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Saudia, S Alam tie up to drive Mercedes Benz bus on highway

SOHEL PARVEZ

Two of the country's long distant bus companies, Saudia and S Alam, have joined together to bring 100 Mercedes Benz coaches worth around Tk150 crore to Bangladesh as the battle for luxury class passengers on the country's main highways intensifies.

Ten of the 41-seater Mercedes Benz to be operated by Saudia and S Alam have already started running on the Dhaka-Chittagong-Cox's Bazar route and further 90 vehicles are to be supplied during the next 12 months.

According to the companies, this is the first time Mercedes Benz coaches have been used on a large scale in Bangladesh.

"People in our country like this brand very much. We have brought the bus as passengers also want a comfortable journey," said Kafil Uddin, vice chairman of Mostafa Group, the parent organisation of Saudia Coach Service.

Experts said entry of Mercedes Benz in bus service will increase competition in the luxury segment as two of the country's other coach service providers—Green Line, Shohag Paribhan (Pvt) Ltd are offering services with Scania and Volvo buses on different routes in Bangladesh.

"The more the competition the more the benefit of passengers," Abdus Samad Labu, vice chairman of S Alam Group, said, adding that parent organisations of the coach service formed the joint venture to do business on a greater scale.

"It will also help minimise risk factors and cut costs," he said.

Usage of high tech or air condi-



The photo shows a Mercedes Benz bus. The luxurious German brand buses have already started running on Dhaka-Chittagong-Cox's Bazar route. The demand for quality air-conditioned buses has been increasing for the last couple of years, according to transport experts.

tioned buses from the prestigious global manufacturers started in Bangladesh during the late nineties in order to cope with the changes in the tastes of consumers.

Kafil said the demand to ride on high tech vehicles or air-conditioned buses is rising during the last couple of years due to a rise in people's purchasing capacity.

"We have got an excellent response. The average occupancy rate in our buses hovers between 75-80 percent," he said.

The S Alam Group and Mostafa Group, parent organisations of S Alam and Saudia Coach Service signed the deal early last year with shareholding position of 50:50.

"We have a plan to invest about Tk 150 crore (Tk 1.50 billion) between January and December," Kafil said.

"Some 10 more buses will come within this month, while the rest will come gradually," Kafil of Mostafa Group said.

"We will start operating on the

Dhaka-Sylhet route next. We will gradually expand our operation on the Dhaka-Benapole, Chittagong-Benapole and Dhaka-Khulna routes," S Alam's Labu said.

SM Ziaul Huq, former chairman of Bangladesh Bus Truck Owners' Association, said entry of Saudia and S Alam with Mercedes Benz will increase competition.

"It will help make competition more even and encourage entry of more globally famous brands here," he said.

Saudia teams to recruit medical specialists, consultants

UNB, Dhaka

A number of Saudi teams, both from the public and private sectors, arrived in Dhaka yesterday to recruit medical specialists and consultants from Bangladesh.

A spokesman of the Ministry of Expatriates' Welfare and Overseas Employment said the teams are expected to finalise the recruitment of about 300 medical specialists and consultants.

Another Saudi delegation, representing Messers Batterjee Pharma, is already here to recruit about 50 quality managers, operation managers and operators.

In this connection, Dr Iftekhar Ahmed Chowdhury, adviser to the Expatriates' Welfare and Overseas Employment Ministry, said, "Recruitment of skilled and professional people is in line with our policy to upgrade quality."

BIBIYANA POWER PLANT Two-day confce of aspirant bidders begins today

UNB, Dhaka

The Power Division of the Ministry of Power, Energy and Mineral Resources has convened a two-day conference of aspirant bidders for 450MW Bibiyana power plant, beginning in the city today.

An official told the news agency that the government has called the bidders' conference in order to have direct interactions with them to discuss the project-related issue.

"Normally such a conference is convened to give any clarification asked by the bidders. Similarly, the government may get chance to ask the bidders about their plan and technology," he said.

Till December 2007, the company has been adjudged pre-qualified for the power project are expected to attend the conference at Dhaka Sheraton Hotel.

The bidders are Korea Electric Power Corporation of South Korea, AES Corporation of the USA, Chevron of the United States, the consortium of Powertek Berhad of Malaysia & Siemens Project Ventures GmbH of Germany, Summit Industrial Mercantile Corporation Limited of Bangladesh, and GE Energy LLC of the USA.

Of them, Powertek and Summit consortiums pre-qualified conditionally.

After the conference, the bidders will submit their respective technical and financial offers to the Power Cell, a reform-implementation wing of the Power Division, within next three months.

The Power Cell is dealing with the bidding process on behalf of the government.

The sources said the government has a plan to complete the bidding process of Bibiyana power plant by August or September and award the contract by October this year.

As per the bidding proposal, the winning private sponsor will have to implement the Bibiyana power project on build-own-operate (BOO) basis as independent power producer (IPP) in accordance with the Private Sector Power Generation Policy 2004.

Japan to expand green businesses

ANN, THE YOMIURI SHIMBUN

The Economy, Trade and Industry Ministry plans to expand the nation's environment-focused business sector to about 83 trillion yen (US\$772.88 billion) in 2015, from 59 trillion yen (\$549.47 billion) in 2005, sources said.

In June, the ministry plans to draw up policies to achieve this target that will include proposals for popularising environmentally friendly technologies and businesses, according to the sources.

The ministry will promote the plan to participants at the Group of Eight summit meeting, which is to focus on environmental issues, to be held in Toyakocho, Hokkaido in July.

The ministry believes the domestic market for businesses involved in tackling global warming could grow by 54.34 per cent to 49 trillion yen (\$456.34 billion) by 2015 from the 2005 level.

Govt gives nod to EPZs in Munshiganj, Feni

JASIM UDDIN KHAN

The government yesterday approved two new export-processing zones (EPZ) at Munshiganj and Feni to accommodate around 250 foreign investors.

The decision was taken at a meeting of the Bangladesh Export Processing Zones Authority (Bepza) board of governors chaired by Chief Adviser Dr Fakhruddin Ahmed.

During the past few months more than 50 foreign investors from Japan, Malaysia, Canada, China, Taiwan, Korea and Singapore have asked the government for industrial plots to relocate some of their factories to Bangladesh and to establish new enterprises.

"Some of the foreign investors went back as we failed to accom-

modate them on any industrial plots. Now we will invite them again and I hope we will be able to allocate all the plots in the new EPZs," Brigadier General Ashraf Abdullah Yussuf, Bepza executive chairman, said.

The Bepza will start the process of acquiring the lands soon and the executive chairman hoped that within the next six months Bepza will be able to develop the EPZs.

Ashraf Abdullah Yussuf said the EPZs will be developed through public-private partnership. In this way the government will limit the amount of money it has to invest for the EPZ's development.

"We will ask the interested investors to develop the plots, roads and other things and the amount will be deducted from their future rent," he said.

Ashraf said some Japanese electronics and textile accessories entrepreneurs from China were among those that had expressed interest in investing.

AZM Azizur Rahman, general manager (Investment Promotion) of Bepza, said the EPZs will be established on 500 acres of land, each to develop about 600 industrial plots.

He said textile accessories, home appliances, electronic goods, shoe and leather products are the major items foreign investors were interested in.

The eight EPZs in the country Dhaka, Chittagong, Mongla, Ishwardi, Comilla, Uttara, Adamjee and Karnaphuli contributed nearly 18 per cent to the total export earning in FY 2006-07 and employed around 1 lakh 78 thousand workers.

Tk542cr Teletalk network expansion project okayed

Doubling customers by year-end aimed

MD HASAN

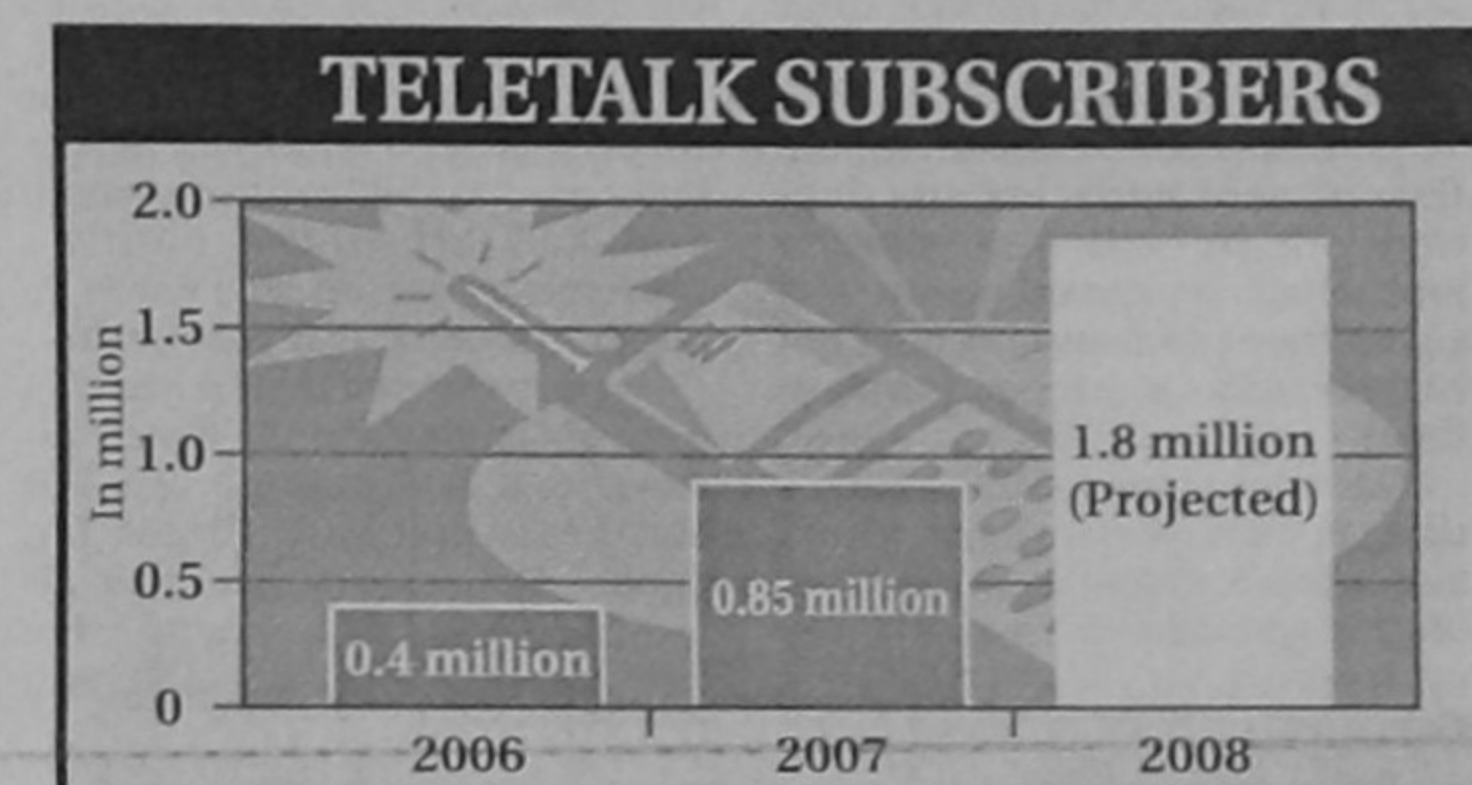
The much-delayed Tk542crore network expansion project of Teletalk was finally approved by the company's board yesterday with the state-run mobile phone operator aiming to double its customers by the end of 2008.

Teletalk is the country's smallest operator in terms of subscribers with a 2 per cent market share. It started operations in 2005 with high hopes, but has failed to compete with the five other multinational operators in Bangladesh due to a lack of quality services and poor marketing.

Till December 2007, the company was able to add only 0.84million customers in two years, whereas its nearest rival Warid Telecom International had 2.15million customers, despite only entering the market in 2007.

Grameenphone is the country's largest operator with 16.48 million subscribers followed by Banglalink with 7.08m.

The new money will be spent on purchasing network equipment, such as base stations, in order to improve reception and handle higher number of users. "Finally the board members have agreed to launch the Tk542crore project,"



said a high official of the company, adding "the next step is to determine the procedure of how the company will purchase the required equipment for expansion."

However he expressed his concern over the programme and said, "I am not sure such a programme will truly work. Customers are attracted by massive marketing and lucrative products."

Sources said the fund for the expansion programme could be mobilised by syndicated bank loans and the company's own fund. However there was a proposal to mobilise this fund through floating IPO (Initially Primary Offer) in the capital market.

Sources said the company at

present does not have to go in the capital market. "We are thinking an alternative source for mobilising money," the high official said.

A seven-member body, headed by Professor Satya Prasad Majumder of the Department of Electrical and Electronic Engineering at the Buet (Bangladesh University of Engineering and Technology), was formed to assess the necessity of much-delayed programme last month.

The Teletalk Board initially approved this project in November 2007, but questions arose about the feasibility of the programme. Therefore, the Ministry of Telecommunication formed the seven-member committee last month.

Citi, IFC to support Brac's micro lending expansion \$ 22m term financing okayed

STAR BUSINESS REPORT

IFC, a member of the World Bank Group, and Citi, a leading global financial services institution, have closed a US\$ 22 million term financing to support Brac's micro-lending in Bangladesh.

The facility will be made available in local currency Bangladesh taka having a tenor of five years with an amortising structure, according to a press statement.

Brac, one of the largest micro-finance institutions in the world, continues to invest in portfolio expansion. As part of Brac's move for managing its balance sheet, this innovative structuring and exploring diversified sources of financing, especially longer tenor financing, will be beneficial to the micro-credit and small and medium enterprise segments served by Brac.

The loan is part of a wider Citi-led financing for Brac that was mandated last year. Of the \$ 55 million in equivalent Bangladesh taka term financing, Citi is providing \$ 42 million in taka. The \$ 22 million IFC-Citi tranche closed recently includes a \$ 18 million partial credit guarantee from the IFC. This risk sharing partnership with IFC will enable Citibank in Bangladesh to extend additional long-term local currency funds to Brac, the statement said.

Fazle Hasan Abed, chairperson of Brac who was present at the signing with IFC and Citi, said: "To finance the growth of our micro-finance operations, we need local

currency financing. Support from IFC and Citibank, as well as our partnership over the years, has been invaluable."

"With this guarantee, Brac will be able to reduce its dependence on grants for growth and outreach to poor people, particularly women borrowers," said Lars Thunell, IFC executive vice-president and chief executive officer.

"Citi is honoured to once again support Brac in their micro-lending expansion plans in Bangladesh. Citi has a track record of closing several ground-breaking deals for Brac. IFC is an important partner of Citi in various markets globally. We look forward to working with Brac in the future. I would like to thank all our partners who helped make this such a successful transaction," said Mamun Rashid, managing director and Citi country officer Bangladesh.

This is IFC's first investment in Brac. In Bangladesh, IFC and Brac have jointly pioneered projects in housing finance and SME lending in the past.

Brac's microfinance and development programmes cover all 64 districts in Bangladesh. It also offers micro-loans to women through its group-lending methodology.

Nearly 1,200 non-governmental organisations provide micro-credit services in more than 40,000 Bangladeshi villages, where half of the population lives below the poverty line.

Korea tough on budget airlines

ANN, THE KOREA HERALD

Foreign budget air carriers, which have poor safety records, will be banned from operating flights in Korea within the year, the Transportation Ministry said on Sunday.

Ministry officials said only airlines that have been operating in their countries for over two years and have had no casualties on their past 20,000 flights can offer service here.

The measure came as travelers are increasingly concerned about the safety of low-cost airlines.

Thirteen Korean tourists died in a Cambodian-run PMT Air crash last June.

The tragedy fueled concern about the poor maintenance and outdated aircrafts of some Asian budget carriers flying between Korea and Southeast Asia.

New DMD of Phoenix Finance

M Shah Alam has been promoted to the post of deputy managing director of Phoenix Finance & Investments Ltd (PFIL), says a press release.

Prior to the promotion, he was executive vice president of the company.

Before joining PFIL, Alam was working as executive vice president in Social Investment Bank Ltd.

He also worked as deputy general manager of Bangladesh Shilpa Rin Sangstha and BASIC Bank. He started his career as a senior officer in Bangladesh Shilpa Bank in 1974.



BASF senior official due today

Dr Wolfgang Hapke, president, Market and Business Development, Asia Pacific, BASF East Asia Regional Headquarters Ltd, Hong Kong, is expected to arrive in Dhaka today on a two-day visit.

During the visit, he will attend employee meeting, meet key customers and try to know the market and potential segments, says a press release.

German-based BASF is one of the world's leading chemical companies and BASF Bangladesh Ltd is its local subsidiary.

World stocks fall after G7 warns over US economy

AFP, London

World stocks dropped Monday, with heavy losses in Asia, after top finance ministers warned that the global economy faced growing threats from a US housing slump and squeeze on credit, dealers said.

With Tokyo, China and Taiwan closed for public holidays, the focus in Asia fell on Hong Kong, whose benchmark index closed down 3.6 percent.

"Investors remained cautious as they worried that a recession in the US will hurt global economic growth and affect China as well," said Castor Pang, investment strategist at Sun Hung Kai Financial.

"A weaker global economy and slower China growth mean weak first-quarter earnings. Weak corporate earnings mean weaker China and Hong Kong markets," he said.

European losses were modest on Monday, with London down 0.26 percent in morning trade and Frankfurt shedding 0.20 percent.

In Paris, where the market was flat, French bank Societe Generale announced the launch of a 5.5-billion-euro (8.0-billion-dollar) capital increase aimed at partially compensating for huge losses it blames on a rogue trader and the US subprime crisis.

Spinning mill goes into production in Sirajganj



OUR CORRESPONDENT, Sirajganj

A spinning and cotton mill in Sirajganj went into production yesterday with an investment of Tk 61 crore and an estimated output target of 16,000 pounds cotton thread per day.

Of the total investment, Islami Bank Bangladesh Ltd has funded

Tk 50 crore for the venture, Sayod Spinning and Cotton Mill, which has been set up on 13 bighas (around 4.3 acres) of land at Shilonda village in Sirajganj Sadar upazila.

The mill that has employed around 700 people, including 600 poor in the area as workers, is using cotton imported from India.

Mominul Islam Patowary, chairman of the Executive Committee of the bank, Sayod Abdul Rauf, chairman of the mill, Sayod Ilias Sirajee, director, Ahmed Rafi, managing director, and Golam Sorwar Badsha, executive director, among others, were present at the inauguration organised to mark the production of the mill.