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# Star BUSINESS

DHAKA MONDAY JUNE 26, 2006 E-mail: business@thedailystar.net

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## Malaysians may shift \$1.53b investment plans elsewhere

### Seek quick govt decision

STAR BUSINESS REPORT

Malaysian investors are likely to shift their investment proposals worth \$1.53 billion to other countries if Bangladesh government continues its delay-dallying tactics in approving the projects, Abdul Malek Bin Abdul Aziz, Malaysian high commissioner in Dhaka, said yesterday.

The Malaysian envoy was speaking at the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (FICCI) at Dhaka Sheraton Hotel.

He also expressed his doubt over the quick decision on the investment projects as the country is preparing for the next parliamentary elections.

"This is the election year of Bangladesh. So, I don't know what will happen to our investment proposals," he said, adding that "Of course, we have opportunities to invest in other countries like China, Vietnam, Pakistan and

India." The envoy, however, said, "We do hope that the government will consider the Malaysian investment proposals quickly so that the investors may go ahead with their projects."

"Malaysia is ready to invest more in Bangladesh," he made an assurance.

Meanwhile, in the first six months of this year Malaysia's proposed investment stood at \$1.53 billion. The proposed Malaysian projects awaiting government's nod are 210km Dhaka-Chittagong highway worth \$900million, Aktel customer service improving project worth \$250 million and two power generation projects worth \$410million.

Masih UI Karim, the president of FICCI, presided over the meeting while Peter May, the chamber's vice president, and M A Matin, secretary, among other foreign investors in Bangladesh were present.

Malaysian projects people-oriented project, the high commissioner said it would benefit the people of Bangladesh and its economic development.

He said Malaysia, the fifth largest investor in Bangladesh, has invested \$6 billion here since 1999.

"It is my mission to set Bangladesh as hub for Malaysian SMEs (small and medium enterprises) to reach global. Bangladesh is on the radar screen of Malaysian traders and investors."

Urging the chamber leaders to promote Bangladesh in Malaysia, he said, "Trade and investment cannot be a one-way traffic."

In this regard, he also advised the Bangladeshi businessmen to take advantages of various duty free access or low duty, which are either being considered or already in place for Bangladeshi products to gain access to Malaysian markets.

until May this year. Up to May, the Malaysian high commission in Dhaka has processed a total of 15,000 Bangladeshi workers to work in Malaysia. Since then, Malaysia stopped importing Bangladeshi workers.

Describing Bangladeshi workers as loyal, hardworking and polite, he said, "Malaysia may resume recruitment of these workers."

The envoy observed that both the countries need to address the issues, including manpower, that have been identified in the recent meeting between Bangladesh and Malaysian governments.

The FICCI president urged the Malaysian entrepreneurs to invest more in Bangladesh. He also stressed reducing trade gap between the two countries.

In the year 2005, Bangladesh imported goods worth \$407.96 million from Malaysia while it fetched \$21.73 million only through export to Malaysia.

## Quality Fair 2006 begins today

STAR BUSINESS REPORT

In a bid to introduce quality management system (QMS) to different organisations in Bangladesh, a three-day fair styled 'Quality Fair 2006' begins today at Bangladesh-China Friendship Conference Centre in Dhaka.

The fair aims to highlight the companies, which have received management standards such as ISO 9000, ISO 14000, and HACCP certifications, and QMS consulting and certification houses that offer services for achieving such management standards.

M Morshed Khan, foreign minister, is scheduled to inaugurate the fair. Dewan Sultan Ahmed, vice-president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), MA Momen, president of Dhaka Chamber of Commerce and Industry (DCCI), and Mahfuz Anam, editor and publisher of The Daily Star, are expected to attend the inaugural ceremony.

Bangladesh Association of QMS Professionals (BAQP) is organising the show in association with Katalyst and Strategica Limited. The Daily Star, Channel 1 and Wega Zone are the media partners of the fair.

Abul Khair Steel, BSB, Certification International, Daffodil PC, MSS, NHPC, ORI, PMTC, QJA, RDER, Shah Cement, StarShip, SEYLON, URS, USAID, and others QMS certified companies will take part at 30 stalls at the fair.

Organisers said prospective companies seeking certification will have the opportunity to exchange views with the companies that have already received management standards.

During the fair, a number of seminars will also take place specifically highlighting issues on QMS and related issues. However, registration will be required through visiting [www.baqp.org/qualityfair](http://www.baqp.org/qualityfair) for participating in the seminars.

## India bans export of sugar, pulses to Bangladesh

OUR CORRESPONDENT, Jessore

Indian government has imposed a ban on export of sugar, wheat and pulses to Bangladesh from June 22. As per a central government directive, the Indian customs authority enforced this ban.

The BSF has been instructed to be vigilant to prevent smuggling the goods into Bangladesh, sources in India and Benapole said.

Hundreds of Indian trucks laden with sugar, wheat and pulses stranded at Petrapole on the Indian side as those were obstructed to enter Bangladesh. The exporters of India were holding hundreds of LC of sugar, wheat and pulses for shipment

to Bangladesh. Both the importers and exporters of the two countries became disappointed following imposition of the sudden ban.

Benapole Customs Commissioner Hussain Ahmed, however, denied receipt of any such information as yet.

According to the Indian exporters, only the exporters having approval from the Food Ministry will be entitled to exporting sugar, wheat and pulses to Bangladesh.

Despite the ban, 14 trucks of pulses were imported from India on Sunday afternoon. Besides, 612 tonnes of pulses were exported to Bangladesh through Benapole the previous day.

## Chaos in Rupali Bank EGM

STAR BUSINESS REPORT

Some unruly people in the guise of shareholders yesterday created chaos in the extra-ordinary general meeting (EGM) of Rupali Bank to stop the bank's privatisation process.

Rupali Bank authorities convened the EGM in Engineers Institution premises to amend 14 sections of Article of Association to implement the government's plan to privatise the bank.

Rupali Bank Chairman Shafiqul Islam placed the amendment proposal in the EGM. But a group of people deliberately tried to stop the amendment process upon the direction of an influential director of the bank, sources said. Later police was called.

However, the amendment was done with the votes of maximum shareholders.

## Australia's trade with China booming

AFP, Sydney

Australian Prime Minister John Howard's visit to China this week rides on the back of a booming trade relationship between the two countries.

Australian exports to China soared 46 percent to 16 billion Australian dollars (12 billion US) in 2005 while imports rose 19 percent to 21 billion Australian dollars.

China is now Australia's second largest trading partner after Japan and the two nations are in negotiations over a free trade agreement.

The latest round of talks on a potential free trade deal took place in Beijing last month, with China agreeing to Australian demands to include all sectors of the economy in the negotiations.

If it goes ahead, it would be

China's first free trade deal with a developed economy.

Much of the growth in Australian exports is attributed to natural resources vital to fuel China's booming economy, such as coal and iron ore, and the way was cleared this year for the start of uranium sales for nuclear power.

During his visit from Tuesday to Thursday, Howard and Premier Wen Jiabao will meet in the southern province of Guangdong to officially open a 25 billion dollar liquefied natural gas program.

The contract to supply gas to Guangdong for 25 years -- Australia's largest single trade deal -- got underway last month with the first shipment from the giant North West Shelf field off Western Australia.

## German envoy visits DEPZ

BSS, Dhaka

German Ambassador to Bangladesh Mayke Frank expressed his satisfaction over the measures taken by Beppza to keep working atmosphere and congenial investment climate in the zone.

This sentiment was expressed by the envoy during his visit to Dhaka Export Processing Zone (DEPZ) yesterday.

Welcoming the ambassador, Executive Chairman of Bangladesh Export Processing Zones Authority (Beppza) Brig General Ashraf Abdullah Yusuf thanked the envoy for taking special interest on the EPZ and apprised him of the situation.

He told the envoy about the measures taken to tackle any further labour unrest in the EPZ. Brig Ashraf also apprised Frank of the compliance of Beppza instructions 1 and 2 with mutual understanding between the workers and employers.

General Manager of the DEPZ AZM Azizur Rahman highlighted the improved scenario of export, investment and employment in the EPZs.

Later, the German ambassador visited four German companies -- Paddocks Jeans, Redpoint Jackets, Kryolan and Bangla German Latex, including Japanese YKK and British-Bangla company FICILTD.



Masih UI Karim (2-R), president of Foreign Investors' Chamber of Commerce and Industry (FICCI), speaks at the monthly luncheon meeting of the Chamber in the capital yesterday. Abdul Malek Bin Abdul Aziz (2-L), Malaysian high commissioner in Dhaka, Andrew L Fawthrop (L), FICCI committee member, and MA Matin, chamber secretary, are also seen.

## Indonesia, Singapore ink economic zones deal

AFP, Batam

Indonesia and Singapore on Sunday signed an agreement to work together to establish special economic zones (SEZs) on three Indonesian islands.

The aim of the agreement is to revitalise investor interest in the islands of Batam, Bintan and

Karimun, which have suffered a drop in investment in recent years due to growing competition from the region, including China and Vietnam, the two countries said.

The neighbours will set up a joint steering committee to oversee the development of the SEZs on the islands, which are close to Singapore, with the aim of making the business environment there more investor-friendly.

"Success in the SEZs will create win-win outcomes for both sides," Singapore Prime Minister Lee Hsien Loong said at a joint press conference here with Indonesian President Susilo Bambang Yudhoyono.

"It combines the complementary strengths of Indonesia and Singapore into a package that is competitive and attractive to investors," he said.

Lee said he gave full backing to

the project after the Indonesian leader expressed interest in February to revitalise the islands.

Under the pact, Singapore will provide support using its past experience in setting up similar SEZs and its leverage as a regional commerce hub to promote the three Indonesian islands.

"This framework agreement emphasises the cooperation in the areas of investment, finance and banking, taxation ... in order to establish an investor-friendly environment in the special economic zones," said Yudhoyono.

"I hope that investors would take advantage of the opportunities that we are going to have ranging from shipyards, manufacturing sectors such as electronics... and even light industries such as garment, tourism, agriculture, aquaculture and education," he said.

## India hit by backlash over British outsourcing

AFP, London

India has reaped the benefits of foreign companies switching jobs and resources to the country over the last five years -- but recent developments have pointed towards a backlash.

Problems of long-distance management and rising local wages appear to have caused a significant setback for the offshoring of foreign companies to India.

British energy giant Powergen has become the latest company to suffer from poor staff service, leading it to announce last week that call centres in India would no longer be answering telephone calls from its customers.

Trade union Amicus described the energy company's decision as "a welcome vote of confidence" in British workers.

"We very much hope that Powergen's decision will help

bolster the reputation of UK call centre operations and turn the tide of companies moving their call centre operations to low-wage economies," said David Fleming, national secretary of Amicus.

"We hope that companies that have offshored will follow by announcing moves back to the UK and other companies contemplating moving their operations abroad will balance the potential impact on their services and brand."

Fleming added that there was "evidence of a growing crisis" in the Indian outsourcing industry that was included rising labour costs and recruitment problems.

Powergen, which began using Indian call centres almost five years ago, is owned by leading German energy supplier E.ON.

Nick Horler, Powergen managing director, conceded that "offshore call centres may have their place for certain industries".

## Katalyst to assist BEI's CSR centre

Katalyst will provide support for the CSR centre at Bangladesh Enterprise Institute (BEI) to develop its institutional capacity to improve CSR practices in Bangladesh.

A memorandum of understanding (MoU) to this effect was signed yesterday between Katalyst and the BEI at the latter's monthly corporate social responsibility (CSR) roundtable, says a press release.

Prashant Rana, general manager of Katalyst, and Farooq Sobhan, BEI president, signed the MoU while Rajiv Pradhan, manager (Business Environment Division) of Katalyst, and Iftekar Ahmed, senior research fellow of the BEI, were present.

Through this partnership, the BEI and Katalyst will also prepare a five-year business plan, which will detail sector specific products and services to be offered by the centre and align the centre goals and objectives with the projected impact and outcomes.

Although initially the projected market may be limited to major commerce centres within Bangladesh, in the long term it will have a regional output, according to the press release.

BEI is a non-profit research centre and an institute of advocacy for growth and development of private sector in Bangladesh while Katalyst is a project initiated by DFID, SDC and SIDA.

## MindShare wins top agency award in Asia

MindShare, a leading advertising company in the country, has been recognised as the top agency across Asia.

Media, a Hong Kong-based marketing and communications magazine for Asia Pacific, selected the advertising firm for 'Media Agency of the Year Awards', says a press release.

The magazine's May 19, 2006 issue recognised the company as the recipient of the award, which the firm got for the third time.

For the award, the media agencies were assessed under five criteria -- new business, initiatives taken by the agencies, people in terms of new staffing and the perceived quality of the senior management of each agency network, findings of the China Agency Image survey, and findings of the Singapore Agency Image survey.



Prashant Rana, general manager of Katalyst, and Farooq Sobhan, president of Bangladesh Enterprise Institute (BEI), sign a memorandum of understanding (MoU) yesterday in Dhaka. Under the MoU, Katalyst will provide support for the BEI's corporate social responsibility (CSR) centre to develop its institutional capacity.

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"Improving QMS through the Implementation of Information & Communication Technology"  
Date : 27th June  
Time : 3:15 PM  
Organized by : Thakral Information Systems (Pvt.) Ltd.  
Keynote Speech by : Mr. Shahzaman Mazumder, CEO, TISPL

"Compliance to WRAP Certification Program"  
Date : 27th June  
Time : 5:15 pm  
Organized by : RdeR Bangladesh (Pvt.) Ltd.  
Keynote Speech by : Mr. Ahmed H Kabir (Country Head, RdeR Bangladesh)

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