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## Local firm to deliver 2 ships to Danish buyer in April

### STAR BUSINESS REPORT

A local company is set to deliver two ships to a Danish buyer in April this year as Bangladesh's ship building industry has come of age.

Ananda Shipyard and Slipways Ltd will deliver the US\$26 million ships to Denmark's Stella Shipping. The capacity of each ship is 2,900 DWT (deadweight tonnes).

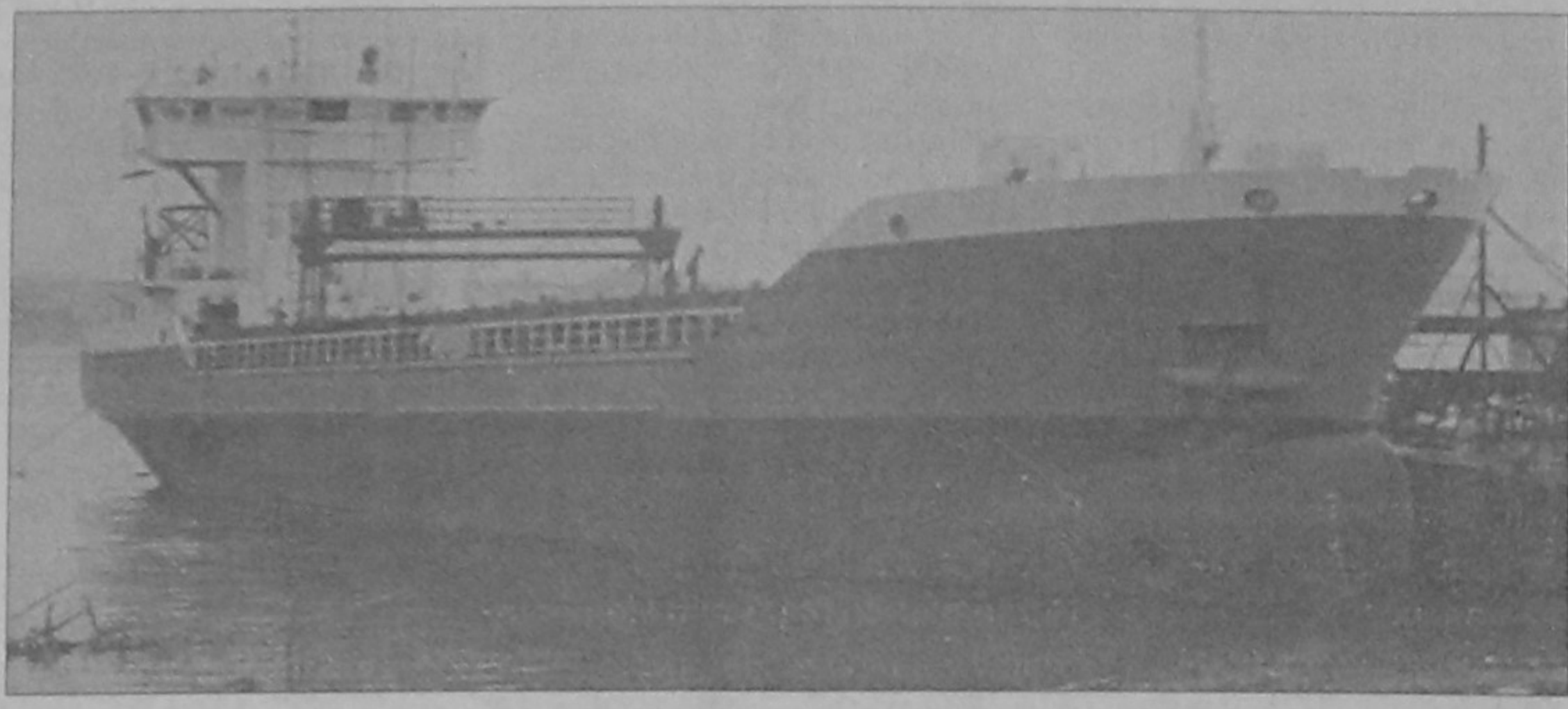
Ananda Shipyard has so far received orders to build 14 ships worth US\$200 million, company officials told a briefing in Dhaka yesterday. The ships will be delivered to German, Danish and Mozambique buyers by 2010, the officials added.

"Orders for new ships are also pouring in," Afruja Bari, managing director of Ananda Shipyard, said. "But we could not receive all orders because of our capacity constraints," she said.

International buyers and Ananda Shipyard officials said the local industry has the capacity to grab a portion of global shipbuilding market, but they said it needs government support.

"Shipbuilders in Bangladesh have the capacity," said Jan Fabricius, chairman of Stella Shipping. But they need to reduce the time of delivery, he added.

Gerd Wessels, managing director of Wessels Reederei GmbH and



One of two ships built by local Ananda Shipyard and Slipways Ltd to be delivered to a Danish buyer in April this year. The local company has so far received orders to build 14 ships worth US\$200 million.

Co, Germany, said: "Lead time in shipbuilding industry is very crucial as demurrage cost is very high."

"I'm absolutely convinced with the quality I've seen here," said York Dyckerhoff, managing director of a Germany-based shipping company.

Choudhury Fakhrul Zaman, a marine engineer and country manager of Germanischer Lloyd, a ship certifying company, said the quality of Bangladesh-made ship was quite competitive.

International estimates indicate

that there is a sizeable demand for new commercial ships over the next few years because the commercial fleet in different countries is very old.

Ananda Shipyard Chairman Abdullah Bari said the current market of the global shipbuilding industry is US\$800 billion. China alone has US\$100 billion worth of export orders and India has US\$8 billion orders.

Only two privately owned yards, including Ananda Shipyard's, are producing ships commercially. The

other local company is Western Marine Shipyard.

Afruja Bari said fiscal policies are crucial for local shipbuilding industry. India's ship building industry gets government support, she added.

Speaking at the function, Commerce Adviser Hossain Zillur Rahman said Bangladesh's shipbuilding firms must learn to build ships competitively by streamlining management structures, employing new manufacturing processes, and revitalizing labour forces.

## National Telecom eyes 1 lakh users in Ctg

STAFF CORRESPONDENT, Ctg

National Telecom Limited, a private land phone operator, plans to reach one lakh subscribers in Chittagong region in the next one year, officials said yesterday.

The company, which has already invested around Tk 200 crore, will invest another Tk 100 crore and set up 100 base transmitting stations during the stipulated time, the officials told a function to mark the company's launch in Chittagong region.

Company's General Manager (Operation) Neaz-ur-Rahim said the National Telecom, which went into commercial operations in November 2007, has now around 25,000 subscribers across the country.

"We are planning for big expansion. We are going to launch our operations in Barisal region next month," Neaz-ur-Rahim said.

The company now has around 10,000 users in Chittagong, 10,000 in Sylhet and 5,000 each in Rajshahi and Bogra.

## Trade bodies now can submit budget proposals to NBR anytime

UNB, Dhaka

The National Board of Revenue (NBR) has relaxed the January 31 deadline earlier set for submitting budget proposals by trade bodies and chambers.

"The chambers and trade bodies now can submit proposals anytime. They can even submit the proposals during the budget discussion with them," a senior official of NBR said.

He said 54 budget proposals have so far been received out of 300 trade bodies and chambers invited.

NBR is likely to initiate discussion on the proposed budget for 2008-09 with the trade bodies and chamber houses from the first part of March.

## New ICMAB president



Zahir Uddin Ahmed

Zahir Uddin Ahmed has been elected president of the Institute of Cost and Management Accountants of Bangladesh (ICMAB) for 2008.

He was elected at a council of the institute held recently in Dhaka, says a press release.

The council also elected ABM Shamsuddin and AKM Delwar Hussain as vice presidents, Abu Sayed Md Shaykhul Islam secretary and Md Jasim Uddin Akond as the treasurer for the same term.

Zahir Uddin was the president of South Asian Federation of Accountants for 2002.

## NCC Bank MD reappointed



Md Nurul Amin has been reappointed managing director and CEO of NCC Bank Ltd for another three years, says a press release.

Nurul Amin, who was appointed MD and CEO of the bank in 2005, started his banking career as a senior officer of Janata Bank in 1977 and then joined National Bank Ltd in 1983.

He is the vice chairman of Association of Bankers, Bangladesh, and a member of Bangladesh Economic Association.

## Best Air to fly beyond border in mid-March

SOHEL PARVEZ



Best Air is the third local airline to begin operations on international route by flying to Thailand by mid-March, intensifying competition on the route already has four operators.

"It's exciting. We have got permission from the Thai authority to operate daily flights on the Dhaka-Bangkok route. Hopefully we will start flying on the route by mid-March," M Haider Uzzaman, chairman of Best Aviation, the parent organisation of Best Air, told The Daily Star.

Best Air will be the latest domestic carrier to fly an international route after Biman Bangladesh Airlines and GMG Airlines. However, the number of domestic airlines now in operation in Bangladesh is five.

Entry of Best Air, which began

operation in 1999 through air cargo, is expected to raise competition in the Bangladesh aviation market that grows by 8 percent on an average a year.

This private airline launched its passenger flight in mid-January with a 118-seater Boeing 737-200 on the domestic route. The carrier is also expected to increase its fleet through adding another Boeing 737 this month.

Haider said air traffic growth on the Dhaka-Bangkok route is about 5 percent a year.

Biman Bangladesh Airlines, GMG Airlines, Thai Airways and Druk Air are operating flights on the Dhaka-Bangkok route.

Imran Asif, an aviation industry consultant, however raised the profitability issue for the Best Air as it will be the fifth operator on the Dhaka-Bangkok route.

"Competition on the route is fierce. I think it will be difficult for any new entrant to make profit," he said.

The Best Aviation chairman is, however, hopeful of good busi-

ness. "The standard of our services

will go up with more passengers travelling by Bangladeshi airlines, enabling us to save foreign currencies. We will also work for developing eco-tourism in Bangladesh," he said.

Experts said bulk of foreign currency has been drained out of the economy due to failure of national carrier Biman, which has been losing out its market share to foreign carriers that enjoy about 90 percent of total volume of passengers from Dhaka.

Best Air, lion's share of which held by Kuwait's Aqeeq Aviation Holding, became one of the last entrants here followed by entry of at least five carriers, including one domestic operator United Airways, last year.

"We are proud that the government has given us the permission to operate flights in four countries as the third designated carrier from Bangladesh," Haider said, adding that the Best Air has plans expansion of its business to India, China and Malaysia.

## Turbulence ahead for global aviation industry: IATA chief

AFP, Singapore

Global aviation faces a tough future despite making profits last year as it grapples with debt, rising fuel bills and a looming US recession, but Asia could be a bright spot, officials said Monday.

"Tough times will continue... Airlines may be out of intensive care but the industry is still sick," said International Air Transport Association (IATA) chief Giovanni Bisignani.

Airlines earned 5.6 billion dollars in 2007 but that was less than two percent of revenue worth 490 billion dollars, he said in a speech at a conference held as part of the Singapore Airshow starting Tuesday.

"Airlines are in 190 billion dollars of debt. Oil is pushing 100 dollars per barrel, accounting for 30 percent of operating costs or a total bill of 149 billion dollars," he told delegates including ministers and airline chiefs.

The industry's revenue cycle

had already peaked in 2006 and the impact of a credit crunch spreading from the ailing US economy was still being calculated, he said.

But Asia's aviation industry could fare better despite the gloom due to the rapidly expanding markets in China and India. Bisignani said, although he warned the region also faced competition from the Middle East.

Asia boasts some of the industry's "strongest carriers and best and newest airport infrastructure" but the Middle East was spending 38 billion dollars on airports and other aviation facilities, he said.

"Just look at Dubai. With nearly 35 million passengers, it now handles nearly as much traffic as Changi," he said, referring to Singapore's international airport.

The Gulf financial centre of Dubai serves 159 destinations, 37 percent more than Changi, and it was also developing Jebel Ali airport, which will serve 120 million passengers annually, he said.

But Asia-Pacific carriers

accounted for 25 percent of global passenger traffic against five to six percent for Middle Eastern airlines, said Andrew Herdman, the director general of the Association of Asia-Pacific Airlines.

Asia-Pacific airlines also accounted for almost 40 percent of global cargo traffic, he added.

"We expect that market share to continue to grow because the growth rates in Asia can be slightly faster than the global average," Herdman said.

Singapore Airlines chief executive Chew Choon Seng said carriers were not immune to a US-led global economic slowdown, but that the city-state's airline should weather the challenge because of its links to China and India.

"Perhaps being located here in Asia and with our good network to India and to China and the buoyant situation around the Southeast Asian region, we could be better positioned than some others," he said.

## Australian experts moot alternate tech for power generation

Australian power experts said it is possible to generate power by using sugarcane and coconut shell to meet the demand for power in the export processing zones of Bangladesh, says a press release.

Executive Chairman of Bepza Brig Gen Ashraf Abdullah Yusuf, now on a visit to Australia, attended a meeting in Perth on Sunday where the possibility of using fossil fuel in power generation in Bangladesh was discussed.

The meeting was told that power can be generated in Mongla EPZ by using coconut shell, and in Nilphamari EPZ by sugarcane.

Restadul Islam, acting high commissioner to Australia who was present at the meeting, will visit such projects in New South Wales and Queensland and report to Bangladesh Export Processing Zones Authority (Bepza) about such projects.

## EBL launches new product

Eastern Bank Limited (EBL) has launched a new product 'EBL Banijyo'.

Ali Reza Iftakher, the bank's managing director and chief executive officer, formally launched the product at a press conference in Dhaka yesterday, says a press release.

The new product is a composite banking facility for any legitimate SME that is three years old and engaged in import-related activities for at least one year, according to the bank's SME Banking Division.

The product offers LC facility, working capital, and post import facility with easy conditions, minimum security and zero margin.

Importers can have an access to this new product from 17 EBL SME centres of the country after having complied with the terms and conditions of EBL Banijyo.

## India's sugar output down

ANN/ THE STATESMAN

Sugar production in India, the world's second largest producer of the sweetener, is estimated to have declined by nine lakh ton in the first quarter of 2007-08 season due to delay in start of sugarcane crushing by the mills.

The total sugar production is estimated at 6.4 million tons during October-December of 2007-08 season, as compared to 7.3 million tons in the corresponding period of the previous season, an industry official said.

## Direct listing rules may be changed

### Bid to check abnormal price fluctuation

SARWAR A CHOWDHURY

Direct listing rules of stock exchanges may come under some changes to check abnormal price fluctuation of shares of a company from the very first day of trading under direct listing.

A review committee on the direct listing rules has already made some changes that are to be recommended to Securities and Exchange Commission (SEC) within tomorrow for its approval.

The review committee has agreed that institutional investors will set the price of shares of a company that will be listed on the bourses under the Direct Listing Regulations.

The institutional investors will have to bid for 10 percent shares of a company for half an hour a day before of the company's trading debut. However, the institutional investors such as merchant banks, mutual funds and stockbrokers/dealers will have to register with the SEC or stock exchanges for bidding.

Under the present direct listing rules, prices of shares are built up by bidding from the market.

Collecting the bids from both Dhaka and Chittagong stock exchanges, the exchange authorities will fix a weighted average price for general investors.

However, the general investors will not be able to cross a certain limit for buying shares in a single trading day, as the circuit breaker system will remain active from the trading debut.

The institutional investors, who

will bid for shares, will not get shares before one month of trading debut.

The review committee also agreed that offering amount of shares under the direct listing rules will have to be offloaded within one month. As per the existing rules, at least 10 percent shares of the offering amount require to be offloaded within one month.

Earlier, the capital market regulator formed the nine-member review committee following abnormal price fluctuations of shares of the last two state-run energy companies that were listed under direct listing rules.

On the very first day of trading, price of per Jamuna Oil Company share surged to Tk 952 against its face value of Tk 10 only, while the price of per Meghna Petroleum Company share soared to Tk 370 against the face value of Tk 10.

"Such abnormal price fluctuation ultimately affected the investors, and to protect such price fluctuation the direct listing rules are being reviewed," said a member of the review committee.

If the SEC agrees in principle to accept the changes in the direct listing rules, process of amendment to the rules will begin soon.

Headed by SEC Member Mansur Alam, the review committee comprises Investment Corporation of Bangladesh Managing Director Ziaul Haque Khondker, SEC executive directors Abdul Hannan Zoarder, Anwarul Kabir Bhuiyan and Farhad Ahmed, Dhaka Stock Exchange (DSE) Chief Executive Officer (CEO)

Salahuddin Ahmed Khan, Chittagong Stock Exchange CEO AB Siddique, IDLC Finance Ltd Managing Director Anis A Khan and AIMS of Bangladesh Managing Director and CEO Yawer Sayeed. Four state-owned companies -- Dhaka Electricity Supply Company, Power Grid Company of Bangladesh, Jamuna Oil and Meghna Petroleum -- made debut on the stock markets under direct listing rules since the rules were introduced on June 18, 2006.

DSE INDICES FALL Meanwhile, indices on the DSE fell yesterday, a day after the SEC slapped a fine of Tk 10 crore on AB Bank's merchant banking wing.

The premier bourse also witnessed decline in turnover and trading volume.

Market insiders said the merchant banks were hesitant to disburse margin loans to the investors for purchasing shares following the market watchdog's regulatory move that forced the investors to sell their scrips at a lower price.

The DSE General Index fell by 36 points, or 1.22 percent, to close at 2900.05 points, while the DSE All Share Price Index declined by 31.58 points, or 1.27 percent, to close at 2447.22 points.

A total of 11442638 shares worth Tk 170.76 crore changed hands on the DSE. Of the issues traded, 49 advanced and 162 declined with eight unchanged.

Earlier on Sunday, AB Bank's merchant banking wing was fined Tk 10 crore for disbursing excess margin loans in violation of securities rules.



## Public varsities urged to double seats for computer science

### Softexpo 2008 concludes

STAR BUSINESS REPORT

Seats for learning computer science and computer engineering at public universities should be doubled to meet the country's growing demand for skilled IT graduates, a seminar in Dhaka yesterday was told.

Speakers emphasised ensuring quality of information technology education at private universities too.

The Association of Software and Information Services (BASIS) organised the seminar on Roadmap for Developing HR Pool for Software Industry on the sidelines of the 5-day Softexpo 2008. The exposition at the Bangladesh

China Friendship Conference Centre concluded yesterday.

"By 2012, the ICT industry may require 50,000 people. If we do not go for capacity building of the universities we will have nothing to do but lament at that time," Fahim Mashroor, a BASIS director, said in his keynote presentation.

Brac University Vice Chancellor Professor Jamilur Reza Chowdhury lamented that quality of IT education at most of the private universities is below standard.

He stressed the need for spreading IT education at grassroots level.

On the concluding day, the BASIS distributed 15 computers among 15 schools and colleges of the country's Sidi-Bit areas. Education Adviser Dr Hossain

Zillur Rahman gave away the computers at a function.

Salahuddin Kasem Khan, AKTEL chairman and also the chairman of Chittagong Skills Development Centre, also spoke at the function.

Meanwhile, participants in the largest software show described it as a successful one.

During the fair many visitors including the Japanese and Danish took keen interest in Bangladesh software. BASIS President Rafiqul Islam Rowly said, expecting a huge export orders from them.

"Our main objective of participating the fair was to make our products known to others," said Nurul Islam, managing director of Cacts, a company for total solution.