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## Soybean oil prices leap yet again

**SOHEL PARVEZ**

Refiners and marketers hiked prices of packed soybean oil by at least Tk 12 a litre to match the increased prices of the vegetable oil on the world market.

Retailers yesterday sold one litre of packed soybean oil at Tk 116-118 from the previous Tk 104, while each five-litre pack was sold at Tk 570, up from Tk 510 earlier.

The latest price rise came days after retailers charged branded oil prices on a whim -- up to Tk 580 for a five-litre pack -- cashing in on a reduced supply by the refiners.

For nearly a week, the marketers tightened the supply of packed soybean oil after the loose soybean oil prices rose past the prices of packed oils.

Refiners and marketers of branded cooking oil expect the spike would improve supply at retail level.

In the wake of rising prices on the world market, high-profit expectations are encouraging hoarding, leading to an artificial crunch in the market, insiders said.

Wholesalers said the instability on the edible oil market may not ease unless there is an abundant supply.

Mostafa Kamal, chairman of leading refiner Meghna Group of Industries, expected that the supply situation would improve after the price hike. "But the government will have to monitor retailers to control a whimsical price hike," he said.

The move to increase prices came after a meeting between refiners and the price watch and fixing committee on Thursday. The meeting suggested the government set the mill-gate price of loose soybean oil at Tk 100, insiders said.

The Tk 12 price hike came amid a demand by refiners to review the prices of edible oil on the ground of rising production costs.

Bangladesh meets 80 percent of its domestic demand of nearly 15 lakh tonnes of cooking oil through imports. Vegetable oil prices have been rising on the world market for the past several months on concerns of tight supply against increased demand.

Mozibur Rahman, head of the price watch and fixing committee, said the new mill-gate price of Tk 100 was determined after negotiating with the refiners.

"I hope the supply situation will be smooth and strengthened," he said, adding that the committee would monitor the prices of bottled soybean.

Loose palm oil climbed 62 percent year-on-year at retail level, while loose soybean surged 50 percent, according to Trading Corporation of Bangladesh.

## PM vows stern actions against hoarders

**UNB, Dhaka**

Prime Minister Sheikh Hasina yesterday said a group of businessmen is trying to increase the prices of food grains by creating artificial crisis in the market through hoarding.

"We're collecting information on such businessmen as we investigate into the matter. If anybody is found guilty, the government would take severe action," she said.

The PM made the remarks while presiding over the working committee meeting of Bangladesh Awami League held at her official residence Ganobhaban.

The PM said prices of food grains have been increasing in the international market, which has cast its impact in the domestic market.

"Despite rise in the international market, the present government successfully kept the prices of essentials within the commoners' reach."

The Prime Minister said the government has given subsidy of Tk 6,000 crore in agriculture sector.

Hasina also reiterated her government's determination to try the perpetrators of crimes against humanity during the 1971 Liberation War at the meeting.

She said despite conspiracies by the anti-liberation force, the government is confident of bringing the war criminals to book. "We have the strength to foil all conspiracies and stage the trial of the war criminals."

Hasina said the opposition party is resorting to conspiracies so that people lose faith on the government.

About recent municipal elections, she said the Awami League backed candidates would have fared better if all leaders and activists worked with more unity.



Syed Modasser Ali, third from left, the prime minister's health affairs adviser, is seen at the launch of a research and development centre of Samsung Electronics Company in Dhaka yesterday.

## Samsung opens R&D centre

**STAR BUSINESS REPORT**

Samsung Electronics Company Ltd, the world's largest technology company by sales, yesterday launched its research and development centre in Dhaka, the first of its kind by any multinational company in Bangladesh.

Yeafesh Osman, state minister for science and information and communication technology, inaugurated the Samsung Bangladesh R&D Centre Ltd at a ceremony at Uday Tower in Gulshan.

The centre, the Seoul-based company's 18th R&D centre in the world and second in South Asia, will reinforce the journey of the government toward implementing a 'Digital Bangladesh', he added.

"Bangladesh and its IT industry have immense potential. Unfortunately, limited opportunities have opened for skilled graduates of Bangladesh, who are quite considerable in number, to work for big IT companies."

The South Korean technology powerhouse aims to utilise the strengths of the skilled workforce of Bangladesh by

actively responding to the rising calls of those aspiring to put to test their software-related capabilities.

The company has already recruited over 100 Bangladeshi engineers for the centre to develop mobile devices for Asia, Africa and Australia. The centre now plans to hire 1,000 engineers by 2013, said NamKyu Lee, managing director of SBRC Ltd, later at another event at the Westin Dhaka.

"Local talents are leaving Bangladesh to get world-class jobs, and consequently the country is losing its skilled human resources. The R&D centre will open a world of opportunities for them and the industry," he said.

"In Bangladesh, our target is to become the best R&D centre in the world," said Lee, adding that the centre would also focus on advanced technology and conduct other IT researches.

Prof Syed Modasser Ali, adviser to the prime minister on health affairs, said the R&D centre is very important for any country, as it helps the society go forward.

Kiho Kim, global head of digital

media and communications for the R&D Centre of Samsung, said: "The research centre is going to create a synergy effect as the company aims to train the engineers and market its products in the region."

He said the Digital Bangladesh Vision of the government has brought in a great opportunity for the people and the country's IT industry. "This centre will help attract other global companies to set their R&D centres in Bangladesh."

TaiYoung Cho, Korean ambassador to Bangladesh, said the project would have great implications on the ICT sector and bilateral relations between the two countries. "The Bangladeshi government should come up with full-fledged support to make it a win-win venture."

He said Samsung has taken a right decision by choosing Bangladesh as the destination for its second R&D centre in South Asia, as the country is full of talents and innovative too.

Bangladesh Computer Samity President Mostafa Jabbar and Bangladesh Computer Council Executive Director Md Mahfuzur Rahman also spoke.

## Engine oil market widens

**SAJJADUR RAHMAN**

The market for lubricants is growing steadily, driven by an increase in demand for quality and branded products, leading players said.

Of the Tk 1,200 crore retail market of lubricants in 2010, automobiles consumed nearly three-fourths, while the industrial sector, aviation, marine and irrigation consumed the rest. The market was Tk 1,000 crore in 2009 in terms of retail sales.

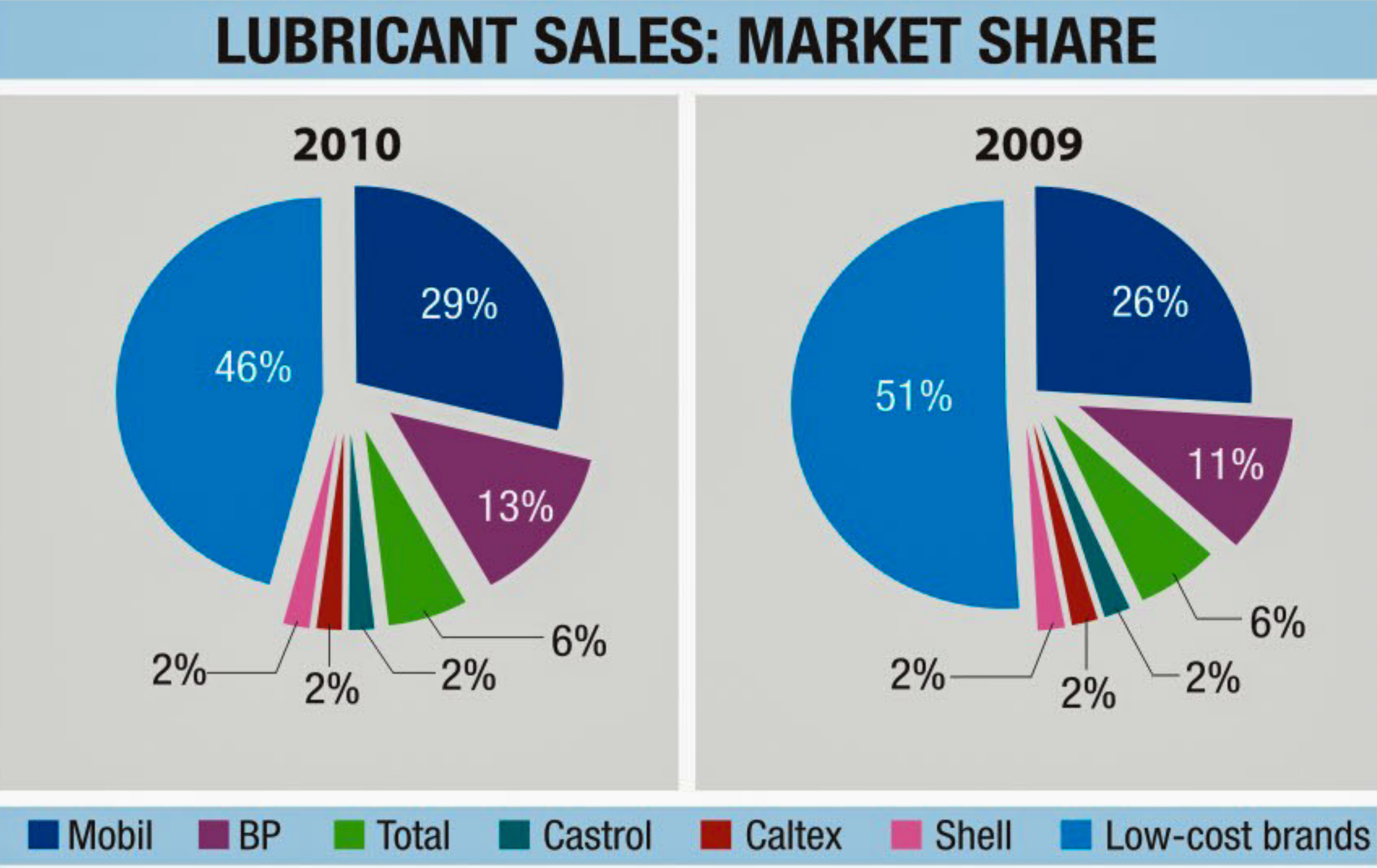
According to MJL Bangladesh that blends and markets Mobil brand lubricants, the market share of 53 percent in 2009 of low-quality and low-cost products has come down to 46 percent of the total consumption in 2010.

"Awareness campaigns have paid off," said Warisul Abid, a senior official of MJL Bangladesh. He said his company has been trying to sensitise the consumers for some years now.

Lubricant consumption is projected at a minimum 450 kilo barrels (1 kilo barrel=1,000 barrels) for 2011, up by just 15 kilo barrels compared to that in 2010. The consumption was 425 kilo barrels in 2009.

Mobil is by far the market leader with a 29 percent stake worth Tk 450 crore, followed by BP with 13 percent, Total 6 percent, Shell 2 percent, Caltex 2 percent and Castrol 2 percent. The rest 46 percent is dominated by low-quality and low-cost brands.

According to data, sales of these major brands increased significantly in 2009-2010. In



2009, Mobil had a market share of 26 percent and BP 11 percent.

Engine oil, also known as motor oil, is a liquid product used to lubricate various types of internal combustion engines, such as automobile and industrial engines. It is also used in marine, agricultural, train and aeroplane engines.

The key function of the oil is to lubricate and clean the moving parts of machines or engines. It also prevents corrosion and rust and keeps the engines cool by carrying away the heat from the sliding parts.

The private sector lubricant business in Bangladesh is just a decade old. Until 2000, only the state-owned oil companies were allowed to import, blend and

distribute lubricants here. At that time, most lube oils (65 percent) contained no additives.

The government liberalised the market and banned non-additised lubricants in 2001, to ensure minimum standards. Since then, nearly 70 brands of lubricants, including renowned multinationals, have entered the market, half a dozen brands of which account for nearly 50 percent of the total business.

Low-quality engine oil has become a concern, as it can ruin an engine. The market players said there is no government intervention to ensure the quality of engine oils.

A litre of low quality lubricant costs only Tk 120 to Tk 130,

whereas the price of a litre of oil by Bangladesh Petroleum Corporation is around Tk 200 and a minimum of Tk 320 by Mobil.

"A section of unscrupulous businessmen import used lubricants from Dubai by mis-declarations and recycle those in and around Dhaka for sale at a lower price," said an official of Meghna Petroleum that markets the BP brand.

Currently, the dealers highlight the oil quality only on paper, he said. As there is no mechanism to check the quality of lubricants marketed by different companies, it is an urgent need to devise a system to ensure the standards, he added.

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## District business leaders want more clout

**STAR BUSINESS REPORT**

The district-level chamber leaders yesterday called upon the government to give them more power and increase their participation in policymaking.

The leaders said majority of the 64 district chambers do not have their own buildings or offices. As a result, they cannot oversee the local business activities and take part in policymaking activities.

The presidents or their representatives of 64 district chambers were speaking at the 'council of chamber presidents' at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka.

The council of chamber presidents is a gathering of all district chamber presidents and representatives. FBCCI President AK Azad moderated the meeting.

The leaders talked about different problems and issues in their areas and called upon the authorities to take steps.

Shahjada Anwarul Quadir, president of Gaibandha chamber, said he has been the president of the chamber for the last 20 years, as nobody is interested in the post of such a weak association at the district level.

Mahbub Chowdhury, president of

Sunamganj chamber, proposed setting up six customs stations along the Bangladesh-India border areas to increase border trade.

"The government can earn Tk 3,000 crore in Sunamganj if the number of such customs stations is increased. Last year the businessmen paid Tk 1,200 crore as taxes."

Mirza Sayeed Hossain, president of Shariatpur chamber, demanded the government make the membership certificates mandatory for the district-level business enterprises.

Selim Osman, president of Narayanganj chamber, urged his colleagues to play a vital role in stemming the price spiral of basic commodities.

Commerce Minister Faruk Khan said the government will amend the trade organisation ordinance to boost the chambers.

Under the proposed amendment, all business enterprises have to collect membership certificates from the local chamber and respective trade association for running their business, the minister said.

The proposed amendment will be placed in the cabinet meeting within two to three months. "Once approved, the amendment would come into force after the next budget," the minister said.

## Dong devalued

**AFP, Hanoi**

Vietnam on Friday announced its biggest currency devaluation in years. The State Bank of Vietnam said the average interbank exchange rate had been adjusted by 9.3 percent to 20,693 dong against the dollar, compared with 18,932 dong



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