

## New 4-star hotel starts operation

UNB, Dhaka

A new 4-star hotel began operation in the capital on Thursday, pledging to provide quality services.

Foreign Minister M Morshed Khan formally inaugurated Hotel Sarina at Banani, just 10 minutes drive from Zia International Airport and also quite close to the diplomatic enclave of Baridhara.

"This will be Dhaka's only 4-star boutique business hotel with friendly warmth and caring hospitality," said Atique Rahman, general manager of Hotel Sarina, while talking to journalists during the inaugural function.

Housing and Public Works Minister Mirza Abbas, Commerce Minister Amir Khosru Mahmud Chowdhury and FBCCI President Yussuf Abdullah Harun were among the distinguished guests present at the function.

## Pakistan urges free trade zone in non-Arab Muslim group

AFP, Islamabad

Pakistan Prime Minister Zafarullah Jamali Thursday called for the establishment of a free trade zone by the Economic Cooperation Organisation (ECO), grouping 10 non-Arab Muslim countries.

"The ECO countries should join hands in opening up the region for free trade," Jamali told a ministerial conference of the organisation on commerce and foreign trade.

The three-day meeting was also attended by delegates from Afghanistan, Azerbaijan, Iran, Kazakhstan, Kyrgyzstan, Tajikistan, Turkey, Turkmenistan and Uzbekistan.

"Let's move ahead .... out of our (existing trade barriers)," Jamali said.

Jamali lamented trade among the ECO countries was below its potential and said Pakistan had already agreed to reduce trade barriers to facilitate regional exchange of goods and services.

The meeting concluded with a unanimous agreement to reduce tariffs to 15 per cent in the next eight years among member states.

ECO member countries have a combined population of more than 300 million and rich gas and oil resources.

# FBCCI goes into polls process

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) went into election process under a new format as collection of nomination papers began on Thursday.

The election of the country's apex trade body will be held on August 25, about eight months behind the schedule, on the FBCCI building premises in Dhaka. Aspirants will have to submit their nomination papers by July 24. Election Board will publish the list of valid nominations by July 26 and the final list will be published on August 2.

Three-member Election Board headed by Colonel (ret'd) Anisuzzaman has already published the final list of 1193 voters. Of the total voters, 936 will represent 191 associations and 257 come from 52 chambers. Some 22 trade bodies have been dropped from the list.

A total of 15 chambers including Kishoreganj, Pirojpur, Gaibanda and Patuakhali have been dropped from this year's voter list.

Seven associations including Bangladesh Ship Breakers' Association and Bangladesh Oil Mills Associations have been excluded from the association

category.

FBCCI sources said the trade bodies were dropped from the list, as they did not comply with the existing Trade and Ordinance (TO) rules and regulations. Some of the dropped 22 trade bodies also defaulted on paying subscription to the federation.

In the last election held in 2000, there were 1,062 voters. A total of 7,95 voters represented 162 associations and 267 voters came from 57 chambers.

The apex trade body's election was due in November last year. The election could not be held as some members under the banner of Election Reforms Committee filed writ in court challenging a commerce ministry rule.

The Ministry of Commerce directed the FBCCI to absorb 14 directors in the executive committee from leading associations and chambers without direct election in a bid to increase representation of key sectors and invite more chamber activities.

As the writ was disposed of there is no legal barriers to holding the election. So, this year's election will be held in a new format directed by the ministry.

Under the new rule, instead of 32-member executive committee, now there will be 38-member

body. The executive committee members are known as directors. Of them, some 14 directors -- seven from chamber group and seven from association group -- will be nominated without election. The rest 24 directors will be elected in direct voting.

Apart from Metropolitan Chamber of Commerce and Industry, Dhaka, six divisional chambers -- Dhaka Chamber of Commerce and Industry, Chittagong Chamber of Commerce and Industry, Rajshahi Chamber of Commerce and Industry, Khulna Chamber of Commerce and Industry, Sylhet Chamber of Commerce and Industry and Barisal Chamber of Commerce and Industry will nominate one each director from their chambers for the FBCCI executive committee.

Seven leading associations, namely Bangladesh Garments Manufacturers and Exporters Association, Bangladesh Frozen Foods Exporters Association, Bangladesh Jute Association, Bangladesh Textile Mills Association, Bangladesh Association of Banks, Bangladesh Insurance Association and Bangladesh Aushad Shilpa Samity (Pharmaceutical association), will nominate one each for the FBCCI executive committee.

The elected and nominated 38 directors will enjoy voting rights and would also be eligible to contest for the posts of president and two vice-presidents for a two-year term. In the previous system, there was one vice-president.

The presidency and vice-presidency are to rotate between chamber and association members. As the incumbent president comes from chamber group, an association candidate must succeed him.

Under the new system, of the two vice-presidents, the senior vice-president must come from chamber group as the current vice-president represents association group. The second vice-president has to be elected from association group.

An election official said on the first day of nomination paper collection on Thursday about 10 hopefuls took nomination papers.

Aspirants have already started campaigns. Meanwhile, Nitul Group Chairman Abdul Matlub Ahmed on Wednesday announced his candidature for presidency of FBCCI. Though several names of leading businessmen are being speculated in the business community for the top post but none of them is yet to formally declare candidature.



PHOTO: STAR

Foreign Minister M Morshed Khan formally inaugurates a new 4-star hotel -- Hotel Sarina -- at Banani in Dhaka on Thursday. Commerce Minister Amir Khosru Mahmud Chowdhury and FBCCI President Yussuf Abdullah Harun, among others, are also seen in the picture.

## BMW showroom opens

STAR BUSINESS REPORT

Executive Motors Ltd, distributor of BMW cars in Bangladesh, yesterday opened the first showroom for the premium German vehicles in Dhaka.

Commerce Minister Amir Khosru Mahmud Chowdhury and BMW Group Senior Vice-President Sales Division (Asia-Pacific, Middle East, East Europe and Africa Caribbean) Lueder Paysen formally inaugurated the showroom at Tejgaon.

Lueder Paysen said though Bangladeshi market is limited for BMW cars, the Asian market is important for the company. "Some people of Bangladesh also want to drive the BMW cars."

"Executive Motors has already sold 42 BMW cars in Bangladesh and of them 25 cars have already been delivered," he said.

"Last year we sold over 78,000 BMW cars in Asia and we are planning to double our sales in Asia in the next five years," he added.

To achieve this target, he said, the company is expanding its presence in Asia.

The BMW Group has already signed joint venture agreements with Thailand and China to manufacture the BMW cars, he said. "And in the next year we are going to sign a joint venture deal with India."

Chairman of Executive Ltd Motors Mizanur Rahman said

Executive Motors, which introduced the BMW cars in Bangladesh in May this year, will display and sell all the BMW models of 3 Series, 7 Series, Z4, X5 and 5 Series in the showroom.

The 3 series models -- 318i and 325i -- will cost Tk 45 lakh and Tk 50 lakh. The price of 5 series models including 520i, 525i and 530i will be ranged between Tk 60 lakh and Tk 70 lakh.

The 730Li, 735Li, 745Li and 761Li models which belong to 7 series of BMW will cost at least Tk 1.05 crore.

BMW Asia Pte Ltd Managing Director Birgit Maier and Executive Motors Ltd Managing Director Moklasur Rahman were also present at the function.

# Ray of hope for golden fibre

## Entrepreneurs get technical, financial supports to produce diversified jute products

UNB, Dhaka

The government initiative to encourage entrepreneurs to produce new diversified jute products is gaining momentum, raising hope to revive the lost glory of jute.

The government set up Jute Diversification Promotion Centre (JDPC) in March 2002 to inspire both new and old entrepreneurs to set up small and big factories in this promising sector by offering technical and financial supports.

The main objective of the first ever such government project is to increase the use of eco-friendly jute goods both internally and externally with a vision to dominate the vast market expected to be emerged after multi-fibre arrangement (MFA) era in 2004.

During the post-MFA era, according to business experts, any package should be made of eco-friendly, easily degradable, dispos-

able and have recyclable ingredients, and then jute would become the most demanding, reliable and multifaceted component in the packaging sector.

Bangladesh is the second largest jute and jute goods-producing country in the world after India. The other major jute-producing countries are China, Thailand, Myanmar and Nepal.

India consumes 90 per cent of its jute and jute products domestically while Bangladesh exports 90 per cent of its jute and jute products, according to an official.

Talking to the news agency, JDPC executive director Dr ABM Abdullah said the project with a revolving fund of Tk 20 crore started its function with 11 identified technologies. Now the number of its technologies is 31. "Over 100 entrepreneurs are now in touch to set up diversified jute product factories," he added.

Taking support from the JDPC, Dr Abdullah said, Sky Land and Farm Ltd has been producing 26 diversified jute items since May 2002 in its industry in Narsingdi and the items are 100 per cent export-oriented. Now their items are being exported to Japan and some European countries.

The target of the industry that employed nearly 300 staff and workers is to consume 9,000 tons of raw and export products worth Tk 12 crore every year.

Under its project, the JDPC provides 20 per cent fund of the total loan to entrepreneurs through banks alongside providing free technical support. It also provides 15 per cent fund of the total cost to the entrepreneurs as grant for direct procurement of machinery.

Dr Abdullaah, who built up his career in jute research and won several gold medals for his out-

standing achievement, said the target of the 5-year project is to increase investment in this sector from Tk 500 crore to Tk 1000 crore. Now nearly Tk 200 crore is being invested in the sector, he added.

With the JDPC support two industries have so far gone into operation, while two projects under implementation process, five under consideration of various banks and 20 projects at various stages of scrutiny, Dr Abdullah said.

The JDPC executive director, however, expressed disappointment over dilly-dally attitude by some banks and said two banks are taking unusual time in sanctioning loans to the entrepreneurs even after recommendation of their projects by the JDPC.

# BTTB's destruction of telecom economics



ABU SAEED KHAN

Telecommunications is a unique amenity. Unlike water, power or gas a user does not have any alternative solution when the telecom system fails. It is also the only utility, which must be connected with other networks to be fully functional. Such dependence on the rival operators has made "interconnection" the sectoral cornerstone while revolutionising the evolution of telecom landscape through competition.

Bangladesh remains the only SAARC country having less than 1 teledensity (telephone per 100 people). Being purely a government body, Bangladesh Telegraph and Telephone Board (BTTB) deposits its entire earning to the exchequer. BTTB survives on the government's mercy to develop its infrastructure and human resources. Such a practice has been impeding the qualitative and quantitative development of BTTB's performance.

The government took its first step to liberalise the telecom sector by introducing competition in the mobile market. The objective was to increase the ailing teledensity through the proliferation of mobile phones. It was expected to be the cost-effective, reliable and available substitute of BTTB's prohibitive, unreliable and uncertain connections.

Accordingly three GSM licences were granted to GrameenPhone, Aktel and Sheba in November 1996. CityCell, the incumbent mobile operator, had little over 3,000 customers at that time. Its network coverage was limited within Dhaka city. BTTB had nearly 390,000 subscribers in 1996.

GrameenPhone launched the

first GSM service in April 1997. As opposed to CityCell charging Tk. 2.00 per minute, GrameenPhone charged nothing to receive the calls coming from BTTB's network. GrameenPhone received overwhelming response from the market. Mobile phone, which had been perceived as a luxury, was turned in to people's gadget.

The nation watched how a telecom technology makes the socio-economic paradigm shift. But this metamorphosis was pro-

obligation by paying the licence fees and investing on rolling out respective network. But the government's refusal to interconnect allowed the operators to drift from their commitment.

GrameenPhone imposed charges for the incoming calls from BTTB's network. It also launched mobile packages without any connectivity to BTTB. Other operators followed the footprint of GrameenPhone. But the government never intervened while the

Bangladesh. It is the basic principle of not comparing an apple with an orange.

The government's refusal to interconnect with the private operators has been suicidal. BTTB annually earns Tk. 15 million from each interconnection link with its local network. It also annually makes Tk. 90 million and Tk. 180 million from each NWD and ISD link respectively. Therefore, the artificial crisis of interconnection has deprived the exchequer from

fixed line.

BTTB also finally decided to terminate incoming international calls using Internet technology. Initially BTTB will only receive the Internet call traffic from overseas. It will be also sending the international calls using Internet in near future.

The incumbent carriers sending 12,000 minutes per circuit per month will send Internet call traffic at maximum 0.05 SDR (US\$0.625) per minute. Monthly volume of Internet call traffic must not be more than double the volume of conventional traffic being sent at 0.20 SDR per minute. The carriers will bear all expenses, including the satellite bandwidth, to set up Internet telephony facilities at BTTB's end.

But since the "mobile-to-mobile" market is larger than BTTB's fixed network, the ISPs will be able to keep on pumping their voice traffic through own VSAT gateways. Such informal ventures have been mushrooming at exponential rate.

This is the ripple effect of BTTB's another disaster on interconnection. The ISPs have been pleading to get connected with BTTB's network through 2 megabit per second (Mbps) links. It would have saved their "unofficial" expenses to keep the telephone lines alive.

If the 2 Mbps links were given to the ISPs, the call termination and origination ventures would have been marginalised by now. Moreover the phone lines realised from the ISPs could have been given to BTTB's waiting subscribers. But BTTB never conceives any rational and practical solution.

Its pretension as a service provider ends up with the arrogance of civil service. All the prices it charges are nothing but telecom taxes. Yet the state-owned telecom monopoly laments when the competing technologies challenge its fictitious supremacy. John Keats rightly said, "There is nothing stable in the world; uproar's your only music."

The writer is a telecom analyst

## PASSWORD

**The government's refusal to interconnect with the private operators has been suicidal. BTTB annually earns Tk. 15 million from each interconnection link with its local network. It also annually makes Tk. 90 million and Tk. 180 million from each NWD and ISD link respectively. Therefore, the artificial crisis of interconnection has deprived the exchequer from earning at least Tk. 2 billion by now. This loss will further escalate when the mobile industry adds one million customers by 2004.**

consumers became unnerved by such deception. Bangladesh is the only country where the government prohibits its mobile users from making a standard phone call. There were such 812,150 "confined" mobile users, representing 74 per cent of million plus clientele, until December 2002.

GrameenPhone alone had 87 per cent (710,000) of such captive customers who are larger than BTTB's total subscribers. The remaining 13 per cent such customers of CityCell, Aktel and Sheba only receive calls from BTTB.

The mobile operators have, undoubtedly, succeeded where BTTB failed providing connection on demand. It has enabled the six years old mobile market gaining 80 per cent compound annual growth rate (CAGR) and 40 per cent growth in 2002. Mobile had also outsized BTTB's fixed line network in 2001.

But such a skyrocketing growth of mobile has not supplemented to our embarrassingly poor teledensity. Because the industry analysts preclude the so-called "mobile-to-mobile" connections while calculating the teledensity of

earning at least Tk. 2 billion by now. This loss will further escalate when the mobile industry adds one million customers by 2004.

The continuous growth of already oversized "mobile-to-mobile" market has also become malignant for BTTB. Terminating and originating overseas calls bypassing BTTB's international gateway, has been a lucrative informal venture. Many Internet Service Providers (ISPs) have been doing it using own satellite gateways.

BTTB retaliated with scrapping the outgoing feature from most of the ISPs phone lines. Because its annual earning from international traffic fell from 34 per cent of total revenue in 2001 to 24 per cent in 2002. But it has been business as usual with some ISPs having strong political clout.

However, the ISPs immediately responded with originating the traffic by selling the prepaid calling cards. This business model was further diversified with another high-yield segment, the mobile market. Because the Internet telephony rate to call a mobile is at least double than the rate to call a

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### Trainer

Thank you for the write up on training. You emphasised on the importance of training, which is usually a top management decision. Please write about how to be a good trainer. MNA

If you have sat in a training program and got energised, it is usually because the trainer was good. A good trainer has to have several qualities. To begin with, it is the personal appearance of the trainer. I do not mean that the trainer should look like the macho or feminine models that are imposed on us in all kinds of advertisements.

Given what you are, you must be dressed clean and neat. Wear a tie. I don't know what it is about a tie, but it gets you a lot of respect! If you shave, shave well before any training session. If you sport a beard, sport it neat. Make sure your hair is combed neat and not unkempt like the absent minded professor. If you are bald, make fun of it when you begin the training session. That will give your participants a good laugh, and for the rest of the training, they will not worry of the bald.

If you are female, dress neat and please do not wear clothes that will expose any part of your body. I hope you understand what I mean without my being too explicit about it. Be light on the jewelry and the perfume. If you use perfume at all in a training session, use just a whiff.

A trainer has to be genuinely interested in the participants. Genuinely. If you are there only to get the measly honorarium or because the company has asked you to be a trainer and its just another job, you will flop. There has to be a strong empathy between you and your participants. You have to be careful of their needs. For that, feel and be a part of them.

These were in essence some of the personal qualities that a trainer should be aware of. Oh yes, don't forget to brush your teeth before you begin a training session, especially in the afternoons. We tend to have a stale mouth and this can lead to an odour that may be offensive to the participants. Why take any chance?

Never take anything for granted in a training session. Check all your equipment personally. Do not leave it to the office boy otherwise you may be in for unpleasant surprises. Check all the requirements stationary, seating arrangements, name tags. I once got into a situation where I was assured of a multi-media projector in a training seminar. Having reached the place (and be early), I found this to be an overhead slide projector! It took frantic efforts to get one on hire.

What about your presentation materials? What kind of equipment will you have access to? It is becoming relatively easy to have access to multi-media computer projection equipment (own or hired). It is worth the investment to use this equipment in a training session. Why? It is impressive, delivers and saves substantial time.

A long training session can tire anyone. So how do you go about keeping people energised? Get them to move around - do some group work where people would need to move out of their chairs. And make sure that there's plenty of water to drink. Encourage participants to drink water, even if this means more natural calls. This is also a pleasant diversion to move and get the body and brain back in shape.

Training is an art. The trainer is the artist who has to mould the minds of his participants into accepting what the training objectives. Like an artist, you need to continuously hone your skills so that you shine out and at the end of the training session, leave your participants thrilled, motivated and aglow with energy.

of the business community of Bangladesh and Thailand here.

The foreign minister referred to the visits of two prime ministers -- Khaleda Zia and Thaksin Sinhawatra -- to each other's country and said their visits had ushered in a new era for a broader relationship between Bangladesh and Thailand based on mutual faith and co-operation.

"Both the governments have undertaken a numbers of measures to boost trade and investment between the two countries," he said.

Chittagong Chamber of Commerce and Industry (CCCI) organised the meeting at its conference room, attended by business leaders of Bangladesh and members of the visiting Thai trade delegation. Later, CCCI and the Thai trade delegation signed two MoUs to explore trade and investment potential in each other's country in future.

The 65-member Thai delegation led by the Governor of Chiang Mai Suwat Tantipat arrived here Wednesday on a five-day visit to explore trade and investment prospects in Bangladesh.

The meeting was also addressed by the Thai trade delegation leader Suwat Tantipat, Bangladesh Ambassador to Thailand Hemayetuddin, Executive Chairman of the Board of Investment (BoI) Mahmudur Rahman, Executive Chairman of the Bangladesh Export Processing Zones Authority (BEPZA) Brig Gen (Retd) Mofizur Rahman, President of Chiang Mai Chamber of Commerce (CMCC) Jumplol Chutima and CCCI President Amir Humayun Mahmud Chowdhury.

Morshed Khan thanked the business leaders of both the countries for their sincere efforts towards installing the current political and economic relations between Bangladesh and Thailand on a strong as well as solid footing.

He said Thai government's approval for duty-free access of 128 category Bangladeshi products to its market and visits of delegations are not enough to cement the long-term relationship between the two countries. "Still we have miles to go to materialise the visions of two prime ministers," he said.

Morshed Khan referred to tourism, healthcare, agro-processing, leather and construction as prospective fields for the Thai entrepreneurs to invest in Bangladesh.

He welcomed the ever-expanding ties between the two geographically and economically important cities, Chittagong and Chiang Mai, and said the Thai entrepreneurs could easily establish their industrial ventures here as the people of the port city are traditionally business oriented and hospitable like those in their northern province.

"Chittagong is also being considered a hub of shipping and other transports in the region," he said.