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## Warid fined Tk6.67cr for missing subscribers target

May face further penalties

MD HASAN

The country's telecom watchdog has fined UAE-based Warid Telecom Tk6.67 crore for failing to reach a minimum subscribers target, breaching the terms of its license agreement.

Warid gained its license in December 2005, becoming the sixth mobile operator in the Bangladeshi market.

In order to gain the license it had to agree to a 'Performance Guarantee', in which it committed

to have 500,000 subscribers within a year and 3.15 million subscribers by 20, December 2007.

The conditions were set to ensure that whoever won the sixth license would rapidly roll out services across the country.

However Warid has missed both targets reaching only 2.14 million subscribers by December 25, 2007, according to Bangladesh Telecommunication Regulatory Commission statistics.

As a result BTRC imposed the fine of Tk6.67 crore for missing 2007 targets. A further fine of Tk6.67 crore for the failure to meet 2006's targets is now the subject of a court dispute.

"Nobody will be spared, if it involves any kind of irregularities," said BTRC Chairman Major General (ret'd) Manzurul Alam yesterday adding that "BTRC has fined Warid for not meeting the license condition."

Warid officials said due to unavoidable external factors, the company launch was delayed by seven months. This had a domino effect on subsequent landmarks.

Under the terms of the agreement, BTRC can take the 2007 fine from a Tk20 crore performance guarantee already deposited by Warid with BTRC.

An official of Warid Telecom

demanding anonymity yesterday said the company is the only mobile operator in the country, which paid USD 50 million as license fee.

"We've made all necessary investments to ensure Warid had a minimum capacity of 3.5 million subscribers from the very first day of launch. Due to unavoidable external factors, our launch was delayed by seven months. This had a domino effect on subsequent landmarks," he said.

However, Warid is now making healthy progress in terms of gaining market share, the official added.

## Massive shortfall of mid-income dwellings by 2010

REHAB former president warns

REFAYET ULLAH MIRDHA

The managing director of one of the Dhaka's leading construction groups has warned that the present slump in home building will lead to a massive shortfall of middle-income dwellings by 2010.

According to Dr Toufiq M. Seraj, MD of Sheltach, the annual demand for new middle income dwellings in Dhaka is around 60,000 units, but in recent years developers have only been able to supply around 7000 per annum.

This year developers will only be able to deliver 4000 units and the lack of new projects will store up problems for future years, said Seraj, who is also a former president of the Real Estate and Housing Association of Bangladesh (REHAB).

Behind the decline were the increasing prices of raw materials, the corruption drive and the absence of business-friendly policies in the real estate sector, he said.

"The developers and the government will feel the consequences of the slow progress in construction in 2010," he said.

He said at present, at least 1.2 million people are directly employed in real estate sector with at least another 1.5 million people are indirectly employed.

He said prices of apartments and flats in the country had almost doubled since 2005 and the prices of construction materials including MS rod, cement, sand, bricks and labour costs had gone up abnormally.

The government should focus



The decline in the number of apartments now being handed over (graphic above) will cause a massive shortfall in the future, according to Toufiq M Seraj, a former president of REHAB (below).

more on the real estate sector and thereby generate employment while reducing the housing problem in the city, he said.

He said if developers do not come forward for more construction projects the government will lose registration fees, a major source of revenue.

Seraj, a former teacher of the Bangladesh University of Engineering and Technology (Buet) said the government should change the policies in housing and registration to maintain growth in the sector.

Seraj said at present the investment in the real estate sector is Tk30 billion and the growth of the sector had been maintained 10 percent over recent years.



## Citycell accepts Tk150cr fine for VoIP

STAR BUSINESS REPORT

Citycell yesterday said it had fully co-operated with the investigation by regulator into its involvement in VoIP and accepted that it will pay Tk150 crore in compensation to the BTRC.

Yesterday the telecoms watchdog confirmed reports in The Daily Star that it had fined Citycell, the oldest cellphone operator in the country, Tk 150 crore for its involvement in illegal international call termination.

The BTRC (Bangladesh Telecommunication Regulatory Commission) in a statement said it has recently accepted Pacific Bangladesh Telecom Ltd's (Citycell) compensation of Tk150 crore as lost revenues to the government due to the company's involvement in illegal call termination activities.

In a statement Citycell said that "as a matter of goodwill, the company has agreed to pay the amount in full and final settlement of claims by the BTRC relating to the

alleged misuse of Citycell products by some of its subscribers in Bangladesh in illegally transferring international calls."

Michael Seymour, CEO of Citycell, said, "Citycell has cooperated fully with the regulator and government authorities investigating the case. Citycell has been conducting its business in accordance with the applicable laws and regulations and shall continue to do so."

In a statement BTRC said Citycell has already made a

partial payment of the amount and the rest of the money will be deposited to the exchequer shortly.

"We hope that no telecommunication operator will facilitate any illegal VoIP ventures. The operators are expected to co-operate with the government to prevent such activities in the future," said Maj Gen Manzurul Alam (ret'd), chairman of BTRC.

He also warned, "No one will be spared if found involved in any capacity in the illegal call termination business."

## SEC becomes financially self-reliant for first time

SARWARA CHOWDHURY

The Securities and Exchange Commission (SEC) has become financially self-dependent for the first time, thanks to fee imposed on beneficiary owners (BO) account.

During the first six months [July-December] of the current fiscal year, the stock market regulator has already generated Tk 7 crore in income that is Tk 1.5 crore higher than the budget allocation from the government for the fiscal year 2007-08.

The total budget allocation for this fiscal has been fixed at Tk 5.5 crore by the government.

"Since our journey in 1993, we have a vision of becoming financially self-reliant and now we achieve the target," said Farhad Ahmed, executive director of SEC.

"We do not want to be a burden on the government exchequer," he said.

The commission is already using its revenue for its yearly expenditure and taking only the required amount from the government, he said.

Of the Tk 7 crore income, Tk 5 crore was received from BO account fee, which was imposed by the SEC in August last year. The SEC introduced the annual maintenance fee of Tk 300 on each BO account in a bid to stop fake or shadow BO accounts by using other person's information.

Of the Tk 300, the SEC gets Tk 50, while a depository participant gets Tk 100 and Central Depository Bangladesh Ltd Tk 150.

BO account is like a bank account, where customer will deposit their scripless securities. While bank account contains money, BO account contains securities, or shares.

The rest Tk 2 crore was received from other income generating sources including initial public offering (IPO) consent fees, registration fees and penalties.

The increased revenue indicates that the SEC does not need to depend on government's budgetary allocation.

In 2004-05, the total expenditure was Tk 3.16 crore of which 56.18 percent was used from the commission's revenue, he said, adding that in 2005-06, of the total expenditure of Tk 4 crore, Tk 3.17 crore, or 78.27 percent, was used from the SEC's revenue.

In 2006-07, the commission's total expenditure was Tk 4.17 crore and of the amount Tk 3.36 crore was used from its revenue fund, he said.

## Meghna Petroleum shares sales down on BPC demand for higher prices

STAR BUSINESS REPORT

Only a handful of shares in the state-run Meghna Petroleum Company were offloaded yesterday on the company's stock exchange debut with the owner the Bangladesh Petroleum Corporation (BPC) holding out for a higher price.

However the reluctance to sell was criticised by brokers and merchant bankers who said the BPC was ignoring market demand as expressed through the direct listing rules.

"The BPC will have to change its narrow mindset and offload shares in accordance with market demand," said Dhaka Stock Exchange Senior Vice President Ahmad Rashid Lali.

The government has decided to sell 30 percent of both the Jamuna and Meghna petroleum groups. Sales of Jamuna began last Wednesday.

Yesterday it was Meghna's turn, but only 26,900 shares, or 0.62 percent, of the company were offloaded on the Dhaka and Chittagong stock exchanges on the first day.

The shares were listed under direct listing procedure. This means that a price is built up by investors who bid for the shares for 10 minutes before they are released onto the market. After this, bidding continues for another one hour and 50 minutes.

What particularly upset traders was that the ICB Securities, the managing agent for the sale, only

started selling shares after one and a half hours.

According to sources, although ICB Securities desired to sell the shares, the BPC officials did not allow them, as the BPC was expecting a higher price. This was because the BPC was comparing the Meghna price with that of the already listed Padma Oil, which is now being traded at more than Tk 1200 per share with a face value of Tk 10.

At one stage, the chief of Securities and Exchange Commission (SEC) phoned the BPC officials to know what was going on and requested the BPC to start selling.

With just over 20 minutes to go before the end of trading at noon, BPC gave signal to ICB to start selling shares, the sources said.

Opening at Tk 350, Meghna shares closed at Tk 300 on the Dhaka Stock Exchange (DSE), while starting at Tk 370, the share prices closed at Tk 301.30 on the Chittagong Stock Exchange (CSE).

A total of 15,700 shares worth Tk 49.3 lakh in Meghna were sold on the DSE, while 11,200 shares worth Tk 36.7 lakh were sold on the CSE.

The BPC chairman and secretary were not available to comment.

Talking to the reporters, Ahmad Rashid Lali said it is unfortunate that despite bids from the investors' side, the selling of shares started at the eleventh hour of the day.

"If the BPC correlates Meghna with Padma, it will not be acceptable, as the fundamentals between

Meghna and Padma are very different," he said.

As was the case with Jamuna shares, institutional investors were again absent from the market, unwilling to place bids at the present price level.

"I did not bid for Meghna shares because the existing price level seems to me high and the existing prices do not match with the company's fundamentals such as earning per share, net asset value and price earning ratio," said Nasir Uddin Chowdhury, chief executive officer of LankaBangla Securities.

Meanwhile, trading of Jamuna shares resumed yesterday with the price coming down to below Tk 300. Opening with Tk 449, the price closed at Tk 299.90 on the DSE.

According to DSE website, a total 517,000 shares out of 135,00,000 shares were sold on the 3rd trading day.

Meanwhile, the price indices on the bourses went down yesterday due mainly to price correction in Jamuna shares.

The DSE General Index went down by 75.76 points, or 2.51 percent, to close at 2939.22 points, while the DSE All Share Price Index dropped by 56.78 points, or 2.23 percent, to finish at 2484.25 points.

The CSE Selective Categories Index fell by 42.17 points, or 0.85 percent, to end at 4883.61 points, while the CSE All Share Price Index declined by 59.42 points, or 0.77 percent, to close at 7604.32 points.

## Developers seek govt intervention to rein in high prices of MS rod

STAR BUSINESS REPORT

Developers have asked for immediate government intervention to arrest the skyrocketing prices of mild steel (MS) to keep apartments at the reach of middle-income group.

According to Mukarram Husain Khan, president of the Real Estate and Housing Association of Bangladesh (REHAB), the price of this raw material for the construction industry marked a 12 percent rise over the last 15 days.

"At present, MS rod is selling at Tk 55,000 a tonne, while the rate was Tk 52,000. I fear the price will hit at Tk 60,000 per tonne in the

local market very shortly, if the government does not come up with its mechanism to rein in the prices of the item," Khan told a press conference at the National Press Club in Dhaka yesterday.

The journalists were briefed about the forthcoming REHAB fair in Chittagong.

The 3-day fair is going to be held in the port city for the second time from Thursday next.

The chief of the developers' association hoped that the fair will be able to attract potential buyers of the country's commercial hub.

Convener of the Chittagong REHAB Fair Kazi Aynul Hoque said

developers have handed over 2000 ready flats to the customers in Chittagong since 2001.

Of the 45 real estate companies in total, 22 are Chittagong based, he said.

To be held at the Engineers' Institute, Chittagong, the fair will have 45 stalls. Chittagong Development Authority (CDA) Chairman Shah Mohammad Akter Hossain is scheduled to inaugurate the fair.

REHAB General Secretary Tanveerul Haque Probal said the middle-income dwellers will find flats affordable if the government provides those customers more loans at 8-10 percent interest.

Under the government's cur-

rent housing scheme, the dwellers in the metropolitan areas get loans at 12 percent interest and the dwellers outside the metropolitan areas credits at 10 percent.

Probal complained that the Rajdhani Unnayan Katiripakkha (Rajuk) is not cooperating with the developers in passage of plans under its 'one window programme', although the government launched such a facility two years back.

Rajuk is supposed to pass a construction plan within 45 days after its submission, he said. "But, the development authority does not comply with this norm," Probal lamented.

## Best Air makes debut on domestic route

STAR BUSINESS REPORT

Local airline Best Air yesterday started its passenger flights as the fourth carrier on the country's domestic route with the aim to launch international flights by the end of February.

The airline's Boeing 737-200 landed on Shah Amanat International Airport in Chittagong after taking off from Zia International Airport in Dhaka.

"We aim to offer unique services to our customers. We will also offer competitive fares," said M Haider Uzzaman, chairman of Best Aviation Ltd, the owning company of Best Air, after aircraft landed on Chittagong airport.

The carrier will operate four flights on Dhaka-Chittagong route everyday. Flights from Dhaka will depart at 8am and 7pm while at 9.30am and 8.30pm from Chittagong.

The operator fixed the one-way airfare at Tk 3,900, offering escort services to passengers and individual choice of meals onboard.

Sylhet would be the airline's second domestic destination from early February, Haider said, adding that the carrier aimed at starting flights on international routes by the end of February this year.

"We are proud that the government has given us permission to operate flights in four other countries as the third designated carrier from Bangladesh," he said. The countries are China, Malaysia, India and Thailand.

At present, Biman Bangladesh Airlines and private carrier GMG Airlines are operating as Bangladesh's designated carriers on international routes.

## Online pre-registration for S Korean jobs begins today

STAR BUSINESS REPORT

Online pre-registration for Bangladeshis who want to work in South Korea begins today and it will continue until January 17.

A total of 6,600 individuals on first-come, first-served basis can participate in the process. Expatriates' Welfare and Overseas Employment Adviser Iftekhar Ahmed Chowdhury said at the press briefing yesterday.

A total of 2,073 people from Dhaka, 1,289 from Chittagong, 421 from Sylhet, 1,603 from Rajshahi, 781 from Khulna and 433 from Barisal divisions can pre-register at www.boesl.org.bd/kltprereg from 9:00am to 5:00pm. The division-wise

quotas have been allocated based on each division's population.

Iftekhar said only job seekers between 18 and 39 years of age with knowledge of Korean language can pre-register. Those convicted by the state or deported from Korea will not be eligible for pre-registration.

The job seekers, who complete their pre-registration correctly, will be able to get registered from January 20 through January 22 for a Korean language test at BOESL (Bangladesh Overseas Employment Services Ltd). The test is scheduled to be held on February 22, and will be administered under supervision of Human Resources Department (HRD) of Korea in

cooperation of BOESL.

A list of those who succeed in the test will be sent to the HRD of Korea, which will then be circulated among the Korean employers.

"Only those job seekers who are selected by the employers will get jobs in Korea," Iftekhar Ahmed Chowdhury said, adding: "We are not aspiring to send a large number of people abroad, our emphasize being skill building and language training to help the job seekers get better jobs in European countries."

When asked how many Bangladeshis could find employment in Korea this year, he said the number will depend on the success rate of the job seekers and choices of employers.



M Haider Uzzaman, chairman of Best Aviation Ltd, the owning company of Best Air, inaugurates the airline's domestic passenger flight on Dhaka-Chittagong route at Zia International Airport in the capital yesterday.

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