

## Asian Markets

MUMBAI	▲ 1.31%	18,205.87
TOKYO	▲ 1.17%	8,927.02
SINGAPORE	▲ 1.10%	2,982.83
SHANGHAI	▼ 0.60%	2,622.88

## Commodities

Gold	▲	\$1,249.55	(per ounce)
Oil	▲	\$72.47	(per barrel)

SOURCE: AFP (Midday Trade)

## Call money rate stable

BSS, Dhaka

The inter-bank call money rate remained stable despite huge cash withdrawal before Eid-ul-Fitr, thanks to the central bank's continuous cash injection into the market.

According to a daily market update by HSBC and Standard Chartered Bank, the call money rate ranged between 4.50 and 5.75 percent before the overnight money market closed for the statutory holiday yesterday.

Market analysts linked the stability to the central bank's timely initiative to infuse fresh fund to match the money supply with pre-Eid huge demand.

HSBC, in its market update, showed Bangladesh Bank provided repurchase agreement facility for Tk 523 crore to the market, which helped tackle a huge rush for cash withdrawal.

## Clarification

In yesterday's article "Five-day feast for all in TV", prime time and non-prime television was also described as "pick" and "off-pick". The correct phrases are "peak" and "off-peak". The Daily Star regrets the error.

# River freight limit irks shippers

JASIM UDDIN KHAN

Private shipping operators are blaming the shipping ministry for a move to issue licences for the first container river route -- Chittagong Port and Pangaon inland container terminal at Keraniganj -- only to small ships.

They say the ministry's exclusion of carriers of more than 100 containers makes the route uneconomic.

The shipping ministry last month sought applications from private shipping lines wishing licences; Monday was the last day.

"This specific size of ship [...] will not be commercially viable for the route," said Neo G Mendes, chairman of Enem-Omni Companies.

He said if the government withdraws the size limit, ships could use the route that are able to carry about 196 TEUs, a measure equal to a common 20-foot container.

Md Abdul Kuddus, joint secretary in the shipping ministry, said the government issued a gazette notice on the shipping limit on a recommendation from Bangladesh University of Engineering and Technology (BUET) naval engineers.

This size of the ship is designed to navigate narrow river routes.

"If any company has any ships with a new technology and with proven efficiency, the government will accommodate those and the gazette notifications will be changed further," Kuddus added.

"The government never limited size of a ship to get licence," said Mendes. "If a company can introduce ships with modern technology and can operate efficiently, why should the government limit it?" he asked.

A German company -- Komrowski Maritim -- has a technology that can turn a ship without moving forward and downward, Mendes said, adding that this ship is large in size but efficient for the route.

Chief Naval Architect of BUET Khabirul Haque Chowdhury said technology is evolving and that different technologies could be suitable at the same time.

Meanwhile, construction work of the container river route is nearly complete, on track for a scheduled opening by January 2011.

The river route will reduce the transshipment cost and hassle as trains have limited capacity and severe congestion chokes the Dhaka-Chittagong routes.

Chittagong Port Authority annually handles 10 lakh TEUs, 90 percent of which are transported by road; only 10 percent reach Dhaka by railway.

"If the river route is open, transportation of cargo in container would increase by many times," said freight forwarder Abdul Amin Khan. "Cost would go down and congestion on the Dhaka-Chittagong highway would be reduced significantly."

Chittagong Port Authority and the Bangladesh Inland Water Transport Authority (BIWTA) broke ground on the container port at Pangaon in early 2001; landfill and bank protection was completed in 2006.

The main construction started in 2008 on 64 acres of BIWTA land along the Buriganga at Pangaon. Jetties and sheds cover 35 acres of land and roads another 29 acres.

The Pangaon inland container terminal will have a storage capacity of up to 3,500 TEUs containers and handle up to 1.16 lakh TEUs containers annually.

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A woman works at Alif Cap Factory in Old Dhaka yesterday. The factory employs 300 people, mostly women, and produces more than 5,000 prayer caps a day, with retail prices ranging from Tk 100 to Tk 900 each. Sales are brisk, with Eid-ul-Fitr just days away. Related story on B4

# Banks offer options to expat savers

SAJJADUR RAHMAN

Banks are racing to cater to the needs of non-resident Bangladeshis (NRBs) with a range of new investments and banking services beyond high-interest saving accounts.

New products planned for remittance earners include loans for small and medium businesses, investment in tax-free US bonds, home loans and investments in stocks.

Bankers said new divisions will try to redirect remittances, now mostly used for consumption by local beneficiaries, to more productive domestic uses.

BRAC Bank, The City Bank, Mercantile Bank and Mutual Trust Bank (MTB) have opened a division for this purpose.

"We want to provide the expatriates with financial products," said Anis A Khan, managing director and chief executive officer of MTB. "We will advise them and take the services to their doorsteps."

"It is a big change of the banking industry's mindset," Bangladesh Bank Governor Atiur Rahman told The Daily Star.

Of the 30 private commercial banks, 26 have opened a dedicated unit or desk to serve the NRBs and their beneficiaries.

Within 20 years, expat remittances increased more than 25 times, to nearly \$11 billion in fiscal 2009-10, strengthening the economy and filling trade gaps.

But critics said a lack of an investment-friendly environment meant the remitted money was often not used in productive areas.

A typical wage earner may not know of a productive way to invest safely, other than a land purchase or a fixed deposit.

"We want to offer diversified products to the NRBs," said MA Yusuf Khan, head of the newly formed NRB Division of Mercantile Bank.

Some banks, still without a dedicated division, are also planning new units. Kaiser Chowdhury, managing director and chief executive officer of AB Bank, said his bank has a plan to expand NRB services, though it has a unit.

"We have stressed building relationships with the expatriates and their beneficiaries," Chowdhury said.

The central bank governor said banks are being given permission to open overseas exchange houses to support the effort.

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# BB asks 9 banks to cut stock investment

REJAUL KARIM BYRON

Bangladesh Bank (BB) has directed nine banks to bring down their excess investment in the share market in a span of three months from October to December.

According to the Bank Company Act, a bank cannot invest more than 10 percent of its liabilities in the share market. But these banks were found investing up to 34 percent beyond their liabilities.

After one-on-one meetings with these banks last month, three banks were asked to bring down their excessive investment in the share market by October, while three other banks were asked to do so by November and the rest three by December.

A central bank high official said the timeframe was fixed after consulting the banks, so that no bad impact falls on the capital market.

Such investments by thirty-two banks stood at Tk 20,576 crore, central bank data on June 30 show.

The central bank officials said the banks have been directed to form separate subsidiary companies to trade in the stock market. A BB circular said no bank could invest in the share market without a separate subsidiary company from October 1.

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