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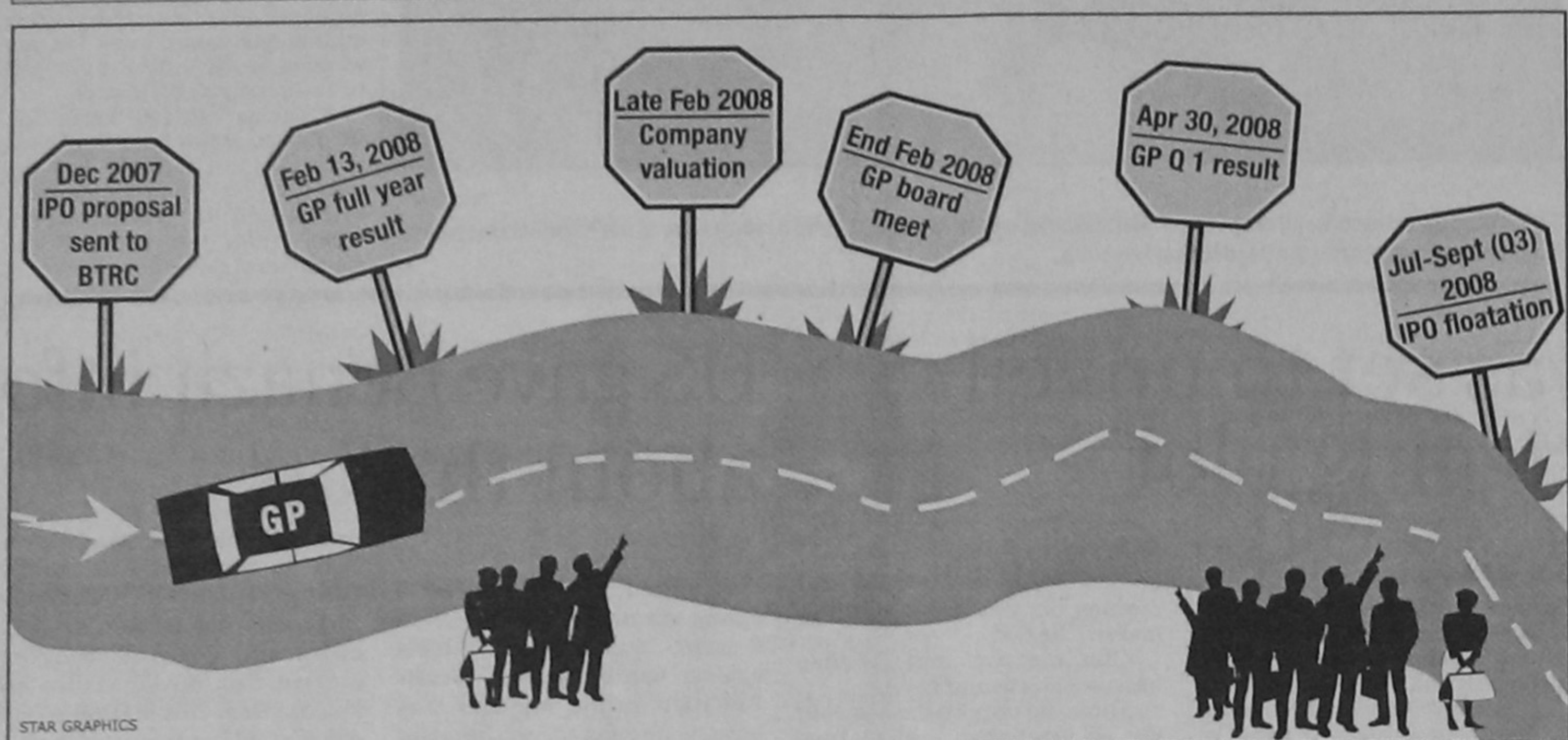
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## GP aims to go public in Q3

### GRAMEENPHONE IPO ROADMAP



MD HASAN

Grameenphone is aiming to offload shares to the capital market in the 3rd quarter of 2008, according to a roadmap submitted by the company to the telecoms regulator last month.

The roadmap which details the timescale of the initial public offering also states that Citigroup Global Markets has been assigned as adviser to Grameenphone to assist the company in devising a strategy, timeframe and execution plan for the IPO.

Citigroup Global Markets is to complete its valuation of GP by February, 2008. All recommendations regarding the IPO will then go to GP's board that is scheduled to hold a meeting at the end of February.

If the board approves these recommendations the company will submit the plans to the Dhaka Stock Exchange. The IPO plans will also need the approval of the Securities and Exchange Commission.

According to the roadmap, GP is looking to list its shares sometime between July and September.

Bangladesh Telecommunication Regulatory Commission (BTRC) asked the country's two leading mobile companies—Grameen and AKTEL—to submit their plans to the commission by December 10, 2007.

But AKTEL's plan is still unclear as its parent organisation Telecom Malaysia has started its own demerger process.

Sources said besides the valuation, Citigroup Global Markets will also conduct a survey on Bangladesh's capital markets, typical rules and regulations of SEC and other market characteristics.

"We received the roadmaps of both Grameen and AKTEL", said an official of BTRC.

Grameen's chief executive officer Anders Jensen last November claimed that Grameenphone is worth more than \$3.5 billion and that it may initially list less than 10 percent of its shares on the Dhaka Stock Exchange by 2008.

Grameenphone is 62 percent owned by Norway's Telenor and 38 percent by local Grameen Telecom.

Sources said whatever the amount of shares offered, they will

be in proportion to the current ownership structure.

The lack of clarity in AKTEL's plans it related to the planned restructuring of Telekom Malaysia (TM), which owns 70 percent of the shares in AKTEL.

TM's plans to place all its mobile operations, both Malaysian and international, in a separate company from its fixed line, data and broadband operations.

"Therefore, AKTEL might be listed in the capital market at the end of 2008," said a high official of BTRC.

According to the latest update by the BTRC, Grameenphone leads the local mobile phone subscriber market with 16.01 million users followed by AKTEL with 6.53 million till November, 2007.

## DBH gets SEC nod to raise Tk10.50cr

STAR BUSINESS REPORT

Delta Brac Housing Finance Corporation (DBH) yesterday got go-ahead from the Securities and Exchange Commission (SEC) to raise Tk 10.50 crore through initial public offering (IPO).

The housing finance company will use the money to expand its business activities.

The DBH will raise the amount including a premium of Tk 5.50 crore by floating 5 lakh primary shares with a face value of Tk 100 each and a premium of Tk 110 for each share.

DBH's existing paid up capital is Tk 22 crore, authorized capital is Tk 50 crore, net asset value is Tk 214 per share, and earning per share is Tk 56 as of June 2007.

The company has been rated as 'AAA' in long term and 'ST1' in short term.

The company got the SEC approval at a meeting.

The SEC also gave consent to ICB Capital Management Ltd to raise its paid up capital from Tk 8 crore to Tk 20 crore.

With the approval, the ICB's merchant banking wing can underwrite issues up to Tk 100 crore, said Farhad Ahmed, executive director of SEC.

## New office bearers of jute mills assoc



Chairman Vice chairman

Najmul Huq, managing director of Janata Jute Mills Ltd, and K.R. Hasan, deputy managing director of Gem Jute Ltd, have been elected chairman and vice chairman of Bangladesh Jute Mills Association, says a press release.

The other elected members of the association for 2008-09 term are: Md Harunoor Rashid, managing director of Al-Jai Jute Mills Ltd, Bijoy Kumar Modi, director of Uttara Jute Fibres & Industries Ltd, Tulsi Das Mitra, director of Nabarun Jute Mills Ltd, Kaihan Rahman, executive director of Pubali Jute Mills Ltd, MA Rahim, managing director of Nawapara Jute Mills Ltd, Chowdhury AK Sadrul Ula, director of Broad Burlap Industries Ltd, and Mohammad Zaki, deputy managing director of Bengal Carpets Ltd.

## Indian IT revenue set to grow 24pc

AFP, Bangalore, India

India's information technology market is poised to expand 24 percent in 2008 as it enters a new "growth trajectory," an industry report said Tuesday.

Revenue from the domestic IT and outsourcing market will touch 1.1 trillion rupees (27.9 billion dollars) this year, offsetting a slowdown in IT spending worldwide, according to the report by market research firm IDC.

"The industry is now onto a new growth trajectory," IDC India country manager Kapil Dev Singh said in a statement.

But the firm warned that global IT spending would drop, with the US market of particular concern.

IDC forecast that worldwide IT market growth will slow to between 5.5 percent and six percent from 2007's estimated 6.9 percent.

India's booming economy, growing annually by nine percent, is spurring domestic IT spending as companies upgrade computer systems to stay competitive and consumers log onto the Internet.

India's software and services exports grew by 33 percent to 31.4 billion in the financial year to March 2007 while total revenue climbed by 31 percent to 40 billion dollars.

The domestic market has largely been ignored by an industry that has boomed on work from Western firms trying to cut costs by taking advantage of India's English-speaking, computer-savvy graduates who work for lower salaries.

As the rupee strengthened 12 percent last year against the dollar, eroding revenue from the US market that accounts for two-thirds of software exports, IT companies such as Tata Consultancy, Infosys and Wipro are looking at other countries and the home market to diversify risks.

## Exports grow 8pc in Oct

STAR BUSINESS REPORT

Exports rose 8 percent in October on a year earlier, boosted by strong growth in the knitwear sector, but the recovery was not enough to make up for earlier weakness, with total exports for the first 4 months of the fiscal year down 2.6 percent.

Of most concern is the woven sector that has now fallen behind knitwear as the country's single most valuable export item.

Woven exports were up just 1 percent in October on a year earlier, and were down 9 percent since the end of June. Exporters said the sector is struggling due to the migration of major buyers from Bangladesh to other countries such as Vietnam, Cambodia, China and India.

In contrast the knit sector has been able to recover from a weak

July, helped by duty free facilities and innovative product design, exporters said.

According to the latest data, released by the Export Promotion Bureau (EPB), the export growth of knitwear items was 10 percent in October with the decline since the end of June down to less than 1 percent.

Anisul Huq, former president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said besides the political instability and labour unrest, migration of buyers to other countries, weakness in fashion and design and fall in business by major global retailers are responsible for the decline in woven exports.

"The total export earning from the RMG products will not cross last year's amount. In the last year the total export earning from RMG products was more than

US\$9 billion," Huq said.

According to the EPB figures, Bangladesh exported products worth \$4.02 billion in the four months to the end of October, 16.22 percent below the government export target for the period.

Export of frozen food declined 9.72 percent in July-October period compared with that of corresponding period of the last year, the EPB data said.

During the July-October period of 2007, pharmaceuticals sector showed a robust growth at 38.80 percent compared with that of the corresponding period of the last year.

The EPB said exports of agri-products, jute goods, home textile, rawhides, petroleum by-products, terry towel, footwear, raw jute, tea and ceramics marked a rise.

## New securities clearing body planned

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) is planning to set up a central clearing body this year in order to speed up settlement, clearing and payments for securities, and to cope with the rising volume of trading on the country's stock markets.

The separate body, to be called the National Securities Clearing Company, will provide depository, clearance and settlement services allowing transactions and payments to be completed in one place.

With the expansion of the stock market, country's both the bourses are facing difficulties in coping with clearance and settlement of securities transactions and payment. Presently, the DSE and Chittagong Stock Exchange (CSE) are each clearing and settling of securities transactions and payments with their own automated system.

The DSE and CSE will own 49 percent of the proposed new clearing company, while some 15 banks will hold the remaining 51 percent stakes.

"After introduction of the central clearing company, settlement and clearance of securities and payments can be completed

smoothly. The central clearing system will also help us to reduce the settlement period," said Salahuddin Ahmed Khan, chief executive officer of DSE.

At present it can take between 3 and 7 days to receive payment following the sale of a share. Salahuddin said the aim was to reduce this to around 2 days.

He said the Securities and Exchange Commission (SEC) has already agreed in principle to the setting up of a central securities clearing house.

Earlier, unveiling the future activities plan of DSE in 2008, DSE Senior Vice President Ahmad Rashid Lali said they are also thinking to link the securities clearing company with the central bank's clearing house. The central bank's clearing house deals with cheques.

At the meeting Lali said the DSE is hopeful that this year will see the introduction of a modern pricing method such as book-building, mainly to encourage telecom and energy sector and private sector entrepreneurs to list their companies on the stock exchanges.

"We are also planning to organise road shows in Europe, Middle East, USA and Canada this year to attract non-resident Bangladeshis to make investment in our stock

market," he said.

The DSE is also hopeful for preparing a pragmatic draft on introduction of derivatives and future markets within this year.

"In a word, the year 2008 will be a challenging year for our capital market as well as our economy," he said.

Meanwhile, country's stock market started the new year 2008 with a fall in indices.

The DSE General Index fell by 8.3 points, or 0.27 percent, to end at 3008.91 points, while the DSE All Share Price Index declined by 6.3 points, or 0.24 percent, to close at 2529.65 points.

A total of 5,603,593 shares and bonds worth Tk 132.03 crore changed hands on the Dhaka Stock Exchange (DSE). Of the issues traded, 82 advanced and 136 declined with 12 unchanged.

The CSE Selective Categories Index also dropped by 20.67 points, or 0.42 percent, closing at 4900.57 points, while the CSE All Share Price Index fell by 30.72 points, or 0.4 percent, finishing at 7626.33 points.

A total of 1,254,061 shares and bonds worth Tk 25.2 crore changed hands on the Chittagong Stock Exchange (CSE). Of the issues traded, 29 advanced and 82 declined with seven unchanged.

## BRAC Bank arranges Tk 50cr for BURO Bangladesh

BRAC Bank Ltd has arranged a syndicated term loan of Tk 50 crore for BURO Bangladesh to support the latter's micro-finance activities and countrywide expansion plan, says a press release.

A term loan facility agreement to this effect was signed recently among BRAC Bank (as lead arranger and agent), AB Bank Ltd, Bank Alfalah Ltd, Mercantile Bank Ltd, ONE Bank Ltd, Prime Bank Ltd, Pubali Bank Ltd, Trust Bank Ltd, United Commercial Bank Ltd (as participating lenders) and BURO Bangladesh.

BURO Bangladesh is a leading micro finance institution operating since 1990. Currently it is running micro-finance activities in 42 districts with 256 unit offices across the country.

Zakir Hossain, executive director of BURO Bangladesh, Imran Rahman, managing director and CEO of BRAC Bank, Khadim Hussain, Country Credit head of Bank Alfalah, Kaiser A Chowdhury, president and managing director of AB Bank, Dewan Mujibur Rahman, managing director and CEO of Mercantile Bank, Farman Rahman, managing director of ONE Bank, Shahjahan Bhuiyan, managing director of Prime Bank, M Mustafizur Rahman, general manager of Pubali Bank, Ishiaque Ahmed Chowdhury, deputy managing director of Trust Bank, AKM Kamal Uddin, deputy managing director of United Commercial Bank, have signed the deal on behalf of their sides.

## Cyprus, Malta adopt euro

AFP, Nicosia

Cyprus and Malta joined the eurozone on Tuesday, bidding farewell to the Cyprus pound and Maltese lira, expanding the club of countries using the single European currency to 15.

The eastern Mediterranean island adopted the euro one hour ahead of Malta to the west, less than four years after both states joined the 27-member bloc.

While Cyprus adopted a low-key approach, with President Tassos Papadopoulos making a symbolic withdrawal of euros from a finance ministry automatic teller machine, the smaller island of Malta welcomed the euro with a spectacular fireworks display.

## China vows forceful measures to curb inflation

AFP, Beijing

Chinese President Hu Jintao has vowed "forceful measures" to curb rising food prices and address a booming real estate market that has seen property prices skyrocket, state press said Tuesday.

"The central government attaches great importance to commodity prices and has made it an important task to stabilise them," Hu said in a New Year message delivered Monday during a visit to the northern port city of Tianjin.

"A series of forceful measures have been taken and will continue to be taken to ensure the normal life of the masses," Hu was quoted as saying by China Central Television.

Inflation hit an 11-year high of 6.9 percent in November, according to official statistics. The spike was propelled by an 18.2-percent rise in food prices. The price of pork, which forms the core of most Chinese diets, was up by a staggering 56 percent.

He also vowed to curb rising housing prices to help low-income families and to provide them with

better health care benefits, two other top concerns of ordinary Chinese.

"The (Communist) Party and government are very much concerned about the housing problem of the low-income masses," Hu said.

"The central government has made arrangements to speed up the low-rent housing system, improve the affordable housing system and ease the housing difficulties of urban low-income families."

Hu made the comments as he visited a family at their small rental home in Tianjin and a retirement facility in the city.

The privatisation of housing in China over the last two decades has led to a booming real estate market that has left homes unaffordable, not only to low-income earners, but also to many ordinary working families.

Official figures show that property prices in 70 Chinese cities rose 9.5 percent year-on-year in October, up 0.6 percentage points from September, with prices in the eastern metropolis of Shanghai up 7.9 percent.

In a New Year's address also carried on state television throughout the day on Tuesday, Hu vowed to push forward his "harmonious society" programme that emphasises the need to address the rich-poor divide.

He further said that China would contribute to world peace and called for the "peaceful reunification" of Taiwan, which China views as a part of its territory.

"We will also adhere to the basic principle of peaceful reunification... and work for the well-being of compatriots on both sides of the Taiwan Straits, (and) strive for peace in the region," Hu said.

Unlike former president Jiang Zemin, Hu has refrained from issuing vows of force to retake Taiwan, using milder language when discussing the island.

But he did pledge to "resolutely safeguard national sovereignty," underscoring China's long-term position that it would use force to retake Taiwan should the island ever declare formal independence. Taiwan and China have been ruled separately since their split in 1949 at the end of a civil war.

## Brazil moves to file anti-dumping case against Bangladesh jute yarn

JASIM UDDIN KHAN

Brazil has initiated a case against Bangladesh with the World Trade Organisation (WTO) and issued a notice of intent to impose anti-dumping duty on jute yarn.

In the notice Brasilia asked for Dhaka's explanation as to why Brazil should not impose duty on jute yarn as the product is being exported to that country at a price below the production cost.

The notice served on November 7, 2007 through the Bangladesh Embassy in Washington had stipulated a 40-day time both for the government and individual exporters to respond to the complaint.

If a company exports a product at a price lower than the price it normally charges on its own home market, it is said to be 'dumping' the product.

Meanwhile, local exporters, except one, feel reluctant to make any reply to the Brazilian notice as they see Bangladesh's exports volume to that country 'not significant in terms of quantity'.

But the government bodies expressed their concern over the exporters' attitude saying if the matter is not taken into consideration, other importing countries

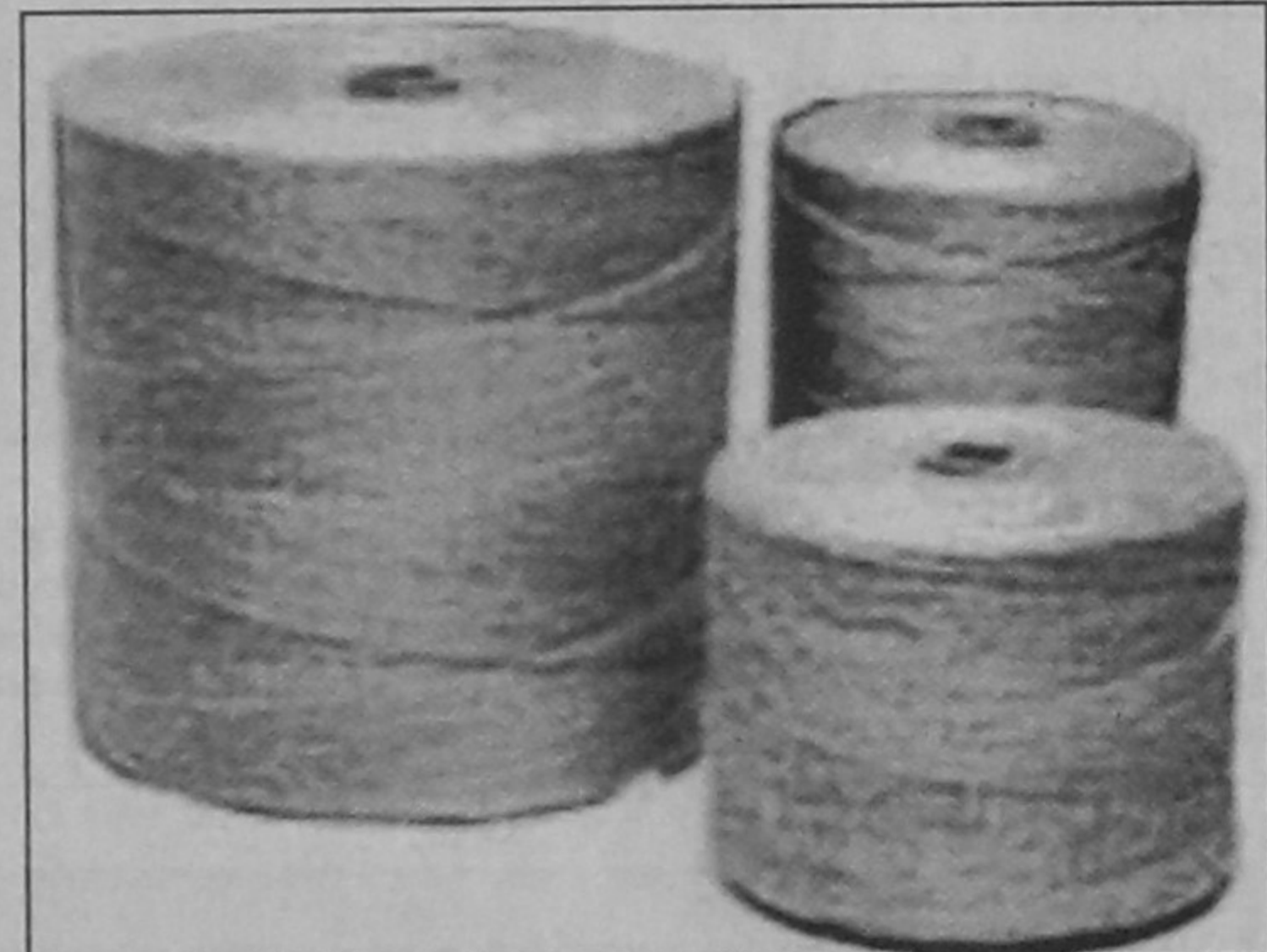


PHOTO: INTERNET

A file photo of jute yarn. Brazil initiated a case against Bangladesh with the World Trade Organisation (WTO) and issued a notice intending to impose anti-dumping duty on jute yarn.

may take it as a precedent in future.

"Initiation of such a case and the possible imposition of duty will make it evident that Bangladesh companies are dumping their products in other countries which should not be going on," said Mostafa Abid Khan, deputy chief of

Tariff Commission and a trade negotiation expert.

He said the exporters should respond to the notice in the greater trade interest of the country.

"In 1992, Brazil initiated a similar case against Bangladesh and Indian jute goods, but Bangladesh

did not reply. India, however, responded to Brazil's complaint and finally, Brazil imposed duty on Bangladesh jute goods but lifted the case against India," another official of the Tariff Commission said.

According to industry insiders, Usha Jute Spinners Ltd, a leading company that exports jute yarn to Brazil, responded to the Brazilian notice and sought time extension for proper explanation. But Brazil government asked the Bangladesh government and other exporting companies to reply individually, which made the exporters frustrated.

When contacted, Iqbal Haider, managing director of the Usha Jute Spinners Ltd, said they are frustrated at the complexity in communication with the Brazilian government.

He hinted at a halt to exporting jute yarn to Brazil in case of imposition of any anti-dumping tax.

The three other jute yarn producing companies are also not interested to respond to the notice.

The volume of exports of jute yarn to Brazil by four Bangladesh companies reached 1446 tonnes in the 2006-07 fiscal from 1249 tonnes in the 2005-06 fiscal. It was only only 337 tonnes in the 2004-05 fiscal.

## First-ever rice-husk biomass power plant begins commercial operation

KAWSAR KHAN, back from Gazipur

The country's first-ever rice-husk biomass power plant began commercial operation yesterday at Giaspur, a remote village in Gazipur.

The plant with 250-kilowatt power generation capacity was set up at Kapasia at a cost of Tk 2.5 crore. It will be able to supply electricity among 250 households or business entities in the area.

Energy Adviser Tapan Chowdhury at a function at Shahid Gias High School playground on Monday afternoon announced the plant's inauguration in presence of thousands of villagers.

Organic matter available on renewable basis, such as agricultural crops, aquatic plants, animal, municipal, and wood wastes is called biomass which is burnt to

create energy.

Termining the establishment of the biomass power plant as a milestone in the country's history, the adviser gave a clarion call to entrepreneurs to come forward to set up such plants to meet the local demand for electricity.

Asaduzzaman Manik, owner of Dreams Power Private Ltd, the company that established the plant, said, "This type of captive power plants are available in India, but we are distributing power for commercial purpose using our own grid that is unique in South Asia."

Manik is a local poultry farmer who faced serious difficulties to run his business due to absence of power in his area.

"Few years ago I went to India and coincidentally experienced about a small scale husk-fired

power plant. I thought it is possible to build up this sort of plants in Bangladesh also as we have husk aplenty in all parts of the country," said Manik sharing his experience at the inaugural function.

Manik told the function that around Tk 4.30 is the production cost for a kilowatt of electricity at the plant. He, however, said his company would be able to sell electricity at a rate similar to the one Rural Electrification Board (REB) offers for the consumers in other places in the district.

The unique plant in the village is the lone source of electricity the locals need.

A total of 220 consumers have already got connections for power supply from Dreams Power, while another 2,300 applicants await power connections.

Lauding the move to set up such

a plant, Power Secretary M Fouzul Kabir Khan said, "If we want to bring the whole country under electrification coverage by 2020 as per the government commitment, we should come up with this sort of power projects because the reality is that the government is not capable to establish power infrastructure in every corner of the country by the committed timeframe."

The Dreams Power invested 20 percent of the total cost of the Giaspur project, while 60 percent came from the World Bank as grant and the rest 20 percent from Infrastructure Development Company Limited (IDCOL) as soft loan.

IDCOL Chairman Aminul Islam Bhuiyan, also the secretary to Economic Relations Division in the finance ministry, and IDCOL Executive Director Ehsanul Haque also spoke on the occasion.