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Muhith fears rise in inflation

STAR BUSINESS REPORT

Finance Minister AMA Muhith fears a rise in inflation, despite measures to contain its impact through expansion of the safety net programme.

Speaking at a discussion on 'State of the Economy', organised by Economic Reporters' Forum (ERF) at the National Press Club auditorium yesterday, Muhith also said 70 big projects will be closely monitored and the shares of 26 state-owned enterprises (SoEs) be offloaded in three months.

"The apprehension over inflation persists. I spoke to the agriculture minister and the food minister in this regard. I hope we'll succeed in containing it."

Inflation is on the rise mainly because of increasing food prices, buoyed by price spirals in international markets. To ease inflationary pressures, the allocation for subsidies will be increased in the budget, the minister said.

On implementation of the Annual Development Programme (ADP), he said sluggishness prevails. However, to expedite implementation, 50 to 70 big projects will be closely monitored, he said.

In response to queries on the capital market, Muhith said: "I'll not say that it's over-heated, it's little bullish though. However, we're constantly taking steps to stabilise it. We're also taking initiatives to offload government shares."

The minister hoped that the situation in share market would not resemble the 1996 catastrophe.

He said the economy is progressing as per projections made in this year's budget. The minister said the policy taken in the budget is also being pursued. World Bank and International Monetary Fund have accepted the policy and will provide \$2 billion over a period of three years.

Presenting the import and export data of capital machinery and raw materials, the finance minister pointed to the peak in investments. In the current fiscal year, investment compared to GDP is likely to cross 24 percent for the first time.

Muhith also said the power situation is the most-discussed topic. "The crisis will be over by 2012 but the availability of power will not be at par with the increasing demand."

On realising transit fees from India, the minister said India has been using Bangladesh's river route since 1960 and paying fees. However, new transit fees have been imposed from this fiscal year, which follow international practices, he added.

ERF President Monwar Hossain and General Secretary Abu Kawsar were also present.

Govt to take over land port operations

JASIM UDDIN KHAN

Bangladesh Land Port Authority (BLPA) decided to operate six land ports on its own, due to its unpleasant experience with some private operators.

Of the ports, Bibir Bazar in Comilla, Birol in Dinajpur, Bhomra in Satkhira, Akhaura in Brahmanbaria, Burimari in Lalmonirhat and Tamabil in Sylhet will come under BLPA management.

The BLPA has been running the prime land port, Benapole, for long and recently took over Akhaura.

Bibir Bazar in Comilla and Birol in Dinajpur were at the final stage to go to the private operators but the BLPA scuttled the handover.

Panama Port Link was awarded licences to operate Hili Land Port and Sonamasjid Land Port for 25 years and it received around Tk 22 crore loans from Infrastructure Development Company Ltd (IDCOL) and other banks at reduced rates to develop the infrastructure of the ports.

But the company diverted the money to other ventures instead of developing the infrastructure of the ports, BLPA officials alleged.

"Panama Trading (the parent company of Panama Port Link) was awarded both the projects to operate on BOT (build, operate and transfer) basis for 25 years. But they did nothing to develop infrastructure of the ports in line with the contracts," said Irtiza Ahmed Choudhury, member (traffic) of BLPA.

The company also failed to pay the government a share of profit -- Tk 4.6 crore -- and discontinued communication with the BLPA. The



A truck offloads goods at Banglabandha land port in Panchagarh.

LAND PORTS THAT WILL COME UNDER PRIVATE MANAGEMENT

- Bibir Bazar in Comilla
- Birol in Dinajpur
- Bhomra in Satkhira
- Akhaura in Brahmanbaria
- Burimari in Lalmonirhat
- Tamabil in Sylhet

lender, IDCOL, also scrapped the contract with it for Sonamasjid Land Port operations and appointed Major (ret'd) Md Jahangir as the designee for the port.

Panama also failed to pay the government a Tk 1.8 crore share of profit from Hili Land Port.

BLPA Chairman AKM Yahea Chowdhury said the BLPA will operate the rest of the ports which are not given to the private operators.

"Our experience with the private operators is bad. The BLPA is doing well in operating the ports," Yahea said.

Moniruzzaman Chowdhury, proprietor of Panama Trading, could not be contacted for comments despite several attempts.

Sonamasjid, Hili, Teknaf and Banglabandha are the four land ports that were handed over to the

private management to streamline border trade with Bangladesh's neighbouring countries, mainly India.

Agreements bind Sonamasjid and Hili to pay the BLPA a 49 percent share of their gross revenue earnings. A 28.09 percent share of the earnings is for Teknaf and 31.26 percent for Banglabandha land ports.

Irtiza Ahmed Choudhury alleged that Panama Port Link had bad intention as it bid for a 49 percent share, which is not commercially viable.

The government initiated the BOT arrangement for the land ports to gear up cross-border trade with neighbouring countries -- India, Myanmar, Nepal and Bhutan.

Banglabandha in Panchagarh district is not functioning properly because of the absence of a tripartite

agreement involving Bangladesh, India and Nepal, according to the port authority officials. The 10-acre Banglabandha port was handed over to a private operator in October 2005.

Birol land port, which was brought under private management in 2006, remained fully unutilised for trade because of the absence of a road link and broad-gauge rail route.

Bibir Bazar is not working because the Indian authorities are yet to issue pass for the loaded trucks.

"We have written to the NBR (National Board of Revenue) that has requested the foreign ministry to place the issue before the Indian authorities. But there is no visible progress yet," said a BLPA official.

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Chittagong to get Persona makeover

MD FAZLUR RAHMAN

Leading beauty salon Persona will open an office in Chittagong in December to cater to the growing market in the port city.

"We have a strong customer base in Chittagong. As we don't have any branch there, many fly to the capital in the morning, take service throughout the day and fly out in the evening," said Kaniz Almas Khan, managing director of Persona.

The makeover artist said whenever there is a big marriage ceremony in Chittagong, a Persona team flies there. "It costs the party and the company a lot."

Kaniz said the new branch may open on December 26 if everything goes right.

The branch to be set up at Prabartak More, one of the plush areas in the port city, will take the number of its branches to 11. A building with an area of 15,000 square feet has already been leased, apart from 3,000 square feet on the same building for offices.

Decoration will start soon as the planning has been confirmed, said Kaniz, who pioneered beauty parlours in Bangladesh and made Persona the most popular brand.

The Chittagong branch will be the company's first venture outside Dhaka. It has seven branches for women and three for men in the capital.

Launched in 1990 under the brand name of Glamour with only nine beauticians, Persona now employs around 2,000 people, 99 percent of them are women.

Kaniz said: "Nowadays both female and male customers regularly visit us. Beautification is not a luxury now."

On an average, 4,000 customers visit Persona outlets daily. Of them, around 5 percent are men.

She said the industry has evolved so much that now women do not hesitate to take beautification business as a profession. "Everyday our CV bank



receives a couple of applications," Kaniz said.

There are over 2,000 beauty parlours and salons across the country.

The company has also launched Persona Institute of Beauty and Life Style to help build career as beauty specialists.

Between August and September, it provided free training to 27 women from different parts of the country.

She said these women will now be able to set up their own beauty parlours in their hometowns and create jobs for others.

The company also plans to open branch in Sylhet. No timeline has been set yet, said Kaniz, also the editor of fashion magazine Canvas, a sister concern of Persona.

Persona Adams is a joint venture beauty care centre between Persona and Indian beauty care specialist Jawed Habib. It also has a spa named Persona Spa.

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Automated clearinghouse grinds to a halt

STAR BUSINESS REPORT

Bangladesh Bank's automated clearinghouse came to a halt yesterday due to technical faults, said a top official of the central bank.

"The automated system did not work after the server system acted up," Das Gupta Asim Kumar, executive director of BB, told The Daily Star.

The server went out of order, probably because of faults with the chilling system of the air conditioner, said Asim Kumar.

"We have asked the banks to settle their cheques manually for the time being," he said.

The system is expected to get back on stream on Tuesday. The central bank had launched the system to settle payments among 1,100 branches of all 47 scheduled banks initially in Dhaka.

At the same time, it kept the manual settlement system open as a 'stand-by' solution, said Asim Kumar.



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