

# Star BUSINESS

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New president of Motorola Bangladesh

Sabir A Khan has been appointed president of Motorola Bangladesh, says a press release.

Prior to the new assignment, he was the general manager and regional director to lead Motorola 'Go-to-Market' team.

Khan joined Motorola in 1998 and has been involved in many successful telecom projects in Bangladesh.

## Tokyo bourse buys stake in Singapore exchange

AFP, Tokyo

The Tokyo Stock Exchange said Friday that it had acquired a stake of almost five percent in the Singapore stock exchange operator as part of its efforts to forge links with overseas bourses.

The Singapore group welcomed the move and said it was ready to explore prospects for further collaboration with Asia's largest bourse.

The TSE said it had purchased 53,051 million shares in Singapore Exchange Limited (SGX), or about 4.99 percent of its issued share capital.

The purchase has a value of about 528 million Singapore dollars (342 million US dollars) based on SGX's closing share price of 9.95 Singapore dollars, up 1.5 percent on the day.

TSE president Taizo Nishimuro said his exchange was considering "many possibilities" with the Singapore bourse.

"The Singapore exchange holds a unique position in Asia. We believe Singapore can be the cornerstone of our Asian strategy," he told reporters.

As global bourses are increasingly linking arms it was important for the TSE to move quickly, particularly with the SGX share price already rising rapidly, making any investment more expensive, he said.

"This is the trend among various Asian stock exchanges," Nishimuro said, noting that the TSE is now the largest private-sector shareholder in SGX.

The Tokyo bourse said it hoped to raise its stake in SGX to 5.0 percent if it receives the official stamp of approval from the Singapore authorities, but has no plans for now to hike it beyond that.

## Toyota to make diesel engines with Isuzu

AFP, Tokyo

Japan's Toyota Motor Corp. will outsource production of low-pollution diesel engines to Isuzu Motors Ltd., a local business newspaper said Friday.

The move comes as the Japanese auto giant aims at solidifying its position as the leader in eco-friendly vehicles by tapping the technology of a capital tie-up partner, the Nihon Keizai Shimbun said.

Isuzu will invest about 30 billion yen (243.82 million dollars) to build a diesel engine plant to exclusively supply products for Toyota, which plans to use the engines in passenger cars sold in Europe, the newspaper said.

The new facility is expected to produce 200,000 units a year from 2012 on, the report said.

Diesel-powered vehicles emit 20 percent less carbon dioxide than gasoline vehicles but release such pollutants as particulate matter and nitrogen oxides, posing a technological challenge for automakers.

With other Japanese carmakers rushing to develop next-generation diesel engines, Toyota -- which has been the leader in hybrid cars -- is aiming to establish a solid footing in diesels as well, the paper said.

# Duty on computer to hurt ICT growth

## Four associations fear

STAR BUSINESS REPORT

Four leading associations of information and communications technology (ICT) sector have criticised the proposed budget, saying the imposition of duties on computer hardware and software will hold back Bangladesh's ICT growth.

In a joint statement issued on Wednesday, Bangladesh Computer Samity (BCS), Bangladesh Association of Software and Information Services (BASIS), ISP Association of Bangladesh (ISPAB) and Bangladesh Computer Association (BCA) said the duty imposition will directly create a negative impact on the use of submarine cable network.

The budget for 2007-08 has proposed 10.25 percent duties on computer, computer accessories and software, which have been enjoying zero duty facility since 1998-99.

"The SEA-ME-WEA-4 submarine cable network creates a huge opportunity for Bangladesh to join

the global information superhighway. The decision to impose duty will push up the costs of submarine cable rental and the government will have to face losses," the statement said.

The associations said now local users use only 10 percent of the SEA-ME-WEA-4 bandwidth and the number of users will not increase if the duties are imposed on computer and computer accessories.

The associations demanded the continuation of the zero duty facility on computer, computer hardware and software for the growth of the nascent industry.

They said the duties will increase the prices of the products and new users will lose interest to procure computers.

Md Fazeyuzzaman Khan, president of BCS, Sarwar Alam, president of BASIS, Md A Salam, president of ISPAB, and Dr. Aminul Haque, president of BCA, signed the statement.

They demanded adoption of e-governance and e-commerce at all

government institutions. They also demanded extension of the tax exemption period for software and IT-enabled services until 2013.

The leaders also sought separate and specific allocations for ICT sector excluding the telecoms industry.

They requested the government to reduce the value added tax on internet use from the existing 15 percent to 2.5 percent.

The associations also hailed Finance Adviser Mirza Azizul Islam as he proposed formation of two new funds -- Agriculture Entrepreneurship Fund and IT Equity Entrepreneurship Fund -- splitting the existing Equity Entrepreneurship Fund (EEF).

In his budget speech, the adviser also proposed allocation of Tk 100 crore for each of the segments. In the previous budget, the allocation for EEF fund was Tk 200 crore.



Pragati Insurance Ltd Chairman Khalilur Rahman presides over the 21st AGM of the company held in Dhaka on Thursday.

## ILO to protect 30m fishermen

AFP, Geneva

The International Labour Organisation on Thursday adopted new rules to ensure adequate conditions for an estimated 30 million workers involved in the hazardous fisheries industry.

The convention adopted by an overwhelming majority at the ILO's conference covers improved safety and health care at sea, sufficient rest, proper social protection and living conditions on board vessels.

"Fishing is a unique way of life," said Nigel Campbell, a South African maritime safety officer who headed negotiations to draw up the regulations.

"This convention reflects not only this uniqueness but the demands of globalisation in an ever expanding sector that

exposes men and women to considerable hardships and danger," he added.

The agreement also allows inspections of large fishing vessels on extended voyages in foreign ports to ensure that their crew do not work under hazardous or unhealthy conditions.

The ILO said the inspection measure would help remove unflavored vessels from the seas.

A recent ILO report underlined that fishing was well documented as one of the most hazardous occupations around, combining the inherent dangers of work on the high seas, the industrial hazards of catching and processing fish, and the sustained fatigue that comes with the unpredictability of finding adequate catches.

Thursday's conference grouped unions, employers and government representatives.

and sell their fish to buyers in ever more distant corners of the world, and the need for fishers to move ever further away from coastlines to secure catches.

About 45 percent of the total global catch is taken by the small-scale fisheries and the remainder by industrial fisheries, according to the ILO. More than 90 percent of those regularly employed work on small vessels.

Some 83 percent of people involved in the industry come from Asia and nearly 10 percent from Africa, according to the UN food and agriculture organisation for 2000.

The convention will come into effect when it is ratified by 10 of the ILO's 180 members, including eight coastal nations.

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## Big cash must be declared to EU customs under new laws

AFP, Brussels

Travellers in and out of the EU must declare cash amounts of 10,000 euros (13,300 dollars) or more under new European rules which come into effect Friday to combat money laundering and terrorist financing.

"The new rules will make it more difficult for terrorists to enter or leave the Community with the cash required to finance their illegal actions," said European Taxation and Customs Commissioner Laszlo Kovacs.

"At the same time it will not put disproportionate administrative formalities on the majority of travellers and traders given that the 10,000 euro threshold is high

enough," he added.

The single uncomplicated system "will also be fairer to legitimate travellers who will no longer be faced with control measures that vary depending on where they enter or leave the Community".

Under the new rules customs authorities are empowered to search people and their luggage.

They will take action against anyone failing to declare cash of an amount of 10,000 euros or more. Penalties will be up to member states to decide but should have "a deterrent effect".

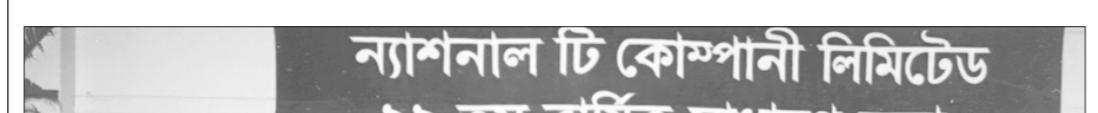
The legislation will run in tandem with the EU's Money Laundering Directive which has already introduced a monitoring of transactions made through credit and financial

institutions.

The new rules were set up following a 2002 Commission report which revealed a considerable amount of cash plus other assets such as cheques, securities, gems and precious metals moving in and out of the EU.

An operation carried out between September 1999 and February 2000 revealed 1.35 billion euros in such movement values greater than 10,000 euros.

The amount which went through undetected is, of course, impossible to gauge but "the volume of cash being transported is such that it presents a potential risk to EU and national interests," according to the EU's executive arm.



The 29th annual general meeting (AGM) of National Tea Company Ltd was held on Sunday in Dhaka. Chairman of the company Md Sirajul Islam presided over the AGM, which was attended, among others, by directors.

## Pragati Ins declares 30pc dividend

Pragati Insurance Ltd has declared 15 percent cash and 15 percent stock dividends for the shareholders for the year 2006.

The dividend was announced at the 21st annual general meeting (AGM) of the company held in Dhaka on Thursday, says a press release.

The AGM reelected six directors from 'A' Group shareholders, namely: Khalilur Rahman, Syed M Altaf Hussain, Nigar Jahan Chowdhury, Imam Anwar Hossain, Moazzam Hossain and A Litif and four directors from public shareholders, who are: Ahmedul Hoque, AJM Enamul Islam, ASM Mainuddin Monem and Tafisir Mohd Awal.

Presided over by the chairman of the company Khalilur Rahman, the meeting was also attended by Managing Director A K M Rafiqul Islam.

The finance adviser has proposed reduction in customs duty on newsprint import from the existing 25 percent to 15 percent.

Mirza Azizul Islam said the reduction proposal was made "considering the problems of newsprint industry and at the same time keeping the raw materials for newsprint-free to develop the local newsprint industry."

The book publishers made the pleas at a press conference in

## Book publishers demand zero duty on newsprint

STAR BUSINESS REPORT

Dhaka on Thursday focusing on the problems relating to publication and book sales.

Bangladesh Pustak Prakashak and Bikrati Samity (an association of book publishers and sellers) organised the press conference to press home their demands.

Reducing duty on newsprint only by 10 percent is not sufficient to safeguard this business, President of the association Md Abu Taher said, urging the authorities to recognise the book publication as an industry.

The finance adviser has proposed reduction in customs duty on newsprint import from the existing 25 percent to 15 percent.

The leaders of the association also demanded establishment of a book research complex under private sector management.

Association Vice President Abul Kalam and directors MA Salam, ANM Mizanur Rahman and ABM Shah Alam were also present at the press conference.

## Zoellick sole WB candidate despite controversy

AFP, Washington

Despite widespread criticism of the US grip on the World Bank presidency, Washington's nominee Robert Zoellick remained the sole contender Thursday.

"As of today we are only aware of the US nomination," said a World Bank official, speaking on condition of anonymity.

US President George W. Bush announced in late May he had chosen Zoellick, a former US trade chief and deputy secretary of state, to succeed bank president Paul Wolfowitz, who was forced to resign in a favoritism scandal.

Wolfowitz announced his resignation on May 17, under pressure from the development lender's employees association and an internal probe that found he broke rules by arranging a lavish pay-and-promotion package for his companion, a bank employee.

The announcement by Wolfowitz, who leaves office June 30, revived the debate over an unwritten rule that the United States picks the leader of the World Bank and European countries name the head of its sister institution, the International Monetary Fund.

Critics, including nongovernmental organizations and political leaders in developing countries and elsewhere, called for a transparent selection process based on merit, not nationality.

"Future appointments should be made using an open and transparent selection process with candidates not restricted by nationality," South Africa's president Thabo Mbeki said earlier this month.

International development agency Oxfam said the traditional practice "disempowers poor countries, the main clients of the Bank and the IMF."

"The US and other rich countries must now show that they are serious about good governance by allowing the next head of the bank to be appointed based on merit through an open, accountable process," said Bernice Romero, advocacy director of Oxfam International.

The Committee for the Cancellation of the Third World Debt condemned a US-headed World Bank as "simply an instrument at the service of US foreign policy and US multinational interests."

## Garment producer Cotton Group celebrates 10th anniversary

STAR BUSINESS REPORT

Established in 1997, The Cotton Group, one of the leading promotional garment producers in Europe, and its brand B&C celebrated the 10th anniversary at a function on Thursday in Dhaka.

The B&C brand includes t-shirts, polo shirts, polar fleeces and jackets designed for printing or embroidery.

With a turnover of 72 million euros and 52 million pieces of products sold in 2006, B&C has become a major player with an outstanding market share.

The Cotton Group also plans to build a new international airport in Savannakhet province to serve visitors to the region.

The Lao government is allowing the company a trade concession of 30 years and a services concession of 50 years, according to the economic zone authority.

That has brought a mixed picture

for investors on the possibility of a central bank rate hike at its next review.

Annual wholesale inflation in India fell to its lowest level in nearly a year Friday on a continuing trend of lower food prices, official data showed on Friday.

Prices are just above a central bank inflation target of 4.0 to 4.5 percent for the current year to March 2008, but now well below a two-year high of 6.69 percent in January.

But analysts have speculated that continued strong growth may prompt it to continue a monetary tightening cycle that began in late 2004 to tame prices further.

Wholesale prices are more closely watched than consumer prices in India which are published monthly for urban consumers, farmers and industrial workers.

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