

Govt to draw roadmap for auto sector

STAR BUSINESS REPORT

The government is set to develop a comprehensive roadmap for the automobile sector by December in a bid to help the sector flourish.

"We are now opening the forum for designing the automobile sector roadmap and this will remain open until a comprehensive development plan for the sector is made," said ABM Khorshed Alam, additional secretary for the industries ministry, at a workshop organised by the ministry yesterday.

"The automobile industry is slowly but surely shifting toward the Asian countries, mainly because it has reached a saturation point in the western world," said Prof M Mahbubul Alam, head of the mechanical engineering department at BUET.

He cited an example that people from the advanced countries such as

the USA and Canada boast at least one car for every three persons. On the other hand, a scanty number of people in Bangladesh have cars.

Currently, the principal users of the Asian automobiles are China, India, and Asean nations.

Low-cost vehicles namely scooters, motorcycles, mopeds and bicycles have led to the massive growth of some of the fastest developing economies such as China and India.

"We believe a bright future in this sector awaits us and it is possible to achieve, provided an appropriate and targeted comprehensive policy is developed," said Alam.

He suggested the government introduce one-stop service centres, especially for education and hospital services, which might reduce traffic tailbacks in cities considerably.

In the proposed Industry Policy

2010, however, the government has prioritised the light-engineering sector, which is capable of making almost 75 percent of the medium to high-tech auto parts.

"We have already picked the light engineering sector as a priority sector in a bid to develop it further," said Industries Ministry Dilip Barua.

"We are going to set up a separate industrial park for the automobile sector."

Dewan Zakir Hussain, industries secretary, said: "It is time to decide whether Bangladesh will turn into a dumping park for the international car makers or pursue a policy for the development of local car-manufacturing potential."

The sector people also said some former car assembly houses have now converted to trading joints due to oppressive tax regimes.

Stocks sidle higher

STAR BUSINESS REPORT

The Dhaka market gained for a ninth straight session, with almost all the sectors posting moderate gains yesterday.

The key index of the Dhaka Stock Exchange -- DSE General Index (DGEN) -- rose 41.98 points, or 0.63 percent, to 6,662.96. DGEN gained nearly 375 points in the nine-day rally.

Analysts at Race Asset Management said the gains were mostly broad-based, with 16 sector indices posting small to moderate gains in the day.

Telecom, fuel and power, and non-banking financial institutions led the rally, backed by textiles and pharmaceuticals. The negative performers were banks and insurance companies.

Turnover also rose to its third-highest level at Tk 2,438 crore, and just 2 percent off the highest turnover

recorded on June 16.

Losers, however, beat gainers 131 to 115, with eight securities unchanged on the prime bourse, which traded more than 9.69 crore shares and mutual fund units on the floor.

Summit Power topped the turnover leaders, with more than 1.1 crore shares worth Tk 163.67 crore. The other turnover leaders were Lanka Bangla Finance, Titas Gas, Bextex and Beximco.

United Commercial Bank, the largest gainer, jumped up 11.75 percent, followed by Beximco Synthetics, City General Insurance, United Insurance and Bextex.

Apex Spinning, the biggest loser, fell 8.73, followed by Rupali Life Insurance, Bangladesh Shipping Corporation, Sonargaon Textiles and Padma Cement.

Chittagong stocks also posted rise yesterday with the CSE Selective Categories Index increasing nearly 156 points, or 1.23 percent, to 12,770.59.

More than 1.08 crore shares and mutual fund units changed hands on the Chittagong Stock Exchange, for a value of Tk 192.19 crore.

On the port city bourse, 90 securities gained, 103 declined and five were unchanged.

Summit Power topped the turnover leaders with more than 12.14 lakh shares worth Tk 18.06 crore. Other turnover leaders were Bextex, Desco, United Commercial Bank and Beximco Ltd.

City General Insurance, the largest gainer, posted 14.55 percent rise, followed by Ambee Pharma, United Commercial Bank, Beximco Synthetics and Eastern Insurance.

Jago Corporation, the biggest loser, slid 16.47 percent, while Samata Leather, 1st BSR Mutual Fund, Bangladesh Shipping Corporation and Sonargaon Textiles also lost ground.



Signing Ceremonial

Jnan Ranjan Sil, member (engineering) of Bepza, and Chien James Ho, chairman of Xin Chang Shoes (BD) Ltd, exchange documents after signing a deal in Dhaka on Monday. The shoe company will set up a manufacturing plant at Comilla EPZ at a cost of \$16.7 million.

Bangladesh is conducive to foreign investment

Bol chief tells Chennai entrepreneurs

STAR BUSINESS REPORT

The country offers a competitive business-friendly environment for investors, the executive chairman of Bangladesh's Board of Investment told a seminar in Chennai yesterday, according to Delhi media reports.

"Low labour cost, strategic location, regional connectivity and worldwide access are some advantages for investors," said Dr SA Samad, who headed a big business team to the capital of Indian state Tamil Nadu on August 8-10.

The Confederation of Indian Industry (CII) organised the seminar on 'strengthening Indo-Bangladesh investment and trade'.

The India-Bangladesh Chamber of Commerce and Industry arranged Bangladesh team's visit to Chennai.

Samad attached due importance to enhanced economic ties with India, as it remains immune to recession which affected many countries worldwide.

Pointing to Bangladesh's steady pace of around 6 percent growth, the BoI chief said his country targets to touch an 8 percent growth by 2013.

Samad listed some sectors that could lure Tamil Nadu entrepreneurs for investments under private-public partnership, which include power, ports, telecom, highways and expressways, oil and gas, airports, tourism, industrial estates and property developments.

Bangladesh's envoy also expressed his country's intention of being the hub of connectivity between the South East Asian countries as well as India's north-eastern part, commonly known as Seven Sisters.

M Velmurugan, executive vice chairman of Tamil Nadu Industrial Guidance and Export Promotion Bureau, said there is ample scope for Bangladesh to invest in Tamil Nadu and vice versa.

Tamil Nadu, being a hub for automotive, leather, IT, textile and electronics sectors, provides a huge opportunity for Bangladesh companies to collaborate with Indian counterparts, Velmurugan pointed out.

T T Ashok, deputy chairman, CII southern region, said both India and Bangladesh offer natural markets for each other's exports and have advantages of reduced transaction costs and quicker delivery due to geographical proximity.

Bangladesh is a strong business partner for India in South Asia. Indian exports to Bangladesh in 2008-09 stood at US\$ 2497.84 million and imports from Bangladesh touched US\$ 313.11 million, Ashok informed the seminar.

Abdul Matlub Ahmad, IBCCI's president, the chamber was formed over three years back to promote bilateral trade and investment between the two countries.

Dhaka-Delhi trade is worth about \$7 billion, he said.

S Sen, principal adviser, special projects, CII, Bangladesh wants to grow in the field of IT and India would be the best partner as the country is doing very well in this sector.



Aftab ul Islam

New office bearers for Asia Pacific General Insurance

STAR BUSINESS DESK

Asia Pacific General Insurance Company Ltd has elected Aftab ul Islam and Kashmiri Kamal as chairman and vice-chairman, the insurer said in a statement.

The election took place at the company's 57th board meeting in Dhaka.

Islam is also the chairman of Small and Medium Enterprise (SME) Foundation.

He is also the president of American Chamber of Commerce in Bangladesh.

The government has declared him a commercially important person.



Galey Nuima, president of Bhutan Exporters Association, speaks at a meeting with the members of International Business Forum of Bangladesh (IBFB) in the capital yesterday. IBFB President Mahmudul Islam Chowdhury was also present.

Import hydroelectricity from Bhutan

A visiting delegate suggests

STAR BUSINESS REPORT

Bangladesh has an opportunity to import hydroelectricity from Bhutan, a neighbouring country with a record of exporting 1,200 megawatts to India.

Galey Nuima, president of Bhutan Exporters Association (BEA), made the recommendation in a meeting with International Business Forum of Bangladesh (IBFB) yesterday in Dhaka.

In his speech, Nuima said Bangladesh has the advantage of competitive prices offered in the Bhutanese market in products such as garments, agricultural and food products.

On the other hand, Bhutan offers minerals, fruits and vegetables to the

Bangladesh markets, he said.

Nuima also mentioned the favourable decision of his country's government to allow duty-free access for 18 agro-based products of Bangladesh. The decision was made during the visit of Prime Minister Sheikh Hasina to Bhutan in November.

Nuima invited Bangladeshi traders to participate in an international trade fair, organised by the Bhutan Chamber of Commerce and Industry scheduled to be held in Thimphu in September.

Mahmudul Islam Chowdhury, president of IBFB, said Pranab Mukherjee, finance minister of India, during his recent visit to Bangladesh already agreed to give space to Bangladesh for

exporting and importing commodities from Bhutan and it affords an opportunity for Bangladesh to import power from Bhutan.

Bangladesh may import edible oils, crude oils, crude petroleum, fertiliser and cement from Bhutan, he added.

Chhime Tshering, the first secretary of the Bhutanese Embassy in Bangladesh, said Bhutan produces 1,500 MW power against demand for 300 MW in his country and it aims to produce another 10,000 MW hydroelectricity.

A nine-member Bhutanese delegation led by Nuima is visiting Bangladesh to explore the market for their products here. The delegates will also visit Chittagong tomorrow to meet fruit importers there.

BB, state banks asked to review proposed salary hike

STAR BUSINESS REPORT

A government committee has asked Bangladesh Bank (BB) and three state-owned banks to bring down a hike in the separate pay structure for the bank staff proposed by the banks, saying the increase is too high.

The second meeting of the secretaries' committee was held yesterday at the Cabinet Division with Cabinet Secretary Abdul Aziz in the chair. Finance minister AMA Muhith was present at the meeting on his special interest.

The committee observed that the

separate pay scale proposed by the central bank, Sonali, Janata and Agrani banks was very high, said officials who were present at the meeting.

Citing an example, the committee said the proposed salary of a general manager of the central bank was 93 percent more than that of a secretary of the government.

The committee has asked the BB and the three state banks to review the proposed salary structure and place it before the committee within the next 15 days.

The finance minister said the separate pay structure for the staff of the

central bank and state banks will be finalised within a month.

After coming to power the government made commitment to give a separate pay structure for the bank employees.

Muhith said the separate pay structure for the central bank will act as a model for other government sectors.

He also said the pay scale for the public administration has 20 grades. However, the committee has been asked to see whether six to eight grades can be made in the pay structure for the central bank and the state banks.

Bond commissionerate to open in Ctg next month

STAFF CORRESPONDENT, Ctg

The government is going to set up a full-fledged Bond Commissionerate and a bench of Customs Appellate Tribunal in Chittagong within September, said National Board of Revenue (NBR) Chairman Nasiruddin Ahmed yesterday.

He was addressing a seminar on "Simplification of Customs Procedures" in the conference room of Chittagong Customs House. The two existing customs houses in the port city, including import and export ones, will also be unified and converted into one within the same time, he added.

NBR Member Hussain Ahmed presided over the seminar, while Director General of Customs Excise and VAT Training Academy Prokash Dewan presented the keynote paper.

Senior officials of NBR, customs and representatives of different business associations were also present.

On NBR's initiatives to solve manpower

problem, Nasiruddin said 152 assistant revenue officers will be recruited by this year.

Hussain Ahmed said simplification in the taxation system would accelerate business activities, as expenses will surely decrease with an easier delivery of imported goods.

Chittagong Customs (import) Commissioner Syed Golam Kibria and Customs (export) Commissioner Jamal Hossain highlighted the problems in simplification of the customs procedure.

Setting up of BSTI outlet in customs houses will decrease the business expenses, said one of the officials.

Prokash Dewan emphasised promoting business including modernisation of Customs Act, introduction of green channel in taxation and delivery, delivery of nine types of goods at inland container depots and setting up of four scanners in Chittagong Port.

Khalilur Rahman, vice president of Chittagong Metropolitan Chamber of Commerce and Industries, proposed delivery of more fifteen types of goods through the private depots.

BRAC Bank launches portfolio management solution

STAR BUSINESS DESK

BRAC Bank has introduced a new investment solution -- WEALTHmax.

The bank brought the portfolio management solution for its customers in association with its merchant-banking subsidiary BRAC EPL.

Syed Mahbubur Rahman, managing director of BRAC Bank, has unveiled the solution at Hotel Sarina in Dhaka recently among top customers of the bank.

"WEALTHmax offers a complete portfolio management solution for premium banking guests who wish to invest in the capital market," said Firoz Khan, head of retail banking for BRAC Bank.

Khaled Farazi, BRAC EPL chief executive officer, said: "It combines exceptionally low interest rates for margin facilities with privileged trading facilities to ensure optimum return on investment."

The bank's managing director said the idea of having a dedicated wing for merchant banking is to broaden the scope of investments for more people.

"With the launch of WEALTHmax, our top customers will receive services beyond the obvious and more relevant to the current investment trend of a stable growing stock market."



Industries Minister Dilip Barua inaugurates a branch of Shatarupa Departmental Store, at Gulshan-1 in Dhaka on Monday. Managing Director of Shatarupa Group JL Vowmik was also present.