

Star BUSINESS

E-mail: business@thedailystar.net

Software industry grapples with manpower dearth

KAWSAR KHAN

As the software and ICT-enabled services firms have been clocking 50-100 percent export growth for the last few years, they now face a dearth of quality manpower that may put a brake on sharp growth, industry people said.

They said nearly 400 software companies require around 3,000 ICT professionals every year when the educational institutions in the country do not supply more than 1,500 professionals annually, said AKM Fahim Mashroor, treasurer of Bangladesh Association of Software and Information Services (BASIS).

BASIS President Sarwar Alam said the manpower crisis in software industry also creates problems in some sectors like telecoms, banking and small and medium enterprises as these sectors now are in need of more people equipped with software expertise.

The demand for software and ICT-enabled services has also increased significantly, causing manpower crisis, he added.

According to Export Promotion Bureau (EPB), Bangladesh exported software and ICT-enabled services worth \$23.82 million in the 2005-06 fiscal year, registering 147 per cent growth over the previous fiscal year.

In FY 2004-05, the country earned \$9.64 million by exporting the services that include mainly software and data processing. The growth was 76 percent.

The sector witnessed a 25 percent growth in 2001-02, 51 percent in 2002-03 and 71 percent in 2003-04.

Leaders of BASIS, the association for software and IT-enabled services companies, said the industry can witness 200-300 percent growth if quality manpower is ensured.

The industry people said most

institutions that offer ICT courses in the country do not meet employers' requirements. The curricula of the institutions, mainly private universities, are poor in quality, they added.

"A big number of fresh ICT professionals, mainly Buet and Dhaka University graduates, leave the country, causing crisis in human resources," said Mashroor, also chief executive officer of Bjobs.com, a popular job site.

"We are negotiating with various private universities so that they formulate job-oriented curricula to solve the manpower problem," he added.

Software businesspeople identified lack of access to finance as another major problem for healthy growth of the industry.

Elaborating the problem, they said banks of the country are used to providing loan against collateral while the software firms, being a knowledge-based industry, have little physical properties to show as

security.

This industry, however, needs proper government attention for fostering its growth, the industry people said.

The government approved a national ICT policy in 2002 with the aim of building an ICT-driven nation.

"The national ICT policy suggested allocating two percent fund in the Annual Development Programme for the industry's growth. But the recommendation is not taken into consideration for implementation," Sarwar Alam said.

BASIS leaders, who eye export of \$100 million software and ICT-enabled services annually in the next two years, said they require an ICT park for the development of the industry that could also lure foreign investment in this sector.

Dollar steps back from 10-month high vs yen

AFP, Tokyo

The dollar eased back from 10-month highs against the yen in Asian trade Thursday, paring gains made on the back of shrinking prospects of a US interest rate cut, dealers said.

The dollar fell to 119.56 yen in Tokyo afternoon trade from 119.74 in New York late Wednesday, when the US currency had hit a fresh 10-month high of 119.84.

The euro rose to 1.2530 dollars from 1.2517 but slipped to 149.80 yen from 149.88.

"As the dollar climbed to touch the 120 yen resistance, players and exporters issued large sell orders," said Mitsuru Sahara, senior manager at foreign exchange sales at Bank of Tokyo-Mitsubishi UFJ.

"But the tone of the market is still the same. The mood of the market is that the dollar is not weakening," he said.

The market is looking for the next lead from US trade statistics and the Federal Reserve's Beige Book economic report due later Thursday, he said.

The dollar rose towards the 120 yen level in overseas trade after minutes of the September 20 meeting of US Fed policymakers dampened talk of a possible interest rate cut as the economy slows.

Although the policymakers indicated they believed the economic cooling would ease pressure on prices, dealers found little sign of the US central bank moving towards an interest rate cut.

"The relatively hawkish minutes provided some support for the dollar but some of its gains were offset by a plane crash in Manhattan," said Saburo Matsumoto, senior manager at Sumitomo Trust and Banking.

The Fed maintained its language leaving open the possibility of future rate increases, if warranted by economic conditions.

IBM moves key US unit to China

AFP, Shanghai

Computing giant IBM Corp said Thursday it was transferring its chief purchasing operations to China, a move that highlights Asia's growing importance in the global supply chain.

The decision to transfer its chief procurement office from New York to Shenzhen marks the first time the headquarters of a global IBM division has been located outside the US, the company said in a statement.

The leading American technology and software group began shifting its Asia-Pacific headquarters from Tokyo to China's commercial hub of Shanghai in 2004, a process it completed earlier this year.

It also has major research, software, hardware and computer services operations in India which make it that nation's sixth largest technology-related employer.

The addition of its global procurement office to Shenzhen, where it has operated for over a decade and many of its 1,850 employees in Asia are based, is aimed at reshaping the company's supply base in the region, IBM said.

Oil at year low below \$58 in Asian trade

AFP, Singapore

Crude oil prices dropped to their lowest levels of the year in Asian trade Thursday as the market discounted news of a planned Opec cut in output, dealers said.

At 10:53 am (0253 GMT) New York's main contract, light sweet crude for November delivery, was down one cent to 57.58 dollars a barrel from 57.59 dollars in late US trade Wednesday when it had slipped as low as 57.48 dollars in US trade, a level not seen since December 27.

Brent North Sea crude for November lost seven cents to 58.58 dollars. The London contract had fallen to 58.53 dollars in US trade Wednesday, the lowest level since mid-February.

"As we go into Asian trade, there is increasing skepticism about how compelling Opec's actions, if any actions, would be," said Dave Ernsberger, the Asia director for global energy information provider Platts.

"Opec is so rusty as a price setting organisation because it hasn't had any meaningful responses in the last three years."

The 11 members of the Organisation of Petroleum Exporting Countries cartel have agreed to slash output by a million barrels a day, the Opec president said Wednesday in a move aimed at shoring up sliding world crude prices.

The oil market has been waiting more than two weeks for a clear signal from Opec in reaction to a 25 percent plunge in crude prices over the last two months.

Market participants had been confronted with contradictory statements from Opec members after decisions to reduce output by Nigeria and Venezuela.

Barclays Capital analyst Kevin Norrish said Opec's latest move was still uncertain.

"There is no clarity as yet over the amount of oil to be cut, by whom and from what levels," Norrish said.

"The market appears to be interpreting this as a lack of determination to actually cut production, resulting in further price weakness."

Ernsberger said falling crude prices also reflected latest demand forecasts by the International Energy Agency (IEA), the Paris-based inter-governmental advisory group.

He said that "with a historically high inventory, we are seeing excess supply and shortage of demand."

The IEA said in its monthly report issued Wednesday that a possible Opec output cut, global instability and growth in China were likely to keep the market under tension, even though prices had fallen because of stockpiling and slowing demand.

Citigroup wins rights to buy Chinese bank GDB

AFP, Hong Kong

US banking giant Citigroup has been granted approval by China's State Council to buy the bankrupt state-owned Guangdong Development Bank in a joint deal with local investors, a report said Thursday.

The American bank, the world's biggest, had bid 24.1 billion yuan for the ailing lender, the South China Morning Post reported, citing sources, and had been in talks for more than a year on the deal.

"It's been a very long, drawn-out process and there's been at least five or six rounds of bidding," Moody's Investors Service banking analyst May Yan was quoted as saying.

The report said the bid also won the support of China's Banking Regulatory Commission's chairman Liu Mingkang.

Citigroup, which hired former US president George Bush to lobby on its behalf, was reportedly asking for a 40 percent stake in a consortium that would take 85 percent of the bank.

It was partnered with the Carlyle Group while the French bank Societe Generale and Chinese insurer Ping An were also keen to take separate stakes as part of rival groups.

Executive Tech to distribute Indian Acer brand IT products

Executive Technologies Ltd (ETL), a concern of Meghna Group, has become the sole distributor of Indian Acer brand notebooks, desktop computers, servers, storage solutions and multimedia projectors in Bangladesh.

An agreement to this effect was signed between Executive Technologies and Acer India, an IT company, recently in Bangalore, says a press release.

Moklasur Rahman Pinto, managing director of Executive Technologies, and S Rajendran, general manager (Sales) of Acer India, signed the deal on behalf of their companies while other senior officials from both the sides were present.



PHOTO: ACER

Moklasur Rahman Pinto, managing director of Executive Technologies Ltd, a concern of Meghna Group, and S Rajendran, general manager (Sales) of Acer India, an IT company, exchange documents after signing an agreement recently in Bangalore. Under the deal, Executive Technologies has become the sole distributor and marketer of Acer brand notebooks, desktop computers, servers, storage solutions and multimedia projectors in Bangladesh.

New chairman, vice chairman of Express Ins



Chairman Vice chairman

Md Shamsur Rahman has been made new chairman of Express Insurance Ltd, says a press release.

The Board of Directors of the company at a meeting held recently also elected Syed Al Farooque vice chairman of the company.

Rahman is the chairman and managing director of Bay Tanneries Ltd, Bay Rubber Industry Ltd, Bay Agro Industry Ltd and Paruma Shoes Ltd while Farooque is the managing director of Wills Group, the release added.

France, Germany urge Russia to ratify energy charter

AFP, Paris

France and Germany on Thursday again urged Russia to ratify an international energy charter giving the European Union greater security for its energy supplies.

"In order to build a stable and balanced EU-Russia energy partnership, France and Germany consider that Russia should rapidly and effectively apply the contents of the energy charter," said a joint statement issued after a Franco-German ministerial meeting here.

The charter, drafted in 1991 by the EU's executive commission, aims to improve energy cooperation between the EU and eastern Europe and the former Soviet Union.

Moscow has signed the text but has yet to ratify it.

Russia -- the world's second-biggest oil producer after Saudi Arabia -- is balking at the idea of opening its domestic market.

CURBING MONEY LAUNDERING

Canada favours China, India, ROK joining int'l efforts

AFP, Vancouver, Canada

Canada wants China, India and South Korea to join international efforts to curb money laundering by organized criminals and terrorists, Finance Minister Jim Flaherty said Wednesday.

Since assuming the presidency of the Financial Action Task Force (FATF) for the first time in July, Canada proposed "actively pursuing the accession to membership by China, India and the Republic of Korea," he said at the opening of the group's 18th session.

The FATF is an international body that develops and promotes policies to combat money laundering and terrorist financing.

Among representatives of 33 countries meeting in a downtown hotel were officials from South

Korea, who attended the task force meeting for the first time as observers.

During the year in which Canada

Indian factory output up

AFP, Mumbai

India's industrial output for August rose 9.7 percent year-on-year, driven by manufacturing growth, official figures showed Thursday.

But the rate was much lower than the previous month's growth of 12.7 percent as floods in industrial regions disrupted output.

Manufacturing, which accounts for more than three quarters of industrial output, rose 11.1 percent in August from a year earlier.

hosts the presidency of the task force, said Flaherty, other priorities will include improving cooperation internationally and with private companies, and a review of the organization's direction.

He emphasized that the job of the task force is "to starve (terrorists) of the funds they need to finance their terrorist acts."

Canada has pledged technical assistance and training to Asia/Pacific Group on Money Laundering and the Caribbean Financial Action Task Force, he said.

"We live in an increasingly connected world, where terrorists and criminal organizations are becoming more sophisticated in their attempts to move, conceal and launder funds through financial systems," he told delegates.



PHOTO: SHAHJALAL ISLAMI BANK

Sajjatuz Jumma, chairman of Shahjalal Islami Bank Ltd, inaugurates the bank's 18th branch on Kemal Ataturk Avenue at Banani in Dhaka on Sunday. Vice chairmen Sanaulah Shahid and Tofazzal Hossain were present among other senior officials.

Uzbekistan to double gas price for neighbours

AFP, Tashkent

Uzbekistan is nearly doubling the price it charges all its neighbours in Central Asia for natural gas, a senior gas industry official said in an interview published Thursday.

The gas transit company Uztransgaz will raise its export price from 60 dollars per 1,000 cubic metres to 100 dollars per 1,000 cubic metres starting from next January, the company's deputy director, Uktam Eshmurodov told the weekly newspaper Business-Vestnik Vostoka.

"The price of Uzbek gas is based on market rules and... this is a single

price for all foreign customers of Uzbek gas, including our neighbours from the Central Asian region," Eshmurodov said.

Uzbek gas exports are vital for Kyrgyzstan, Tajikistan and southern Kazakhstan.

The imminent price hike follows a raise at the start of this year from 42 dollars per 1,000 cubic metres to 55 dollars.

Uzbekistan is the world's 13th largest natural gas producer, according to statistics from the energy giant BP, but most of its production is taken up by domestic consumption.