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EUR	85.43	89.47
GBP	100.54	104.16
JPY	0.72	0.77

SOURCE: STANDARD CHARTERED BANK

No bank fees for small savers

STAR BUSINESS REPORT

Banks will charge no maintenance fee for small savings up to Tk 5,000, Bangladesh Bank (BB) said in a circular yesterday.

But the banks can charge Tk 100 biannually for savings up to Tk 25,000.

The central bank has taken the decision to protect the interests of the small savers, said the circular.

Earlier, the BB in a circular in December 2009 fixed the banks' biannual account maintenance fee at Tk 300. But the state-owned banks, which used to charge less than Tk 300 before, started seeking Tk 300 following the issuance of the circular.

Before the December circular, the banks, particularly the local private and foreign ones, used to charge from Tk 500 to Tk 1,500 for maintenance of a bank account.



Handloom and power loom weavers take to the streets in Pabna yesterday, protesting the price hike of yarn on the local market. The weavers have been on a countrywide indefinite strike from Wednesday. (Story on B3)

Costly yarn to hurt apparel export

Warn RMG makers as production costs go up

REFAYET ULLAH MIRDHA

The spiralling yarn price on the local market is set to unnerve the apparel export growth as the cost of production has gone up further, industry people warned.

The yarn prices started rising at a time when the export of readymade garments was just rebounding amid a recovery from the global recession, they added.

Knitwear export grew by 15 percent and woven 13 percent in March compared to the same month a year ago.

"I have stopped taking fresh orders from the international buyers as they won't pay high for the rise in yarn price," said Shahadat Hossain Sohail, managing director of Towel Text Ltd, a Savar-based apparel factory with \$2.4-million annual export.

He said the small factory owners will be in trouble as they have no diversified business for survival during the crisis. "I am waiting for the lean season [from July to October] when the yarn prices will come down."

The yarn prices increased by one dollar per kilogram from January to April, which is very unusual, he

added.

"The current price of yarn is just unrealistic," said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association.

Demanding immediate government intervention in taming the prices, he said the country may miss the export target, otherwise.

He said the widely consumed 30-count yarn was selling at \$4.20 per kg yesterday. This price has been continuing over the last few days and it hit \$4.50 last month, the industry people said.

Earlier, the apparel makers and spinners held a series of meeting with Textiles and Jute Minister Abdul Latif Siddiqui last month to find out a reasonable solution. But, they could not reach any decision.

Abdul Hai Sarker, president of Bangladesh Textile Mills Association, said China bought a huge quantity of cotton from the international market, which has affected the yarn manufacturing countries like Bangladesh.

Uzbekistan and India are two major sources of raw cotton for Bangladesh,

but Uzbekistan has a shortfall in production this year and India, the second largest exporter, imposed a ban on cotton export last month.

Sarker said the demand for yarn also increased in Pakistan, one of the leading home textile manufacturers and exporters. "Also, inadequate gas and power supply in the industrial sector in Bangladesh has fuelled the yarn price."

He claimed the prices of yarn started declining in the local market and the 30-count variety of yarn was selling at \$3.90 per kg yesterday.

The total investment in spinning sub-sector in Bangladesh is Tk 35,000 crore, Sarker said, adding that the investment will be in trouble if the government allows duty-free import of yarn through Benapole Land Port from India.

Meanwhile, handloom and power loom weavers have been on an indefinite countrywide strike since Wednesday, protesting the price hike of yarn on the local market.

They demanded that the government allow duty-free import of yarn through the Benapole port from India.

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RELATED STORY ON B3

Dohatec makes mark in software business

Local firm in talks with 10 countries for deals

JASIM UDDIN KHAN

A Bangladesh software firm is in talks with about 10 other countries to carry out tasks of voter enrolment and people identification.

Dohatec, the software developer for Bangladesh's 80 million-voter ID registration and biometric matching, has made a mark as a leading software company in the world.

The software is now negotiating with election officials of Somalia, Mauritius, Nigeria, Kenya, Congo, Papua New Guinea and Mongolia to develop their voter identification card and biometric matching software.

"Election officials from 10 countries contacted us. Some high officials even visited us to examine our activities. We are communicating with them to make sure we are included in the proposed pool of companies for the task," Luna Shamsuddoha, chairman of Dohatec, told The Daily Star.

The software for voter enrolment and people identification is not new to the world but what makes Dohatec different is that it compiled it for about 80 million voter data, which is massive.

"We faced problems in implementing the voter registration for such a large data base. We solved the problems in stages by making the software cutting edge," she said.

"It is prestigious for Bangladesh that Dohatec is competing with leading global IT solution providers. Our company has recently participated in the Philippines National Voter Registration and Biometric matching project, where we lost to Japanese NEC Global, a world leader in IT solutions."

Luna said Dohatec's main strength is that donors are strongly recommending this software, as it has a long association with multilateral donors.

On the expenses of such a project, the company chairman refraining from revealing all says hundreds of million dollars are associated with such projects.

Dohatec provided Bangladesh Army with the voter enrolment and people's identification software in 2007 with prototype comprising digital voter entry form, including photograph and fingerprint captures, based on laptops equipped with Microsoft operating systems.

The Bangladesh Election Commission made the system public on April 08, 2007.

Earlier in 2001-02, Dohatec developed the United States Postal Service's (USPS) online mail tracking system with Harte-Hanks Inc, applying technology to bring value added information based solutions. Dohatec's online mail tracking system, is a fully web enabled large database system capable of

HIGHLIGHTS



- Develops Bangladesh Voter Enrolment and People's Identification Software in 2007
- Develops United States Postal Service's online mail tracking system in 2001-2002
- Developing World Bank's development report every year since 2002
- Becomes a Microsoft Gold Software Certified Partner in 2006

handling millions of records is an innovative product track automated bar coded mail through USPS facilities.

Dohatec has been developing the World Bank's World Development Report (WDR) on Dohatec Acrobook every year since 2002. All contents of the reports are fully indexed and cross-referenced for easy searching across the volumes in the archives.

Besides, Dohatec drew the attention of software giant Microsoft for its outstanding contribution in the hi-tech domain and became a Microsoft Gold Software Certified Partner in 2006.

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Bank managers seek more clout

REJAUL KARIM BYRON

Bank managers of rural branches yesterday urged Bangladesh Bank (BB) to increase their sanction limit for loans, as the head offices sit on their loan proposals far too long.

When a rural branch of a bank sends a loan proposal, it stays in the head office without a decision for up to a year.

At a meeting yesterday on agriculture loans at Bangladesh Bank, a branch manager expressed frustrations over the matter.

The manager said capable young loan applicants, with degrees in business administration and finance, approach rural banks for their small projects that create jobs.

However, the branch managers cannot sanction the proposals, as those are not within capacity, he said.

The proposals are sent to the bank's head office, where officials with more experience in dealing with loan proposals, but with less field experience, keep the files waiting for long.

In June, BB will announce the new target and policy for distribution of agriculture loans for the next fiscal year. Branch managers from different regions in Bangladesh were called in, to discuss the troubles they face in loan distribution.

BB Governor Atiur Rahman inaugurated the daylong programme. Deputy Governor Murshid Kuli Khan delivered the address of welcome.

BB Executive Director Abul Kasem presided over the working session of the meeting where the branch managers projected their problems and put forward proposals.

Rafiqul Islam, a Janata Bank branch manager, said if the agriculture ministry prepares a database of farmers, branch managers would be able to provide loans to farmers in two hours.

"The agriculture card now being issued contains very little information. If more information is added, giving loans on the basis of that information will become much easier," he said.

Abu Bakar Siddique, a Sonali Bank branch manager, said to be self sufficient in agriculture, the government can build agro-zones in different areas. It will create employment on one hand, and the country will become self-reliant on the other hand.

Abdul Malek, another branch manager of Janata Bank, said when the government disbursed diesel subsidy for boro irrigation reached the farmers late, the crops harvested become useless for them. He stressed ensuring on-time diesel subsidies for farmers.

Shamsuddoha, a branch manager of Krishi Bank, said if the Department of Agricultural Extension prepares upazila wise farmer's list and sends it to the bank branches, it would ease giving loans to genuine farmers.

In the current fiscal year, banks have fixed a target to disburse the highest amount of loans of Tk 11,500 crore. About 78 percent has been distributed in the first 10 months. In the next fiscal year, BB will fix a target 50 percent higher than this year.

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