Star BUSINESS

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Yet another local airline to fly next month

Royal Bengal's initial operation includes Dhaka-Sylhet, Dhaka-Ctg routes

SARWAR A CHOWDHURY

Another new airline is to start operation in Bangladesh, the third within five months, with "Royal Bengal" to begin flights between Dhaka, Chittagong and Sylhet in November.

The boom in locally run airlines is seen as helping to fill the gaps left by Biman, the state owned national flag carrier which has been plagued by poor management, cancellations, delays and an aging fleet of aircraft.

In July United Airways started daily flights between the capital, Sylhet and Chittagong and last week another local private airline, Anmole Albab Airlines Ltd, announced that it will operate international passenger flights from mid-November.

All three follow in the footsteps of GMG Airlines, the largest private locally owned airline which started in 1998 and now operates on five domestic and five international routes.

"Royal Bengal will initially operate in the country's domestic routes that include Dhaka to Sylhet and Dhaka to Chittagong," said Abdus Shukur Khalid, a director of Aviana Airways, the company behind Royal Bengal.

"Our permanent objective is to operate on international routes," he said.

The airline has already collected a Canadian made Dash-8 aircraft from Germany and another Dash-8 aircraft will be added to the fleet within the next four to six weeks.

"After a couple of months of starting our operation on domestic routes, we will go for international routes," the Aviana director said.

Aviana Airways is a company formed by the non-resident Bangladeshis in the UK.

Abdul Kadir Chowdhury, chairman of Aviana Airways, said this is merely the beginning and a long road lies ahead.

Heron Miah, the Aviana's vice-president, said the company is aiming for a rapid expansion of its aircraft fleet to serve the growing needs of the domestic and regional markets.

The company is now working with a number of organisations to source and finance further aircraft for its international services, he said.

Last week Wahidur Rahman Rana, chairman of Anmole Albab Airlines, said his airline would initially operate flights to the Middle East and Far Eastern countries. Gradually we will expand our flights to Europe and America. Later, we will go for domestic routes."

The airline collected four aircraft --two Boeing-747 (500 plus seats) aircraft and two Boeing-737 (130 seats) -- to operate flights on the international routes. The new airline is initially investing US$ 50 million in the domestic aviation industry.

The aviation market in the country shows around 8 percent growth per annum, Tasbirul Ahmed Choudhury, chairman and managing director of United Airways, said at the inaugural function of United Airways.

Industry experts said one factor attracting the fresh investment into the sector is the the opportunity stemming from a backlog of 150,000 people who have found jobs in Malaysia and the Middle East but are unable to fly due to shortage of flights.

In September, Malaysia-based budget airline AirAsia announced that it would begin operating from Bangladesh this month after Bangladesh adopted open sky policy allowing foreign airlines more flights.

Bangladesh government last month approved open sky policy for three airports of the country for the next three months with a view to easing the air travel problems of Bangladesh nationals.

In March this year, a Kuwait-based company joined Bangladesh's leading air-cargo operator to launch a private passenger airline. Aqeeq Aviation Holding bought a 49 percent stake in Bangladesh's Best Aviation Ltd and the two will jointly launch a passenger airline, although no start date has yet been announced.

On Saturday however Biman appeared to be fighting back announcing its own plans to lease three aircraft and repair two others in an effort to cure its acute shortage of planes.

PHOTO: A POSITIVE ADVERTISING

Senior officials of Aviana Airways pose for photographs in front of an aircraft which is set to join the airline's fleet from next month.

DSE General Index crosses 2700 pts

STAR BUSINESS REPORT

The benchmark index, DSE General Index, of the Dhaka Stock Exchange (DSE) hit another all time high yesterday led by continued interest in the banking, power and mutual fund sectors.

The general index crossed 2700 points for the first time, hitting 2735.94 points, up 63.77 points, or 2.38 percent, on its close on Thursday.

The DSE authorities introduced the general index on November 27, 2001 with a base of 817.62 points. The index, which excludes companies of 'Z' category, is calculated on the basis of price movement of individual stocks under 'A', 'B', 'G' and 'N' categories.

Market insiders said individual investors were active rather than institutional investors and that they forced the market up. Usually the market moves when the institutional investors participated in the market actively and the institutional investors are considered as major market player.

Along with the general index, the DSE All Share Price Index also rose by 53.86 points, or 2.42 percent, to close at 2273.61 points.

A total of 21,224,942 shares worth Tk 232.95 crore changed hands on the premier bourse. Of the issues traded, 158 advanced and 37 declined with 11 unchanged.

Meanwhile, price indices on the Chittagong Stock Exchange (CSE) also grew yesterday. The CSE Selective Categories Index increased by 90.01 points, or 2.06 percent, to end at 4454.19 points, while the CSE All Share Price Index rose by 130.23 points, or 1.92 percent, to finish at 6904.83 points.

A total of 2,479,800 shares worth Tk 34.49 crore changed hands on the CSE. Of the issues traded, 91 gained and 20 dropped with seven unchanged.

Mobile phone remittance launched for Bangladeshis in Malaysia

Citibank, DIGI Tel team up

STAR BUSINESS REPORT

A service which allows Bangladeshis in Malaysia to transfer money home via their mobile phones has been launched by Citibank and DIGI Telecommunications Sdn Bhd.

The new service is designed to simplify the transfer of money. Migrant workers in the Southeast Asian country can now remit cash without visiting a bank or exchange house, instead being able to simply load their mobile phone accounts.

Malaysia is one of the largest potential sources of remittances for Bangladesh and in recent years there has been increased pressure to send money home through official channels.

However, Bangladeshi workers are scattered throughout the country in industrial areas and on plantations, away from the banks and offices that provide official remittance facilities.

Under the new scheme, DIGI acts as a remittance agent of Citibank to its prepaid and post-paid cell phone customers, who can register at any of the 47 DiGi centres throughout Malaysia.

Once a user has registered he can load his account by simply buying normal telephone scratch cards. The service offers issuance of drafts in Bangladesh payable at over 800 locations, which are delivered between 24 to 72 hours.

The registration creates a virtual wallet for the customer to load up to Malaysian ringgit (RM) 5,000, around TK 1 lakh, at any one time.

The customer can then remit via SMS anytime or over the counter at designated DiGi outlets, subject to a limit of RM 5,000 per transaction. The fee for the service starts from RM 8.

Customers will also automatically receive free personal accident coverage.

Commenting on this product, Rashed Maqsood, director & head of Global Transaction Services of Citi Bangladesh, said, "We are the first bank in Bangladesh to pioneer mobile based cross-border remittance to Bangladesh market."

In future, the ambition is to make it possible to send funds directly from the user's mobile phone in Malaysia to the receiver's mobile phone account in Bangladesh, Maqsood added.

LCs rise 29pc in two months on huge food import

UNB, *Dhaka*

Letters of credit (LCs) during the first two months of the current fiscal year increased 29 percent to US$ 3,590 million mainly due to huge influx of food items.

LC settlements that explain already arrived goods and commodities were also about 15 percent higher during the July-August period, said Bangladesh Bank figures released yesterday.

Authorised dealer banks opened LCs worth US$ 149 million during the period for import of rice, showing 636 percent increase over the corresponding period of last fiscal.

LCs for wheat import rose 326 percent to US$ 168 million, milk food 67 percent to $29 million and edible oil 127 percent to US$ 224 million.

LCs opened for other food items included sugar US$ 28 million, onion $ 22 million, fresh fruits and dry fruits $16 million, and pulses $ 63 million.

LCs for import of capital machinery also increased 28 percent during the period and for chemical fertilizers it increased 102 percent.

Delhi announces fresh relief package for exporters

PALLAB BHATTACHARYA, *New Delhi*

Indian government has announced yet another package of relief to domestic exporters hit by unabated rise in the value of Rupee against the US Dollar, expanding the scope of service tax refund and the number of sectors eligible for lower interest rates on pre-shipment and post-shipment credit.

The government also made the provision for payment of interest on foreign currency accounts of exporters.

In the previous relief package announced last month for exporters facing the problem of appreciation of Rupee, the government had announced service tax refund for four categories of services including exemption of tax on services rendered by ports, road transport and railways.

A statement by the Finance Ministry on Saturday evening said three more services for which exporters will be eligible for tax refund are general insurance services, technical testing and analysis and inspection and certification.

Exporters will also be able to earn interest on their foreign currency accounts on amounts up to a maximum of one million dollars and such accounts should be in the form of term deposits with maturity of one year, the statement said adding this facility would be valid up to October 31 next year.

More sectors including jute, carpets, tea, coffee, processed cashew will now be eligible for pre-shipment and post-shipment credit facility till March 31, 2008. The interest rate for this credit is the Benchmark Prime Lending Rate minus 4.5 percent.

With this, the number of sectors getting this rate of interest has gone up to 12. Earlier, this facility was available to sectors like readymade garments, textiles with handloom, leather products, handicrafts, engineering products, processed farm goods, marine goods, sports goods and toys and small and medium enterprises.

Welcoming the latest bail-out package for exporters, Commerce and Industry Minister Kamal Nath expressed the hope that the Finance Ministry would also implement the other recommendations made by the Commerce Department in this regard.

He said sectors like food processing and minor forest produce, which do not have import content and were hit the hardest by appreciating Rupee, should also be included in the list of sectors eligible for pre-shipment and post-shipment credit and more services should be added to the exempted services list for exporters.

The Rupee had hit a nine-year high recently, powered mainly by record flow of foreign institutional investors' money and foreign direct investment.

Nath said Prime Minister Manmohan Singh has asked the Chairman of his Economic Advisory Council to spell out further measures to boost exports as well as to check slowdown in industrial activities. The report to be submitted by the Council is expected in a month, he added.

Hailing the latest round of sops by the government for exporters, the Federation of Indian Export Organisations President Ganesh K Gupta said "It is a positive step but much remains to be done."

WB country director visits CEPZ

UNB, *Chittagong*

World Bank Country Director Xian Zhu visited Chittagong EPZ and Korean EPZ yesterday.

Xian Zhu first visited the factories of Young One, Denim Plus (Pvt.) Ltd and EP Shet (Pvt.) Ltd and then left for KEPZ.

After visiting the two EPZs, the World Bank country director told journalists that industrial growth rate in Bangladesh is excellent and expressed his hope that Bangladesh would turn into a middle income country within few years.

He also assured World Bank's support in expanding EPZ in Bangladesh.

Banglalink revises call charges

Banglalink has revised call charges for both of its prepaid packages -- 'banglalink desh' and 'banglalink desh rang', says a press release.

The peak-hour call charge for banglalink desh has been reduced to Tk 1.75/min from 5pm to 12am to any operator's number. The other call charges and benefits are Tk 1.15/min from 9 am to 5 pm to any operators' number, Tk 0.75/SMS to any operator and 3 FnF numbers (both banglalink and other operators' numbers to maintain the positioning of 'all-network' package).

'Banglalink desh rang', a recent addition to the Banglalink family, now offers 3 banglalink FnF numbers with a call charge of only Tk 0.50/min. The other call charges are Tk 0.99/min from 9 am to 12am to any Banglalink number and Tk2/min from 9am to 12 am to other operators' number. The SMS charges are Tk 0.25/SMS to any Banglalink number and Tk 0.50/SMS to other operators' number.

Those who want to enjoy the benefits of banglalink desh rang need to purchase banglalink desh or ladies first and then migrate to rang for free simply by typing "dr" and sending SMS to 210.

Besides, both the packages offer very attractive late night call charges of Tk 0.29/min to any Banglalink number and Tk 0.99/min to other operators' number from 12am (midnight) to 9 am.

Bangladesh holds scope to become attractive tourist destination

Singapore Tourism Board's top regional official says

STAR BUSINESS REPORT

Any country may emerge as an attractive tourist's destination through developing its infrastructure and creating newer attractions for visitors and Bangladesh has ample scope for being such a destination, observed a top regional tourism official, who was on a short visit to Dhaka recently.

"I found Bangladesh people very nice and helpful. So I think tourists would come to this country, if infrastructure and other tourism-related services are developed adequately," Siew-Kheng Kang, regional director, South Asia, Middle East and Africa, Singapore Tourism Board (STB), told The Daily Star.

During her short visit, she attended a children's art competition where the tiny tots expressed about how they imagined of Singapore.

Besides this tour, Kang had come here four to five times.

The STB official laid emphasis on creation of new things for which the tourists would feel attracted to visit."At first you should create a reason for the tourists to visit your country because they will not come if they fail to find strong reasons behind their tours," she said.

When asked about the Bangladeshis visiting Singapore, Kang said most of them go there for visiting purpose, while marketing, business activities, conferences as well as physical treatment are other reasons for their visit.

"Always we try to create new things. A tourist does not find the same thing when he or she visits Singapore for the second time. This is a reason behind their tour of Singapore more and more," she went on.

She said in South Asia, Bangladeshi nationals rank third after India and Sri Lanka in terms of visiting Singapore. In 2006, around 64,000 Bangladeshi visitors went to Singapore with a 10 per cent growth rate, while during the January-August period this year more than 50,000 tourists went there.

On the prospect of Bangladesh tourism, Kang said Bangladesh with its 140 million population is a growing market as its economy is growing.

She attributed success of Singapore in tourism to creation of newer attractions, gorgeous shopping centres, good security and good transportation.

Responding to a query about what Bangladesh can learn from Singapore to develop tourism sector, she said, "Problems of a country are unlike others. So Bangladesh should detect its own problems and solve it to build itself as a tourist destination".

Siew-Kheng Kang

Thai businesses keen to invest in North East India

ANN/ THE STATESMAN

The prospects of Thai investment in the north-eastern states have been brightened with trade leaders in Bangkok showing readiness to extend financial support to the forest and rubber-based industries in the region.

The Union minister for development of N-E, Manisankar Ayer, Union commerce minister, Joyram Ramesh, Tripura minister for trade and industries Tapan Chakraborty along with a large delegation of business representatives and officials from different north-eastern states were present in the "North-East India investment opportunities week" held in Bangkok between 1 and 4 October.

On their return here from the Thai capital, officials said the Indian delegation had successful interactions with the Thai business leaders and trade organisations in Bangkok regarding investment in the states of North-East. A Thai entrepreneur has expressed his willingness to set up a unit in Tripura for fruits and rubber processing.

Manisankar Ayer announced in Bangkok that a package of incentives would be given to those who would be showing interest in making investment in this region.

Seminar, business-to-business meetings, exhibition showcasing products from the North-East, food festival, besides cultural programmes were arranged in the Thai capital in the four-day investment opportunities week.

'Retail has good prospects in India'

ANN/ THE STATESMAN

With controversy spreading over organised retail business in India, BBC World picked up the issue for an open floor debate with an attempt to get into the crux of the problem.

The debate, as expected, ended without any resolution but the discussions brought to light some issues pertaining to the current problem. The panelists for last evening's topic 'Indian retail industry: Boom or doom? Threat, challenges and opportunities' included Sanjiv Goenka, vice-chairman, RPG Enterprise, Harsh Neotia, chairman, Ambuja Realty, Kishor Biyani, MD of Pantaloons Retail, Vikram Bakshi, MD of McDonald's India, Rahul Saraf, MD, Forum projects, Henry Jardine, US Consul General and Jahangir Pocha, editor of Business World.

All the panelists were unanimous in their opinion that organised retail has a bright future ahead in India. At the same time they opined that it should not be at the cost of small shop-keepers. "The market is huge and there is a space for everyone", Goenka said.

Retail is a positive story and we have to find out the best possible model where small shopkeepers and big retailers can co-exist, Bakshi commented.

Biyani mentioned some of the key challenges organised retail sector has been facing in the country such as dearth of skilled manpower, tariff issues and absence of an industry regulator.

China's oil imports up 18pc

AFP, *Beijing*

China's net imports of crude oil rose 18.1 percent in the first eight months of the year as the booming country's voracious energy demands continued to grow, state media reported on Sunday.

Net imports reached 108.2 million tonnes from January to August, Xinhua news agency said, quoting figures from the General Administration of Customs (GAC).

The world's second-largest oil importer, China has seen its demand for energy rocket as a result of its explosive economic growth, which has been in double digits for four consecutive years.

Oil boom triggers vast expansion in Gulf airports

AFP, *Dubai*

Oil-rich Gulf countries have embarked on grandiose projects to build and expand their airports, capitalising on huge oil-generated surpluses and an ideal geographic location.

More than 38 billion dollars are being spent on brand-new airports or on expanding existing facilities across the six members of the Gulf Cooperation Council (GCC).

OPEC kingpin Saudi Arabia this week announced plans to invest around 5.4 billion dollars on airport projects. The vast desert kingdom already has 27 airports, including three international airports.

Plans are under way to revamp the dated King Abdul Aziz airport in the Red Sea city of Jeddah that serves millions of pilgrims to the Muslim holy sites each year.

"The region is trying to catch up with the worldwide development of air travel... Record-high oil prices help this expansion," explained Abid Riaz, aviation analyst at EFG-Hermes investment bank.

Oil receipts have inflated the coffers of GCC countries on the back of record-high crude prices, allowing their governments to embark on grand infrastructure projects.

Some Gulf countries are building attractive business environments which in turn bring more people and generate demand for air travel, Riaz said.

Last month, Oman also announced a three-billion-dollar plan to expand two existing airports, in addition to building three new ones.

Muscat's Seeb International Airport will be able to handle 12 million passengers in 2010, compared to 4.7 million in 2006.

But the booming emirate of Dubai, which has established itself as a regional business and tourism hub, tops the list of big spenders with investments nearing 15 billion dollars on airport projects.

Iran says oilfields 'too attractive' for France to quit

AFP, *Tehran*

Iran on Saturday rejected the possibility of a French investors' pullout of its oil and gas sector amid calls by Paris for tougher sanctions on Tehran over its nuclear programme, the ISNA news agency reported.

"Iran's resources and market are too attractive for the French to give up," deputy oil minister Gholam Hossein Nozari said.

He was commenting on whether French oil and gas companies have been prevented from participating in Iranian projects.

France has called for European sanctions against Iran for its refusal to suspend uranium enrichment, which could be used to make atomic weapons.

It wants European firms not to bid for new business in Iran and for financial institutions to scale back investments, in a drive to pressure Tehran parallel to UN Security Council sanctions.