

# Star BUSINESS

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## AKTEL offers gold coins to subscribers

### STAR BUSINESS REPORT

As part of its 10th anniversary, mobile phone operator AKTEL yesterday launched a campaign titled 'The Golden Call' to offer gold coins to customers.

Under the programme, any customer talking for Tk 10 daily from AKTEL to any operators and keeping the connection open for 24 hours will receive a special call from 0123.

When a customer receives such a call, he or she will be asked to reply to questions about AKTEL. And if the answers are correct, he or she will be automatically enlisted as probable gold coin winners.

Among the eligible customers, the AKTEL Telemarketing Centre will select 10 winners of 10 gold coins (10 gm each) everyday through an electrical raffle draw.

"We will add more offers to the campaign for our customers for being with us for a long time," Asif Iqbal, head of marketing of the Malaysia-Bangladesh joint venture mobile phone operator, told a press briefing in Dhaka yesterday.

He said the campaign starts today and it will continue until further announcement.

Javed Tareque, head of corporate affairs of AKTEL, was also present at the press conference.

At present, AKTEL has 6.7 million customers. The company started its journey in 1997.

## WTO rules against Japanese duties on ROK chip imports

### AFP, Geneva

The World Trade Organisation on Friday ruled that Japan's punitive tariffs on imports of semiconductors made by South Korean firm Hynix were illegal.

In a ruling released on the WTO's website, a dispute settlement panel set up by the organisation upheld a complaint launched by South Korea in March 2006.

It said Japan had "improperly imposed countervailing duties" and called on Tokyo to bring its measures into line with world trade rules.

In January 2006, Japan imposed tariffs of 2.72 percent on dynamic random access memory (DRAM) chips produced by Hynix over the following five years, accusing the company of selling them in Japan at below cost.

South Korea insisted the decision breached world trade rules and was based on allegations only from Japanese firms.

Heavily-indebted Hynix was rescued in December 2002 by a 3.25 trillion won (3.7 billion dollars, 2.9 billion euros) bailout by bank creditors.

The WTO panel rejected South Korea's request for an immediate refund of the extra duties, saying that it was up to Japan to determine the "modalities of the implementation" of the ruling.

## Donors now link aid for NGOs to reforms

### Says IMF report on Bangladesh

#### STAR BUSINESS REPORT

Donor agencies now link aid flow for Bangladesh's non-governmental organisations (NGOs) to reforms in the sector, according to an International Monetary Fund (IMF) report.

"It is unlikely that donors will be willing to channel even more aid to the sector without significant reform and it is also unlikely that most of the NGOs will be able to absorb and use effectively the increased funding," said the report released recently.

The report pointed out considerable problems with accountability and transparency regarding the NGO sector finances.

The international donor agency, however, said there are a few well-run and effective NGOs, but a large number of them are less effective and efficient.

The report also pointed to the fact that the NGOs might be able to provide services in areas that the government is unable to reach, these NGOs cannot undertake sorely needed large infrastructure projects.

The IMF in April this year prepared the paper on 'Bangladesh: Selected Issues' which include a series of reports on readymade garments, bank, revenue, remittance, inflation, state-owned enterprises (SoEs) and aid flow.

The report said it is clear from the debt sustainability analysis (DSA) presented in 2006 that there is space for Bangladesh to receive more loans from the donor community. Based on this analysis, Bangladesh is significantly below the indicative thresholds for NPV (net present value) of debt in terms of GDP, exports and revenues.

The IMF said at the microeconomic level, the key concerns have to do with absorptive capacity and the level of governance and transparency in the public expenditure system.

In this regard, it appears that some progress should be made to ensure that any increased aid would be used effectively to combat poverty, it said.

On a point with regard to mobilisation of resources, the report said, "If the government prepared a well-designed proposal for scaling up poverty expenditures, it would likely make it easier for donors to garner support from their headquarters."

The report said higher aid flows - in combination with the improvements in transparency and accountability of public services -- could be an important contributor to sustained development.

It also said the effects on the real exchange rate will depend on the nature of the enhanced expenditure resulting from the increase in aid.

The report said in spite of spending less, Bangladesh has made significant progress in improving social indicators in the last 15 years.

Some observers have attributed this progress to the NGOs' diverse services in areas where the government has not been able to do so," it said.

The report said improvements in donor-government harmonisation and public financial management (PFM) could also help in the struggle to reduce poverty.



AKTEL Head of Marketing Asif Iqbal speaks at the press conference in Dhaka yesterday marking the launching of a campaign, 'The Golden Call'.

## Hot money influx 'cooling down' in China

### ANN/ CHINA DAILY

The influx of speculative money from overseas, or hot money, into China's stock market is showing signs of slowdown thanks to recent cooling-down measures by the government, analysts said.

The increase in foreign exchange reserves not attributed to trade surplus or foreign direct investment declined from US\$73 billion in the first quarter to \$48 billion in the second quarter,

according to data from investment bank Lehman Brothers and CEIC, an international financial information provider.

China registered a rise in foreign exchange reserves of \$131 billion in the second quarter. Despite its high percentage in annualised terms, the actual amount is less than the \$136 billion that China earned in the first quarter.

The change "suggests that hot money inflows may be slowing," Sun Mingchun, vice-president and

Asia economist of Lehman Brothers Asia Ltd, told China Daily on Thursday.

He attributed it to strict checks by the government on illegal capital inflows and slow trading in the equity market since the rise in the stamp tax on stock transactions in early June.

The hot money may now go to Hong Kong or other markets to seek better investment returns, Sun said.

In another development, the State Administration of Foreign Exchange (SAFE) repeated its call Thursday to control illegal capital inflows, or money going into the stock or real estate markets betting on the yuan's appreciation, under the pretext of trade payment or direct investment.

"The regulatory authorities will continuously strengthen monitoring and administration of cross-border flows of funds, and block the inflow of foreign capital on fictitious trade claims," said a statement posted on the SAFE website on Thursday.

Sun of Lehman Brothers said that the government should publish the results of the investigations and penalize companies violating the regulations, "to prevent more companies from following suit."

## Efforts to achieve MDGs losing pace in South Asia

XINHUA, Kathmandu

The efforts of South Asian countries in attaining the millennium development goals (MDGs) are losing momentum, revealed the South Asia MDGs report, Nepali National News Agency, RSS reported Saturday.

The report released by the United Nations Fund for Population Activities concluded that the South Asian countries could not attain remarkable progress in the sector of drinking water and sanitation, poverty alleviation and reduction of child mortality rate.

The literacy rate in South Asian country is low and around 42 million children are still deprived of getting school education, stated the report.

The report claimed that initiatives taken to enhance the living standard of poor people with less than a dollar of income per day have not been adequate.

Pakistan attained 64 percent, Nepal 28 percent and India 21 percent goals in connection with reducing poverty level, the report said.

US may issue tougher safety import rules

XINHUA, Washington

The US Consumer Product Safety Commission is preparing regulatory proposals that could mandate broader inspections of imports and impose stiffer penalties for those who ignore the safety rules, The New York Times reported Friday.

Importers and manufacturers would have to certify that their products meet regulatory standards, a procedure that demands more inspections before goods are shipped in or placed on store shelves, according to the new rule, drafted by the commission's acting chairwoman Nancy A. Nord.

She said her staff has recently provided briefings to major United States importers and manufacturers as well as consumer advocates.

The commission might also enforce certain voluntary industry standards for items like cigarette lighters and all-terrain vehicles, both of which are connected to consumer injuries and deaths, the report said.

That would give the agency the power to seize products or block their entry into the country, it added. At present, the agency must sometimes wait until products are on the market and then push for a recall.

## GE profit up

AFP, New York

US conglomerate General Electric said Friday second-quarter net profit rose 10 percent to 5.4 billion dollars as its consumer finance and infrastructure arms offset losses from subprime mortgages.

The profit from continuing operations amounted to 52 cents per share, in line with Wall Street forecasts for GE, one of the largest companies in the world.

The diversified conglomerate that produces jet engines, locomotives, water treatment plants and medical equipment, has a major finance arm and owns the media-entertainment giant NBC Universal, said revenue for the quarter rose 12 percent to 42.3 billion dollars.

The company, sometimes seen as a microcosm of the US economy, maintained its outlook for the full-year 2007 of profit growth in the range of 10 to 12 percent, with higher profits in the second half.

## China launches Silk Market crackdown

AFP, Beijing

A notorious Beijing counterfeit-goods emporium has ousted 150 merchants in its latest anti-piracy sweep, state media said Friday, but fake goods with foreign brand names remained openly available.

A month-long clampdown by the operators of the Silk Street Market weeded out merchants selling fake brand-name ties, scarves, children's clothes and other goods, the China Daily newspaper reported.

"The move is part of our commitment to doing business while protecting intellectual property rights," said Wang Zili, the market's general manager.

However, many other merchants in the raucous bazaar were seen in recent days openly selling a range of cheap counterfeit goods with Gucci, Nike, Polo and other major brand names.

The popular market -- located just a stone's throw from the US Embassy -- has become a symbol of Chinese inaction on reining in its huge counterfeit goods industry in the face of persistent demands by the United States and other trading partners.

The United States in April formally lodged a complaint against China at the World Trade Organisation over copyright piracy.

## Govt offers expats privilege for investment

UNB, Dhaka

Foreign Adviser Dr Iftekhar Ahmed Chowdhury held out government offer of special privilege for investment back in the country by Bangladeshi expatriates.

"For this purpose, a Special Economic Zone is being established. Land acquisition is already under process to build this economic zone in Sylhet," he said while addressing the concluding function of International Food Festival at Dhaka Regency Hotel on Friday night.

Welcoming the entrepreneurs of the Regency Hotel, established with investment from Bangladeshi expatriates in the UK, the foreign adviser said Bangladeshi expatriates always give response towards the country's needs.

"They (expatriates) are play-

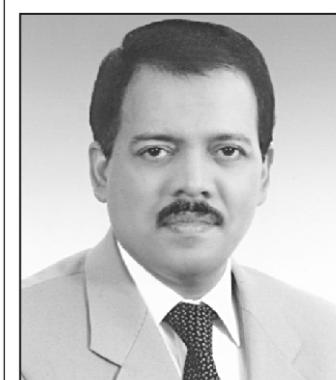
ing an important role in country's economic development with their expertise and skills, besides sending huge amounts of foreign exchange," he told the function.

The adviser said the present caretaker government wants to establish their economic bonds with the country for attracting second- and third-generation expatriates towards their motherland.

He noted that this relationship would strengthen through the investment of their money back in the country, and the initiative has been taken to establish the special economic zone to this end.

Former secretary and ambassador Sabihuddin Ahmed and Managing Director of the hotel Kabir Reza also spoke on the occasion.

## New MD of ONE Bank



Farman R Chowdhury has taken over as the managing director of ONE Bank Ltd with effect from July 10, 2007.

Prior to this assignment, he was the deputy managing director and head of Marketing of the same bank, says a press release.

An MBA from the Institute of Business Administration of Dhaka University, Farman started his banking career with American Express Bank Ltd in 1986. He joined ONE Bank in 1999.

## Canada to review foreign takeover rules

AFP, Ottawa

Canada said on Thursday it was creating a panel to review the government's rules on foreign takeovers, amid a flurry of bids for Canadian companies.

The Competition Policy Review Panel will review two key competition and investment policies, as well as the treatment of state-owned enterprises and the possibility of adding a clause to nix tie-ups deemed a threat to national security.

The aim is to encourage greater foreign investment and create more and better jobs for Canadians, Industry Minister Maxime Bernier said in a statement.

"The global economy has changed significantly in the last decade," said Bernier. "Trade agreements have opened national markets, while international investments have reached unprecedented levels."

"Our competition and investment policies must be working fully to the benefit of Canadians in this environment. This is why this review is important."

The panel will also examine Canada's restrictions on foreign direct investment, and the competition and investment regimes of other jurisdictions to assess reciprocity of their rules with Canada.

Finally, the panel is expected to offer suggestions to encourage outward investment.



Dhaka Bank Ltd opened its 38th branch on BB Road in Narayanganj on Thursday. Khondokar Monir Uddin, chairman of the bank, Shahed Noman, managing director, and senior officials, among others, were present at the inauguration.