

DSE goes on
7-day vacation
from tomorrow

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) will remain closed for seven days from tomorrow.

The Board of Directors of the Dhaka Stock Exchange (DSE) yesterday decided to keep the bourse closed for seven days from November 1 to 7 on the occasion of Shab-e-Qadr and Eid ul-Fitr.

Meanwhile, the share prices on the bourse witnessed a marginal fall yesterday. The DSE index reached 1679.28 points, down by 0.44 percent or 7.49 points from the previous week's closure on Thursday.

Pakistan cancels
\$ 2.6b telecoms
deal with
UAE's Etisalat

REUTERS, Karachi

Pakistan cancelled on Saturday a \$2.6 billion deal to sell the UAE's Etisalat a 26 percent stake in Pakistan Telecommunication Co. Ltd (PTCL).

Emirates Telecommunications Corporation (Etisalat) agreed to buy 1.33 billion shares along with management control of PTCL in June following Pakistan's biggest privatisation sale.

"We have served the notice to Etisalat for cancellation of the deal because they have not paid the amount within the required time," a Pakistan official said.

Online auctioning taking
off in Bangladesh

BARNABY SKINNER

Two Bangladesh websites, clickbd.com and dhakashop.com, are saying that their online auction services have attracted thousands of new internet users from all over the country.

Whereas dhakashop.com has drawn 3,000 registered users since the site's launch in January 2005, clickbd.com boasts 10,000 registered users since April 2005.

While in the US and in Europe online auctions mean big business with Ebay currently worth 50 billion dollars, online auctioning in Bangladesh has yet to get a foothold. Ebay is a US-based online auctioning site. Delwar Hossain of dhakashop.com and Humayoun Alamgir Jewel of clickbd.com have set out to change the notion.

They believe the country is ready to engage in online auctioning. And with the submarine fibre optic cable finally on its way to Bangladesh next year and approximately 500,000 Bangladeshis connecting to the internet regularly, the two entrepreneurs just might be right.

Hossain and Jewel have a lot in common. They were both educated in the US, worked in US software companies, but decided to return to Bangladesh and set up their own IT companies. Concerning their busi-

ness strategies, however, Hossain and Jewel are fundamentally different.

On clickbd.com Jewel stresses a non-commission strategy. "People offer their products for free," Jewel explains. This is different from what most auctions sites in the US and Europe are doing. Jewel believes that what works for the developed world does not necessarily have to work in a developing country. Depending on the offer, Ebay takes one to five percent commission on sold products. Jewel thinks this will not work in Bangladesh.

"We want to get people involved in online auctioning -- then we will think of making money," says Jewel. With 10,000 registered users -- 2 percent of online Bangladeshis -- he has already achieved much awareness for clickbd.com. Since April 10,000 registered users from all over the country have traded 5,000 products. The most expensive product sold on the site was a Toyota Corolla for Tk 5 lakh.

In a second stage, Jewel is approaching large shopping stalls, interested in doing e-commerce. "We are offering a complete e-commerce package on our highly frequented site and charging them for these services: Ordering, virtual store, customer service, accounting and delivery," Jewel explains. His goal is to create a diverse online shopping stall offering

everything from groceries, over mobile phones to cars.

Hossain's approach is different. He believes in charging users for trade on dhakashop.com. This should make his business more sustainable, he believes, but also explains why -- compared to clickbd.com -- only 3,000 users have registered to his service. "My long term goal is to make my site the Ebay of Bangladesh," Hossain says.

He sees the developments in India as a role model for Bangladesh where baazee.com was bought by Ebay in June 2004 for \$50 million. "Ebay is currently reviewing our site and I hope it will agree to some sponsorship. This will make our business naturally even more sustainable," Hossain explains.

Both clickbd.com and dhakashop.com have got off to a good start in 2005. But before either of them start becoming profitable, there are obstacles to overcome -- for both commission and non-commission based offers.

To maintain the sites professionally, they need teams of six to seven staffers.

Hossain and Jewel have large pay roles and office fees of around Tk 50,000 monthly. Both sites are therefore in need of bigger user groups to break even. But how fast these numbers grow?

500,000 users are still only a frac-

tion of the entire Bangladesh population. Using the net also requires a certain amount of technology literacy, something that a large number of the population lacks. The main obstacle, however, comes from e-commerce itself. The central bank is yet to set up online credit card payment systems. Apparently, banks fear money laundering and online credit card fraud.

clickbd.com and dhakashop.com users currently pay cash for auctioned products, with buyers and sellers setting up personal meetings to exchange money and goods. Jewel would rather have customers pay cash or by bank cheque on delivery, so as to keep track of which product was sold in the database. Hossain, however, is happy with customers' meeting up and settling money matters bilaterally, as long as credit cards cannot be used online.

The advantages of online auctions and shopping are apparent. Firstly, customers don't waste time commuting to overfilled markets, secondly, buyers are much less vulnerable to price hikes, as competition of the vendors is greater in a one-stop-shop, thirdly, information on vendors is more easily accessible as previous buyers comment on certain vendors in forums and warn future customers.

PHULBARI COALMINE

Asia Energy
expects deal with
govt by yearend

BNEWS, London

London-based Asia Energy PLC expects an agreement with the Bangladesh government by the end of this year for developing Phulbari coalmine with an investment of US\$ 2 billion.

"We believe the government will honour the contract and we hope the agreement on developing the field will be signed by this year," company's Joint Managing Director David Lenigas told the news agency.

In keeping with current contract, Asia Energy Bangladesh on October 2 submitted a feasibility study and scheme of development to the government for approval to start mining operation in 2006, leading to extraction of first coal in 2008 and full production of over 15 million tones per year by 2013.

The report is now under consideration of the government.

Lenigas said the company, listed on the London Stock Exchange, invested US\$ 18 millions in last 18 months for the Phulbari project and found the resource of 572 million tonnes of high quality bituminous coal in the site.

"In keeping with the government's plan to increase power generation capacity, Asia Energy has also submitted a proposal to build a 500 megawatt coal-fired power station at the mine site and there is a provision for this to be expanded to 1,000 MW," said Lenigas.

He said some 40,000 people will be relocated over the project period of 30 years and "all will be compensated properly."

US sends back
two shrimp
consignments

UNB, Dhaka

Fisheries Department has served show-cause notice on two shrimp exporters to explain why their export permits should not be cancelled in a punitive action as their two export consignments of shrimp were returned by an importer.

Official sources said two consignments of shrimp were sent back from the USA after the US Federal Drug Administration (FDA) declared "uneatable" even before unloading the frozen fish by the importer.

Sources said Modern Sea Food Industries of Khulna and Sai and Company of Chittagong recently exported some 40 metric tons of shrimp worth Tk 2 crore to the US through container.

But the shrimp exported by Modern Sea Food Industries of Khulna was sent back from California port of the USA on October 15 as the

FDA certified the consignment unwholesome after examining the food item.

Port sources said another similar consignment weighing 24 metric tons was sent back to Chittagong one week ago citing the same reason.

A high official of the Fisheries Department they had already served show-cause notice on the two exporters.

He also said punitive actions, including cancellation of their export permits, would be taken if their answer were not satisfactory.

On the other hand, exporters denied the FDA accusation and said the shrimp has been sent back due to faulty labelling.

Bangladesh Frozen Foods Exporters Association (BFFEA) President Maksudur Rahman told the news agency that the image of Bangladesh abroad is being tarnished with this kind of incident.

IMF moves to debunk
Asian central
bank fallacies

AFP, Washington

Asian central banks are among the top holders of US Treasury securities but the widely held view that they are effectively financing the massive US current account deficit is flawed, the IMF says.

Another perception the International Monetary Fund wants to debunk is that Asian central banks scramble to buy US dollars because they desperately want to keep their

currencies low and exports more competitive.

Japan, China, Taiwan, South Korea, Hong Kong, Singapore, India and Thailand are among the major foreign holders of treasury securities, according to the latest figures released by the Treasury Department.

The theory goes that by purchasing huge amounts of dollar-denominated US government securities, the region's cash-flush central banks are not only pushing up the value of the greenback to keep their exports competitive but also financing the current account deficit of the world's richest economy.

The US current account deficit in 2004 was a record 666 billion dollars and the IMF expects the gap to rise to 759 billion dollars this year and 805 billion dollars in 2006 -- 6.1 percent of US gross domestic product.

Some analysts have warned that if the Asian central banks stopped buying dollar-denominated bonds, the dollar would fall dramatically

against their currencies, US interest rates would rapidly rise, and the US economy -- a major support to global growth -- would slow.

But a quick look at the composition of capital flows into the United States dispels any notion that Asian and other foreign central banks are the main purchasers of US Treasury securities, IMF studies show.

Overall, the bulk of US assets sold to foreigners are still to the private sector, said IMF's chief economist Raghuram Rajan.

"Some of you may be surprised because it is often said in the financial press that the US current account deficit is being financed by foreign central banks," he told experts last week at the annual conference of the United States Asia Pacific Council in Washington.

"The reality is that while the foreign official sector has increased its purchases, it still only amounts to less than one-third of the total inflows into the United States," he explained.

It is "entirely correct" to say the US current account deficit is more than fully financed by foreign private investors, Rajan said.

But there was a time -- from 2003 to the first quarter of 2004 -- when Asian central banks did indeed accumulate lots of US dollar reserves via purchases of US Treasury securities and the amounts were large enough to nearly finance the US current account deficit, some analysts say.



PHOTO: AHQ

Shah Md Nurul Alam, managing director and chief executive officer of Mercantile Bank Ltd, and Mahmood Malik, MD of Industrial Infrastructure Development Finance Company (IIDFC) Ltd, exchange documents after signing an agreement recently in Dhaka. Under the deal, the bank has extended term loan facility of Tk 100 million to the IIDFC.

New Delhi markets reopen
in act of defiance

AFP, New Delhi

Two markets in the Indian capital reopened Sunday less than a day after being hit by deadly bombings, in what traders described as an act of defiance to terrorists.

"If we don't open now, the message will be that we have buckled to the terrorists," said Ram Bhaj, a shopkeeper and local political leader at Sarojini Nagar market where most of the 61 people who died in the attacks were killed.

Sarojini Nagar and Paharganj markets were targeted along with a bus late Saturday.

Police allowed them to reopen after searching for clues. But customers were sparse in the busiest shopping time of the year -- two days before the Hindu festival of lights known as Diwali.

"We will open our shop in the afternoon but there will be no business," said Rajesh Kumar, a clothing merchant interviewed early Sunday.

"Customers will be too scared to come for at least 10 days. We will suffer heavy losses this Diwali."

Earlier Sunday Sarojini Nagar market was the scene of a grim clean-

up.

Dozens of people sifted through bales of packed clothes, separating good items from burnt ones as workers swept up glass shards, charred embers and broken concrete.

Two trucks stood amid the wreckage of half-a-dozen gutted shops as workers stuffed the debris into sacks and heaved them into the vehicles.

Policemen barked out orders to finish the job as quickly as possible.

"Who will risk putting up a pavement stall here after what happened yesterday? It is better to live than try to make some money," said shop owner Dhruv Singh. "What could be a bigger loss for us than what happened yesterday?"

Prime Minister Manmohan Singh vowed India would not bow to terrorism and called an emergency cabinet meeting to review security after the attacks, which appeared timed for maximum carnage as shoppers readied for the festival.

An unknown group calling itself Inquilab (revolution) claimed responsibility for the attacks.

Authorities put the nation on high alert as experts pointed a finger at extremists who may have wanted to

undermine moves toward peace between India and Muslim neighbour Pakistan.

Local residents said the impact of the blast was so powerful that the ground shook and some of the victims' bodies were badly mutilated.

"Even today morning, we found pieces of limbs and body parts inside a school near the market. It was too ghastly and the memory of this will haunt us for months and years," said shopkeeper Harish Chaddha.

He said most of the people who died were shoppers and not owners.

One long-time resident of the area, who declined to be named, called for the markets to be closed Sunday as a sign of respect.

"I don't think the shopkeepers should open for business today. Diwali will come and go each year. We will suffer a little loss and what we usually sell in two days will take two months. But we should express our grief," the resident said.

"Tomorrow something like this could happen to us and our families. Two days later it will be Diwali and on that occasion people have lost their sons, daughters and mothers. How can we think of doing business?"

Asian cos bracing for
bird flu catastrophe

AFP, Singapore

Just two years after the SARS outbreak sent Asian economies into intensive care, companies across the region are bracing themselves for the vastly more malignant threat of a bird flu pandemic.

The Severe Acute Respiratory Syndrome (SARS) crisis of 2003 killed about 800 people out of 8,000 cases and cost regional economies an estimated 18 billion dollars, according to the Asian Development Bank (ADB).

The hardest hit were Singapore, Hong Kong, China, Thailand, Vietnam, Taiwan and Malaysia. Travel-related industries were the most severely affected by the disease, which was spread by air passengers from China and Hong Kong.

On the other hand, an avian flu pandemic has the potential to kill millions worldwide and affect all

economic sectors.

The ADB says in the Asia-Pacific region alone, the economic cost of a bird flu pandemic could exceed 250 billion dollars.

At the moment, the World Health Organization (WHO) says the bird flu threat is still in the third of six phases, with over 60 deaths recorded in Asia since 2003 and rare instances of suspected human-to-human infection.

Phase 6 is the doomsday scenario -- the full pandemic phase with sustained human-to-human infection in the general population.

"Phase 3, where we are now, is kind of the warning phase. It's out there, we know it's out there, we really have to pay attention. We have to plan," said Dr. Jeffrey Staples, senior medical advisor to emergency services firm International SOS.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka on Saturday, says a press release.

Prizes	Name of Winners	Card No
Kamal General Store Free gift box	Kazalkanti Nandi	5047980010036271
Life style Super Shop-Free Gift Box	Haji Md Dewon Miah	5047980010036198
Rainbow Free Lunch/Dinner For Two	Khaled Ahmed	5047980010036202
Monorom free Gift Box	Abdul Ahad	5047980010036206
Step & Shop Store-Free Gift Box	Abdus Shakur Tafader	5047980010036248

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497 and 8125294-7.