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Stocks	
DGEN	0.12% 5,683.92
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Asian Markets	
MUMBAI	Flat 16,254.20
TOKYO	0.95% 10,101.96
SINGAPORE	0.47% 2,749.15
SHANGHAI	1.27% 3,060.62
Currencies	
Buy Tk	Sell Tk
USD	68.65 69.65
EUR	91.11 95.25
GBP	104.02 108.35
JPY	0.75 0.80

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	\$1,093.40 (per ounce)
Oil	\$79.70 (per barrel)

SOURCE: AFP (Midday Trade)

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## Maksons plans for home textile unit

**STAR BUSINESS REPORT**

Maksons Spinning Mills, a listed company, has planned to set up a fully export-oriented composite home textile unit that promises to add Tk 300 crore to total turnover a year.

To set up the unit, the company has announced a plan to raise funds through issuing rights shares.

As part of the plan, the company's Board of Directors yesterday recommended two rights shares against one existing share at an offer price of Tk 25, which includes Tk 15 in premium.

A portion of the raised fund will be used for paying off high-cost debt that will increase the profitability of the company, it said in a statement.

The rights offer is subject to approval from the Securities and Exchange Commission.

The company that listed on stockmarket in 2008 said the proposed unit would be an integrated textile industry with weaving, dyeing, printing, finishing and garments sections.

Maksons expects the implementation of the proposed unit will drive total turnover to Tk 400 crore a year.

The board members at yesterday's meeting also decided to increase authorised capital from Tk 100 crore to Tk 500 crore.

Chaired by Maksons Chairman Abdul Ali, the meeting was attended by, among others, Managing Director Mohammad Ali Khokon.

Each Maksons share traded between Tk 107.70 and Tk 111 on Dhaka Stock Exchange yesterday.

Presently, sponsors hold a 41.2 percent share in the company, while institutions have a 26.15 percent stake and the public holding is 32.65 percent.



Finance Minister AMA Muhith, third from right, cuts a tape to inaugurate India Trade Fair 2010 at Dhaka Sheraton Hotel yesterday. Commerce Minister Faruk Khan, far right, Chief Minister of Meghalaya DD Lapang, second from right, India-Bangladesh Chamber of Commerce and Industry President Abdul Matlub Ahmad, third from left, Industries Minister Dilip Barua, second from left, Federation of Bangladesh Chambers of Commerce and Industry President Annisul Huq, far left, are also seen.

## Trade bodies vow to deepen ties

### Dhaka declaration adopted on connectivity with northeastern states of India

**STAR BUSINESS REPORT**

An eight-point declaration adopted by two major trade bodies in Dhaka yesterday to strengthen trade ties between Bangladesh and India, especially north-eastern states was handed over to Prime Minister Sheikh Hasina.

V Saran, president of Indian Chamber of Commerce (ICC), and Matlub Ahmad, president of India-Bangladesh Chamber of Commerce and Industry (IBCCI), signed the Dhaka declaration on conclusion of India-Bangladesh Investment Conclave, a seminar organised at Dhaka Sheraton Hotel.

Several ministers and high-ups of the northeastern states of Bangladesh's next door neighbour were present at the ceremony.

The signatories to the declaration prioritised strengthening international trade infrastructures on both sides of the countries with special focus on states like Assam, Meghalaya, Tripura and Mizoram.

The Dhaka declaration also included connectivity through Chittagong Port -- considered the main driver of Indo-Bangla trade relations. Developing more navigable waterways, removal of tariff and non-tariff barriers, tourism promotion, road connectivity between commercially viable locations and exchange of business and government delegations between the two sides are among the points incorporated in the declaration.

Both the parties also agreed to some specific references to four Indian states. In the case of Assam state, the declaration stressed enhancing navigability of the National Waterway 2 of India, which extends into Bangladesh, to facilitate smoother movement of goods coming to and from Bangladesh.

Referring to the border trade centres, already existed at Golakganj and Mankachar in Dhubri district and Sutarkandi at Karimganj district of Assam, it

### KEY POINTS

*The Indian Chamber of Commerce and India-Bangladesh Chamber of Commerce and Industry have agreed to jointly pursue the following aspects:*

- Strengthening Indo-Bangla trade infrastructure with special focus on Assam, Meghalaya, Tripura and Mizoram
- Connectivity through Chittagong port can be the key driver of trade relations
- Improving waterways by dredging to make them navigable
- Implementation of Night Navigation System
- Removal of tariff and non-tariff barriers
- Promoting tourism between Bangladesh and India's north eastern states
- Road connectivity between commercially viable locations
- Exchange of business and government delegations between Bangladesh and India's north eastern states

also recommended that Bangladesh develop such border trade infrastructures on their side.

The declaration also said Bangladesh should remove trade barriers for smooth movement of goods through road and river routes.

About Tripura, the declaration insisted on expeditious implementation of the agreement reached between India and Bangladesh during the premier's recent Delhi visit for access to the Chittagong Port. It also asked for allowing movement of ODCs (over-dimensional cargoes) from Ashuganj, a river port on Bangladesh side, and opening of Sabroom-Ramgarh land custom station on the Indian side.

It also recommended direct bus service and air connectivity between Agartala and Kolkata via Dhaka, improved connectivity and transshipment facility and a national highway connected with Dhaka - Chittagong Road.

In the case of Mizoram state, the declaration suggested operationalisation of Thekemukh-Kawrpurichuah integrated check post, road connectivity upto Demagiri and construction of bridges

connecting Mizoram with Bangladesh.

Before the finalisation of Dhaka declaration, Tripuran Industries Minister Jitendra Choudhury said at a business session that cement worth Tk1,000 crore is consumed in his state every year for the massive construction works. Bangladesh is the only major source of cement supplier for Tripura, he said.

Deputy Chief Minister of Meghalaya BM Lanong said, "Now trade takes place between the two countries unofficially, we should make it official through enhancing connectivity."

L Sailo, Mizoram's trade and commerce minister, said formal trade between Bangladesh and Mizoram from land stations will start very soon as all procedures are nearing completion.

**MORE ON B3**

## Infrastructure key to better regional link-up

### Says chief minister of Meghalaya

**SAJJADUR RAHMAN**

Trade and commerce need good connectivity to be successful, and developed infrastructure is the prerequisite to establish such link-ups, said Dr DD Lapang, chief minister of India's northeastern state of Meghalaya.

"Once the connectivity through road, rail and air is established between Bangladesh and Meghalaya, trade and commerce are bound to increase," Lapang told The Daily Star in an interview yesterday.

He came to Bangladesh on his maiden visit to attend a trade and investment conclave and the inaugural of the first Bangladesh-India joint trade show that began in Dhaka yesterday.

The chief minister also talked on the business potential between Bangladesh and Meghalaya, recent developments in bilateral ties after the India visit of Bangladesh Prime Minister Sheikh Hasina and terrorism.

He said the bilateral relationship between Bangladesh and India, particularly with the Indian northeastern region, will improve significantly from now.

Meghalaya is a tiny state of 22,400 square kilometres and around 25 lakh population. It became a full-fledged state on January 21, 1972. Bangladesh



**Dr DD Lapang**

bounds the state on the south and west and Assam on the north and east.

Shillong, the capital of Meghalaya, is only 120 kilometres away from Bangladesh's northeast divisional city of Sylhet. Although Bangladesh is the next-door neighbour, people from the state need to take a long journey either to Agartala, where the only visa office in the North East is located, or Kolkata to visit the country.

Coal, limestone, granite, fireclay, quartz and glass-sand are the main mineral resources of Meghalaya. It has a wide variety of farm products,

such as rice, maize, potato, cotton, orange, ginger, tezpata (a type of leaves used as spice), jute, banana and pineapple.

The hilly state also produces timber, bamboo, reed, cane, ipeac, medicinal herbs and plants, cinnamon, lemon grass and thatch-grass.

"Bangladesh can easily import limestone, coal and other mineral resources we have," said the chief minister. "It can also export products, including readymade garments, to Meghalaya."

The both sides can develop tourism, he said.

The state has good hospitals and clinics and schools that can benefit the Bangladeshis, he added.

Northeastern India has been politically isolated for decades partly due to the presence of insurgency in a number of states across the region -- also isolated geographically with the rest of India as Bangladesh stands middle between them.

Although the chief minister is confident of an improvement in relationship, he said still there is a long way to go.

"Bangladesh should not be a place for terrorists or their outfits because this spoils relationship with the neighbouring countries," he added.

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## SMEs to get fund boost this year

**SAJJADUR RAHMAN**

Banks and non-bank financial institutions (NBFIs) have set a combined loan target of Tk 23,995 crore to be disbursed among small and medium enterprises (SMEs) this year, central bank data shows.

Forty-eight banks including nine foreign ones and 24 NBFIs have set this target for the first time in the country responding to a Bangladesh Bank (BB) directive.

"The move will expand the SMEs' access to financial services significantly," Sukamal Sinha Chowdhury, general manager of the central bank, told The Daily Star.

The banks will be obligated to disburse the loan as they have set the target on their own, he said.

The BB will only monitor if the financial institutions are lending the SMEs the pledged loans, said Chowdhury.

The SMEs in Bangladesh have been deprived of getting formal financial services for years. Financial sector, including banks, was refusing to lend the SMEs, terming the enterprises risky and unorganised.

The BB introduced a refinance scheme in fiscal 2004-05 with Tk 100 crore as revolving fund for refinancing the banks and NBFIs against loans given to the SMEs. The scheme has been widened since then with funds from the Asian Development Bank and the World Bank. Now over Tk 1,100 crore are put in place for refinancing, BB data shows. Under the refinance scheme, more than 11,000 beneficiaries have so far been covered.

For the last few years, the central bank has been working to encourage the banks and other financial institutions to come up with more SME loans.

"The number of SMEs getting institutional finance is on a constant rise," said another BB official.

He said some 9,000 SMEs got formal financing in three months -- between June and September 2009. "This is a huge progress compared to the past," he added. Most of the beneficiaries were from small manufacturing units, said the official.

Outstanding loans to the SMEs increased to Tk 51,147.58 crore at the end of December 2009 from Tk 47,495 crore in June the same year.

The BB officials said things have started changing rapidly after the incumbent governor, Dr Atiur Rahman, took charge in May last year.

Rahman, who is widely known as a friend of SMEs and farm sector, has taken various measures to boost credit for the SMEs and agriculture.

A department dedicated for the SMEs has been incorporated in the BB organogram recently. An SME booklet (guideline) and a road show will be launched next month. The BB has also gone into area-based approach for funding the SMEs. Potential SME areas are being identified for funding.

The BB has reduced the loan limit to Tk 50,000 from previous Tk 200,000 to bring more SMEs under the formal financing network, said the general manager of the central bank.

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## DSE suspends trade of AIMS 1st Mutual Fund

**STAR BUSINESS REPORT**

Dhaka Stock Exchange management yesterday suspended trading of AIMS 1st Mutual Fund following a dividend declaration by the fund.

The suspension, according to the prime bourse, will remain effective until further direction from the regulator over such declaration, announced Wednesday and posted also on DSE website.

DSE says the trade was halted to protect investors' interest at large.

The suspension came just a minute after the beginning of trading hours at 11am. However within the minute the price of each AIMS rose 22.17 percent to Tk22.31. A total of 1.6 lakh units worth Tk34 lakh were traded on the board.

"The regulator has taken the action in the interest of investors as per their view, there should not be any question about this," Yawer Sayeed, managing director of AIMS of Bangladesh, manager of the mutual fund, told The Daily Star.

The trustee committee of the AIMS 1st Mutual Fund has announced 70 percent stock dividend for the years 2007-08 and 2008-09 and a 130 percent right entitlement.

The committee proposed the right offer, 13 units of Tk 1 each against holding of 10 units of Tk 1 each at a price equal to net asset value per unit of the fund.

The declarations have already been referred to the Securities and Exchange Commission for approval, after which the fund manager is supposed to declare a single record date for both the disclosures.

## Limestone to roll in again for Lafarge, says Meghalaya's deputy CM

**REFAYET ULLAH MIRDHA**

Deputy Chief Minister of Meghalaya BM Lanong says he is confident that the supply of limestone from the Indian state for Lafarge Surma Cement Ltd in Bangladesh will resume soon.

Lanong expressed his optimism yesterday while he was speaking as a speaker at the North-East India-Bangladesh -- Trade and Investment Conclave -- at Dhaka Sheraton Hotel.

"We don't need to worry about the movement of limestone from Meghalaya to Bangladesh. The movement of limestone will resume soon," Lanong said.

Earlier this month, the Indian Supreme Court restrained the cement giant from mining limestone in Meghalaya, saying mining cannot be allowed in an eco-fragile area.

The court stayed the mining activities on the basis of a report from the Indian Ministry of Environment and Forest, which said the company had been extracting minerals from the land in the forest area.

The case is pending with the court and the next hearing has been set for March 19.

Lafarge used to bring in limestone for a plant in Chhatak in Sunamganj from the quarry across the border by a 17-kilometre conveyer.