



SAMSUNG
New Galaxy S at Tk. 2,606*
For More Information: 8853366-8, 01712-665463
TRANSKOM
think electronic... think DIGITAL

IDLC Index	
IDLC 50	▲ 1.50% 8,545.36
Subject to Conditions contained in www.idlc.com	
Stocks	
DGEN	▲ 1.47% 8,307.70
CSCX	▼ 1.36% 15,188.01
Currencies	
Buy Tk	Sell Tk
USD	70.30
EUR	96.24
GBP	113.45
JPY	0.85

SOURCE: BANGLADESH BANK

News in Brief

Rawhides purchase rates fixed

MD FAZLUR RAHMAN

Tanners will buy rawhide of cows at Tk 55-60 a square feet in Dhaka and Tk 45-50 outside the capital.

In the case of goats, the rates are Tk30 and Tk25, said a senior official of Bangladesh Tanners Association yesterday.

The trade body fixed the rates for Eid-ul-Azha, due on Wednesday, at a meeting at its office.

Last year, the rates of cow rawhide were Tk40 and Tk35, while the prices of goat's rawhide were Tk35 and Tk30.

The tanners and leather goods makers receive around 200 million square feet of raw material every year, of which 50-70 million square feet come from this festival.

On head-count, about 45 lakh cows, one crore goats, 82,000 buffaloes and 300,000 sheep were slaughtered during Eid-ul-Azha last year, according to Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

Syed Nasim Manzur, managing director of Apex Adelchi Footwear Limited, said tanneries and the footwear industry will not be able to continue their business if the prices of rawhide of cows go beyond Tk 60 in Dhaka.

Rawhides coming from outside Dhaka should be much lower, as transportation of those bears some extra cost, said Manzur, adding that processing rawhide has become costlier due to hike in chemicals use.

Energy suppliers join hands

STAR BUSINESS DESK

A body consisting of 50 solar and renewable energy supplier organisations was formed on Thursday to solve the country's energy crisis.

Dipal Barua, founder chairman of Bright Green Energy Foundation, has been elected president of the organisation named Bangladesh Solar and Renewable Energy Association, says a statement.

The body aims at fulfilling the shortage of power, electricity privilege to the rural and coastal areas of Bangladesh and took the government's plans one-step further, the statement added.

Barua said the main goal of BSREA is to establish Bangladesh as the first solar nation of the world.

Leather sector rides out fears

MD FAZLUR RAHMAN

Tanners and leather goods makers yesterday ruled out any drastic fall in cattle sales during this week's Eid-ul-Azha with the anthrax scare at bay.

About 45 lakh cows, one crore goats, 82,000 buffaloes and 3 lakh sheep were slaughtered during the last Eid alone, according to Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association.

With beef slowly coming back to people's daily menus after the anthrax fears eased, the association hopes the trend will continue. "We are not worried at all," said Rezaul Karim Ansari, former president of the association.

He said businessmen are not expecting any major drop in cattle slaughter and leather collection, as the anthrax scare has almost disappeared. He said the industry could expect a maximum fall of 10 percent.

Eid-ul-Azha accounts for 7 crore square feet or 45 percent of rawhide that feeds the export of leather and leather goods. The country's total supply of the raw material is close to 20 crore square feet a year.

Ansari told The Daily Star that the number of cattle sacrificed each year is increasing every year to match the rising buying power of people.

From 1990 to 2000, consumption of meat increased by 3.4 percent a year in Bangladesh, according to Food and Agricultural Organisation (FAO).

MA Rashid Bhuiyan, president of the leather exporters' association, however, did not predict whether collection of rawhide this Eid would be able to meet a larger part of the industry's requirement. "We have to wait to see what happens."

Abdul Kader, owner of Amin Tannery, said people did not consume much beef in the last couple of months. "We however have reports that customers are buying cows."

Syed Nasim Manzur, managing director of Apex Adelchi Footwear Ltd, said the supply situation will be good this time.

"Many cattle have remained unslaughtered with the anthrax scare, which also means a healthy supply chain," he said. "We hope more cattle will be slaughtered."

Abu Taher, owner of Ruma Leather Industries, said there is no denying beef consumption plummeted with the Anthrax scare.

"Anthrax was a minor problem, but propaganda was launched by vested quarters, making a mountain out of a molehill,"

said Taher, also the owner of Fortuna Shoes.

He said the demand for goats and buffaloes might go up during Eid, which will compensate for the loss.

Although tanners and leather goods makers seem upbeat, cattle traders in one permanent and 13 makeshift markets in Dhaka nervously wait to see customers' reactions.

Iqram Kobiraz, a cattle trader from Kusthia, brought 16 cows for sale at the Kamalapur Cattle Market. He said customers are still trying the market, quoting very low prices.

"Customers are not offering high prices, buying only when prices meet their expected levels."

He hopes the situation will change for the better in the last two days before Eid on Wednesday.

Asaduzzaman Mia, another cattle trader, brought 12 cows to the same market. He said buyers are still checking the market out and offering very low prices that are below the prices they paid.

He said their sales might be affected by anthrax, although the government lifted the red alert long ago. "There is a huge number of cows in the market for the last three months, as very few were slaughtered."

"We sold only a few cows in the last couple of months. Besides, customers say that cow prices will be lower this time, as there is a huge supply. They are still on the lookout for bargains."

He said sales are not good as of today (yesterday). He however hoped customers would start to come in droves from Monday, like previous years.

Meanwhile, state-owned commercial banks are to increase loans to tanners by about 30 percent to help buy more rawhide during Eid. The state banks account for about 90 percent of the loans given to the sector and will disburse Tk 311 crore this year, up from Tk 240 crore last year.

Officials said the leather sector faced a serious setback in the past months due to the panic over anthrax. But demand for rawhide during Eid will increase, as the government has already lifted the country-wide alert, they added.

The rise in exports of leather and leather products last fiscal year prompted banks to invest more in the sector, officials said.

Leather exports rose 58 percent in volume and 27 percent in value last fiscal year, according to Bangladesh Bank data.

fazlur.rahman@thedailystar.net



Prime Minister Sheikh Hasina speaks at a bilateral meeting with visiting Turkish Premier Recep Tayyip Erdogan at the Prime Minister's Office in Dhaka yesterday. (Related stories on pages 1 and 3)

Turkey eyes \$3b trade with Bangladesh

STAR BUSINESS REPORT

Turkish Prime Minister Recep Tayyip Erdogan has said bilateral trade between Turkey and Bangladesh will cross the \$3 billion mark by 2015.

In the first 10 months of 2010, bilateral trade increased to \$742 million from \$648 million in 2009, despite the global financial crisis.

When the incumbent Turkish PM's party assumed power in 2002 through a general election, two-way trade between Bangladesh and Turkey was only \$47 million.

"Our target is to increase the bilateral trade to \$1 billion at the end of the year and \$3 billion at the end of 2015. The target is achievable, because we have determination," said Erdogan yesterday at a luncheon meeting of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at Dhaka Sheraton Hotel.

He suggested Bangladesh utilise Turkish expertise in construction and infrastructure development as his country boasts skills to carry out those jobs.

Turkey achieved 11 percent economic growth in the first six months of this year, ranking number one in Europe and third globally, he said.

"The rate of unemployment has been increasing worldwide in the wake of the global recession, but Turkey successfully cut its unemployment rate by maintaining significant economic growth," the Turkish PM said.

Tourist arrivals in Turkey are

increasing while neighbouring Spain and Greece have been losing the numbers, Erdogan added.

Erdogan added that the most important asset of Bangladesh is the country's young and dynamic people, which Bangladesh should utilise for achieving overall development.

He urged the government to enforce the trade and investment protection agreement signed between the two countries in 1987 to boost trade.

At the meeting, Finance Minister AMA Muhiht said mutual cooperation and investments between the two countries must be enhanced as Turkey has already made considerable advancements in this regard.

"Direct flights between Turkey and Bangladesh are all set to begin next month," he added.

FBCCI President AK Azad said major export items from Bangladesh to Turkey include knitwear, woven garment products, raw jute and jute goods, hides and skins, crockery, cutlery and handicrafts.

On the other hand, the goods imported from Turkey include machinery and mechanical appliances, base metal, textile and textile articles, vehicles, aircraft, vegetable products, mineral products, plastic and rubber products and prepared foodstuff.

The Turkish investors have opportunities to invest in textiles, tourism, energy, construction, natural gas-

based industries, telecommunication, fisheries and agro-based industries in Bangladesh, he said.

BILATERAL TALKS
Emerging from bilateral talks yesterday, the Bangladesh and Turkey prime ministers held a joint press conference.

Erdogan said his government and the private sector of Turkey will continue to offer and provide support and assistance to help Bangladesh emerge as a mid-income country by 2021, according to news agency UNB.

"There is huge potential to increase the trade up to a minimum \$3 billion by 2015," he said.

About the direct Dhaka-Istanbul air-link, he said it would strengthen cooperation between the two countries in various sectors, especially tourism.

Erdogan hoped the economic and cultural collaboration would be further strengthened in the future.

He also said the Turkish government is interested to see an increase in the number of Bangladeshi students studying in Turkish educational institutions at graduation and undergraduate levels.

Prime Minister Sheikh Hasina urged her Turkish counterpart to encourage Turkish investors to invest in infrastructure development, energy production, river dredging, machinery and equipment plants, ICT, tourism, textile and particularly agro-based industries.

Hartal disrupts business

Banks take a big hit ahead of Eid

SAJJADUR RAHMAN

The nationwide hartal called by the opposition dealt a blow to industrial and financial sectors yesterday, and brought economic activities to a near-standstill, just a couple of days before Eid.

Be it banks, public transport, factories or other private offices, the dawn-to-dusk shutdown hit almost every sector hard.

The banking sector, in particular, bore the brunt. A liquidity crunch swept through many bank branches, as the central bank did not supply money to the banks.

Transactions were thin, far below than it was supposed to be in the second last working day ahead of Eid-ul-Azha. The front doors of the bank branches were found off, but many of the banks' back-doors were seen open for known customers.

"Transactions were significantly low. Probably, customers will rush tomorrow [today] for cash withdrawal," said Kazi Obaidul Al-Faruk, vice president and relationship manager of IFIC Bank at Karwan Bazar.

The branches with a poor deposit base faced the liquidity crunch, he said.

Opposition BNP called the strike protesting the eviction of its chief Khaleda Zia from her cantonment residence.

Businessmen said this is rare and they have never seen a strike just before two days of Eid when scores of people rush for their village homes to enjoy the festival with their dear ones. Many bought advance tickets for yesterday.



Shops remain shut, but roadside stalls are open during hartal hours at Baitul Mukarram Market in Dhaka yesterday.

Like Faruk of IFIC Bank, Golam Mostofa of Janata Bank at Moghbazar, and Mohammad Wahid of Agrani Bank at Motijheel viewed the same on the volume of transactions.

"Transactions were at least 30 percent lower than the normal time. Also, I had requisitions for Tk 12-14 crore from other branches, but could not give it like other days," said Golam Mostofa.

Leading businessmen also admitted that they had problems with the bank transactions and would face pressure today.

Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association, said they could not pay the workers their wages, overtime bills and bonus due to the strike.

"Like the banks, we will have to face a tremendous pressure today," said Murshedy.

He said many workers who bought advance tickets for yesterday could not go home.

AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), termed the losses of the shutdown

'massive'. "There was no work in the factories today [yesterday]. Many exporters missed the shipment schedule," said Azad.

But his concern is about the payment of the workers.

"How the management will withdraw a huge amount of cash tomorrow [today] and pay hundreds of workers," said the FBCCI president. The workers will rush for their village homes after getting the wages, he said.

sajjad@thedailystar.net

Stock index rises to all-time high

STAR BUSINESS REPORT

Dhaka stocks continued their bull run for four straight sessions, unaffected by yesterday's countrywide dawn-to-dusk hartal.

The benchmark index, DSE General Index (DGEN), rose 120 points, or 1.47 percent, its highest level.

Despite uncertainty over whether trading would take off, operations on the market began at 11 am as usual, as several members logged onto the main server.

At 10:40 am, 164 members logged into the main trading server of the Dhaka Stock Exchange (DSE). It is mandatory that at least 71 or a third of the active members login to begin trading.

The market opened on a positive note and maintained the rising trend till the end.

The banking sector led yesterday's rally, stockbrokers said. Among the 30 listed banks, 29 were in the green territory, with only one in the red. Investors are anticipating handsome dividend announcements and healthy corporate disclosures from the sector after December.

The trend has been backed by the third quarter bank earnings released recently, especially by the ones that booked huge profits from stock investment, said the chief executive of the brokerage wing of a private commercial bank. "The bank stocks are hovering, as investors are rushing to take a position in the sector, expecting good returns in the days ahead."

Chittagong stocks also marked a gain yesterday. The CSE Selective Categories Index rose 204 points, or 1.36 percent, to stand at 15,188.

MTB CORPORATE HEAD OFFICE
NOW @ MTB CENTRE

MTB Centre
26 Gulshan Avenue, Gulshan 1, Dhaka 1212
Tel: 880 (2) 882 6966, Fax: 880 (2) 882 4303
www.mutualtrustbank.com

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Old Address: 68 Dilkusha C/A, Dhaka 1000