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## Stocks

DGEN	▲ 1.16%	7,412.60
CSCX	▲ 0.85%	13,946.59

## IDLC Index

IDLC 50	▲ 0.67%	7,373.78
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## Asian Markets

MUMBAI	▲ 0.66%	20,543.08
TOKYO	▲ 1.81%	9,691.43
SINGAPORE	▲ 0.89%	3,190.07

## Currencies

	Buy Tk	Sell Tk
USD	69.80	70.80
EUR	94.88	99.44
GBP	109.21	114.19
JPY	0.82	0.88

SOURCE: STANDARD CHARTERED BANK

## Commodities

Gold	▲	\$1,346.75 (per ounce)
Oil	▲	\$82.88 (per barrel)

## News in Brief

### Generation Next holds roadshow

STAR BUSINESS REPORT

Textile maker Generation Next Ltd yesterday held a roadshow for institutional investors, as the company plans to go public under the book building method.

BRACEPL Investment Ltd, the issue manager of Generation Next, valued shares at Tk 50 each: Tk 10 in face value and Tk 40 in premium.

Generation Next will offload 30 million ordinary shares. Of the 30 million shares, 60 percent will be allotted for the general public, 20 percent for eligible investors, 10 percent for mutual funds and 10 percent for non-resident Bangladeshis.

Now, the investors will have to offer bidding prices in three workdays, which will ultimately fix an indicative price.

"We will finally submit the indicative price to the market regulator after averaging all bidding prices from the eligible investors," said Khaled Farazi, managing director of BRACEPL.

Generation Next will use the proceeds from the initial public offer to expand business and repay outstanding loans.

Tauhidul Islam Chaudhury, chairman of Generation Next, described the strengths of the business, while Javed Chaudhury, chief executive officer of the company, presented the company's fundamentals.

### RIL, Chesapeake end Eagle Ford JV talks

REUTERS, Mumbai/New York

Reliance Industries and Chesapeake Energy Inc have ended talks over the sale of a stake in the U.S. company's position in the Eagle Ford shale in south Texas, according to sources familiar with the matter.

Chesapeake has been looking for a partner for its 600,000 acre position in the Eagle Ford. It said in May that it intended to close the deal by the end of the third quarter, but has since pushed the deadline back slightly.



Workers of Padma PolyCotton Knit Fabrics Ltd flock to the BGMEA office in Dhaka yesterday to demand reinstatement of their colleagues who were suspended for 'misconduct' and enforcing an 'unlawful' strike. Story on B3

## Foreign loans on a roll

JASIM UDDIN KHAN

Private companies, mostly from the telecommunication, aviation and power sectors, borrowed about \$603 million in foreign loans during the last one year, marking a 41 percent rise compared to the previous year.

Board of Investment officials said the scrutiny committee on foreign loans and supplier's credit headed by Bangladesh Bank (BB) Governor Atiur Rahman has approved 32 foreign loan proposals worth \$603.38 million since August 2009. The amount was \$425 million in the same period of the previous year against 22 such proposals.

The main reason behind the rise is that some telecommunication, power, aviation, garment and textile companies have gained adequate financial maturity and good credit rating, said a BB official.

"Foreign banks and financial institutions are now becoming more interested to give loans and supplier's credit to the companies operat-

### BY THE NUMBERS

Last one year's loans	: \$603 million
Previous year's loans	: \$425 million
Year-on-year growth	: 41 percent
Loan proposals	: 32
Last 10 years' total loans	: \$2.8 billion

ing in Bangladesh," said BB Deputy Director Anisur Rahman who is posted at the BoI.

Rahman said the amount also increased as the central bank has recently allowed some local banks to manage foreign loans from their offshore branches.

Foreign investors, mainly different mobile phone and mobile logistics companies, first brought in foreign loans in the private sector during 2000-2001.

BoI Executive Member Abu Reza Khan said the government does not encourage foreign credit, but foreign direct investment.

The amount of foreign loans and supplier's credit was comparatively low during the two years of the last caretaker government.

The private sector received about \$2.8 billion of foreign loans and supplier's credit during the last ten years.

Foreign loans offer the advantage of low interest rate -- less than five percent.

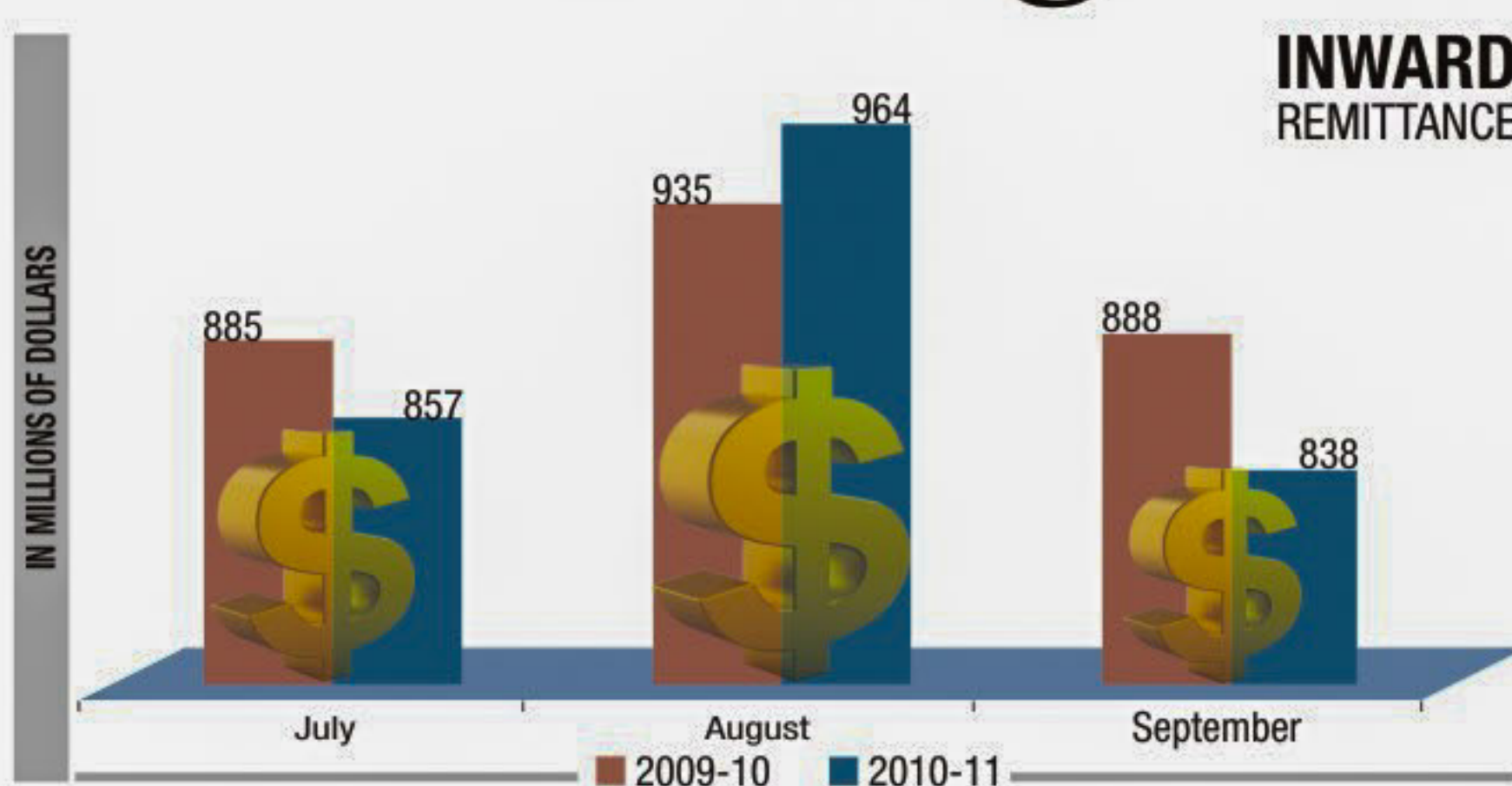
According to the BB guidelines on foreign credit, the effective rate of interest should not exceed London Interbank Offered Rate (LIBOR) plus four percent.

Effective interest is the sum of the stated annual rate of interest and the annualised fees such as commitment, syndication, front-end, and project appraisal fees.

The other main conditions for foreign credit in the form of loans and supplier's credit are that the down payment, if any, in case of the supplier's credit should not exceed 10 percent of the credit amount, and the repayment period should not be less than seven years.

jasim@thedailystar.net

## Remittances on downswing



REJAUL KARIM BYRON

For the first time in 10 years, remittances have followed a downward curve.

A World Bank economist said a slow recovery from the worst global recession has dampened the income prospects of the expatriate Bangladeshis.

In the first three months of the current fiscal year, remittances fell by about 2 percent compared to the same period of last year.

The July-September remittance inflow was \$2.65 billion, down from \$2.70 billion during the same period of FY2009-10.

Since 1990s, remittances have increased every year except FY2000-01, when the earning fell by about 4 percent due to the fallout of the September 11 terror attacks on the Twin Towers in the US.

After that, remittances increased by 10-32 percent in the last 10 years.

Last year, the earnings grew by 13 percent to hit about \$11 billion. Even remittances went up during the global recession over the past two years.

WB senior economist Zahid Hossain said the multilateral donor agency had earlier predicted that remittance inflow into Bangladesh

would fall because of recession, and its impact is being felt now.

Hossain said one of the causes is that the recovery from the global economic meltdown is slow yet.

Most economies, except China and India, are not showing a strong rebound, he said, adding: "This is holding back the earnings of the Bangladeshi expatriates working abroad."

The WB economist also blamed the falling manpower export amid a growing number of returnees from overseas jobs.

According to Bangladesh Bank (BB) data, of the three months, only the August remittances increased slightly compared to the same month of last fiscal year. But the July and September remittances fell compared to the same two months of the previous fiscal year.

The expatriates sent more money home in August due to Eid-ul-Fitr, said officials.

After FY2007-08, manpower export has been falling every year. That year 9.81 lakh Bangladeshis went abroad for work, according to the BB data.

The number went down to 6.50 lakh in FY2008-09, and further to 4.27 lakh in FY2009-10.

## Expatriate Welfare Bank Bill passed

UNB, Sangsad Bhaban

Parliament has passed the Expatriate Welfare Bank Bill 2010 to clear the way for the bank to help migrants financially.

Information Minister Abul Kalam Azad on behalf of Finance Minister AMA Muhith piloted the bill, which was passed by voice vote on Monday.

The bank will also help find jobs for the expatriates on return to their home country and encourage them in domestic investment.

The bank will also help the expatriates send remittances through a simple procedure using information technology.

## Ctg port workers threaten strike

STAFF CORRESPONDENT, Ctg

Chittagong Port workers yesterday threatened to launch fresh protests to press home their demands including immediate recruitment of the workers already scrutinised by Chittagong Port Authority (CPA).

Leaders of Dock Bandar Sramik Karmachari Federation also said they will enforce indefinite work abstention if the agreement signed between workers' representatives and CPA on July 1 about fulfilling the workers' demands is not met before giving work orders to the newly appointed six private berth operators.

Two other key demands include providing the present workers with identity cards and opening labour department under the CPA traffic department.

The CPA yesterday issued a notification to the six private operators for handling container at six general cargo berths, said CPA Secretary Syed Farhad Uddin Ahmed.

The private operators may start container handling within a few days, and the workers' leaders demanded fulfilling their demands before the operators start handling.

Meanwhile, CPA officials at a meeting urged the workers' leaders not to create any unrest at the port and assured them of meeting the demands soon.

CPA Chairman Commodore RU Ahmed presided over the meeting.

Earlier, over one thousand workers under the banner of the Federation brought out a procession from Nimtali area at around 10:30am, and paraded through the city streets.

They held a rally in front of the main gate of the port administrative building at around 11:30am, causing huge traffic jam along the busy road stretching from Barik Building intersection to Saltgola Crossing.

The federation leaders said the scrutiny of the workers was complete in February and an agreement between workers' representatives and the CPA was signed on July 1 regarding recruitment of the scrutinised workers.

But no positive step has since been taken for the recruitment, they said.

They also protested hiring workers from outside instead of recruiting dock, merchant, lacing and unlacing workers.

They also complained of irregularities in the tender process for appointment of six private operators.

The previous stevedoring and shore handling system for container handling was dissolved during the last caretaker government and a single-handed integrated operational system named berth operation was introduced in May 2007.

## New body on port development

STAR BUSINESS REPORT

The government has formed a 41-member advisory committee from which it will seek recommendations to run and develop the Chittagong Port in a coordinated manner, the shipping ministry said in a statement yesterday.

The shipping minister will head the committee, comprising lawmakers and representatives of different chambers and associations.

With the formation of this body, the earlier one stands dissolved.

The new committee came into being after Shipping Minister Shajahan Khan met port users early this week.

The committee will sit every three months to review port activities.

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