

# Star BUSINESS

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## Govt ready to offload BTTB shares next year

### Says finance adviser

#### STAR BUSINESS REPORT

The government is prepared to sell off shares in Bangladesh Telegraph and Telephone Board (BTTB) by next year, Finance Adviser Mirza Azizul Islam indicated yesterday.

However the adviser said the process of corporatising BTTB must be completed before the shares can be sold.

"The government has already decided to corporatise BTTB, and the organisation might be ready to offload its shares after completing all formalities to become a corporate body," Azizul said at the inauguration of Dhaka Stock Exchange Training Academy at DSE's conference room.

"The offloading of BTTB's

shares will take a little time as the valuation of its assets is time-consuming," the adviser said, adding that a World Bank consultant team is working on a value assessment of BTTB.

He said the government is getting ready to offload shares in several state-owned enterprises, including some oil companies, banks, Titas Gas and Jamuna Multipurpose Bridge to enhance the supply of securities to the market.

The adviser said there is likely to be some progress in the offloading of shares of Jamuna Bridge this year.

Although Azizul stressed that the government or regularly bodies could not force private companies to list, he criticised private sector

enterprises, especially family-owned companies, for not listing on the capital market to raise their capital base.

He said family owned companies still lacked the vision for expansion, and should instead follow the examples of Indian companies like Tata and Reliance, which have adopted the trend of global expansion.

The Indian business giants have spread their position across the globe, opening or taking over businesses in the Middle East and as far as Europe, said Azizul, a former chief of the Securities and Exchange Commission (SEC).

He said the government realised less taxes from listed companies than unlisted ones to encourage

more to come to the market and suggested the bourse organise road shows in order to attract more companies to the market.

Azizul was chief guest at the event which was chaired by Abdullah Bokhari, president of Dhaka Stock Exchange (DSE), with Faruq Ahmad Siddiqui, SEC chairman, Salahuddin Ahmed Khan, DSE chief executive officer, and Kaiser A Chowdhury, managing director of AB Bank, also spoke at the function.

The SEC chairman said in the recent past there had been a demand crisis in the capital market. But now the market was vibrant. He said to sustain the market trends, more supply of securities is required.

### BRAC Afghanistan Bank gets new MD



Saifudin M Naser has recently been appointed the new managing director & CEO of BRAC Afghanistan Bank, says a press release.

Prior to this new assignment, Saifuddin was the head of Retail Banking of BRAC Bank Bangladesh.

Upon completion of BBA degree in Management from Assumption University in Thailand, he started his career with ANZ Grindlays Bank as a Management Trainee in 1995.

During his 12 years banking career, Saifudin attended various training both home and abroad.

## French firm keen to set up alternative energy plants

#### STAR BUSINESS REPORT

A French energy and power group executive yesterday said his company is considering establishing alternative energy plants in Bangladesh in order to counter the country's dependency on natural gas.

"Bangladesh should develop alternative energy plants on a larger scale to reduce dependency on the main energy resources of the country, natural gas," said Dhruv Pant, Country Director of Areva T&D.

Dhruv said Areva is looking to expand its activities in the country and has plans for alternative energy plants capable of exploiting solar or wind power. However he said the most likely source of alternative

electricity generation would be biomass powered plants which are most suitable for Bangladesh.

The plans were outlined following a series of presentations by three executives of French power companies in the luncheon meeting of the France Bangladesh Chamber of Commerce and Industry (CCIFB) at a city hotel.

Along with Dhruv, Olivier Wattez of Total E&P Bangladesh and PV Subramaniam of Total Gaz made the presentations.

Presided over by CCIFB President Syed Farhad Ahmed, the function was participated by French Ambassador to Bangladesh Jacques Andre Costilhes as chief guest.

Responding to a question on

further exploration of the country's energy reserves, Olivier Wattez said the company was seeking government action in the opening of third round bids for the offshore region.

Subramaniam used his presentation to describe the potential market for liquefied petroleum gas and the potential to increase its use in households.

If the uses of LPG were popularised and expanded, the pressure on natural gas would be decreased and more natural gas could be used for industrial purposes, he said.

Laurent Estrade, Trade Commissioner, France Embassy in Dhaka, Rifat Rashid, director, CCIFB, also spoke on the occasion.

## Thai product festival from Sept 14

#### STAR BUSINESS REPORT

A month long Thai product festival begins on September 14 at stores in Dhaka and Chittagong.

Department of Export Promotion (DEP) of Thai commerce ministry is organise festival during the Ramadan.

Suphat Chitranukroh, Thai ambassador in Dhaka, announced the product festival schedule at a press conference in the capital yesterday.

Foodstuffs, Thai cuisine, fruits, cosmetics, readymade garments, leather goods, fashion jewellery, furniture, electronics and household decorative goods will be exhibited at PQS, Pick & Pay, Jordana Bazar, @ Corner Thai Restaurant, Concept Furniture, Agora, Nandan, Almas, Lavender and Wellmart in Chittagong.

The festival ends on October 13.

Kanyarat Vongskul, minister Counsellor of Thai embassy, Jasim U Ahmed, trade adviser for Thailand for Chittagong, and K Habib Sattar, president of Bangladesh-Thai Chamber of Commerce & Industry (BTCCI), were also present at the press conference.

## Citi appoints head of Capital Markets



Citi, with its newly received licence to perform merchant banking activities in Bangladesh, has appointed Silmat Chisti to head its capital markets business, says a press release.

Silmat, a seasoned investment banker, will mainly run Citi's first-ever locally incorporated legal vehicle in Bangladesh, Citigroup Global Markets Bangladesh Pvt Limited.

Silmat has recently relocated from Citi's Equity Capital Market Division in Hong Kong, where she was part of the team responsible for all aspects of deal origination and execution for equity and equity linked offerings throughout the Asia Pacific region, including India, China and Korea.

She joined Salomon Smith Barney (now Citi) in 1998 as a financial analyst in the Investment Banking Division in New York and started working in the firm's Global Markets Division (Equity & Fixed Income capital markets) in New York from 2003 till her move to Hong Kong in 2005.

Schooled in Dhaka, Silmat received her Masters in Business Administration (MBA) degree from Yale University.



Industries Adviser Geetara Safiya Choudhury inaugurates the Niloy Cement Clinkerization Industries Ltd, the first ever private sector plant producing cement clinker, at Bashudia in Jessore on Sunday.

## Proposed business forum to have lasting impact on economy: MCCI

### CA, army chief's assurances hailed

#### STAR BUSINESS REPORT

Metropolitan Chamber of Commerce and Industry (MCCI) yesterday hailed the assurances the chief adviser and the army chief recently made to the businesspeople at a dialogue with them.

Termining the assurances timely and convincing, the MCCI in a press statement said the chief adviser's announcement for formation of Bangladesh Better Business Forum to be chaired by the chief adviser and conducting of a quarterly survey on business confidence in the country will have a lasting favourable impact on the economy.

Urgent measures will be taken to ensure implementation of the chief adviser's two proposals on a priority basis, hoped the metropolitan chamber saying that such implementation would help achieve the private sector's desired role.

The 3-monthly survey on business confidence could be of great help to monitor and evaluate policy coordination and their implementation, the chamber said.

The MCCI statement also welcomed the Intel chairman's recent visit to Bangladesh and said it will prove to be a significant milestone

for developing the ICT sector in the country.

"Dr Craig Barrett's visit will put Bangladesh firmly on the ICT map and given the requisite policy support by the government, can attract significant investments in computer hard-ware and soft-ware manufacturing, which can provide employment opportunities to hundreds of thousands of people," it remarked.

### Dollar falls

AFP, Tokyo

The dollar suffered fresh losses in Asian trade on Monday after a surprise fall in US employment raised concerns that the world's largest economy is rapidly losing steam, dealers said.

The dollar fell below 113 yen for the first time in about three weeks before recovering some ground, dipping to as low as 112.59 yen.

By mid-afternoon in Tokyo the greenback stood at 113.14 yen, down from 113.47 in New York late on Friday when the weak US jobs data had sent the greenback skidding lower.

The euro rose to 1.3783 dollars from 1.3769 but fell to 155.93 yen from 156.27.

## New SME helpline centre launched

#### STAR BUSINESS REPORT

With a view to providing up-to-date information for the small and medium enterprises (SMEs), a new SME helpline centre (SME-HC) was launched in Dhaka yesterday.

The new one is among the 32 centres established in 25 districts of the country to have a close contact with actors of the sector.

Industries Secretary Nurul Amin inaugurated the centre at the office of Dhaka Chamber of Commerce Industry (DCCI), which the DCCI set up in cooperation with the Ministry of Industries (Mol).

Mol is currently working to establish such a centre in each district under the SME Sector Development Programme (SMESDP) funded by Asian Development Bank.

"We believe that the centre would cater to the SMEs' needs and such enterprises be more competitive in the global market," DCCI President Hossain Khaled hoped while speaking at the function.

According to the National Private Sector Survey 2003, there is about six million micro, small and medium enterprises in the country, of which only 27,000 are considered nearly ready to expand or to export, he added.

Desired productivity in SMEs are retarded for lack of innovative technology, skilled workforce and up-to-date information, he observed.

In the inaugural programme, a

seminar on e-Commerce was also conducted with DCCI president in the chair.

Kamal Uddin Ahmed, deputy secretary to the Ministry of Science and ICT, delivered his keynote speech at the seminar.

E-commerce means any use of information and communication technology (ICT) by a business house that helps it to improve its interactions with customers or suppliers, the keynote speaker said.

Fear of change, higher cost, sophistication and lack of adequate human resources are the main challenges for expanding e-commerce in the country, he opined.

### Oil lower

AFP, Singapore

Crude oil prices were lower in Asian trade Monday, one day ahead of a key OPEC meeting in Vienna, dealers said.

At 2:17 pm (0617 GMT) New York's main contract, light sweet crude for October delivery, fell 26 cents to 76.44 US dollars a barrel from 76.70 dollars in late US trades Friday.

Brent North Sea crude for October delivery was off 32 cents at 74.75 dollars.

Oil ministers from the Organisation of the Petroleum Exporting Countries (OPEC) are to meet to decide whether to raise output, although traders are expecting no change in the cartel's production ceilings, dealers said.

## UCBL okays 30pc dividend

United Commercial Bank Ltd has declared 30 percent stock dividend (bonus share) for its shareholders from the profit of 2001, says a press release.

The dividend declaration came at the 19th annual general meeting held at Hotel Sonargaon, Dhaka on Sunday with M A Kalam, director, in the chair. The bank's 15th, 16th, 17th, 18th and 19th AGMs for the year 1998 to 2002 were held on the day.

Yunus Ahmed, chairman, and Md Jahangir Alam Khan, EC chairman, were also present at the AGMs.



Syed Farhad Ahmed, president of France Bangladesh Chamber of Commerce and Industry, presides over a luncheon meeting of the organisation organised in Dhaka yesterday. French Ambassador to Bangladesh Jacques Andre Costilhes attended the meet as chief guest.

## FTA with US doesn't benefit developing countries

### Warns Nobel laureate economist Stiglitz

#### ANN/THE STAR

Nobel laureate and former World Bank chief economist Joseph Stiglitz strongly criticised FTAs involving the United States, saying they have not benefited developing countries that entered into such deals.

"In fact, these countries lost a great deal, especially access to intellectual property," Stiglitz said in an interview during a recent visit to Kuala Lumpur.

"They have more difficulty accessing knowledge and particularly generic medicine. So, there are thousands of people dying in developing countries because of the trade agreements with the US."

According to Stiglitz, who was also chief economic advisor to former US president Bill Clinton, US tariffs are so low (three per cent to five per cent) that developing countries don't need an FTA to export to the United States.

"It's not about trading goods; it's about losing sovereignty. It's about America pushing for a particular agenda. It has not benefited any country. And they managed to advantage the US at the cost of the developing countries."

Stiglitz's frank comment that "overall, bilateral agreements have been a disaster for the developing countries and for the global trading system" has been reinforced by the UN Conference on Trade and Development (UNCTAD) which last week warned developing countries to think carefully before negotiating bilateral trade agreements with developed countries.

UNCTAD is the United Nations' main development think-tank. Its annual Trade and Development Report (TDR) said a developing country might be tempted to conclude an FTA with a developed country as it expects better market

access for its products.

But they are often disappointed by the lack of gains due to systemic impediments (for example, reduction of agricultural subsidies is not part of the FTAs), restrictive rules of origin, and non-trade barriers.

On the other hand, the developing country has to remove its trade barriers that often results a surge in imports and a worsening trade balance with the FTA partner, and removes policy instruments needed for development, says the report.

It adds: "Thus the gains for developing countries from improved market access are far from guaranteed, whereas they have to give up a large part of the policy space they might otherwise have used to promote the creation of new productive capacities, industrial upgrading and structural change in their economies."

The report also details five non-trade areas in which FTAs with developed countries will particularly hurt developing countries.

First, in government procurement, developing countries use policies that favour local companies and people, and boost the domestic economy. However, the FTA removes this policy tool by opening the procurement business to foreigners, which results in loss of market share of local firms and of foreign exchange.

Second, liberalising services under an FTA can disrupt national plans to strengthen the domestic service sectors such as banking, finance, telecommunications and professional services.

Third, the investor-protection rules of an FTA gives new rights to potential foreign investors, thus "drastically reducing the scope of the host country to decide whether or not to approve a foreign investment or impose conditions for

such an approval".

Moreover, measures favouring local investors have to be curbed as these are seen as discriminating against foreign investors.

"Several of the measures adopted successfully by Malaysia, for example, during the financial crisis of 1997-1999, such as temporary restrictions on outward capital transfer outflows by foreigners in Malaysia would have been prohibited," the report added.

Fourth, on intellectual property, the report criticises FTAs for reducing the possibility of developing countries to set their own policies on granting of patents, on the use of compulsory licences and on copyright.

Fifth, the competition policy part of an FTA can hinder the growth of local firms and reduce their ability to compete or survive against large foreign firms, and this can result in the end in less competition.

"Thus it would be prudent for developing countries to be cautious and not to rush into North-South bilateral or regional FTAs," concludes UNCTAD.

When assessing benefits and costs, a country should take account not only of the impact on exports, imports and foreign investment but also on the country's ability to use alternative policy options and instruments for longer-term development strategy.

In contrast to North-South FTAs, the UNCTAD report promotes regional trade and co-operation among developing countries. These have a greater chance of benefiting the countries as they are at similar levels of development, and help in their trade and industrialisation process.



The 15th, 16th, 17th, 18th and 19th annual general meetings (AGMs) of United Commercial Bank Ltd (UCBL) were held in Dhaka on Sunday.



Manzurul Alam, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), hands over a license to ATM Fayatuzzaman Khan, chairman of Dhaka Telephone Company Ltd, to operate fixed phone services in Dhaka zone. Senior officials from both the sides are also seen.