

Steel millers ask govt not to hike power prices

STAR BUSINESS REPORT
Steel millers yesterday asked the government to reinstate the previous rate of electricity prices as the fresh hike will push up the prices of construction raw materials at the consumers' end.

The government has recently increased the electricity prices by 21.28 percent to reduce the burden of subsidies. The price hike was to be implemented in two phases -- the first hike was made effective from December 1 and the second hike would be from February next.

The price hike of electricity will increase the price of steel and MS (mild steel) rod, two basic construction materials, as production of such materials needs a lot of electricity, said Md Shahjahan, secretary general of Bangladesh Steel Mills Owners Association (BSMOA).

"We have again fallen into a crisis due to the electricity price hike," said Shahjahan at a press conference at Dhaka Reporters Unity in the capital jointly organised by BSMOA and Bangladesh Re-rolling Mills Association.

Shahjahan said the price hike will hinder

growth of the sector as it will erode people's purchasing capacity, raise inflation and increase production cost of MS rod.

He said the price of MS rod is likely to increase by Tk 4,000-Tk 4,500 per tonne due to the power hike and the devaluation of the local currency.

Besides, Shahjahan said the steel and re-rolling industry will have to count additional cost for electricity because of frequent power outages.

"We need to use 2,000-4,000 units of electricity to manufacture one tonne of steel billets due to frequent power cuts, while it generally takes 700 units if uninterrupted power is ensured," he said.

Shahjahan said the price of 40-grade MS (mild steel) rod currently stands at Tk 55,000 a tonne, while 60-grade rod sells at Tk 61,000 in the local market.

The steel millers urged the government not to raise electricity prices for the sake of the development of the sector.

Bangladesh Re-rolling Mills Association Secretary General Abu Bakar Siddiq also spoke at the event.

Minister blames rise in cooking oil prices on dollar

BSS, Dhaka

Commerce Minister GM Quader yesterday held the dollar price hike responsible for a sudden rise in the price of edible oil and said price fluctuation is a common phenomenon.

"Fluctuation in the prices of essentials is a common phenomenon," he said adding the higher prices of essentials are due to the depreciation of the taka against the dollar by 10 percent.

His comments came as a clarification of the recent hike in the prices of edible oil, on the sidelines of a function at Dhaka Chamber of Commerce and Industry (DCCI).

Quader launched a DCCI website (www.dhakachamber.com) at the function chaired by DCCI President Asif Ibrahim. Former DCCI president Benjir Ahmed and senior vice-president ATM Nurul Kabir also spoke.

AK Azad, president of Federa-

tion of Bangladesh Chambers of Commerce and Industry (FBCCI) on Monday told reporters that loose edible oil is being sold between Tk 120 and Tk 125 a litre although there is an adequate supply of the commodity.

Quader said price fluctuation is not an abnormal phenomenon as it is happening in many countries across the globe. "You cannot forecast when prices of essentials will go up or down," he said.

There are many factors behind the price escalation, he said.

But, he said, the commerce ministry is calculating in detail all information with regard to import cost and profit margin. "We are working to fix the reasonable price of edible oil."

The government would do everything to keep the prices of essentials within the reach of the common people, he said. "We will let the media know once the steps are taken towards that direction."



Pubali Bank Chairman Hafiz Ahmed Mazumder inaugurates the 402nd branch of the bank at Sipahibagh Bazar in Dhaka yesterday. Managing Director Helal Ahmed Chowdhury was also present.

Jute Mills Association re-elects chairman

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Najmul Huq was re-elected as the chairman of Bangladesh Jute Mills Association for 2011-12, the association said in a statement.

The election took place at an annual general meeting of the body yesterday.

Huq is the managing director of Janata Jute Mills Ltd, the statement added. A postgraduate in geography from Dhaka University, he is also and chairman of Sadat Jute Industries Ltd and Zenin Cold Storage Ltd.

The association also elected Md Harunor Rashid as its vice chairman for 2012-13. Rashid is the managing director of Alhaj Jute Mills Ltd.



Najmul Huq



AAM Zakaria, managing director of First Security Islami Bank, opens the bank's branch for women at Patia in Chittagong yesterday.



Iqbal Mahmood, chairman of Infrastructure Development Company Ltd, poses at the 14th annual general meeting of the state-own company, at Radisson Water Garden Hotel in Dhaka on Tuesday.

IDCOL posts nearly Tk 45cr in net income

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State-own Infrastructure Development Company Ltd (IDCOL) on Tuesday posted a net income of Tk 44.93 crore in 2010-11, up 51.68 percent from the previous fiscal year.

The information was disclosed at IDCOL's 14th annual general meeting at Radisson Water Garden Hotel in Dhaka.

Iqbal Mahmood, chairman of IDCOL and secretary of Economic Relations Division, presided over the meeting.

During 2010-11, the company's profit before tax and provision was Tk 93.66 crore with a 38.39 percent rise from the previous year.

The company decided to pay Tk 10 crore as dividends to the government for 2010-11.

The shareholders also approved an increase in the company's paidup capital from Tk 87 crore to Tk 120 crore.

IDCOL is a leading financier of private sector infrastructure projects and renewable energy tech-

Ctg chamber chief stresses strong trade ties with Russia

CU CORRESPONDENT

The Chittagong chamber chief has called for efforts to remove obstacles to trade between Bangladesh and Russia.

Murshed Murad Ibrahim, president of Chittagong Chamber of Commerce and Industry (CCCI), spoke at a meeting with Oleg P Boyko, consul general of Russia, in the port city, the chamber said in a statement yesterday.

Ibrahim urged Russian investors to come to Bangladesh as the country provides a "suitable environment for foreign investment". He also urged the consul general to advocate for quota-free access for Bangladeshi readymade garments to the Russian market.

MA Latif, former president of the chamber, emphasised re-establishing

trade linkages between the two countries.

Latif briefed Boyko about the proposed industrial park in the coastal area of Mirsarai upazila and sought technical assistance from Russia in infrastructural development of the project.

Boyko expressed his willingness to invest in Chittagong considering the city to be the most attractive and suitable place for trade, business and investment in Southeast Asia.

He stressed exchanging information for better bilateral trade and business and expected to work in collaboration with the Chittagong chamber.

He assured the chamber leaders of his efforts to remove all hindrances to bilateral economic relations.

Mahfuzul Hoque, a director of the chamber, was also present.

Lack of connectivity hinders business with Myanmar

UNB, Dhaka

The high potential of bilateral trade with neighbouring Myanmar has apparently remained untapped for four major hurdles: lack of air, water and road connectivity and absence of a formal trade channel, said a trade body leader yesterday.

"If connectivity is ensured, Bangladesh's export will definitely make a big jump," said SM Nurul Hoque, vice president of Bangladesh-Myanmar Chamber of Commerce and Industry (BMCCI).

According to the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Bangladesh exported goods worth \$9.65 million to Myanmar in fiscal 2010-11 and imported items worth \$175.72 million.

Hoque, however, thinks export to Myanmar will get a boost this fiscal year as trade through formal channel started on a limited scale.

"After long negotiations, Sonali Bank is now opening LCs (letter of credit). Other banks need to come

forward to make the trade easier."

He said all businessmen think about benefit at first. "So, quick shipping and good connectivity are a must...entrance of non-conventional vessels (around 3,000 tonnes) in Bangladesh will play a big role," he said.

Also an FBCCI director, Hoque said Bangladesh-Myanmar airlink is very important and demanded Chittagong-Bangkok flight operational.

The bilateral trade between the two countries remained low, as there was an absence of formal trading, said Enayet Ullah Siddiqui, BMCCI joint secretary. "Progress is there to ensure formal trading."

Trade items are being accessed through informal trading, and both countries will be mutually benefited if trade is done through formal channel, said Siddiqui, also the chairman of FBCCI standing committee on backward linkage industries.

He also laid emphasis on connectivity -- road, air and shipping -- for boosting the bilateral trade.

Bangladesh mainly imports food items like rice and lentils, fish and timber from Myanmar and exports mainly cement, pharmaceuticals, condensed milk and electric cables to the country, according to business leaders.

Bangladesh, being a next-door neighbour, has mainly been doing business with Myanmar through informal channels over the years for problems in international banking system transactions. Even though trade volumes are low, the potential is very high.

In November, Commerce Minister Faruk Khan visited Myanmar and discussed issues related to bilateral trade.

Later, a 38-member business delegation accompanied Prime Minister Sheikh Hasina on a two-day visit to Myanmar.

Bangladesh signed several memoranda of understanding with Myanmar during the visit following cabinet approval of Bangladesh-Myanmar bilateral agreement on capital investment, development and preservation.



MA Hassan, chairman and managing director of Aristopharma, attends the annual sales conference 2011 of the company at Bashundhara Convention Centre in Dhaka yesterday.



NCC Bank Director SM Abu Mohsin opens the 87th branch of the bank at Boalkhali in Chittagong yesterday. Chairman Md Nurun Newaz Salim and Managing Director Mohammed Nurul Amin were also present.



Majedur Rahman, additional managing director of AB Bank, inaugurates the bank's Swandip branch in Chittagong on Tuesday.