DHAKA SUNDAY AUGUST 22, 2010

1.05%

6,743.21

12,937.76

2.07%

(Week-on-week)

V 0.29%

1.96%

18,401.82

9,179.38

0.35%

2,936.48

1.70%

2,642.31

(Friday closings)

\$1,223.50

(per ounce)

\$74.57

(per barrel)

(As of Friday)

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SOURCE: AFP

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TOKYO

....... A home-grown cargo han-

dler is racing to set up the country's first privately run river container port. The port, in Munshiganj,

will handle sea freight between Chittagong and Dhaka.

Summit Alliance Port Ltd (SAPL), a venture of local conglomerates Summit Industrial, Mercantile Pvt Ltd and Alliance Holdings

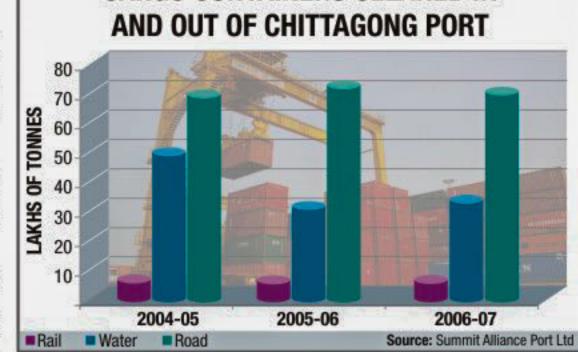
Ltd, said its project is named Cemcor. Construction of the river port on 14.5 acres in west Mukterpur on the Dhaleshwari river may be complete and export since 2003. by next June, said officials.

The terminal will handle up to 1.20 reducing cost for goods moved between the two trading hubs, said Nasser Rizvi, deputy managing direc- Chittagong now. tor of SAPL.

The Tk 236.4 crore project cost includes Tk 165 crore jointly funded by the Investment Promotion and Financing Facility, the World Bank and a syndication of financial institutions.

Development Finance Co Ltd (IIDFC) will lead the financing and

AND OUT OF CHITTAGONG PORT



represent the project.

Summit Alliance, first publicly listed off-dock container yard in Bangladesh, has been in the cargo import

The fully customs-bonded inland container terminal with a crore TEUs (twenty-foot equivalent container freight station will comunits) each year, "significantly" pete with road and rail routes, the main mode for transporting seabound goods between Dhaka and

Md Asaduzzaman Khan, managing director of IIDFC, said it will aim to slash the cost of shipping freight overseas while creating jobs and developing local infrastructure.

Fully 1.9 crore tonnes of dry cargo and containers were cleared through The Industrial and Infrastructure Chittagong in 2006-07. One TEU goods costs Tk 12,000 from Dhaka to Chittagong in covered vans.

went via roads, only 33 lakh tonnes used the slower waterways.

"It is possible to load a far larger amount of cargo at a time through a river transport like barge, which easily makes up for the extra time required for shipment through waterways," Rizvi said.

"Keeping that in mind, we would initially procure four specially built barges, each with a capacity of 100-120 TEUs to transport containers to Chittagong," he said.

"For imported cargo, the river terminal will be used as a hub for unloading the containers for delivery to the greater Dhaka area."

SAPL bought the project site from cement manufacturer Holcim.

Danish port consultancy Seaport Innovations Ltd is advising SAPL on vendor selection for machinery and equipment.

The project will create construction and port jobs, and may stabilise the commodity prices, as the cost of transport affects retail prices, said the project officials.

The port will also increase local demand for goods and services, said

mehdi@thedailystar.net

Private river port by June Tax on local garments Mehdi Musharraf Bhuiyan CARGO CONTAINERS CLEARED IN While 70 lakh tonnes went via roads, only 33 lakh tonnes went via roads, only 34 lakh tonnes went via road

"It seems unfair

charge our customers

more to match our

foreign-products-

based houses."

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MD FAZLUR RAHMAN

...... Customers of local fashion boutique houses pay more than those who buy garments from entirely import-based stores, manufacturers-cum-retailers claim because of the value added tax (VAT).

The government in June tripled the VAT on homegrown boutique items to more than 5 percent, while levies on imported items were raised to 2 percent.

Before the tax hike came into effect, both the fashion houses that promote made-in-Bangladesh garments products and the lakh units of shirts, pants, T-shirts and warm import-based stores paid a ___ VAT of 1.5 percent.

Local manufacturerretailers said customers complain about the VAT rates. They urged the government to lower the rate.

However, Abdul Mannan Patwary, a member of National Board of Revenue, said the levy for branded items are mainly higher because they charge higher prices than non-branded items.

The importers pay 3 percent tax when importing; but no additional tax if they also retail and their mark-up at retail is 20 percent or less.

Retailers who do not import pay 2 percent, for a total of 5 percent VAT by consumers.

"In the past, we used to absorb the 1.5 percent VATs instead of passing onto the customers, as the amount was too small,' said Riyad Siddiqui, a director of Cats Eye, a leading fashion house.

"Now we are forced to pass on the taxes, as the increase is too high for us to afford,

said Siddiqui. "At the end of the day, it is the customers who are shouldering the burden of paying extra."

Now at BDT 35,500/-

Hundreds of boutique houses directly import or buy from importers, and then sell the products in their outlets, local manufacturer-retailers said.

"We don't have any problem against them, but the reality is our customers are paying more despite buying the made-in-Bangladesh garments [...] and helping local industries thrive," Siddiqui said.

Set up in 1980, Cats Eye sells a total of four

clothes per year in 34 outlets in the capital, Chittagong and Sylhet, and plans outlets in Khulna and when we are forced to

Unlike the imported fashion houses, local brands such as, Aarong, Artisti, Ecstasy, Yellow, Westecs, Kay Kraft, Deshal, O2 and OG have manufacturing facilities and rely on

their own designs.

"It seems unfair when we are forced to charge our customers more to match our foreign-products-based houses," Siddiqui said.

Hundreds of fashion houses have sprung up in the last few years across the country. Some big boutique houses have grown by 8 percent annually. The capital's Aziz Super Market alone houses over 200 fashion boutique stores. Some of the small houses report 30 per cent annual sales growth.

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Committee for bankers' promotion

STAR BUSINESS REPORT

The government has formed a fourmember committee to recommend the officials of state banks for promotion to general manager.

......

In a letter last week, the finance ministry directed the committee to select eligible candidates after interviews and send the recommendations to the government for promotion.

Bangladesh Bank Governor Atiur Rahman will head the committee.

The committee will recommend the deputy general managers of Rupali Bank, Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Development Bank and Investment Corporation of Bangladesh for promotion to general manager.

For Agrani, Janata and Sonali Bank, now corporatised, the banks' boards will decide on promotions of bankers.

Google to hire 200 in Ireland

REUTERS, Dublin

............ Google Inc plans to hire 200 people in a new operations center in Dublin. Google already employs 1,500 in the Irish capital where its European headquarters are based.



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HSBC - The Daily Star Climate Awards 2010

HSBC, the first carbon neutral bank in the world, seeks to promote environmental preservation through worldwide projects and programmes. The Daily Star, the country's largest English newspaper, is also committed to the cause of managing climate change in Bangladesh.

Open to majority owned Bangladeshi companies and Bangladeshi individuals, the awards will be given in four categories:

- Climate change adaptation: for public, private sectors, NGO/CBOs etc.
- Climate change mitigation: for public, private sectors, NGO/CBOs etc.
- Climate change research and knowledge management: for educational/research institutes, researchers, public, private sectors, NGO/CBOs etc.
- Green Business Entrepreneurships: mainstream businesses with environment friendly operations

Nomination forms and programme details can be found in www.hsbc.com.bd and www.thedailystar.net. Nominations must be submitted to The Daily Star on or before 31 August 2010. The knowledge partner for this initiative is Waste Concern.



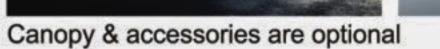


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