

Ananda Shipyard looks to rent out two ships to foreign clients



SAJJADUR RAHMAN

Ananda Shipyard, which has fallen on hard times after orders for eight vessels worth about Tk 700 crore were cancelled in 2010, is now planning to rent out two of the ships to service its loans with Islami Bank.

The shipbuilder is currently looking to register the two liners at a foreign country and then lease them out to European patrons, Tariqul Islam, executive director of Ananda Shipyard and Slipways, said.

"There were bureaucratic tangles, but we have overcome them recently. Our ultimate aim is to find buyers for those ships."

Just like individuals, merchant ships too need to obtain 'passports' to ply international waterways, a process which is called ship registration. The vessel will be registered to a country, dubbed the flag state, to

whose laws it would be bound to.

The flag state will regularly inspect the ship to certify its equipment and crew and issue safety and pollution prevention documents.

Ananda aims to get the vessels registered at Panama, currently the world's largest flag state, owing to the Central American nation's easy registration process, cheap labour and tax benefits.

Failing that, the shipbuilder will look to Liberia, Marshall Islands, Hong Kong or Singapore, according to Islam.

"Those countries have tax benefits and registration is much easier than many countries including Bangladesh. Maybe, we will also get prospective buyers for our ships there."

Islam said the ships would be mortgaged in favour of its financier Islami Bank.

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Bangladesh keen to join BRICS Bank

STAR BUSINESS REPORT

Bangladesh is willing to join the newly-formed BRICS Bank though the multilateral development bank is yet decide on whether it would include any country outside the five founder nations.

"We have decided to join BRICS Bank," Finance Minister AMA Muhith told reporters after a meeting yesterday with Asian Development Bank Vice-President Lakshmi Venkatachalam at his secretariat.

Officially called the New Development Bank (NDB), it was formed in July 2013 by the emerging markets of Brazil, Russia, India, China and South Africa as an alternative to the US-dominated World Bank and International Monetary Fund.

Each of the five nations will initially contribute \$10 billion to bring the bank's starting capital to \$50 billion. Its primary focus of lending, scheduled to start in 2016, will be infrastructure projects.

However, NDB is yet to decide on whether it would give membership to any country other than its founder members.

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Fifth from left, Matia Chowdhury, agriculture minister, and Jim McCabe, chief executive officer of Standard Chartered Bangladesh, pose with the winners of the first AGROW Award from Standard Chartered at a ceremony at Sonargaon Hotel in Dhaka yesterday.

StanChart awards agriculture heroes

STAR BUSINESS REPORT

Two rural farmers, a state-run research organisation, a farm machinery manufacturer and an exporter yesterday won the maiden AGROW Award in recognition of their contribution to agriculture.

Standard Chartered Bangladesh in association with Bangladesh Brand Forum introduced the award in a bid to spur innovation and modernisation among the thousands of farmers across the country.

Agriculture Minister Matia Chowdhury handed out the awards to the winners, picked in five categories, at a ceremony at the capital's Sonargaon Hotel.

The Farmer of the Year (male) award went to Khan Asaduzzaman, a cultivator from Barisal for his diversi-

fied farming activities which cover fisheries, dairy and fruits. On daily basis, at least 15 workers work in Asaduzzaman's farms.

Alia Begum from Faridpur was crowned the Farmer of the Year (female) for her outstanding contribution to poultry, dairy and livestock farming. The 32-year-old has a poultry farm of 800 quail birds.

The Bangladesh Agricultural Research Institute (BARI), the largest multi-crop search institute owned by the government, won the award in the innovation and research category.

Lal Teer Seed Ltd, the largest private sector seed company in the country, was given an "honourable mention" in the same category for its leading role as a researcher, supplier and producer of vegetable seeds.

The Best Associated Industry in sup-

port and execution went to Alim Industries Ltd, the country's leading agricultural machinery manufacturer. The firm has revolutionised agro-farming through easy-to-operate machineries which include power thresher, ventilating dryer and rice reaper.

The Best Agriculture Export award went to Creation Pvt Ltd. The firm exports jute diversified products to many developed countries including the UK, Germany, France and Japan.

Accepting the award, Alia Begum said: "I have never thought that I would get this type of award. I am feeling very good. If I get more support, I will be able to expand my farm activities."

Asaduzzaman credited his father and elder brother for guiding him and providing financial support throughout his journey.

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Faster IPO subscription project takes off next month

STAR BUSINESS REPORT

A new simpler and faster IPO subscription method will start under a pilot project next month.

The new system will cut down the processing time of an initial public offering (IPO) to three weeks from the current requirement of more than five weeks.

It will also eliminate hassles that investors face in submitting IPO applications and depositing cash with the banks and getting refunds for unsuccessful applications.

As many as 118 stockbrokers and merchant banks will participate in the pilot project, which was approved in a meeting of Bangladesh Securities and Exchange Commission last week.

Of the institutions, 66 stockbrokers are from Dhaka Stock Exchange, 36 stockbrokers from Chittagong Stock Exchange and 16 are merchant banks.

The stockmarket regulator also asked the institutions to inform their clients about the pilot project for IPO subscription.

Investors will pay the IPO subscription fee to the stockbroker or merchant banks that will keep the amount in a block account.

The stockbroker or the merchant bank will provide the issue manager with IPO subscribers' data, which will be checked by the Central Depository Bangladesh Ltd before the IPO lottery.

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Provide incentives to develop skilled workforce

Analysts speak at SkillFUL programme



STAR

Manish Pandey, director of Swisscontact's South Asia regional office, speaks at a conference organised by the SkillFUL project team at The Daily Star Centre in Dhaka yesterday.

STAR BUSINESS REPORT

The government should offer incentives to private companies to provide in-house or external training to their employees to sharpen their skills, analysts said yesterday.

Currently, most organisations shy away from providing any training -- despite an acute shortage of skilled workforce -- due to high costs and employees' tendency to defect to another job after the training period, they said.

"Most employers have been operating their businesses with a short-term vision," said Parveen Sultana Huda, deputy policy adviser for Skills Employment Programme--Bangladesh. She said that should be a regulatory requirement that compels private companies to arrange training to their employees. "It is an urgent need."

Alternatively, the government can provide tax benefits, said Ahmedullah Mia, professor and dean of the faculty of social sciences of the University of Development Alternative.

They spoke at a conference organised by the SkillFUL project team at The Daily Star Centre yesterday.

Skills for Unemployed and Underemployed Labour (SkillFUL) is

a project of Swisscontact currently being implemented in six districts of the country in collaboration with Centre for Mass Education in Science.

The project, which took off in March 2011, targets the poor unemployed and underemployed men, women and differently-abled people (DAP) of 15 years of age and above from Dhaka, Kurigram, Nilphamari, Bogra, Sunamganj and Jessore.

The conference was organised to discuss the challenges faced, lessons learned and results achieved as SkillFUL completes its three-year phase this month.

Bangladesh has a great potential on vocational and technical education due to its large young population, said Manish Pandey, director of Swisscontact's South Asia Regional Office.

He particularly stressed changing the mindset of people about vocational and technical education. "Vocational education is still considered a last resort here -- this mindset has to be changed."

Pandey also called upon the private companies in the country to consider skill development programmes as investments rather than sunk costs.

"Bangladesh is a dynamic country,

as a lot of skill development programmes are happening here," said Libuse Soukupova, head of the human and social development section of the European Union's Dhaka office.

EU is focusing on education and vocational training in Bangladesh due to its huge shortage of skilled workforce, she added.

The market-led approach of the SkillFUL initiative engages training service providers (TSPs), enterprises, government organisations, community leaders and other relevant stakeholders.

Over the last three years, 19,015 graduates, the majority of whom are women, have completed training facilitated by SkillFUL, with 60 percent of them now successfully employed, said Devi Prasad Dahal, project manager of SkillFUL.

The project has also assisted in capacity building of 255 instructors and 40 master trainers, development of 21 curriculum guides, establishment of four occupational standards that have been approved by the Bangladesh Technical Education Board as well as facilitation of the Industry Skills Council in the Furniture sector, he said.

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Govt plans to boost cotton production seven-fold

STAR BUSINESS REPORT

The government has taken up a Tk 105 crore project to increase production of raw cotton, only 3 percent of which is now collected from local producers.

The Executive Committee of the National Economic Council yesterday approved the Extended Cotton Farming Project Phase-1 through which an additional 7 lakh bales of cotton will be produced a year.

Bangladesh produces only 1 lakh bales of cotton, which meets only 2-3 percent of the garment industry's demand.

Planning Minister AHM Mustafa Kamal said the additional production will be ensured by planned cotton farming in 35 upazilas under 10 districts.

At present, the government has to spend around \$4.5 billion a year to import cotton, he said.

The country will be able to meet 30 percent of its demand for cotton if the project is implemented to the full, according to the planning ministry proposal.

Under the project, which is expected to be completed by 2018, cotton will be produced in saline-prone areas of the southern region, char areas, plain lands between two hills.

The project aims to supply high quality seeds to farmers and arrange motivational tours and exchange visits to different countries for selected farmers.

The farmers will also be provided with high quality seeds, fertiliser, irrigation and pesticide for cultivating 660 hectares of land free of cost.

The Ecne meeting also approved World Bank-funded Shiddhirganj-Maniknagar 230KV transmission line (first revised) project.

BB widens green finance scheme

STAR BUSINESS REPORT

Bangladesh Bank has added three new products, including garment sector ones, to its refinance scheme of low-interest loans.

The banking regulator included solar water-pumps, green industry and workplace safety projects of the apparel industry in the scheme.

The highest loan limit for solar water-pumps is Tk 3 core, Tk 20 crore for green industry and Tk 1 crore has been earmarked for garment factories, the central bank said in a notice yesterday.

Borrowers will have to pay a 9 percent interest rate for green industry and garment factories and 11 percent for solar irrigation pumps. The repayment period is six years, five years and 10 years respectively, with a nine-month grace period.

Earlier in May, BB included 26 new products to its revolving refinance scheme for solar energy, biogas and effluent treatment plants.

The central bank set up a Tk 200 crore revolving fund in 2009 for banks and financial institutions to disburse as low interest loans for solar energy, biogas and effluent treatment plants.

The central bank provides funds to banks and financial institutions at 5 percent interest, so they can provide loans on easy terms.