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Star BUSINESS

DHAKA SUNDAY JANUARY 29, 2012, e-mail: business@thedailystar.net



STAR
SK Masadul Alam Masud, chairman of Bangladesh Auto Re-Rolling and Steel Mills Association, speaks at a discussion at The Daily Star Centre in Dhaka yesterday. Abu Bakar Siddique, general secretary of Bangladesh Re-Rolling Mills Association, Fazlur Rahman Bakul, chairman of Bangladesh Steel Mill Owners Association (BSMOA), Md Shahjahan, secretary general of BSMOA, Md Syfur Rahman Khokon, chairman of Rahima Ispat Ltd, and Md Harun-or-Rashid, director of BSMOA, were also present.

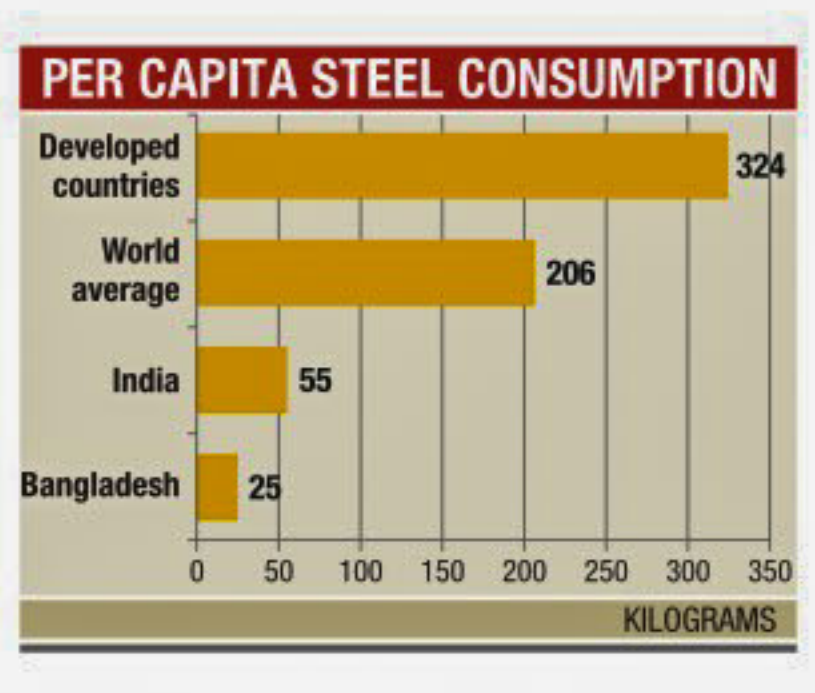
High cost of business weighs on steel millers

Sector leaders point to high interest rates, weakening taka

SAJJADUR RAHMAN
 After a decade of steady growth, local steelmakers are now facing tough times for a surge in production costs and a slowdown in consumption by both the government and private sector.

In addition, a low pressure of gas, depreciation of the taka, rising costs of raw materials and bank borrowing, and a tight liquidity situation have hurt the Tk 30,000 crore-industry in recent months, manufacturers said.

"We're passing through a critical time. It seems there is nobody in the government to look into our issues,"



January 2012, mainly because of depreciation of the taka against the dollar. Steelmakers import at least 70 percent of raw materials.

The latest move on withdrawal of the upper cap on bank lending rates has also pushed production costs up.

Masud spoke at a meeting with The Daily Star yesterday as part of the newspaper's weekly business talks at its office. Leaders of Bangladesh Steel Mill Owners Association, Bangladesh Re-Rolling Mills Association and Bangladesh Auto Re-Rolling and Steel Mills Association took part in the discussion.

said SK Masadul Alam Masud, chairman of Bangladesh Auto Re-Rolling and Steel Mills Association.

Masud said the cost of producing a tonne of 60-grade rod has increased by Tk 18,000 between January 2011 and

Cabinet may okay four more power plants today

REJAUL KARIM BYRON

The Power Division has sought approval from a cabinet panel for four more power plants with a combined generation capacity of 320 megawatts, which will be set up in the private sector.

The proposals may be placed at a meeting of the cabinet committee on purchase today. Three plants will be furnace oil-based and the fourth will be gas-based.

However, for the first time, bidders for the furnace oil-based power plants made their tariff quotations in taka instead of the dollar. It means the tariff rate will not go up if the dollar soars in future, the Power Division said in its proposal.

The Power Division said it has approved the work order for the gas-based power plant on condition that 70 percent of the investment will be foreign.

The 100MW to 170MW gas-based combined cycle power plant will be set up in Fenchuganj, Sylhet. The Power Division awarded the work order to a consortium of SNPC-Kushiara-DBPL, the lowest bidder.

The government will purchase electricity from the firm at Tk 2.83 per kilowatt. They will supply power to the national grid in 22 months.

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Chopper rental service poised for a takeoff

Bad traffic on roads makes the service popular for short business visits

SHARIFUL ISLAM

Privately run helicopters emerged as a means of commercial travel in the last one year with businessmen, corporate executives, foreign buyers and donors opting for chartered chopper services to visit places outside the capital to avoid huge traffic congestion and time consuming road transports.

There is hardly any week the helicopters are not being used for traveling, the operators said.

"Now we get clients almost five days a week," said Director (operations) of Square Air Group Captain (retd) M Abu Zafar. The company has been providing service with a seven seated Bell 407 helicopter including two seats for pilots since 2010 and is expecting to add another twine engine helicopter to its fleet soon.

Although commercial operations of helicopters started almost a decade ago with only two private operators, new companies have been exploring the untapped business since 2010.

Two companies have received regulatory approval from the Civil Aviation Authority of Bangladesh (Caab) since 2010, while four others are awaiting permission. Besides, South Asian Airlines Ltd has been in operations since 2002.

Of the two companies, Square Air, a sister concern of Square Group, got

Caab permission in 2010 and R&R Aviation of Shikder Group in November 2011.

Of the four business groups that have also applied for licence, Bangla International has already submitted proposal for permission for a Robinson helicopter, while Meghna Aviation Ltd has applied for an MD helicopter.

These two companies might get their permission in six months, a Caab official said, asking not to be named.

The other two companies -- Partex Aviation and Air Destiny -- are yet to submit their proposals for what type of helicopter they want to purchase.

Although two helicopter service providers, Best Air and Aero Technologies, began their journey in 1999 and 2000, they stopped their operations later due to low passenger response and some technical glitches, industry insiders said.

"Like other sectors, this business is also expanding," said Fazle Shohan, manager (operations and coordination) of South Asian Airlines Ltd.

The sector people said their main clients are businessmen, corporate executives, non-government organisations, foreign buyers and donors who visit factories or project sites outside the capital and return the same day. Besides, ministers and wealthy people use chartered helicopters.

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BSTI gets accreditation from Quality Council of India

DIPLOMATIC CORRESPONDENT
 The Bangladesh Standards and Testing Institution (BSTI) has been granted accreditation for its product certification scheme by

India's National Accreditation Board for Certification Bodies (NABCB).

It was the first application received by NABCB from a certification body in the Saarc region where it is providing services to help develop capacity in the Saarc countries for conformity assessment services, Quality Council of India (QCI) said in a statement yesterday.

NABCB is a constituent of Quality Council of India, and part of an international system of accreditation of certification and inspection bodies.

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