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# Star BUSINESS

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DHAKA TUESDAY FEBRUARY 27, 2001

## Country's first jv multi-national LPG project nears completion

The country's first multi-national joint venture LPG project at Mongla Port is nearing completion with the completion of the first phase 1600 MT sphere and LPG unloading facility, says a press release.

Built under the guidance of Australian LPG experts, the new facility will bring with it exceptionally high standards of safety and expertise in the LPG industry as well as guaranteed supply of LPG throughout the country.

Kleenheat Gas is Australia's leading marketer of LPG and has over 50 years of experience in the industry. It brings its experience to Bangladesh through the current joint venture ELPJII Malaysia-Bangladesh Limited (EMBL), General Manager of the Bangladesh operation Klaus Gohra said Monday.

"Kleenheat Gas views the rapid development of the LPG market as a priority to relieve the country of the huge demand being placed on the nation's natural resources and to ease pollution caused by the burning of wood and other energy sources. The introduction of a clean, safe and energy-efficient fuel such as Kleenheat LPG, will bring many benefits to society at all levels."

Kleenheat Gas believes its success to date stems from a 100 per cent commitment to service and quality in all aspects of its business and places a huge importance on the development of its distributor network and the ongoing development of the LPG industry as a whole.

Through an exclusive network of Kleenheat distributors and dealers, LP gas will be available in a range of cylinder sizes as well as a range of appliances suitable for both domestic and commercial users.

The distributors will be selected from applicants with a genuine desire to grow the LPG business as well as proven business experience from a service-oriented background.

Distributors premises will meet all relative safety standards and carry a full range of stock supplied only by Kleenheat Gas to see quality product is delivered to the customer at all times.

The Distributor Recruitment Programme will be launched shortly.

## InTech launches pre-paid Internet services

InTech Online, a premier Internet service provider of Bangladesh, has announced the launching of its pre-paid Internet services.

Chairman of the company, Mostaqur Rahman, inaugurated the services at a simple ceremony held at a city hotel on Monday, says a press release.

Under the services, subscribers will be able to avail themselves of Internet services at only 70 paisa per minute, any time of the day or night.

Recently, InTech Online has also started providing BroadBand Internet services using DSL (Digital Subscriber Line) technology for the first time in Bangladesh. As a result of using DSL technology, which is a viable alternative to existing V-SATs, corporate customers would be able to use Internet facilities at half the previous costs.

InTech Online is announcing special prizes for their subscribers too. Every month a raffle draw would be held to select one subscriber from among those clients whose usage per month will reach at least 500 minutes.

The grand prize is an airline ticket (Dhaka-Bangkok-Dhaka) and 2 nights and 3 days free accommodation at a prestigious hotel.

## Singapore's DBS Bank quits run for ROK credit card business

AFP, Singapore

DBS Group Holdings Ltd. of Singapore said Monday it has withdrawn from discussions to bid for Korea Exchange Bank's credit card business.

"There was a variety of issues that prevented us from getting the value we want. It's a combination of things, not just pricing alone," DBS spokesman Chuck Newton told AFP.

DBS Group, Southeast Asia's largest bank, has been moving to spread its wings outside of the island-republic after coming under increasing foreign competition.

## Taka stabilises on steps against illegal kerb markets Official-kerb market dollar rate difference narrows

STAR BUSINESS REPORT

Harsh measures against illegal foreign currency kerb markets have stabilised the exchange rate of taka against dollar with the difference between the off-the-counter and kerb market rates of dollar narrowing down to about one taka from Tk 4-5 earlier.

Bangladesh Bank Governor Dr M Farahuddin said this at a meeting of the Standing Committee on the Finance Ministry yesterday.

According to sources, the governor while explaining the latest balance of payment situation said that the illegal money traders kept

dollar rates high in the kerb market. But situation has got back to normal with the removal of the kerb market.

He also said that recent measures against illegal *hundi* transactions have also yielded positive results. Since June this year, the foreign exchange reserve has increased by about \$300 million to \$1.6 billion now, the governor further added.

He said the banks have now become more careful and proactive to check foreign exchange leakage.

Dr Farahuddin also gave a rosy picture of the private banks,

adding that as a result of the central bank's continuous supervision the private commercial banks (PCBs) have significantly improved their situations.

A total of 26 PCBs posted Tk 1300 crore operating profit last year while 11 others gave cash dividends to their shareholders for the first time in history.

The BB governor also mentioned that 10 of the top 15 companies in the Dhaka Stock Exchange (DSE) were now banks, which shows that the investors have regained their confidence. In this regard, the governor also mentioned that the classified

loans of the banks have come down from 48 per cent to 34 per cent last year.

Chitra Bhattacharya, one of the members of the Standing Committee, demanded collateral-free loans for women entrepreneurs. The governor agreed with the proposal in principle and said that he would look into the matter.

Chairman of the committee Prof Ali Ashraf raised a complaint that the Janata Bank had recently spent Tk nine crore to realise Tk 30 crore classified loans. He said if such cost is involved in realising loans, then the banks will never taste profits.

## Bhomra land port fails to woo traders despite huge potential

HAFIQ HASAN, back from Satkhira

Despite having good road connections and other infrastructure facilities, the Bhomra land port, only 12 kilometers away from Satkhira town, is mostly a neglected border point.

The local people and businessmen feel that if the government gives proper attention to the land port established in 1996, it could work as an alternative to Benapole land port in Jessore.

The Bhomra route has customs and immigration offices and proper use of the port can reduce the export-import pressure at Benapole, the local people said.

The road communication between Dhaka and Kolkata, the provincial capital of the West Bengal, could be easier through Bhomra than through Benapole because the former route reduces the distance by 20 kilometers.

The distance between Satkhira and Kolkata is 80 kilometers whereas it is 100 kilometers from Benapole land port, according to local people. The road communication up to Kolkata from Gozadanga, the Indian side of

Bhomra, is also good.

The Indian government recently built a bridge over the Isamati river under Bashirhat subdivision for smooth communication between Kolkata and Gozadanga, said a businessman of Satkhira who recently visited Kolkata using this route.

Mohammad Zaved, a banker and resident of Satkhira town, observed that the passenger buses which ply between Dhaka and Kolkata through Benapole could use the Bhomra route to avoid congestion at Benapole. Only a few local people now use this route to visit India, he said.

Talking to the Daily Star, Sheikh Jahangir Hossain, President of Satkhira Chamber of Commerce and Industry, said people of Satkhira suffer a lot due to lack of facilities at the land port.

Hossain demanded that the government build more warehouses and dumping shades to encourage traders to use the port frequently.

But a district administration source said the local businessmen lost interest in the land port fol-

lowing some restrictions imposed by the custom authority.

The customs department detected some irregularities in the port warehouses and as a result it no longer allows stocking of goods at the warehouses. Importers have to release their goods as soon as they arrive.

This condition discouraged the importers and they have stopped importing goods through the port from this year, according to sources.

During a visit to the port area, it was observed that there was hardly any business activities at the port. Only around half a dozen Indian trucks were standing inside Bangladesh territory to unload goods.

The local businessmen made good use of the port in 1998-1999 for importing rice from India.

With business picking up, some local businessmen had set up a number of warehouses near the port to store goods. But now, the warehouses are mostly empty through out the year imports declined following the customs restrictions.

## Cement producers say country has adequate stock

BSS, Dhaka

Bangladesh Cement Manufacturers Association leaders yesterday said the country has an adequate stock of cement and there will be satisfactory reserves even after meeting the additional demands of this construction material during the holy Eid-ul-Azha.

They said this while talking on commerce minister MA Laili at his office in the city.

The minister asked the leaders of the association to help ensure the supply of cement to the consumers at fair prices and assured them of all possible support of the government in protecting the interests of the people.

The leaders of the Association regretted the tendency of some unscrupulous traders to limit money by raising the price of cement though there is no reason for this.

They also urged the authority to take necessary steps so that trucks carrying cement can ply 24 hours through Dhaka to meet the additional demands.

Association Secretary Azizur Rahman, Sena Kalyan Sangsha Managing Director Brigadier General Abul Hashim Khan, Hyundai Cement Company Chief Executive Ramit Budraja and concerned officials were present.



Photograph shows the 5th annual general meeting (AGM) of Dutch-Bangla Bank Limited held last Tuesday. The meeting was attended by Mohammed Sahabuddin Ahmed, Chairman, Nanno D Kleiterp and Gerrit M van Kampen of the Netherlands Development Finance Company (FMO), the Netherlands, Nizamuddin Mahmood Selim, Abedur Rashid Khan, Md Abdus Salam, Shahidur Rahman, shareholders and other bank officials.

## Indian tea planters for lower duties, higher tariffs Competition threatens from cheap imports

REUTERS, Calcutta

Indian tea planters, just emerging from a punishing two-year price slump, say they want lower excise duties and higher tariffs in this month's federal budget to modernise and safeguard the industry.

Planters in India, the world's biggest consumer and producer of tea, fear further trade liberalisation could expose them to a flood of cheap imports from neighbouring Sri Lanka, the world's leading exporter, as well as from China and Indonesia.

"We're just coming out of a very difficult period. We want government support to help us invest more money in the business," Indian Tea Association (ITA) chairman R S Jhawan told Reuters.

The planters said they were hoping for broad tax concessions in the budget to be announced on February 28.

Tea prices have risen since mid-December after beleaguered planters, who employ more than a million people mainly in remote

strife-torn regions of northeastern India, stopped production of end-season tea two weeks ahead of schedule.

But planters said they have still not hit the level of profitability needed to modernise and invest in packaging and branding.

The ITA is seeking bigger tax breaks to invest more money in the estates whose maintenance suffered last year when prices plunged 18 per cent, forcing many to sell below cost.

At present, 20 per cent of planters' profits are tax free as long as they are earmarked for capital investments. The planters want that raised to 40 per cent.

"We're the most heavily taxed industry in the country," Askok Lohia, former chairman of the Darjeeling Planters' Association, told Reuters.

Sixty per cent of a tea firm's profit is charged the federal income tax rate of 35 per cent and the balance attracts a state levy of 45 per cent.

This creates a heavier tax li-

ability on tea producers than on other traders which pay only the federal tax on the total income. Lohia said.

India produced 805 million kg of tea in 1999, down from a record 870 million kg a year earlier. Output in 2000 is pegged at about 840 million kg. Tea exports last year rose to an estimated 198 million kg from 190 million kg in 1999.

The tea trade is also seeking exemption from excise duty of two rupees per kilo of tea sold.

"This duty is levied on bulk tea. Since tea is mainly sold in auctions, we can't even pass on this cost to the consumers," an ITA official said.

Planters said they were also worried about superior packaging and aggressive advertising which foreign firms could use to capture the market in India.

"We should be allowed duty free import of packaging machinery," Lohia said.

Jhawan said the government should give better protection to the domestic industry from cheap imports.



Mostaqur Rahman, Chairman of InTech Online, inaugurates its pre-paid Internet services at a city hotel on Monday.

## Hosaf Meter holds dealers' annual meeting

The annual meeting of Hosaf Meter dealers was held at Kashimpur 'Hosaf Villa' on Friday, says a press release.

Moazzam Hossain, Chairman of the Hosaf Group of Companies presided over.

The dealers took part in an open discussion on the sale of Hosaf meters, fans, bulbs, and tube lights after Prof. Abul Ashraf Noor, advisor of the group delivered a welcome speech.

Later, Quamrul Hasan, General Manager of Hosaf Group, read out the commercial report. The dealers were informed about the newly-built Hosaf meter, fan, bulb and tube light factory at Shafipur, Gazipur.

The chairman distributed incentive bonus, souvenirs and prizes to the dealers whose sales performances were outstanding.



Moazzam Hossain, Chairman, Hosaf Group, takes part in an open discussion to exchange views with the dealers at the company's annual meeting held at Kashimpur Friday.

## Asia poised to lead wireless web phone race

AP, Singapore

Telecommunications companies are taking heat for paying tens of billions of dollars for rights to high-speed wireless Internet services in Europe which some consider a colossal gamble on an unproven future market.

But in Asia - where speedy Web phones are about to make their world debut - there is little talk of impending disaster.

Because of cheaper licenses and more technically advanced and uniform digital phone networks across the region, many believe Asia's business risks will be fewer and that Asians will get a cheaper and better product than most Europeans and North Americans.

The arrival of so-called third-generation, or 3G, mobile phone technology has created both rational and irrational exuberance across the globe, with telecoms spending billions on the technology they say will put wireless Internet in the palm of our hands at speeds 100 times faster than

what's currently available.

"Wireless technology is probably better positioned to be rolled out in Asia", says Steven Yap, director of communications at i-mania.com, a Hong Kong-based Internet research company. "There's greater standardisation in Asia than the US or in Europe."

Third-generation mobile phones will in fact be handheld computers - capable of making phone calls, sending e-mail, broadcasting movies, playing video games, even taking digital photographs.

So a tourist on the Great Wall of China can snap a digital photo of herself, send it via e-mail to her mom in Pittsburgh and then call to confirm reception - all with the same gadget. She can also use it to ask directions to the Starbucks cafe in Beijing's Forbidden City.

There are concerns, though, that only the rich will be able to afford such devices. And some analysts worry that 3G's chances of becoming dominant may be hurt by a current technology, that of Japan's wildly popular "i-

mode" phones, or by a stepping-stone technology.

Most telecommunications companies are now upgrading networks to the steppingstone system, known as Global Packet Radio Service (GPRS). It is designed to transmit data four to six times faster than the current standard, or about as fast as a 56K modem on a personal computer.

Unlike today's wireless phones, handsets using this technology will be able to play news and movies through streaming video. And that has some analysts predicting it may become such a hit that consumers won't want to bother spending money to upgrade to 3G.

In theory, 3G will be so fast it will seem instant. But in reality, 3G networks in big, busy cities like Tokyo and Hong Kong could eventually become clogged just with phone calls, said Geoff Johnson, research director of Gartner Group Pacific.

Meanwhile, Japan's i-mode technology could build up a

worldwide constituency that could hurt 3G's chances. More than 17 million Japanese already use i-mode phones to exchange text messages, send animated figures and surf Web sites, and NTT DoCoMo is working to take i-mode global this year.

But i-mode has limited bandwidth and can't do streaming video. So DoCoMo is banking on 3G, too. The company will be the first in the world to launch 3G services - this May in the Tokyo area.

More than \$100 billion was spent in Europe last year for the rights to airwaves necessary to implement 3G services. Analysts say it will cost another \$100 billion to upgrade Europe's existing digital phone networks.

Most expect it to be cheaper to upgrade in Asia, but costs are difficult to estimate.

In Asia, auction prices will be significantly lower and many countries, including Japan, are opting instead for "beauty con-

tests" that allocate licenses to what regulators deem the most qualified companies.

In South Korea, where half the population has a mobile phone, two licenses were sold in December for \$1.1 billion each and the government has plans to allocate another for a similar sum.

Singapore is due to auction four licenses in April or May at the starting price of 150 million Singapore dollars (\$86 million). Taiwan plans an October auction and Hong Kong is still debating its timing. Singapore, Hong Kong and South Korea plan to launch commercial services early in 2002.

Steppingstone GPRS services will be launched gradually throughout the region this year in what Lucas Chow, CEO of Singapore's leading mobile phone operator, SingTel Mobile, says is "to give people a taste" of what's to come.

Asia has the advantage of having the world's newest digital phone networks, which will be cheaper and easier to upgrade

than those in Europe and North America.

In the United States, 3G services will likely be two years behind Asia because of its "severely fragmented wireless market," said Gartner's Johnson.

Some US carriers are currently upgrading their networks to offer higher speed wireless services, but others need additional capacity before they can start delivering fast wireless Internet and video. Many will have to wait for another set of US licenses to go on the auction block this fall.

Chow, of SingTel, believes 3G's most compelling application will be "voice portals" that let people command wireless gadgets to surf the Internet.

A recorded voice will ask questions like "What city?" or "What stock?" and then read results.

Chow believes voice portals will be popular with people who speak, whose handsets seldom have Chinese characters for text messages.

## DBBL declares 15pc dividend

Dutch-Bangla Bank Limited has declared a 15 per cent dividend for its shareholders for the year ending December 31, 2000.

The dividend was declared at the 5th annual general meeting (AGM) of the bank held at its head office at Sena Kalyan Bhaban in the city on Tuesday, says a press release.

The meeting was presided over by Mohammed Sahabuddin Ahmed, Chairman of Dutch-Bangla Bank Limited, and attended by Nanno D Kleiterp, Gerrit M van Kampen, representatives of the Netherlands Development Finance Company (FMO), the Netherlands, Abedur Rashid Khan, Nizamuddin Mahmood Selim, Md Abdus Salam and other shareholders.

Md Shawkat Ali, Managing Director of the bank, and other senior officials were also present at the meeting.

The meeting also decided to distribute a portion of pre-tax profit of the company to the employees.

The meeting approved the annual audited accounts of the company for the year ending December 31, 2000.

The bank's operating profit during the year was Tk 233.36 million while the net profit was Tk 206.77 million. The operating profit for the year increased by 137 per cent and net profit by 145 per cent over the previous year.

It was also reported that the classified loan is only 0.72 per cent of the total loans and advances while the total provision is Tk 51.32 million (specific Tk 5.09 million and general Tk 46.23).

The meeting also decided to form "Dutch-Bangla Bank Foundation."

The meeting approved 2.5 per cent pre-tax profit for 2000 as the initial fund for the Foundation, envisaging augmentation similarly every year.

The principal objective of the Foundation is to continue the legacy of the bank's supportive roles and functions in the spheres of social emancipation, medicine and creativity in sports and culture.