

Stocks	
DGEN	▲ 0.69% 6,844.97
CSCX	▲ 0.40% 12,953.90
IDLC Index	
IDLC 50	▲ 0.31% 6,884.24

Currencies	
Buy Tk	Sell Tk
USD	68.95 / 69.95
EUR	87.83 / 93.44
GBP	105.67 / 111.54
JPY	0.79 / 0.85

Remittance rises 11pc in August

BSS, Dhaka

Bangladesh fetched Tk 6,651.58 crore (\$957.93 million) remittance in August, marking a rise of 11.73 percent from the previous month.

The remittance sent by non-resident Bangladeshis was 2.44 percent higher than in the same month of fiscal 2009-10, according to Bangladesh Bank data.

In August 2009, the inflow of remittance stood at Tk 6,493.40 crore.

The remittances received during the first two months of the current fiscal year totalled Tk 12,604.48 crore against Tk 12,641.21 crore during the same period of the last fiscal year.

The inward remittance in July, the first month of the current fiscal year, was Tk 5,953.16 crore.

The remittance sent last fiscal year was Tk 76,010.98 crore that rose by 14 percent from the previous fiscal year.

During the first quarter of the last fiscal year, the NRBs sent Tk 18,702.15 crore.

Anthrax scare hurts leather industry

SAYEDA AKTER

The growing public tendency to avoid beef as a precaution against the spread of anthrax in several districts has made cowhides scarce, and slashed the earnings of local tanners and leather-goods manufacturers by 80 percent last month.

Mohammed Aftab, president of the Bangladesh Hides and Skin Merchants Association, said that in the past month the supply of cowhides is 80 percent off the normal level; but the price per skin is fairly stable.

"We collect rawhides and skins mainly three times a year -- Eid-ul-Fitr, Eid-ul-Azha and Shab-e-Barat," he said. "But due to anthrax, the number of slaughtered cattle during Shab-e-Barat and Eid-ul-Fitr declined sharply in the last month."

"As the incidents of finding anthrax started happening just before the Shab-e-Barat, many got scared and stop consuming beef. This reduced the slaughtering of cows sharply all over the country," he said.

The average of five lakh cows slaughtered every year during these festivals has declined to one lakh only, said Aftab.

Bangladesh normally has plenty of rawhides, as thousands of sacrificial cattle and goats are slaughtered every year to observe Eid-ul-Azha, a religious festival for the Muslims.

Local tanners collected more than 29 lakh pieces of cowhide and 45 lakh pieces of goatskin during the Eid-ul-Azha in 2009.

Local tanners produce four types of leather: rawhide, wet blue, crushed and finished leather. The country mainly exports crushed and finished leather, the demand and sale of which has declined on the international market.

Export Promotion Bureau data shows leather exporters earned \$226 million in fiscal 2009-10, up from \$177 million a year ago. The export was \$284 million in fiscal 2007-08.

Of the total leather export from Bangladesh, 80 percent is crushed leather and the rest is finished. The products are mainly sent to the USA, Italy, Germany, Japan, Korea and China.



Workers sort leather at a wholesale shop in Bangsal, Dhaka. The earnings of local tanners and leather-goods makers went down as the anthrax scare has reduced the demand for beef.

Meanwhile, the leather exports dropped significantly in the last two years, mainly due to a fall in demand amid global recession. However, exports went upward from February.

The annual market size of the leather industry is nearly Tk 3,500 crore, industry insiders say.

As the number of cattle slaughtered has declined, tanners have started to fear a dearth of cowhide persisting to Eid-ul-Azha, when nearly 60 percent of the year's total collection occurs.

Industry spokespeople are demanding the government immediately take steps to prevent the spreading disease with massive vaccination of farm animals before the prime time for collecting rawhide.

Mojibur Rahman, managing director of Sonali Hides, said that low collections of cowhide have raised costs, but what scares the tanners more is the prospect of this lasting into the upcoming Eid-ul-Azha, just eight

weeks from now.

"The collection has been declining sharply from mid-August," he said. "If the situation continues, the leather industry will face a difficult time with lakhs of unemployed people."

The scenario also haunts leather manufacturers and footwear makers, who similarly demand that the government take immediately measures to overcome anthrax.

Syed Nasim Manzur, managing director of Apex Adelchi Footwear, suggested the government should vaccinate the country's livestock immediately.

"The leather industry will fall in danger, if the government fails to address the issue with seriousness now," he said.

"For example, entrepreneurs involved in leather processing and manufacturing leather goods will have to face difficulties in sourcing raw materials. So the government should

not wait for the time when the problem becomes huge," he added.

He suggested the government seek help from relevant international and nongovernmental organisations to provide vaccines that cost only Tk 0.50 per cow.

Apart from that, the banks are also going cautious in disbursing loans for purchasing rawhide, because the spreading anthrax will risk the repayment system.

Ali Hossain Khan, general manager of the state-owned Sonali Bank, called the situation a momentary event but one that would nonetheless affect the rate of borrowing and lending.

"While the anthrax is affecting consumption and leather industry as a whole, we have to think about the repayment conditions," he said. "If the situation continues, the rate of lending must decline."

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Western Marine set for listing

SARWAR A CHOWDHURY and SOHEL PARVEZ

Western Marine Shipyard Ltd, a leading shipbuilder, plans to go public next year, officials said yesterday.

The shipbuilder will raise working capital from the stock market instead of traditional financial systems, to expand operations and reduce the cost of financing.

The Chittagong-based company signed an agreement with Prime Finance and Investment Ltd, appointing the merchant bank as an issue manager for the initial public offer (IPO).

"The IPO will be based on the December closing accounts of Western Marine, and so, we expect to launch the IPO by the first quarter or mid next year," said Md Akter Hossain Sannamat, managing director of Prime Finance.

As per a pre-IPO plan, Western Marine has already raised its paid-up capital by Tk 24 crore by issuing equity shares to sponsors and employees of the company. The paid-up capital of the company stood at Tk 40 crore before the hike.

Md Sakhawat Hossain, managing director of Western Marine, said the company is expanding its business to meet increasing demand, especially from global buyers.

"Raising capital from the stockmarket will also help us reduce our high cost of funds, resulting from borrowing from banks and other financial institutions."

"Moreover, we want to share our happiness with the public. Let them be our shareholders," Hossain said. "It will also enhance our accountability."

Western Marine, a leading shipbuilder in Bangladesh, started its journey in 2000 and reached break-even in 2006.

It made 54 vessels for the local market up to 2008. It also began building ships for the global market that year.

It has since delivered one vessel to a foreign buyer and received work orders for 20 more vessels that will be handed out in phases up to 2012.

The stock market will further diversify with the listing of the shipbuilder, analysts said. Presently, a state-owned shipping service provider -- Bangladesh Shipping Corporation -- is listed. Additionally, an inland container depot operator, Summit Alliance Port Ltd, and an off-dock service provider, Ocean Containers Ltd, are also listed on the exchanges.

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CPA moves to recover 20 sunken ships

IQRAMUL HASAN

Chittagong Port Authority has moved to recover 20 sunken ships from the Karnaphuli river and the outer anchorage of the Bay of Bengal.

The recovery work on 10 ships has started, and the CPA will appoint contractors next month to retrieve the rest.

Nine ships under the water in the outer anchorage of the Bay of Bengal may increase the risk of accidents for ships heading for the port, although the authorities claim that it will not create any problem in any channel.

According to CPA statistics, 61 ships went down between the Liberation War and 2009 in an area from the outer anchorage to Kalurghat Bridge of the Karnaphuli. In the outer anchorage, the total number of sunken ships is 22, and the rest are in the various points of the river.

Among the 22 ships in the outer anchorage, only seven ships have so far been recovered and six others are under the process of recovery.

Most of these ships are 700 gross registered tonnages (GRT) to 1,500 GRT in size and are treated as small to medium ships.

The authorities also said the eradication of submerged ships from the Alpha anchorage area would ensure safe movement of ships in the outer anchorage.

Around 500 coasters and small ships ply across the Karnaphuli everyday carrying various commodities and industrial products.

A port official said the situation is still under control but the



increased movement of ships may endanger the port in future.

The authorities now plan to introduce a vessel traffic management system to navigate and guide these coasters and small ships in the river and sea.

Abu Taleb, a retired naval master chief, said some traditional ways are used in recovering the sunken ships. "Modern technology and equipment are required to make the recovery efficient," he added.

There are some companies such as PSP Marine Services, Al-Moudud, Hazi Taz Mohammad & Company and Heramon Salvage that do the works of recovering the ship wrecks.

Captain KM Hafizur Rahman, proprietor of PSP Marine Services, said: "We have the capacity to recover a ship of maximum 6,000 GRT and the method of the recovery depends on the condition of the sunken ship."

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German opposition to Google

AFP, Berlin

Google is facing even more opposition in Germany than it expected to its Street View navigation service, with hundreds of thousands opting out, Der Spiegel news weekly reports in its Monday issue.

Ahead of an October 15 deadline, "several hundred thousand people" have told the Internet giant that they do not want their home or business to be visible on Street View, which features panoramic still photos taken at street level.

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