COMMODITIES (As of Friday)		ASIAN MARKETS (Friday closings)				CURRENCIES (SOURCE: STANDARD CHARTERED BANK)				
DSEX	CSCX	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
0.17% / 8,304.58	▲ 0.66% / 15,257.17	▲ 0.59% / 20,509.09	closed / 10,228.92	▲ 10.09% / 3,190.04	▲ 1.76% / 2,808.08	BUY TK	70.45	92.14	107.78	0.85
Gold ▼ $1,409.00 (per ounce)	Oil ▼ $89.50 (per barrel)					SELL TK	71.45	97.88	113.74	0.90

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Baira agrees to cut costs of migration

RASHIDUL HASAN

Leaders of Bangladesh Association of International Recruiting Agencies (Baira) have agreed to cut costs of labour migration, said a parliamentary body yesterday.

The parliamentary standing committee on expatriates' welfare and overseas employment ministry said Baira leaders and recruiting agents under it will sit together soon to fix the new costs.

In the wake of shrinking labour market and mounting pressure by the government and the parliamentary body, Baira leaders agreed to cut migration costs, Anisul Islam Mahmud, chief of the watchdog, told The Daily Star after a meeting at the Jatiya Sangsad Bhaban.

The costs of migration from Bangladesh are much higher than from neighbouring countries, said Mahmud.

A jobseeker spends an average of Tk 2 lakh for a job in Malaysia and Middle Eastern countries and Tk 4 lakh for Singapore, although the government rate to be charged is only Tk 84,000.

Expatriates' Welfare and Overseas Employment Minister Khandoker Musharraf Hossain told Baira leaders that Malaysia and some other countries are keen to hire workers from other countries than Bangladesh due to excessive migration costs.

"We run the risk of losing our share of the manpower market," he added.

Due to high migration costs and low wages, many migrants switch jobs and overstay abroad to recover the money they spent.

More than 70 lakh Bangladeshis work abroad. Migrant workers sent home around $10 billion a year over the last three years.

Visitors look at jute products at a stall at the ongoing 16th Dhaka International Trade Fair 2011 at Sher-E-Bangla Nagar in the city. The textiles and jute ministry has set up a pavilion at the annual exposition, which stepped into its second day yesterday, to promote biodegradable products from the natural fibre. The popularity of such products is increasing globally thanks to their environment-friendly nature.

AMRAN HOSSAIN

Govt speeds up oil, sugar efforts

Commerce ministry will hold a follow-up meeting tomorrow to put distributorship in place

STAR BUSINESS REPORT

The government yesterday asked the importers of edible oil and sugar to appoint distributors across the country, in a bid to rein in the prices of the two items.

The latest move that came on the back of the government's months of battle against 'market manipulators' will phase out the so-called delivery order (DO) system so the importers, refiners and traders cannot increase prices only by creating middlemen.

The DO system allows the traders to upset the domestic market despite low prices on the international market.

After a meeting with the importers, refiners, dealers, association leaders and traders at his office, Commerce Secretary Ghulam Hossain said the distributorship system will not be applicable to unpacked edible oil and sugar.

The meeting also agreed that the two items will not be sold unpacked in future.

"We have found that the traditional DO system has so far failed to contain the prices and the system created middlemen," Hossain said.

The decision came on the basis of the recommendations of a government sub-committee on introduction of distributorship system instead of the traditional DO system for marketing the commodities.

The committee headed by Additional Secretary of the ministry ATM Mortuza Reza Chowdhury prepared the recommendations, proposing some guidelines for appointing distributors.

The committee submitted the recommendations yesterday.

The ministry will sit again tomorrow to decide when the new system would be effective, the secretary said.

Earlier, after several attempts, the ministry for the second time set the prices of edible oil on December 22 for Dhaka and Chittagong, but the efforts to tame the market were far from effective.

In line with the December 22 decision, a litre of bottled soybean oil costs Tk 103 in Dhaka and Tk 102 in Chittagong.

The mill gate price of unpacked soybean oil was set at Tk 88 per litre and palm oil at Tk 84 in Dhaka. In Chittagong, it is Tk 87 and Tk 83.

At consumer level, the price of unpacked soybean oil is Tk 90 per litre and palm oil Tk 86 in Dhaka. The price is Tk 89 and Tk 85 in Chittagong.

Commerce Minister Faruk Khan chaired yesterday's hour-long meeting.

Bangladesh Tariff Commission Chairman Mujibur Rahman, Trading Corporation of Bangladesh Chairman Sarwar Jahan Talukder, Chief Controller of Imports and Exports of the commerce ministry MA Sabur, Director General of National Consumers Rights Protection Directorate Abul Hossain Mia, Director General of the Cell of World Trade Organisation Amitav Chakravarty, Chairman of Bangladesh Edible Oil Refiners' Association A Rouf Chowdhury and member of Bangladesh Sugar Refiners' Association Gulam Rahman were also present.

Energy crunch dims investment hope

MD FAZLUR RAHMAN

LOOKING BACK 2010

Industrialists and entrepreneurs look to the New Year amid high hopes after searching for answers to power shortage and gas crisis and wobbly infrastructure in the immediate past year.

For a while, the government has not approved new connections for gas and electricity to new factories. No new gas field was explored. A dozen of rental power plants already approved are yet to go into production.

Sixty-five percent of businessmen referred to the energy crunch as the biggest setback to investment in a nationwide survey by International Finance Corporation and Bangladesh Investment Climate Fund.

They also point to weak infrastructure such as highways and ports, as improvements attempted at Chittagong Port were nowhere adequate and the highway connecting Dhaka and Chittagong -- the lifeline of the economy -- remains neglected.

Businesspeople and economists say the situation cannot remain unchanged if Bangladesh wants to achieve commendable economic growth and tap new opportunities to attract foreign investors -- on its journey to become a middle-income country within a decade.

"Investment growth has slowed down mainly due to the energy crisis," said Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry.

He said a lot of orders are anticipated in the country's garments sector. Many businessmen have already set up new factories and imported heavy machinery to exploit the opportunity. But they cannot go for production without access to energy.

Dhaka chamber's new chief said the country has hardly progressed in the last two years when it comes to improving infrastructure facilities. The work for the envisaged four-lane Dhaka-Chittagong highway has not started yet. Chittagong Port is not ready to facilitate rising exports. The state of Mongla port also remained the same.

NEW LIGHT

The power situation could see an improvement in 2011, by when many of the rental power plants, which all together will add more than 2,000 megawatts to the national grid should go for production.

The investors hope that various problems including power crunch will be solved in the near future, said Ian Crosby, IFC representative in Bangladesh.

He said the recent growth in local investment has been commendable, but the growth of foreign investment looks relatively dismal for various reasons. Bangladesh has tremendous growth prospect in attracting investments, but the country needs to open 'process simplifying window' for wooing investors.

Syed A Samad, executive chairman of the Board of Investment (BOI), however, boasts Bangladesh is one of the few markets that can offer substantial profits to the investors. Bangladesh can offer over 20 percent profits on investment without additional risks.

Bangladesh can become an 'export powerhouse' if it can speed up government decision-making by changing the system to break the infrastructure bottleneck, make imports needed by exporters less expensive and take advantage of its large and growing pool of underemployed labour, said Gustav F Papanek, president of Boston Institute for Developing Economies at a seminar in Dhaka recently..

World Bank Economist Zahid Hussain said Bangladesh can learn a lot from the Chinese FDI experience. A long-term policy perspective, willingness to get things done fast, perseverance and importance given to infrastructure have given China its winning edge.

Pointing to LC opening and settlement for import of industrial raw materials during July-October 2010, he said these indicate that manufacturing production and employment have been most likely picking up.

"We must make efforts to educate the international community about the progress Bangladesh is making in political, economic and social developments."

YEAR OF INVESTMENT

A wide range of investment opportunities are available in Bangladesh in gas and coal, telecommunications, railways, waterways, ports, highways and power plants. There are also opportunities for relocation from China in manufacturing like textiles, footwear, electronics, and other labour-intensive activities.

Wages in Bangladesh are half of that of India and less than a third of that of China or Indonesia. This gives Bangladesh a cost advantage in labour-intensive activities, which should bring investors to the country.

Hussain said there is no reason why 2011 cannot be a "year of investment" if Bangladesh is able to provide a hospitable environment for investors.

THE ONUS IS ON GOVERNMENT

The government has instituted a number of policy and institutional changes to promote investment in the public and private sectors. These reforms have eased ways of doing business.

The government also needs to define a comprehensive trade and investment policy framework to ensure a friendlier business environment for domestic and foreign investors, says Hussain.

Strike stalls Mongla port

QUAZI AMANULLAH, *Khulna*

The cargo handling remained suspended in the country's second biggest seaport from Saturday afternoon after winchmen went on strike demanding a pay hike.

"We've demanded doubling our daily wage from the existing Tk 200," said a winchman among the 60 who went on strike at Mongla Port.

He said wages were not increased despite several reminders in the last three years after abolition of Dock Workers Management Board by the last caretaker government.

He said they are struggling to make their ends meet with the megre amount of pay when the price of essentials is on the rise.

Syed Zahid Hossain, president of Mongla Port Masters Stevedores Association, sees such work stoppage as 'illogical.'

The association has called a meeting with the winchmen today in an effort to end the deadlock in port activities. Meanwhile, a huge amount of imported fertilisers and clinkers could not be unloaded from nine ships staying at the outer anchorage.

The port users will have to incur a huge financial loss per day, the stevedores' leader said.