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Stocks

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(Week-on-week)

Asian Markets

MUMBAI ▼ 0.83%
16,191.63

TOKYO ▼ 2.05%
10,123.58

SINGAPORE ▼ 0.44%
2,757.14

SHANGHAI **Closed**
(Friday closings)

Commodities

Gold ▲
\$1,112.75
(per ounce)

Oil ▲
\$79.33
(per barrel)
(As of Friday)

SOURCE: AFP

Ousted Russian investor wants to help finance Saab

AFP, Stockholm

Russian billionaire Vladimir Antonov, forced out of Dutch carmaker Spyker before it bought Saab from General Motors, said in comments published Saturday that he wants to help finance the new company.

"There is unfortunately widespread economic crime in Russia but we don't take part in that, and are rather victims of it," Antonov told Swedish business daily Dagens Industri.

"If GM gives me that possibility, I will gladly invest (in Saab) both as an owner and as a lender," Antonov added, arguing GM was behind his exclusion from the Saab deal.

When Spyker announced its 400-million-dollar purchase of Saab from GM on January 26, it said its CEO Victor Muller would be taking up the whole of Antonov's 30 percent stake in Spyker, without giving a reason.

But on Friday, Antonov said he was taking part in financing the Saab deal despite no longer holding a stake in Spyker, through a loan from his Convers Group company to Muller's Tenaci holding.

"I can definitely confirm that I paid the first part (of the loan), that 25 million dollars were made available to Tenaci by Convers Group. That is totally true," he told Svenska Dagbladet newspaper.

On Saturday, the same newspaper quoted Antonov as saying he was open to offering more financing to Saab Spyker, which he said could enter the Russian market with his help.

He also said he wanted a Saab plant in Russia.

"It depends on GM changing its mind and letting me in. If so, we will plan on opening a plant in Russia and starting production."

Footwear makers up for expansion

SAYEDA AKTER

Top local footwear makers and exporters are set to increase their production capacity to utilise the growing international demand for low-cost Bangladeshi shoes.

Meanwhile, footwear export recorded around 30 percent growth in the July-December period of the current fiscal year compared to the same period last year, Export Promotion Bureau (EPB) data shows.

The sector earned \$98.74 million in exports during the period.

Top manufacturers, including Apex-Adelchi Footwear Ltd, Jennys, Landmark, Leatherex, Bay Footwear and Picard Bangladesh, are increasing their production capacity by opening new factories and importing sophisticated machinery and latest technology.

The continuous growth in footwear export is the main reason that forces local companies to go for expansion, and the enhanced capacity will help the exports increase by more than 40 percent from 2011, industry insiders said.

Currently, the local companies make leather footwear of around Tk 1,700 crore a year, of which 45 percent products are meant for shipment.

The country exports around six million pairs of leather footwear a year, with Apex-Adelchi being the largest exporter.

Mazharul Haque, general manager of Jennys Shoes Ltd, said his company is set to increase its production units and showrooms across the country.

"The demand for Bangladeshi low-cost footwear for both men and women is on the rise in the international market, as we produce shoes from high quality finished and crushed leather," he

said, adding: "The prices of our products are lower than those of Indian and Chinese."

"The export growth in value-added leather products, like shoes and bags, is fuelled by the declining demand and consumption of finished leather in the international markets caused by the global financial crisis," Haque said.

He said his company set up a

MARKET GROWTH

Footwear exports rose nearly 30 percent to \$98.74 million in the July-December period of fiscal 2008-09, compared to the same period a year ago, according to the Export Promotion Bureau.

TOP MANUFACTURERS AND EXPORTERS

Apex-Adelchi Footwear
Jennys Shoes
Landmark Footwear
Leatherex Footwear
Bay Footwear
Picard Bangladesh
Lalmal Footwear

new factory in Gazipur last year for bulk production mainly to meet the increasing orders from Italy, Portugal and the UK.

"We are constantly improving the quality of our products by upgrading technology that we import from Italy and Germany," said Haque.

The company opened 12 new showrooms in and around Dhaka last year, and plans to capture a significant market share by opening showrooms in all district towns

by this year. Jennys exported six lakh pairs of shoes last year, while the annual turnover of the company stood at Tk 80 crore.

AKM Afzalur Rahman, managing director of Landmark Footwear Ltd, said the increasing orders from Japan and European nations made his company increase its production capacity further.

each production line costs around Tk 5-6 crore and can produce only one design. The company plans to add more production lines by 2011, said Rahman.

Footwear export has started to grow fast mainly from the last quarter of 2008, when the country's finished leather export declined because of global financial crisis and the local entrepreneurs started to produce value-added products.

Many developed countries such as Italy suspended production of branded shoes for both men and women, as the demand for branded shoes marked a sharp fall in the face of global recession.

Also, countries like China and India are failing to produce high quality but low-cost leather items because of the anti-dumping rules of the World Trade Organisation (WTO). So, orders from Germany, Italy, France, Japan and Canada are shifting to Bangladesh.

The US government's move to cut dependency on China, and European embargo on Chinese and Vietnamese footwear are also pushing the buyers into Bangladesh, said industry insiders.

China, India and Vietnam are the largest leather shoe exporters in the world. Bangladesh started exporting leather footwear in 1994 to neighbouring countries, including India and Nepal.

Tipu Sultan, director of Bengal Leather Complex Ltd, stressed the need for training the workforce and developing skill, so the growth in the local footwear sector can sustain.

He also urged the government to help the manufacturers and exporters by reducing import duties for machinery.

Landmark introduced eight production lines in 2009, while

Deposit insurance premium to rise

SAJJADUR RAHMAN

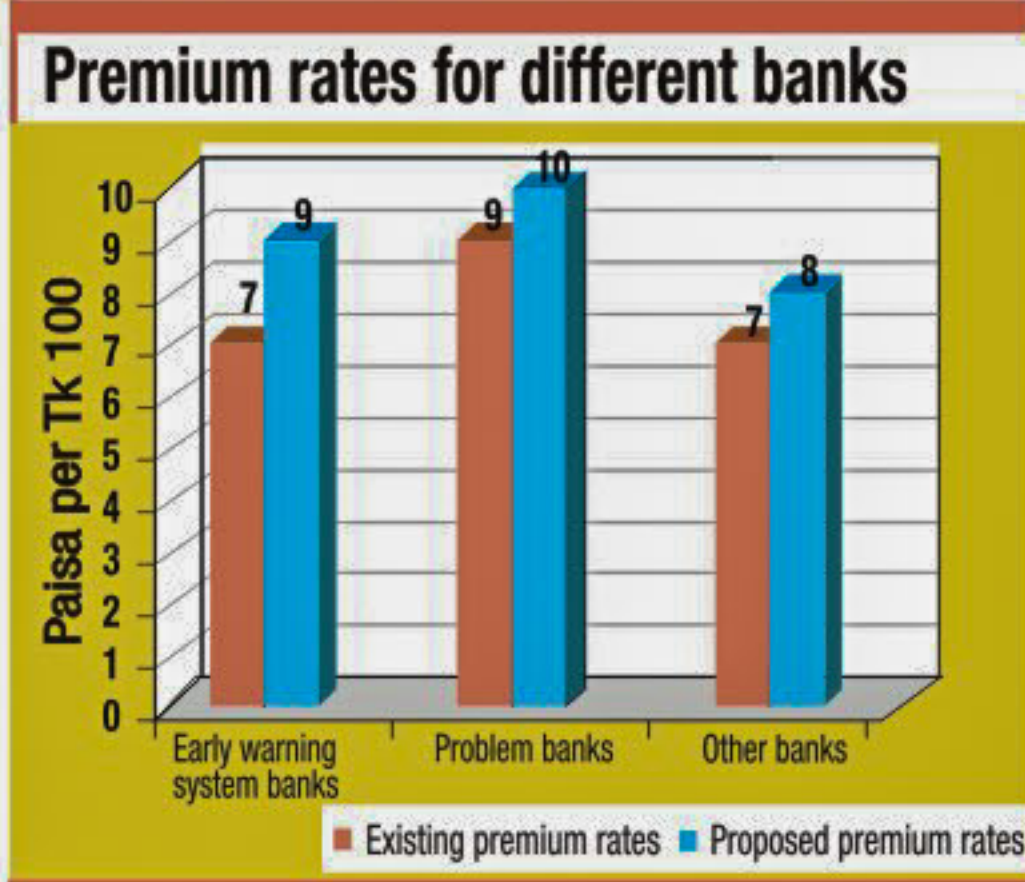
Bangladesh Bank (BB) will raise the amounts of premium for deposit insurance and the coverage to minimise any risk connected to the loss of depositor's fund with a scheduled bank, officials said.

The banks that are now under an early warning system will have to pay such premium at 9 paisa per Tk 100 deposited, which was earlier 7 paisa, according to the new decision. The amount payable as premium for the problem banks will be 10 paisa instead of 9 paisa and 8 paisa for other banks, which was previously 7 paisa.

Besides, the amount of deposit insurance coverage will be raised to Tk 2 lakh from Tk 1 lakh against each depositor as per BB's plan. To do so, the central bank will go for amendments to the Deposit Insurance Act 2000, a law that enables it to run such insurance.

"The BB has recently approved the new risk based premium rate and the amount of coverage, which will come into force after the government gives a go-ahead," a senior BB official concerned told The Daily Star.

He thinks the tentative time banks might have



to pay the new premium rate is the first half of fiscal year 2010-11.

Deposit insurance system was first introduced in Bangladesh in August 1984 aiming to minimise the risk of loss of money deposited with banks.

The Deposit Insurance Act 2000 says in case of an insured bank's collapse or bankruptcy, BB shall pay an amount equal to the money of each depositor of that bank. However this amount will now not exceed

Tk 2 lakh, which was earlier Tk 1 lakh.

As per provisions of the law, the premium collected from the insured banks are deposited in an account called the Deposit Insurance Trust Fund, maintained by the central bank. Presently, all 48 scheduled banks operating in the country are members of this Fund, which provides full protection to 88.7 percent of the depositors.

Cumulative deposit insurance revenues have stood at Tk 764 crore at the end of June 2009. As on December 31, 2009, the Fund's total assets reached Tk 1,256 crore, of which Tk 1,250 crore are invested in government securities.

Bangladesh has not so far experienced any collapse of a bank, although three banks can be cited as crisis-ridden ones. These banks were BCIC, Oriental and Bangladesh Commerce Bank. Against this backdrop, the Deposit Insurance Trust Fund has remained unutilised since its inception.

In this context another BB official said, "The central bank managed panicky depositors well by restructuring BCIC, Oriental and Commerce Bank when those banks fell into severe crisis."

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Benapole trade suspended

A CORRESPONDENT, Benapole

Import and export between Bangladesh and India through Benapole port remained suspended since yesterday morning.

The border trade came to a pause as tension spread between pro-Congress workers union and pro-Trinamool Congress workers union on the Indian side (Petrapole) of Benapole centering establishing dominance.

Nestle sets sights on emerging markets

AFP, Vevey, Switzerland

Nestle, the world's biggest food company, on Friday posted a 42 percent drop in its 2009 net profit and set its sights on one billion new customers in emerging markets over the coming decade.

The profit of 10.4 billion Swiss francs (7.1 billion euros, 9.6 billion dollars) marked a retreat to the Swiss group's performance in 2007, but was largely in line with analyst estimates compiled by business news agency AWP.

"2009 was interesting but turbulent and challenging," chief executive Paul Bulcke told reporters, adding that he was "responsibly optimistic" for 2010 as the food giant targets growth despite overall "economic uncertainty."

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বাঁরা ভাষার জন্য দিয়ে গেছো ধাঁপ...

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বাংলা ভাষা ঋণী করেছে মানব সভ্যতাকে ...

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আজ
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বেসিক ব্যাংক লিমিটেড
শতভাগ মরকাত মালিকানাধীন ব্যাংক