaiddin, a joint secretary of the shipping ministry, has been asked to report the outcome of its review within 10 days. The body will examine the freight charges scenario in neighbouring countries like India, Pakistan and Sri Lanka.

The committee has representations from Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association, National Board of Revenue, Ctg Customs C&F Agents Association and Chittagong Port Authority.

"If the proposed freight charges is implemented Bangladesh apparels will lose its competitiveness," said Abdus Salam Murshedy, the BGMEA president.

Vessel operators proposed the hike on the plea that market situation had compelled them to do so.

"Fuel cost, operating cost, currency transaction rate and the global economic scenario are the determinants of such charges," said Captain Rafiqul Islam, a member of Shippers Council Bangladesh.

It is not the matter to decide by any committee or government or any other business agency, he added.

Currently, the charge for shipping goods from Bangladesh to European ports is about \$1800 and American ports \$2,000 for each 20-foot container.

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