

Satellite back-up service in Dhaka for fibre customers

Hawaii Pacific Teleport (HPT) has announced that it has entered into an agreement with Genusys Inc of Dallas to provide a satellite back up service in Dhaka, Bangladesh for fibre customers.

Subscribers to the new service will be corporate users including banks, call centres and ISPs who are using the fledgling international fibre service provided by BTB.

Many of the new fibre customers are forced to maintain expensive dedicated satellite back up capability. Sure2Link service will be a low cost but reliable alternative to that.

The Sure2Link Internet service will be available 24x7 on an hourly charge basis to customers holding pre-paid service cards issued by Genusys Systems Ltd of Dhaka, a subsidiary of Genusys Inc. The refundable pre-paid cards are available in denominations of \$100. Customers only pay for each hour they use the satellite back up service.

Customers to the Sure2Link service are connected to the Genusys Dhaka VSAT hub in Mirpur through the Dhaka metro fibre ring or other dedicated fibre links or wireless links. When there is an international fibre outage subscribers can log onto the Sure2Link website (www.sure2link.com), enter the data rate they require and PIN number and get connected by satellite to the US Internet backbone within few minutes.

Oil below \$70

AP, New York

Oil prices fell below \$70 a barrel on Friday, hitting a 10-week low, as Iran's defiance of the U.N. request to stop its nuclear enrichment program didn't lead to immediate sanctions.

Also easing energy prices ahead of the long Labor Day weekend was a mixed U.S. jobs report, which suggested fuel demand probably won't surge sharply. Prices also responded to a more-subdued forecast for this year's hurricane season and plans from BP PLC to increase output at its huge oil field at Prudhoe Bay.

Light, sweet crude for October delivery fell \$1.07 to settle at \$69.19 a barrel on the New York Mercantile Exchange. Its lowest settlement price since finishing at \$68.94 on June 20.

BEI workshop on corporate governance

Bangladesh Enterprise Institute (BEI) yesterday organised a workshop on corporate governance for the board members and senior management of Prime Bank Limited yesterday as part of its initiatives to raise awareness about corporate governance, says a press release.

Bangladesh Bank Governor Dr Salehuddin Ahmed inaugurated the seminar chaired by Farooq Sobhan, president of BEI.

The BB governor stressed the need for corporate governance practices for the economic development of the country.

BEI plans to update the code of corporate governance in association and consultation with the Bangladesh Bank, the Securities and Exchange Commission and the Banker's Association of Bangladesh. Sobhan told the opening session.

New chairman of Islami Bank



ANMA Zaher

ANMA Zaher has been elected chairman of Islami Bank Bangladesh Ltd, says a press release.

A meeting of the Board of Directors of the bank held on Friday in Dhaka also elected Yusuf Abdullah Al-Rajhi and Zainul Abedin vice chairmen and Mominul Islam Patwary chairman of the executive committee of the bank.

A Master in English literature from the University of Rajshahi, Zaher is the managing director of Ibn Sina Pharmaceuticals Industries Ltd.

NEW HOUSING LAW

Developers seek govt action to remove misunderstanding

STAR BUSINESS REPORT

As the new law relating to construction of buildings in the capital city, which will be effective from February 1, 2007, has created misunderstanding amongst the city dwellers, the developers and environmentalists yesterday demanded government's measures to remove the confusion.

The Real Estate and Housing Association of Bangladesh (Rehab) voiced its demand at a press conference in Dhaka.

Rehab President MA Awal said, "We welcome the new Dhaka Metropolitan Building Construction Rules 2006 as it features some positive sides, but a misunderstanding has arisen because the old one—House Building Act 1996—is still in operation and huge people are intended to build their houses under the old one."

The new law, published in a gazette notification on August 23, 2006, withdrew restrictions on constructing more than six-story buildings in the city for residential purpose.

As per this law, anyone will now be able to construct their houses as they wish, but it will not be applicable for the Nikunju (South) residential area because that area is located under air funnel.

The developers told the press conference that if everybody abides by the new law, minimum 50 per cent places of the city should be kept outside the construction activities and if possible then 70 per cent, which will not affect construction of more flats in high-rise buildings by the house owners.

They, however, expressed their doubt about the effectiveness of the new law as huge applications were submitted to the Rajdhani Unnayan Kartripakkha (Rajuk) following the old law, validity of which would remain until January 31, 2007.

Awal said, "If everyone follows the old law, the new law will not come into effect."

He suggested settlement of a considerable number of applications, now remain pending, within the period of the validity of the old law, because no new application will be accepted for permission from now on.

This is for the first time in Bangladesh the building code has incorporated a provision 'Floor Area Ratio', a ratio of space should be kept vacant compared to the space on which a building has been constructed, with a view to expediting the planned way of urbanisation.

The Rehab president said with the implementation of this new law the small plot owners will not be affected anyway, rather it will help them in different ways as people are now allowed to construct high-rise buildings.

Rehab General Secretary Tanvirul Huq, Professor Abdullah Abu Sayeed of Bangladesh Poribesh Andolon (Bapa), Bangladesh Institute of Planners President Taufiq M. Shiraj, Centre for Urban Studies Chairman Professor Nazrul Islam, architects Khadem Ali and Iqbal Habib also addressed the press conference.

"Due to unplanned urbanisation, the entire Dhaka City has been

turned into a concrete jungle. If the current trend of construction activities continues for another fifteen to twenty years, it will be difficult for us to live here," said Professor Nazrul Islam.

Minimum 50 per cent places of the city should be kept outside the construction activities and if possible then 70 per cent, which does not affect the house owners, added Nazrul.

The existing rule has allowed the land owners to construct buildings on the whole portion of land city without keeping a vacant space, but with the increasing number of population it has become impossible to provide gas, electricity, water connection and other infrastructure facilities, commented Nazrul Islam.

Addressing the press conference, Abdullah Abu Sayeed said, "The buildings constructed over the years cannot follow the new rule now. When it will be damaged in future they will plan to construct new building, they will have to follow the new procedure."

He said as per the new law, a City Development Committee will be formed comprising civil society, environmentalist and government officials, which will monitor the implementation of the law.

He, however, showed his disappointment to those officials of Rajuk who are patronising the land owners to pass their home plans under the old act.

Sayeed said, "If everyone comes forward to follow the new law, the city will become a garden with in few years."

Taskforce formed for corporate governance, CSR issues

A five-member taskforce was formed yesterday to advocate the issues related to corporate governance (CG) and corporate social responsibility (CSR), says a press release.

Members of the Advocacy Taskforce are MA Momen, president of Dhaka Chamber of Commerce and Industry (DCCI), Rokia Afzal Rahman, president of Women Entrepreneurs Association of Bangladesh, Anisul Huq, chairman of Mohammadi Group, Syed Fahim Munaim, managing editor of The Daily Star, and Shaikat Mahmood, editor (News) of Baishakhi Television.

The Advocacy Taskforce has been formed under a plan of Management and Resources Development Initiative (MRDI) supported by Manusher Jonno Foundation (MJF). The initiative is expected to help bridge the gap between the corporate sector and the media.

Under this initiative, the Taskforce will work on internal governance, disclosure and compliance issues, public affairs/relations and CSR issues and also promote CG and CSR issues through media.

The Taskforce has primarily identified some stakeholders with whom it will hold advocacy meetings to improve the existing corporate governance situation and make the corporate bodies more responsive towards the society.

The primarily identified stakeholders are Securities and Exchange Commission (SEC), Dhaka Stock Exchange (DSE), chartered accountancy association, employers' organisations, business chambers, National Board of Revenue (NBR), leather, pharmaceuticals, RMG and frozen food associations, and the newspaper editors and publishers.

As part of this initiative an ad hoc committee will also be formed with NGO and civil society representatives, labour associations and other stakeholders.

IMF wants India to focus on financial reforms

PTI, Washington

The International Monetary Fund has said India should make its financial system more efficient and hasten structural reforms to sustain high economic growth, which averaged about eight per cent in the last three years.

IMF Managing Director Rodrigo de Rato also cautioned about inflationary pressures in the Indian economy, but was appreciative of the Reserve Bank's efforts in this direction.

"There is need to make the financial system more efficient and with bigger competition there is the need for structural reforms to make India more capable of benefiting from the world economy," de Rato told a group of journalists from Asia Pacific.

He will preview the forthcoming annual fund-bank meeting in Singapore later this month.

"Certainly structural impediments not only in terms of flexibility in the markets but also in terms of the structure are a key question in the Indian agenda for the future," the IMF chief said.

He said though India's growth has averaged about eight per cent in the last three years, some inflationary pressures are building. "In that respect, monetary authorities and their efficiency is very important and has been shown already," he added.

"India is one of the countries that has been changing in a very positive direction recently. We see the government reform agenda as a very important one as the VAT reforms of last year showed. But the question here is not what has been done in the past... but how can we face the future," de Rato said.

On global economy, de Rato said, whereas the pace of expansion in the United States is moderating on account of the slowdown in the housing market, the growth prospects are encouraging elsewhere in the world.

"Europe has been above most people's expectations. Japan appears to have put deflation behind it. China and India continue to grow strongly," he said.

However, there are "more clouds on the horizon" than a year ago—inflation risks, high oil prices having the potential of adversely affecting both inflation and growth and the major setback of the Doha Round.

BoP remains positive on remittance, exports growths in FY06

STAR BUSINESS REPORT

Growth in remittance and exports have contributed to an overall positive balance of payment (BoP) in the last fiscal year (FY 2005-06).

Country's trade imbalance also recorded a decrease of 13 percent as export outweighed import in the last fiscal.

Overall BoP recorded a surplus of US\$ 365 million in the FY '06, which was a smaller surplus with \$ 67 million in FY '05, according to Bangladesh Bank statistics.

Exports saw a 21.63 per cent growth during last fiscal whereas in FY '05 the growth was 13.83 per cent. Earning from export amounted to

\$10.52 billion in FY '06, which was \$8.65 billion during FY '05.

During the last fiscal, growth in import was 12.05 percent or \$1431 million whereas export had a growth of 21.63 percent or \$1849 million.

On the other hand, remittance inflow maintained the growth rate over 24.78 percent, touching \$4.8 billion mark in the last fiscal mainly due to increase in skilled labour abroad and government's efficient move against money laundering.

Due to better performance by the export sector, the country's trade deficit decreased largely in the last fiscal. Reducing by \$418 million country's deficit in trade balance now figures at \$2879 million.

Despite larger service and income deficit, current account balance recorded a surplus of \$572 million in the last fiscal against the deficit of \$557 million during FY '05.

The overall BoP recorded surplus despite decline both in foreign aid and net foreign direct investment (FDI) in the last fiscal.

According to official statistics, net FDI amounted to \$675 million in financial year 2005-06, which was \$800 million in FY '05.

Bangladesh Bank statistics also reveals that foreign aid amounted to \$1241.21 million in last fiscal, which was \$1260 million in FY '05.

Develop partnership for economic benefit

FM urges Bangladesh, Malaysia private sectors

UNB, Dhaka

Foreign Minister M Morshed Khan yesterday urged the private sectors of Bangladesh and Malaysia to develop strategic partnership for mutual economic benefits.

"Since Bangladesh will continue to enjoy preferential export facilities as an LDC for a few more years, foreign investors can avail of the facilities," he told a function in Dhaka.

The minister was addressing the launching ceremony of a book titled "Proceedings of Business Sessions of the First Bangladesh-Malaysia Business Forum- 2004" organised by Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI).

Malaysian High Commissioner to Bangladesh Abdul Malek bin Abdul Aziz and BMCCI President Abdul Matlub Ahmad also spoke while former BMCCI president Saiahuddin Kasem Khan gave an overview of the book.

Morshed Khan said global consumers are gradually getting familiar with Bangladeshi products such as RMG, seafood, ceramics, pharmaceuticals, leather and leather products.

He expressed satisfaction that the private sector interaction between the two countries has increased in recent years.

On the people-to-people contact between the two countries, he said about 30,000 Bangladeshi tourists visited Malaysia last year while a

huge number of students are studying there.

He said the Bangladeshi people, particularly businessmen, look for Malaysian investment in areas such as tourism, trade, investment.

The minister noted that a large number of Bangladeshi semiskilled and unskilled manpower are employed in Malaysia, contributing immensely to the growth and development of both Malaysia and Bangladesh.

He thanked the Malaysian government for resuming recruitment of manpower from Bangladesh and urged the trade body to keep an eye on the recruitment process so the poor workers are not cheated.

Students throng career, education expo

STAR BUSINESS REPORT

Entering the third day of the six-day fair on education and career in the capital, it gained momentum yesterday with huge students flocking to it.

Organisers of the 6th Education and Career Expo2006, being held at the Bashundhara Expo centre under the auspices of Conference and Exhibition Management Services Ltd (Cems), have come up with some sorts of discounts to woo the students from different colleges and private and public universities, who went there to choose the local and foreign prospective institutions for studies at undergraduate and post-graduate levels.

Almost all out of the 60 private universities and educational institutions showcasing their services in the fair have cut down service or admission charges ranging from 10 to 100 percent.

Universities and colleges from 15 different countries including Bangladesh, Japan, India, Australia, New Zealand, Malaysia, Ireland, Cyprus, Canada, Singapore, USA and UK are representing themselves in the fair through local representatives or authorities of the institutions.

"We have been offering 50 per cent discount on Tk 10,000 admission fee," a representative of the Eastern University said.

Generally we take 50,000 service charge for collecting offer letters from the universities of Sweden and Norway, but now we are taking Tk 25,000 only in this fair," an official of Inspire said, claiming the organisation as an global education consultant.

Besides educational institutions,

various types of discounts are being offered from a number of participating training institutions.

The DCCI Business Institute (DBI) is offering 10-15 percent discounts on its training services as well as on 41 short businesses development courses and services.

Scheduled to end next Tuesday, the fair remains open from 10 am to 5 pm everyday with a Tk 10 entry fee.

Eastern Bank Limited (EBL) is the partner while The Daily Star, the Jugantor and Channel i are the media partners of the event.

Toyota, GM vehicle sales jump in August

AP, Detroit

Toyota reported a 17 percent rise in its U.S. sales in August, while GM sales increased 3.9 percent from a year ago as the companies said buyers looked to more fuel-efficient offerings. But Ford's sales dropped 11.6 percent and sales by Honda and DaimlerChrysler each fell 3.2 percent.

Ford outsold Toyota in August after its U.S. sales trailed the Japanese automaker in July for the first month ever.

Toyota Motor Corp. said gas-conscious consumers made last month its best-ever August selling period in the United States. It sold 240,178 vehicles in August, up from 205,362 in the same month a year ago.

Walton power tiller hits market

Walton self-start power tiller, a new addition to Walton product range, has hit the market with its many high-tech features.

The most important feature of the power tiller is its direct injection engine that lowers fuel consumption significantly, says a press release.

Other features of power tiller are self-starter (apart from handle starter), rear view mirror, horn, multipurpose light and high-grade colour.

The self-starter enables the power tiller to get started automatically, the powerful multipurpose light helps the driver while moving or making turn, the rear view mirror helps see behind the power tiller, and the high-grade colour gives it a beautiful look and ensures protection against rust.

Spare parts of Walton power tillers are available in the market.

Sino-Pak FTA talks this month

APP, Beijing

Pakistan, China are scheduled to hold fourth round of negotiation on Free Trade Agreement (FTA) in Beijing later this month.

A senior official of the Chinese Commerce Ministry told APP that they are looking forward to expedite the negotiation process in order to complete it by the end of this year.



PHOTO: STAR

Rehab President MA Awal addressing the press conference in Dhaka yesterday to express the association's reaction to the new housing law.

RBI plans making rupee freely available globally

PALLAB BHATTACHARYA, New Delhi

A committee set up by the Reserve Bank of India (RBI) has unveiled a plan towards full convertibility of Indian rupee, proposing sweeping changes in policies and reforms to make the national currency freely available anywhere in the world in five years from now.

The committee, headed by former RBI deputy governor S S Tarapore, submitted its report on Friday evening recommending that fuller capital account convertibility be implemented in three phases and suggesting a comprehensive review at the end of the five-year period ending in 2010-11 to chalk out plan of action.

The report of the committee said the annual limit of outward remittance by individuals to open foreign currency accounts overseas would be raised to 50,000 dollars in the first phase from the existing level of 25,000 dollars and further be enhanced to 100,000 dollars in phase two and to 200,000 dollars in the phase three.

To make the Indian corporate sector compete globally on an equal footing, the report said foreign borrowing ceiling be gradually raised in phases from 200 percent of net worth to 400 percent of net worth.

For mutual funds, it suggests abolition of stipulations on individuals

as on individual fund limits and the proportion in relation to net value and raising the overall ceiling from the present level of two billion dollars to three billion dollars in phase one, to four billion dollars in second phase and to five billion dollars in the last phase, the committee said.

The committee proposes foreign companies and individuals to invest in Indian markets and that non-resident Indian corporates be allowed to invest in Indian stock markets through entities, including mutual funds and portfolio schemes, registered with Security Exchange Board of India (SEBI).

The panel also recommends that non-resident Indians be allowed to invest without limits in Indian stock markets but the money should be routed through bank accounts in India.

At present, a non-resident Indian is allowed to own only up to five percent of the paid-up capital of a company. No Indian company is allowed to sell more than ten percent of such capital to non-resident Indians as a whole.

The committee suggests that non-residents other than non-resident Indians be allowed access without tax benefits to deposits schemes like FCNR (B) and NR (E) RA which are allowed only for non-resident Indians with tax benefit. It also recommends review of the present tax (exemption) regulations on these deposits for non-resident

Indians.

To prevent slush money from entering Indian capital market, the committee has proposed a complete ban on fresh inflow of Participatory Notes (PN) issued by foreign institutional investors to their clients against deposits. As a result, Indian regulator never gets to know the identity of the original investors.

It suggested a review of double taxation avoidance treaties, which favour some countries as sources of investments.

In another key recommendation, the committee has proposed that the government cut its stake in State Bank of India, India's largest commercial bank, and all other public sector banks to 33 percent. At present, the law restricts minimum government holding in these banks to 51 percent.

The Tarapore committee was set up a couple of months ago following the advice of Prime Minister Manmohan Singh, considered the initiator of Indian economic reforms in 1991, who had called a re-look at capital account convertibility.

This was the second report of Tarapore on capital account convertibility after 1997. China too had announced a shift towards easing capital controls in 1997 but had to shelve it in the wake of the Asian currency crisis in 1997, which had hit many economies of South East Asia.



PHOTO: BEI

(From right to left) M Shahjahan Bhuiyan, managing director of Prime Bank Limited; Qazi Saleemul Huq, chairman of the Executive Committee of Prime Bank Limited; Farooq Sobhan, president of Bangladesh Enterprise Institute; Imam Anwar Hossain, chairman of Prime Bank; and YRK Reddy, founder trustee of the Academy of Corporate Governance (ACG), India, are seen at a workshop in Dhaka yesterday.

IMF calls for more forceful reform measures on Chinese yuan