

# Star BUSINESS

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## Bangladeshi made MD of Unilever Nepal

Kamran Bakr, a former supply chain director of Unilever Bangladesh Ltd, has been appointed managing director of Unilever Nepal Ltd, says a press release.

Bakr will be the first Bangladeshi national to head a business of Unilever. He joined erstwhile Lever Brothers Bangladesh in 1990 and was appointed technical director in 1997.

A chemical engineer from Bangladesh University of Engineering & Technology (Buet), Bakr did his MBA from Georgetown University, Washington DC.

## Oil law won't favour Americans Say Iraqi officials

AP, Baghdad

Iraqi officials say a hotly debated proposed oil law will not favor Americans but acknowledge that foreign companies will be allowed to take their profits out of the country as an incentive to draw foreign investment.

The Oil Ministry has been struggling for months to reach a compromise over draft legislation to govern Iraq's most important industry and pave the way for much-needed investment and know-how to revitalize the devastated infrastructure. But the measure faces strong objections by ethnic Kurds and concern about American influence in the sector.

Published reports in the Middle East said the proposal would provide for so-called product sharing agreements that would give international oil firms 70 percent of the oil revenues to recover their initial investments and subsequently allow them 20 percent of the profits without any tax or restrictions on transferring funds abroad.

"Without a decisive military victory, the US occupation of Iraq seems to be about to grab its oil prize by establishing a new sharing arrangement," the English-language Yemen Observer said Saturday, echoing a frequent criticism that the U.S.-led invasion was aimed in part at capturing Iraq's oil.



## New president of ICMAB

Prof. Mamta Uddin Ahmed has been elected president of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for the year 2007.

The election was held at a meeting of the 12th council of the Institute held in Dhaka on Saturday, says a press release.

The council also elected Md Anisur Rahman and Akhtar Sanjida Kasem as vice-presidents while Mohammed Salim and Prof Dr Md Abdul Hannan Mia, as secretary and treasurer of the institute for the same period.

A senior fellow member of the Institute, Prof Ahmed has been serving in the Department of Accounting and Information Systems of the University of Dhaka since 1986.

He also served the Institute as its vice-president for the year 2005 and 2006. Earlier, he was a council member of the 10th and 11th National Councils of ICMAB.

## Political crisis to hurt FDI inflow

German envoy tells Ficci luncheon meet

### STAR BUSINESS REPORT

The German envoy in Dhaka has anticipated a negative impact of Bangladesh political crisis on its FDI inflow.

"The recent political crisis will probably lead to reduced foreign direct investment denying the country the much needed foreign capital and the GDP is likely to slow down," said Frank Meyke yesterday.

He was addressing the monthly luncheon meeting of Foreign Investors' Chamber of Commerce and Industry (Ficci) at Radisson Water Garden Hotel in the city.

Masih Ul Karim, president of Ficci, chaired the meeting where a considerable number of foreign investors of different sectors were present.

"We must take it into account that export growth may slow down because of possible less demand for Bangladeshi products in the international market, which resulted from political instability," the German ambassador said, adding that in the months before the present caretaker government took over, the German investors were found rather reluctant in investing here.

Mentioning that German investment in Bangladesh amounted to about 50 million euros only, Meyke said.

"With such a growth rate, I am pleased to note, Germany has now become the biggest market for Bangladeshi goods in Europe and the second biggest market for these goods worldwide," the ambassador

said. "There is a bright prospect for expansion of the investment, if a political climate congenial to foreign investment is created, with democracy and human rights stabilised and strengthened".

He, however, said that German-Bangladesh trade links developed excessively well over the last few years.

"I have no doubts that the exchange of goods between Bangladesh and Germany would continue to grow in the years to come," he added.

Quoting the German statistics that Bangladesh-German bilateral trade grew 1430 million euros in 2005 from 988 million euros in 2002, he said this represents a very respectable 45 percent growth in a span of just 3 years.

He marked even a stronger growth in export from Bangladesh to Germany in the year 2006, up to October, which is much more than that to many other countries.

He said Bangladesh's exports to Germany increased between 20 and 50 percent each year in the last five years.

"With such a growth rate, I am pleased to note, Germany has now become the biggest market for Bangladeshi goods in Europe and the second biggest market for these goods worldwide," the ambassador

added. In the 2005-06 fiscal, Bangladesh's knitwear exports worldwide grew by more than 35 percent, while it fetched US \$993 million from the item's export to Germany, recording over 50 percent growth.

"Knitwear export to Germany continued to maintain a robust growth in the last three years. Backward linkage industries have helped the knitwear to grow at a faster pace and I hope its continuation. Bangladesh needs to develop more backward linkage units of its own in the interest of adding local value and surviving in the global market", Meyke said.

The FICCI president stressed the need for attaining double digit growth rate over the next several years to fulfill country's development objectives and rid its people from severe poverty. And for this, a larger inflow of foreign direct investment into the country is required, he added.

He also urged the German entrepreneurs to invest in Bangladesh as its incentive packages for investment are the best now available anywhere in the world.

He hoped that the German embassy in Dhaka would play a significant role in this regard.



PHOTO: FICCI

Masih Ul Karim, president of Foreign Investors' Chamber of Commerce & Industry (Ficci), speaks at the organisation's monthly luncheon meeting held at a hotel in the capital yesterday. Carlo Cifello (L), vice president of Ficci, Frank Meyke (2-L), German ambassador in Dhaka, and MA Matin (R), chamber secretary, are also seen.

## Telekom Malaysia plans more investments in India, Indonesia

Md HASAN, back from Kuala Lumpur

With its telecommunications business growing in Asian countries, Telekom Malaysia Berhad (TM) now plans more investments in India and Indonesia this year.

As part of its new international investment plan, Telekom Malaysia (TM) has adopted a two-pronged strategy to study new commercial opportunities in Asia and strengthen positions in existing markets.

"TM will give particular focus on the dynamic economies of Indochina [India, Indonesia and China], as the company thinks these markets have great growth potential in the telecommunications sector," said Yusof Annur Yaacob, chief executive officer of TM International.

Apart from managing investment in boom markets such as India and Indonesia, two of the fastest growing mobile markets in the world, the company is also formulating a strategy to consolidate existing investment portfolio.

throughout the Asia, he said.

Yaacob was addressing a media briefing on the sidelines of a regional media junket organised by TM International in Kuala Lumpur on Thursday. Journalists from Bangladesh, India, Cambodia, Sri Lanka, Indonesia, Singapore, Thailand and Pakistan joined the three-day programme.

Yaacob said TM subsidiaries are eager to inject more funds into marketing activities and rolling out innovative products and services in high-growth markets such as Indonesia, Bangladesh, Sri Lanka and Cambodia.

Dato Wahid Omar, group chief executive officer of TM, and Bazlan Osman, chief financial officer of TM Group, also spoke.

The TM Group CEO said after doing successful business in nine Asian countries TM is now going to expand its business into Iran. "We are very happy to do business with Iran."

TM international CEO explained company's overall overseas venture position.

He said, "We continue to post strong and consistent growth in our overseas operations. In Indonesia, India, Bangladesh and Pakistan, TM is well positioned to offer vast resources to drive expansion."

He also mentioned the company hopes to expand business into Vietnam, Laos and Myanmar.

Yaacob said the potential for growth in Vietnam is huge with a population of 80 million people.

"With a large population size, low tele-density and strong government commitment to the development of the telecommunications industry, Vietnam is an attractive investment consideration for TM," Yaacob said.

The TM recently announced a regional mobile subscriber base of 26.5 million as at end-September 2006, up 63 percent from the same period last year. The company also stated that it had increased its capital expenditure for its international operations and spent more than \$400 million in the first nine months of 2006.



Mohammed Abdus Salam, managing director of Agni Systems Ltd, is seen at a function in Dhaka yesterday to announce the launch of the new wireless communication services, AgniMax, adopting Motorola's solutions. Zia Manzur, sales manager of Intel Bangladesh, and Sabir Ahmed Khan, country operations director of Motorola Inc, were also present.

## Bol looks for guidelines to handle FDI proposals

BSS, Dhaka

The Board of Investment (BOI) has sought government's guideline in the changed situation about what to do with the existing foreign direct investment proposals now around 10 billion dollars in the pipeline.

While talking to the news agency, BOI Executive Chairman Nazrul Islam felt early disposal of the proposals urgent as, he said, parties may become disillusioned over a longer waiting time.

He said the BOI has sought appointment with the chief adviser to the caretaker government (CG) to discuss the FDI issues and look for guidance about how to handle the situation.

Sources in the investment promotional body said a fresh guideline has become significant at this moment as the 90-day election schedule has become void. Many investors are looking forward to getting a clear understanding of the prospects of their investment proposals, the sources added.

Nazrul Islam said the recent political turmoil has put a wrong signal to the investors but the situation has changed overnight with the installation of the new government. People feel secured now, so also the investors, he said.

But without a decision and a go-ahead signal they feel a bit uncertain, he said, laying emphasis on a policy to handle the external investment.

The BOI chief said Bangladesh is becoming an attractive destination for foreign investment and such proposals need to be quickly and properly handled to benefit the country from growing external investment.

He said the BOI is going to hold a seminar in Canada at the end of February to generate enthusiasm in the non-resident Bangladeshis (NRBs) to make investment back at home.

"Arrangement for a similar seminar in New York is in the process," he said, adding "the BOI will also take part in an investment conference in Bangkok next month to specially focus on promoting pharmaceuticals in this region."

## IIDFC arranges Tk225m for TK Chemical

The signing ceremony of the syndicated lease facility of Tk225 million for TK Chemical Complex Ltd was held in Dhaka on Tuesday, says a press release.

IIDFC (Industrial and Infrastructure Development Finance Company Ltd) as the lead arranger arranged the fund for financing of cigarette paper, colour paper and offset and printing paper machinery.

The other participant financial institutions are BIFC, Prime Finance & Investment Ltd and United Leasing Co Ltd (ULC).

Mahmood Malik, managing director of IIDFC, Abu Tayab, chairman of TK Group, Abul Kalam, managing director of TK Group, Ansar Uddin Ahmed, managing director of BIFC, AKM Nozmul Haque, managing director of Prime Finance & Investment Ltd, Syed Ehsan Quadir, managing director of ULC, and other senior officials of participant financial institutions were also present in the ceremony.

The TK Group chairman said his company is coming up with a newsprint mill having production capacity of 500 tons per day. The mill will come into operation by March, 2008, the chairman hoped.

## British Airways strike talks adjourned

AFP, London

Talks between British Airways and trade unionists aiming to avert a proposed two-day strike by cabin crew next week were adjourned with no firm agreement Saturday.

The airline said negotiations would restart Sunday and, although neither side commented formally, it is thought there was some progress on disputed issues such as sickness absence.

Its chief executive Willie Walsh took part in talks lasting several hours with the Transport and General Workers' Union.

BA is struggling to head off having to cancel all flights to and from London's Heathrow airport next Tuesday and Wednesday because the planned strike.

## Stock prices, turnover decline

### STAR BUSINESS REPORT

Both the share prices and trade volumes on the Dhaka and Chittagong stock exchanges dropped yesterday, the first trading day of the week.

The DSE turnover came down to Tk 93.6 crore from Tk 125.50 crore the previous day.

The benchmark DSE General Index went down by 10.82 points, or 0.60 percent, to close at 1780.52 points. The DSE All Share Price Index, which includes all shares on the premier bourse, also lost 4.18 points, or 0.28 percent, finishing at 1456.95 points.

A total of 24,696,822 shares of 207 issues changed hands. Of the issues traded, 41 gained, 146 suffered losses and 20 remained unchanged.

Capital market analysts termed the downturn a market correction as it rose earlier. "The downturn shows that the market is behaving normally after a huge rise the previous," an analyst said.

The DSE market capitalisation, however, stood at Tk 936.766 crore.

On the DSE, Power Grid Company of Bangladesh (PGCB) topped the turnover leaders followed by Square Textile, AIMS

First Mutual Fund, Grameen Mutual Fund 1, and Dhaka Electric Supply Company of Bangladesh.

The PGCB, the state-owned power company, topped the list with 466,200 shares worth Tk 19.98 crore.

Meanwhile, trading on Chittagong Stock Exchange (CSE) also closed lower yesterday with losers outnumbering the gainers.

The CSE All Share Price Index dropped by 0.38 points or 0.08 percent to close at 4089.039 points while the CSE Selective Categories Index fell 11.74 points or 0.43 percent finishing at 2681.5973 points.



PHOTO: IIDFC

The signing ceremony of the syndicated lease facility of Tk225 million for TK Chemical Complex Ltd was held in Dhaka. IIDFC arranged the fund as lead arranger. The other participant financial institutions are BIFC, Prime Finance & Investment Ltd and United Leasing Co Ltd (ULC). Mahmood Malik, managing director (MD) of IIDFC, Abu Tayab, chairman of TK Group, Ansar Uddin Ahmed, MD of BIFC, AKM Nozmul Haque, MD of Prime Finance & Investment Ltd, and Syed Ehsan Quadir, MD of ULC, were also present.

## Asia Energy now Global Coal Management

Signs MoU to buy 26.5pc equity of telecoms firm

### STAR BUSINESS REPORT

Asia Energy PLC, the UK-based energy company that was locked in a controversy over the Phulbari Coal Mine Project, has changed its name and laid bare a plan to invest in Bangladesh telecommunications sector.

The government then signed an agreement with the demonstrators that the government's agreement with Asia Energy would be scrapped and the company would be ousted from Bangladesh.

A Bol high official said the People's Tel has changed its investment pattern at the joint stock register company before getting the proposal approved.

Global Coal inked a memorandum of understanding (MoU) with the Bangladeshi People's Telecom and Information Service Ltd. (People's Tel) recently to buy 26.5 percent equity of the telecoms firm.

People's Tel will submit the US\$5 million investment proposal to the Board of Investment (BoI) for approval within this week or the next.

"The investment would benefit significantly the development of the Phulbari Coal Project by ensuring modern and extensive telecommunication networks and infrastructure across all areas including the mine site, transport corridor, port operation area of the project," a website said.

A high official of the company's Dhaka office, however, said that the name of the company's Bangladesh subsidiary would remain unchanged as Asia Energy Corporation (Bangladesh).

He said, "The Asia Energy PLC changed its name as it has expanded its operation in other sectors including the coal sector in Africa and as per the demand of its shareholders."

The company was forced to suspend its activities at the Phulbari coal-field in Dinajpur in the last week.

## Microsoft faces new antitrust clash with Vista

AFP, Brussels

Microsoft risks a new showdown with EU regulators over the roll-out of its Vista operating system nearly three years after a landmark antitrust ruling against the US software giant, officials said.