

GP posts 60pc rise in operating revenue

2002 annual report reveals

STAR BUSINESS REPORT

The total operating revenue of GrameenPhone Ltd, Bangladesh's largest cell phone operator, jumped by 60 per cent or Tk 4,452 million to Tk 11,771 million in 2002.

The company's net earnings also rose by 84 per cent or Tk 1,341 million to Tk 2,936.64 million during the same period, according to GP's annual report 2002.

The business development of GP was enhanced by the adoption of appropriate growth strategies, M Khalid Shams, chairman of GP's board

of directors, said in the report.

He also attributed the company's tremendous success to the huge momentum created for exploring the untapped domestic market.

In 2002, the country's total mobile phone market grew to 1.10 million subscribers from 700,000. The GP continues to hold 70 per cent of the market share.

Starting its journey in March 1997 the GP reached the milestone of one million subscribers base in August this year and crossed 1.1 million in October.

Meanwhile, the number of total mobile phones in Bangladesh operated

by four companies rose to over 1.5 million.

Rapid expansion of network coverage, competitive pricing and unique services are the primary reasons for GP's success in such a short span of time, GP officials said.

The GP expects to continue on a rapid growth path and simultaneously hold on to the levels of operational efficiency, already achieved by the company, they added.

The GP officials said coverage and capacity expansion is progressing according to the annual development

plan and achievements have been better than budgeted targets.

The GP hopes to make fresh investment despite a drastic fall in global investment in telecom, information and communication technology sector.

The GP is one of the largest private investments in the country with more than Tk 12.68 billion invested as of May 2003. It has contributed over Tk 13.6 billion to the national exchequer till that time.

GP currently has coverage in 52 districts including all six divisional headquarters.

DSE asks Beximco Synthetics to explain 'debenture default'

ICB, BSRS complain of non-payment of Tk 10cr

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) has asked Beximco Synthetics Ltd to immediately explain its position on a claim by two institutional investors that the company was yet to pay them about Tk 10 crore in liabilities against its debentures.

A board meeting of DSE yesterday discussed complaints from the investors against the Beximco Group concern following its declaration that its debenture was fully redeemed which means it has cleared all liabilities against debentures.

The DSE also issued a letter to the company seeking its explanation and informed the Securities and Exchange

Commission (SEC) about the matter.

However, officials of Beximco Synthetics could not be contacted for their comment on the allegation.

Beximco Synthetics in a letter to DSE last month said the company had paid all the liabilities against debenture. The company's declaration on payment against debenture was published on the DSE website on October 9.

Contradicting the statement, Investment Corporation of Bangladesh (ICB), trustee of the debenture, and Bangladesh Shilpa Rin Sangstha (BSRS), a major investor in the debenture, came up with the allegations of non-payment.

The ICB said it is yet to receive Tk 5

crore dues from Beximco Synthetics while BSRS said its dues of Tk 4.5 crore are yet to be cleared by the company.

When contacted, DSE Chief Executive Officer Salahuddin Ahmed Khan said the DSE will hear the company and take further action. "Everybody has the right to explain on a contradictory matter and we have given the company a chance to defend itself."

He said if it is found that the Beximco Group company has given misstatement regarding debenture payment, DSE will refer the case to the SEC for legal action.

SEC Chairman Mirza Azizul Islam said SEC will conduct its own investigation into the matter. He said he

received a copy of the DSE letter asking for explanation of the 'defaulting' company.

"If the claim of the two institutional investors is found right, it's a serious offence by the debenture issuing company," he told The Daily Star.

Islam said SEC would take stringent action against any company for default in debenture or dividend payment in order to bring back investors' confidence on capital market.

Beximco Synthetics floated 150,000 debentures with a face value of Tk 173 per debenture in 1993 at 14 per cent interest rate. The debenture matured on September 9 this year. The last exchange rate of a two-scrip lot of the debenture was Tk 1,700.



Members of Bangladesh Re-rolling Mills Association, steel mill owners and MS rod merchants jointly bring out a protest procession in Dhaka yesterday demanding withdrawal of VAT on retail sales of MS rod and revision of the tariff structure for the industry.

VAT on retail sales of MS rod Re-rolling mill owners, merchants stage protest

STAR BUSINESS REPORT

Re-rolling mill owners and rod merchants yesterday observed a token strike and held a protest rally at Muktangan in Dhaka demanding withdrawal of VAT on retail sales of MS rod and revision of the tariff structure for the industry.

The government has fixed 1.5 per cent VAT on retail sales without any consultation with industry people, in addition to 15 per cent VAT at production level, Bangladesh Re-rolling Mills Association (BRMA) Chairman Ali Hussain told the rally.

"The tax officials have started harassing the rod merchants in the name of collecting VAT," he said.

He also urged the National Board of Revenue (NBR) to revise the tariff structure for MS products in consultation with the industry people.

The steel and re-rolling mill owners also demanded of the government to provide them with electricity at subsidised rate, similar to the rate of Rural Electrification Board (REB), to help them reduce production cost.

"Due to erratic power supply and low gas pressure we have to re-melt the melted scraps which increases production cost making it difficult for us to compete with imports," Hussain said. He also demanded reduction of gas tariff.

The tax related problems and costly utility services are making re-rolling and steel mills in Bangladesh non-competitive and leading many of them to closure, Shafiqul Islam, secretary general of BRMA told the protest rally.

He said some two dozens of re-rolling mills out of the total 300 in the

country have already closed down in the face of these problems. "A collapse in this industry will affect the country's booming construction industry," added.

As Bangladesh does not have steel ore mine, steel scraps of ship-breaking industry, which is re-rolled and supplied to steel mills, are the prime source MS rod.

Bangladesh Steel Mill Owners Association, English Road Iron Merchants Association, Dhaka, Gazipur MS Rod Babosayee Malik Samity (MS rod owners association) and Bangladesh MS Rod Merchants Association also joined the token strike.

After the programme the re-rolling mill owners and rod merchants brought out a procession that paraded different thoroughfares of Dhaka.

Airspan Holidays offers Eid packages

Airspan Holidays, tour operating arm of travel agency Airspan Limited, has offered 13 packages for travelers to spend Eid and year-end holidays in different cities of Asia, says a press release.

Passengers can travel to Kuala Lumpur, Singapore, Macau, Chiang Mai, Bangkok, Phuket and Kathmandu at cost ranging from Tk 10, 413 to Tk 43,290 from Dhaka or Chittagong airports.

Prices include round trip economy class air ticket, airport-hotel-airport transfers, accommodation on twin sharing basis and breakfast at hotel.

The airlines of the package include Thai Airways, Singapore Airlines, Biman Bangladesh Airlines and Air Macau.

Jobs organises training for micro finance institutes

Jobs Project, a USAID initiative, conducted a seven-day training course on "Designing Training Curriculum and Improving Facilitation Skills" for micro finance institutes (MFIs) recently.

A total of 12 participants from 10 different MFIs attended the November 3-9 training course held at Thursday, the trade minister said. Jobs office in Dhaka, says a press release.

The participating MFIs were, SSS Tangail, Buro Tangail, Tard, TMSS, CCDA, DSK, IDF, Pradipan, CWFD and Esdo.

CPA to execute projects to beef up port security soon

NURUL ALAM, Ctg

Chittagong Port authority (CPA) will soon start implementation of some special surveillance projects to beef up security in and around the port to check any acts of sabotage, piracy and pilferage, officials said.

The projects include setting up an observation tower at the port at a cost of Tk 2 crore, installation of close circuit cameras at jetties and procurement of modern speedboats to intensify round the clock patrol in the Karnaphuli river up to its estuary.

Chairman of CPA Shahadat Hossain said, "We have completed all preparations to implement the special projects to ensure full security in and around the port."

Construction of the observation tower will start in a month and it will be commissioned within a year. The tower will be equipped with sophisticated surveillance equipment to keep watch over the entire port channel, the river mouth and adjacent port areas and to monitor entry and departure of vessels, the chairman said.

Close circuit cameras will be

installed at all the nine jetties of the port as an added measure to monitor activities and happenings at the port, he added.

CPA Director (security) Shahid Sarwar said a modern speedboat has already been procured and two more will be procured shortly to join the patrol fleet.

Meanwhile, a joint drive by army personnel and port security teams in the port's protected area continues since the beginning of Ramadan to check crimes including pilferage.

Khosru opens 3-day single country show in Paris

BSS, Paris

Commerce Minister Amir Khosru Mahmud Chowdhury inaugurated the first single country Bangladesh exhibition here Thursday.

The ceremony was attended by a large number of people including members of the French parliament, foreign envoys, leading French businessmen, senior officials, and members of the Bangladesh community in France.

The President of the France-Bangladesh Friendship Group in the French Parliament Edith Genison was

also present.

The president and some other leading members of the Chamber of Commerce and Industry of Paris attended the inaugural ceremony. The exhibition is jointly organised by the Bangladesh embassy in Paris and Export Promotion Bureau (EPB) in collaboration with the Chamber of Commerce and Industry of Paris and the France-Bangladesh Chamber of Commerce and Industry.

A total of 27 leading Bangladeshi companies are showcasing textile, readymade garments, handicrafts, ceramic, leather footwear and leather

products, engineering goods, agro-food industry, pharmaceutical, chemical products and jute goods.

The exhibition is aimed at familiarizing the French businessmen as well as the consumers with the wide variety of Bangladeshi quality products.

Earlier in the morning, Khosru made a presentation at a seminar organised by the Chamber of Commerce and Industry of Paris on trade and investment opportunities in Bangladesh.

He urged the French companies to avail of the trade and investment opportunities in Bangladesh.

Russian gas pipeline to China, ROK gets green light

AFP, Moscow

Russia, China and South Korea late Friday unveiled a giant 17-billion-dollar project to supply Siberian gas to energy-hungry Chinese and South Korean markets from one of the world's largest undeveloped gas fields.

Russia Petroleum, which is 63-per cent owned by TNK-BP, signed a feasibility study with its partners the state-run China National Petroleum Corporation and Korea Gas Corporation, giving the initial go-ahead for the project.

The 4,887-kilometre (3,055 mile) pipeline would transport gas from the vast Kovytko gas field near Lake Baikal in eastern Siberia to South Korea through China and the Yellow Sea.

Asia's longest pipeline will tap into estimated reserves of 1.9 trillion cubic

metres of gas, "one of the largest undeveloped gas fields in the world," said Harry Griffiths, Russia Petroleum deputy director general, at the signing ceremony in Moscow.

"By the realisation of this huge-scale project, Russia, China and Japan will receive lots of benefits, raising revenues for Russia and long-term energy diversification for China and Korea," said KOGAS chief executive Oh Kang-Hyun.

"Russia is rich in mineral resources. China has a fast-growing economy and South Korea is a country with a stable economy and a high demand for energy," added another KOGAS executive Jae-Hyun Chung.

"Russian gas will be popular in the Chinese market," said CNPC's Miao Chengu.

Under the 30-year project, Russia will supply 20 billion cubic meters of

natural gas a year to China and 10 billion cubic metres to South Korea and sell four billion cubic metres on the domestic Russian market.

Gas deliveries are due to start in 2008.

The cost swelled from an original estimate in 1995 of 11 billion dollars because of the higher-than-expected costs of developing the Kovytko gas fields, which turned out to have bigger reserves than expected.

Viktor Vekselberg, chief operating officer of TNK-BP which is 50-per cent owned by British oil major BP -- said the giant project was "realistic, implementable and commercially viable."

"Our company TNK-BP, with our new Western partners, who have huge experience in such projects, believe in its success," he added.

WB Dhaka office seeks application from NGOs for small grants

The World Bank Office, Dhaka has invited non-governmental organisations to submit application for grants under its Small Grants Programme (SmGP) 2004.

This year's programme will support activities on promotion of youth leadership in development, says a press release.

The grant amount will be between \$2000 and \$5000.

Activities will have to be completed within one year. The programme will not support research programmes, formal academic training programmes, operational projects, ongoing institutional core programme, scholarships, fellowships, study programmes, or individuals applying on their own behalf, including for travel or studies.

Furthermore, the NGOs who received fund in FY03 are not eligible for this year's programme.

Applicants are encouraged to submit proposals in Bangla.

The last date for submission of application is December 31, 2003. The awards will be announced by February 15, 2004.

Janata Bank launches two loan schemes

Janata Bank has introduced two new loan schemes, one for doctors and another for house renovation.

Under the doctors' loan scheme, eligible MBBS doctors and equivalent registered doctors may get up to Tk 5 lakh without any collateral and Tk 10 lakh with collateral security from the bank, says a press release.

This loan will be disbursed all over the country through district level, divisional level and corporate branches.

Doctors will get the loan at 80:20 (minimum) loan equity and at 10 per cent interest.

Under the house renovation loan scheme, eligible people may get loan up to Tk 10 lakh at 75:25 (minimum) loan equity and at 13 per cent interest for expansion and repairing of their constructed houses.

Qatar to set up another int'l airport at Doha

Qatar is going to set up a new international airport at Doha with an investment of over US\$ 2 billion in the first phase alone.

The construction of the new airport will start by the middle of next year after reclamation of lands from the sea, says a press release.

The new 2,200-hectare airport, to be built on the east of the existing Doha International Airport, is expected to open by early 2008. However, construction of the airport will be fully completed by 2015.

The new airport will have two parallel runways and it will have the capacity of handling nearly 12 million passengers a year.

The terminal would have 24 contact gates in the first phase and would be able to accommodate up to six A380-800 super jumbos when fully developed.

Fed signals no rate rise soon

REUTERS, Washington

Frank comments from Federal Reserve officials on Friday bolstered a growing conviction that the US central bank would not start raising interest rates until well into next year despite a pick-up in growth.

Philadelphia Fed President Anthony Santomero said that while short-term rates could not stay at 45-year lows forever, slack in factory capacity meant US policymakers need not rush to hit the economic brakes.

"In light of significant excess capac-

ity and benign inflation pressures, any policy adjustment need not take place in the near future," Santomero told a Philadelphia Fed forum.

His remarks were the latest in a series of policy-makers suggesting rate increases aren't imminent.

US Treasury prices rose despite an uptick in consumer confidence and a surprise increase in producer prices, as investors took heart from the signs higher rates were not looming around the next corner.

Later, Richmond Fed President Alfred Broaddus told reporters at the same conference the Fed would keep

its assurance of low rates for a "considerable period" until the risk of too-low inflation lessened.

"If we reached a situation where we could conclude that the risks were more balanced...and it becomes clear that the recovery is gaining momentum -- and part of that would be that disinflation risk (has fallen) -- that would be a time when you would look at your position," he said when asked in what economic environment the Fed would drop the reference.

"It would be heavily conditioned on any change in the balance of risks," Broaddus added.