

MCCI for permanent pay commission

Suggests annual adjustment of salaries to inflation

STAR BUSINESS REPORT

In order to avoid diverse criticisms each time pay scales are revised upwards, the government should consider establishing a permanent pay commission, which will adjust salaries and allowances to the rate of inflation every year, MCCI has suggested.

"To many people, the 53 percent pay increase announced this year may appear large simply because the revision of pay scale has been delayed for too long," said the Metropolitan Chamber of Commerce and Industry in its latest monthly publication, ChamberNews.

Establishment of pay commission after long intervals and announcements of large pay increases in one go have some inherent problems, it observed.

One is that it gives unscrupulous traders an excuse to raise prices. The other is that the government is

confronted with the need for mobilising a large amount of extra money to finance the increased pay bills, it explained in the editorial of the publication.

In order to overcome the problems, it will be necessary to have a permanent pay commission, which will regularly monitor the inflation rate and recommend pay revisions at convenient intervals to enable the government employees to cope with the increases in the cost of living, the MCCI noted.

Nowadays, this practice is seen in most countries, including India and Pakistan, it said adding that whenever the cost of living index crosses a given threshold, pay and allowances are automatically adjusted upwards to cope with the rate of inflation.

The pay increase should not aggravate the inflationary pressure, which may, however, worsen if the

government borrows from the banking system, the MCCI mentioned.

A common practice is that some unscrupulous elements take advantage of the announcements of new pay scales or new budgetary measures, and tend to raise prices for no good reason, it said adding that the government will need to adopt strong preventive measures to stop such practices.

"The new pay scale has been introduced keeping in view the increased cost of living, which has gone up by more than 40 percent in the eight-year period since 1997 when the pay scale was last revised," the MCCI noted in its publication.

The new pay scale will be implemented in three phases spread over the next two and a half years. There are apprehensions in some circles that the pay enhancement will push up the rate of inflation and also that it

will put pressure on the budget, the MCCI said.

In the past, pay scales were enhanced, for example, by 73 percent in 1977, by 122 percent in 1985, by 80 percent in 1992 and by around 66 percent in 1997, but there is no evidence on record to show whether pay hikes led to any sharp rise in prices, it added.

Major causes of inflation in our country are budget deficits, supply shocks, frequent increase in administered prices of fuel, power, gas and water, and law and order problems, particularly the incidence of extortion by miscreants at production, transportation and marketing levels, it mentioned.

"Just as we believe that the new pay scale is unlikely to aggravate inflation, so also we do not find any reason why it will put any overwhelming pressure on the government's budget," the MCCI said.

Citibank NA now to market services under Citigroup brand name

Citibank NA Bangladesh will now use Citigroup as the brand name in all its communications.

This strategic change in branding in accordance with Citigroup's international global branding guidelines will simplify the bank's communication with all its stakeholders and also align it more closely with its parent organisation, Citigroup, says a press release.

The goal of this branding change is to come under the umbrella of the world's leading financial services company, serving customers in Bangladesh with local and global financial needs.

Announcing this change, Citigroup Country Officer in Bangladesh Mamun Rashid said, "With this unified identity, customers will have increased access to Citigroup's global network and the powerful range of financial services and products backed by the best expertise and unmatched financial strength, all under one brand-Citigroup."

The legal entity under which Citigroup operates in Bangladesh continues to be Citibank NA and all banking instruments will continue with the name, Citibank NA. This change in name will also have no effect on the organisational structure or ownership of the entities involved or any existing contracts or obligations between such entities and their respective stakeholders.

Citigroup continues to do business with the same dedication and commitment and the name change does not in any way affect its relationship with customers and stakeholders.

The Citigroup brand has been voted number one financial services brand in Asia by the Far Eastern Economic Review and ranked as the most respected financial services company in the world by Financial Times and the Price Waterhouse Coopers survey, the release added.



PHOTO: STAR
Faisal Morshed Khan (Right), vice chairman of Pacific Bangladesh Telecom Ltd (PBTL), the owning company of CityCell, speaks at a press conference in Dhaka yesterday as Chris Maloy (C), CEO, and Intekhab Mahmud, head of Marketing of PBTL, look on. Following a 45 percent stake acquisition of CityCell by Singapore telecoms giant SingTel, PBTL hopes to be the top mobile phone operator in Bangladesh.

GP to launch high-speed mobile internet service

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GrameenPhone (GP) Ltd is going to introduce an advanced high-speed mobile internet and data service soon for the first time in the country.

Initially, GP has introduced the service titled EDGE (enhanced data rates for global evolution) in its mobile phone network on experimental basis.

After the commercial introduction of the latest technology, EDGE will enable the GP subscribers to enjoy advanced mobile phone services such as downloading of ring tones, true tones, video clips, animations and music, multi-media messaging (MMS), high-speed colour internet access and email.

EDGE is an advancement over the present GPRS (general packet radio service) system and is a third generation mobile phone technology, said GP Managing Director Erik Aas while addressing a press conference in Dhaka yesterday.

"It is eight times faster than an ordinary GPRS network," said Kafil HS Muyeed, director (Marketing Division) of GP.

He said in the first phase, GP subscribers of Dhaka and Chittagong metropolitan and surrounding areas will be able to enjoy the facility.

The GP is expecting that with the introduction of EDGE, mobile phone will become the ultimate tool to bridge the digital divide, providing people access to internet from anywhere within the

coverage area of GP.

"In Bangladesh GP's EDGE service will help increase the access to internet," said Erik Aas.

However, he declined to say anything about the inter-connectivity deal with BTTB's TeleTalk.

A GP subscriber, who has a GPRS or EDGE and MMS enabled handset, will be able to get the services of EDGE system, said Syed Yamin Bakht, general manager (Information Department) of GP.

Yogesh Malik, chief operating officer of GP, elaborated on the activities of EDGE system, which has already been introduced in many parts of the world.

DSE broker found guilty of violating licensing conditions

JASIM UDDIN KHAN

A high-powered probe body of Securities and Exchange Commission (SEC) has found a DSE stockbroker guilty of violating licensing conditions.

The probe body comprising a SEC executive director and a high official of the Dhaka Stock Exchange (DSE) also found that the stockbroker, Country Stock (Bangladesh) Ltd, defaulted on maintaining appropriate books and records.

"Explanations given by the broker in course of written examination could not be considered acceptable as it revealed from the upward trend on the subsequent trading days of the same scrip," the probe body said.

The SEC served a hearing notice on Managing Director of the brokerage house Khwaja Asif Ahmed on May 28 and asked him to appear

before the commission for hearing on June 12.

The probe body in its finding said the broker placed aggressive sale-offer in respect of selling 200 Bata shares which appeared to have dictated the market price of the said scrip on December 15, 2003 to go downwards.

"Explanations given by the broker in course of written examination could not be considered acceptable as it revealed from the upward trend on the subsequent trading days of the same scrip," the probe body said.

The SEC earlier served show cause notice on the broker on September 13, 2004 and the broker replied to the notice on September

23. However, Country Stock (Bangladesh) Ltd managing director could not be reached for comments.

Sources said some stockbrokers on the DSE and the Chittagong Stock Exchange (CSE) are involved in such malpractice to dictate the market in connivance with some issuers.

An official of the DSE said scope of manipulating or dictating market price still exists in the current system.

"We are working to introduce a modern technology to identify such incident instantly," the official added.

Furniture, home appliances show begins Thursday

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In a bid to popularise local furniture, home appliances and home décor, a three-day long exhibition begins in Dhaka from Thursday.

Triune Exhibition and Event Management Services (Teems), an event management company, is organising the fair, HomeShow 2005, at Dhaka Sheraton Hotel.

The main objective of the show is to familiarise the people with the recent progress Bangladesh has made in these sectors, Kazi Wahidul Alam, chairman of Teems, said at a press conference in Dhaka yesterday.

At present, Bangladeshi entrepreneurs are manufacturing varieties of furniture and home appliances. It will also enhance scope to open new export markets, Teems chairman hoped.

The exhibition will be a platform where local and foreign buyers will be able to assess the quality of Bangladeshi furniture and home appliances. It will also enhance scope to open new export markets, Teems chairman hoped.

A total of 27 local companies will showcase their wooden, cane and plastic furniture, wooden floors, furniture for children, carpets and

lighting systems in 57 stalls in the fair. Some banks and financial institutions will also display their services in separate stalls.

Hafiz Uddin Ahmed, BB, minister for Water Resources, is expected to inaugurate the show while Barkat Ullah Bulu, advisor to the Ministry of Commerce, will be also present at the function, the press meet was told.

Participants of the exhibition are expected to offer competitive prices and lucrative discounts while the financial institutions will be offering on the spot consumer loan services for the visitors.

The show will remain open from 10am to 8pm for the visitors without any entry fee. Leading daily, The Daily Star, and satellite channel, Channel-i, are the media partners of the exposition. Furniture manufacturer Otobi and Eastern Bank Ltd are the co-sponsors of the show.

Animesh Kundu, executive director of Otobi, Ali Reza Iftekhar, deputy managing director of Eastern Bank, and KM Akhteruzzaman, chairman of Bangladesh Furniture Industries Owners Association, were also present at the function.



PHOTO: STAR
Kazi Wahidul Alam (2-L), chairman of Triune Exhibition and Event Management Services, speaks at a press conference in Dhaka yesterday to announce a furniture and home appliances fair, HomeShow 2005, that begins Thursday.