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3 firms win bids to handle international phone calls

STAR BUSINESS REPORT

Three local companies have won bids to set up international gateways to handle international phone calls to and from Bangladesh, ending the monopoly of state-run BTB.

Novotel Limited, Mir Telecom and Bangla Trac Communications Ltd were declared winners yesterday after a marathon 26-hour auction that began at 10 in the morning on Monday at Radisson Water Garden hotel.

In the auction, 31 qualified firms vied to set up the three international exchanges to share 65 percent of revenue from overseas incoming and outgoing calls. The

companies will give the government 51.75 percent of the revenue.

The remaining 15 percent and 20 percent of the total revenue will be shared by interconnection exchange and end users, local phone operators, respectively.

The auction for interconnection exchange licence is scheduled to be held today.

The three companies will receive licences for 15 years. The licences are renewable.

According to the licensing agreement, the new companies will have to set up their infrastructure in the next six months.

According to a Bangladesh Telecommunication Regulatory Commission (BTRC) study, every-

day 20 million minutes incoming and outgoing overseas calls are terminated mainly through illegal VoIP (voice over internet protocol).

The regulator believes that after setting up of three new international gateways, calls through illegal VoIP will be minimised. According to the BTRC, no international incoming call can be terminated for less than \$0.06.

For international outgoing calls to mobile network and to PSTN (public switched telephone network) the tariff has been fixed at Tk16.50 and Tk6 a minute respectively.

BTRC Chairman Manzurul Alam hoped the government revenue will double in a year. The exist-

ing revenue is around Tk500 crore a year.

The three companies have to deposit Tk 15 crore in licence fees each in 10 workdays from the day of bidding. Every year each firm will have to deposit Tk 7.5 crore for renewal of licence.

Talking to The Daily Star Mir Nasir Hossain, director of Mir Telecom, expressed his satisfaction over the auction procedure and termed it 'transparent'.

Hossain, also a former president of Federation of Bangladesh Chambers of Commerce and Industry, said government revenue from telecoms sector will definitely increase with the operations of international gateways.

Sharp division on BB move to limit spread

Banks make huge profits at cost of clients: Businesses
Strong profits needed for robust financial sector: Banks

SAJJADUR RAHMAN

Monday's move by the central bank to limit the spread between banks' lending and deposit rates has focused the already heated debate on the practices of the country's main private banks.

Bangladesh Bank and businesspeople blame the banks for making huge profits at the cost of the clients. To back this up they point to the fact that the operating profits of the country's main private banks leapt by 41 percent last year.

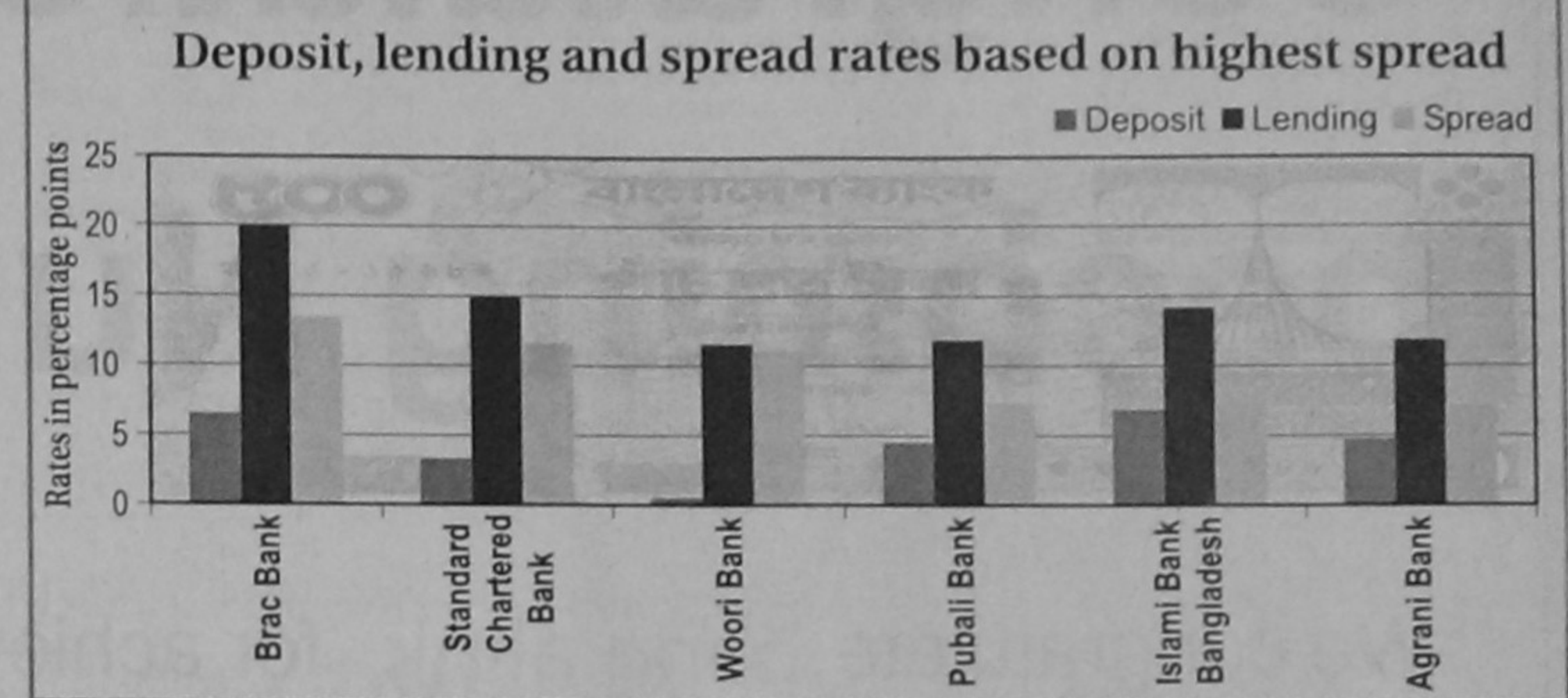
However bankers claim strong profits are needed to create a robust financial sector, while economists warned that the government should be careful about how it tries to influence private sector decisions.

Yesterday BRAC Bank, the bank picked out by BB as having the highest spread, defended its charges saying the high cost of employing 2,200 people in its small and medium sized business operations justified the high spread.

"We've to endure the huge cost for running the SME banking countrywide," Abidur Rahman Sikdar, head of marketing and corporate affairs of BRAC Bank Ltd, told The Daily Star.

According to a BB report placed in the Monday's meeting between the governor and directors of banks, BRAC Bank has the highest spread with 13.47 percentage points. The bank's average interest rate on deposit is 6.51 percent and lending 19.98 percent.

Standard Chartered Bank follows BRAC Bank with a spread of 11.60 percentage points. Its average interest rate on deposit is 3.31 percent and that on lending 14.91 percent. The average spread of commercial banks is 6.16 percentage points, whereas it is between 4 and 5 percentage points in other



countries.

The spread is 5.88 percentage points for the government-owned commercial banks, while it is 6.17 and 8.98 percentage points in private and foreign commercial banks respectively. The spread of the Islami Bank Bangladesh, an Islami Shariah bank, is 7.29 percentage points.

The government, Bangladesh Bank and the businesspeople have long been pursuing the banks, especially the private commercial banks, to work on reducing the spread between the interest rates on deposit and lending.

Even the chief adviser's office has recently sent a letter to the Bangladesh Bank governor asking him to keep the difference between deposit and lending interest rates of banks at a lower level. The finance adviser himself raises the issue quite frequently.

But there were no effective changes so far in this regard, according to BB officials.

Now the central bank resumes its persuasion of the banks to reduce the spread. The BB has given the banks two weeks time to

help BB to address the issue.

"The spread is quite high here, no doubt," economist Zaid Bakht, research director of Bangladesh Institute of Development Studies, told The Daily Star.

"Private banks should limit the spread within 5 percentage points for the sake of the economy," SM Aminur Rahman, managing director and CEO of the newly corporatised NCB Janata Bank, said.

"Higher interest rate is eroding our competitiveness," BGMEA President Anwar Ul Alam Chowdhury Parvez said.

Many give their views on spread partially without analysing the entire picture, said Nazrul Islam Majumder, chairman of the Bangladesh Association of Banks.

Majumder defended the current rates saying that higher expenses are required in running private commercial banks, as those need to offer high pay to skilled staff.

"The reason why the banks' spread is too high has to be sorted out," Zaid Bakht said.

"Private banks' cost of fund is more than that of the state-owned

commercial banks," Bakht said.

Besides cost of fund, Janata Bank CEO said, their (PCBs) administrative and decoration of office costs are also too high.

The BIDS director also blamed ineffectiveness of the state-owned commercial banks for making monopoly business by the PCBs.

He suggested the government and the central bank make sure that the NCBs provide wide range of quality services to its clients.

Zaid Bakht, however, said there is no alternative to reducing the spread, which is crucial for encouraging savings and investment as well.

"The central bank can't do it by pressurising commercial banks, rather some incentives (reduction in taxes) may be given to the banks to reduce the spread," he added.

The BAB president said: "It will be difficult for us to reduce the lending rates unless the interest on savings certificates and treasury bonds are slashed."

The central bank authority is supposed to sit with the chief executive officers of commercial banks today on the issue, BB sources said.

G4S regional president due today



David I Hudson, regional president (North Africa, Middle East and South Asia) of G4S plc, UK, is expected to arrive in Dhaka today, says a press release.

Hudson is scheduled to attend a function to mark the security solution providing company's 10 years of operations in Bangladesh.

G4S is a FTSE 100 company in the London stock exchange and one of the world's leading international security solutions groups that operates in over 100 countries with over 500,000 employees.

Beximco Pharma eyes 1pc of \$4b GCC market

STAR BUSINESS REPORT

Beximco Pharmaceuticals Ltd, a leading local drug manufacturer, eyes to capture one percent of the Gulf Cooperation Council (GCC) countries' pharmaceutical market worth around US\$ 4 billion.

GCC countries, predominantly dependent on the medicines from developed western countries, have also expressed interest to import pharmaceutical products from Beximco. The GCC countries comprise Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Beximco has already applied for GCC not to export medicines to the countries and the company is expecting to receive the approval soon, as a joint inspection team of GCC visited the Beximco's drug manufacturing plant in Tongi yesterday.

The GCC inspection team came

to Dhaka to look over the Beximco's manufacturing plant and consider giving go-ahead to the company for exporting medicines to GCC countries.

"Our target is to grab one percent of the GCC countries' pharmaceuticals market and if we succeed, we can earn \$400 million of the total market," said Nazmul Hassan, chief executive officer of Beximco Pharmaceuticals.

"We have always considered the Middle East as a high potential market and with the establishment of a common market of GCC countries this region has become one of the most lucrative pharmaceutical markets in the world," he said.

After visiting the Beximco plant, Dr Alaa Raddi, medical division manager of Gulf General Trading, Kuwait, said quality of Beximco products is similar to that of the medicines manufactured by world's leading pharmaceutical companies.

Replying to queries, he said, "If we find quality and cheaper products from Beximco, then why won't we buy from it?"

Raddi said if Beximco gets approval, the GCC countries will import especially asthma relief products including inhaler from the company.

Nazmul Hassan said Bangladesh can be a better option for big multinational outsourcing companies that are now depending on China and India for medicine import.

"If the government provides all necessary supports to the pharmaceutical sector, it will be able to earn Tk 10,000 crore a year from export by 2009," he hoped.

Export earnings from the sector was \$13.63 million during July-October period of the current fiscal year, while \$28.15 million in 2006-07 fiscal. The government has set a \$32 million export target for the sector for the current financial year.

Govt to search for alternate energy sources

Tamim tells AmCham meet

STAR BUSINESS REPORT

The government is to search for alternative sources of energy reducing dependency on a single source like gas to ensure a long-term energy security, the AmCham luncheon meeting was told yesterday.

"Presently, gas is used in generating around 95 per cent of our total power, which is followed by fertiliser," said Professor M Tamim, special assistant to the chief adviser for the Ministry of Power, Energy and Mineral Resources, at the meeting organised by the American Chamber of Commerce in Bangladesh.

Tamim also opted for various

energy options such as nuclear power, supply of gas from Myanmar, diversifying crude oil destinations and starting up power import from India as a pilot project.

Energy security is, according to Tamim, its availability to all citizens at an affordable price.

He, however, was optimistic of discovering a considerable amount of gas on the third round of offshore survey.

"It is not possible to say what quantity of gas can be discovered in the sea, but several studies suggest a possible finding of 8-35 trillion cubic feet (TCF) gas," he added.

On the present gas supply for

industries, Tamim said, "Although two new export processing zones (EPZs) are now under process, we will convey the authorities concerned that a poor reserve of gas will not enable us to supply gas to those zones."

The special assistant also suggested a better competence of the Bapex (Bangladesh Petroleum Exploration and Production Company Limited) to explore natural resources.

"The mineral resource exploration authorities of India are now going to Myanmar and Africa in search of energy. But we are yet to be that much equipped and competent, although ours is an author-

ity that started its journey as early as 1962," he lamented.

Opposing the CNZ subsidy on a long term basis, Tamim emphasised rationalising it with petroleum prices.

He also informed the AmCham meet that he would begin working on coal policy from the next month.

AmCham President Syed Ershad Ahmed, who chaired the meeting, pointed out that the country lacks an integrated energy policy, as the issue did not get proper attention in previous years.

AmCham Vice President Trevor MacDonald also spoke on the occasion.

Ctg int'l trade fair kicks off

STAFF CORRESPONDENT, Ctg

The 16th Chittagong International Trade Fair (CITF) began here at Railway Polo Ground yesterday as companies from ten countries were showcasing products at the month-long event.

Commerce Adviser Hossain Zillur Rahman inaugurated the fair on the sprawling four-lakh square feet venue. Chittagong Chamber of Commerce and Industry (CCCI) is organising the fair with Thailand being the partner country of the event for the fifth consecutive year.

Participating companies from other countries are the US, India, Pakistan, Malaysia, South Korea, Singapore, Myanmar and Iran. Some 36 pavilions and 262 booths have been set up in the fair, which will remain open from 10:00am to 10:00pm. Entry fee has been fixed at Tk 10 a person.

Speaking at the inaugural function, the adviser said the present government will do everything to make Chittagong the commercial capital of the country.

The inaugural function was also addressed by CCCI President Saifuzzaman Chowdhury.

BTMA defends yarn price hike

Terms allegation of price manipulation as baseless

STAR BUSINESS REPORT

Yarn producers yesterday turned down the knit manufacturers' allegation that the hike in the prices of yarn in the local market is artificial.

Rather, they said, such hike is an impact of the international market's high price of cotton, the main ingredient of yarn.

"We have little to do with the price hike of cotton in the international market as a major portion of the domestic demand for cotton is met through import," BTMA (Bangladesh Textile Mills Association) President Abdul Hai Sarker told a press conference at the BTMA office, terming the allegation of price manipulation by the local yarn producers as baseless.

Sarker pointed out that the cotton price has registered a 30-35 percent hike in the international

market over the last two to three months.

During the period the local market experienced a 7-8 percent hike in the prices of yarn, he said, adding that the price of 30count variety of yarn has increased now to \$2.73 a pound from \$2.55 a pound three months back.

The BTMA chief called for a halt to such blame game in the interest of growth in the apparel sector. He also pointed to the fact that the changed political situation had led to more than 42 percent decline in investment in the textile sector last year.

Recently the leaders of BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association) at a press conference claimed that the local yarn producers have increased the prices of the item artificially, which posed a threat to the growth of knit sector.

PROPOSED FINANCIAL REPORTING ACT Govt urged to pay heed to stakeholders' views

STAR BUSINESS REPORT

Administrator of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Syed Manzur Elahi yesterday urged the government to take opinions of all stakeholders into consideration before finalising the proposed financial reporting act.

The government should also take opinions from chambers such as FBCCI, DCCI, CCCI and MCCCI bodies before finalisation of the act, he told a seminar on 'The Role of FRC and ICAEW within the UK Regulatory Framework' at the Institute of Chartered Accountants of Bangladesh (ICAB) auditorium in Dhaka.

Under the law, a financial

reporting council will be set up.

"From our study it was revealed that the proposed Financial Reporting Act is an effort to transplant the UK Financial Reporting Act but such an enactment in a developing country like Bangladesh may have adverse economic impact, resulting in increased cost of doing business," said ICAB President Humayun Kabir.

Past ICAB president Abdul Hafiz Chowdhury moderated the seminar as the session chairman while Vernon Soare, executive director of professional standards, the Institute of Chartered Accountants in England and Wales, presented the keynote paper at the seminar.

UNFPA

VACANCY ANNOUNCEMENT

UNFPA Bangladesh Country Office invites applications from eligible candidates for the following position:

Position : National Project Professional Personnel - Population and Development

Number of Position : 1 (One)

Contract Type : Service Contract

Reporting to : Assistant Representative/Deputy Representative

Location : Planning Commission

Duration : Initial for 1 year (with three months probation) to be renewed on an yearly basis based on performance

Duties and Responsibilities:
Under the overall guidance of UNFPA Representative, direct supervision of the Asst. Representative/NPO and in consultation with the respective Project Director, the NPA substantive contributes to the effective management of UNFPA project(s) and activities. Assist the Project Director to manage training/workshop/research programmes according to the approved TPP. Coordinate among related parties like NIPORT project authority, UNFPA Country Office, MOHFW and other partners in the field of Population and Development. Prepare and maintain necessary documentation for the particular project.

Qualifications and Competencies:
Post graduate degree in Population/Statistics/Demography/Social sciences. 7 to 10 years professional experience preferably in programme/project management, which includes designing, planning and implementation. Analytical skills and experience in dealing sensitive issues are desirable. Fluency in oral and written both Bangla and English required. Proficiency in current office software applications is a must.

Interested candidates are requested to apply along with a detailed CV/P11 form and a passport size photograph on or before 2nd March 2008 by 4.30 p.m. to the **Representative, UNFPA Bangladesh, IDB Bhaban (15th Floor), E/8-A Rokeya Sharani Sher-e-Bangla Nagar, Dhaka-1207. Alternately, CV/P11 can be send via e-mail to the following address: hr@unfpa-bangladesh.org. Detail Terms Of Reference and P11 Form can be obtained from the UNFPA Website www.unfpa-bangladesh.org/php/vacancy.php**

Female candidates are encouraged to apply for this post

"ONLY SHORT LISTED CANDIDATES WILL BE CONTACTED"

UNFPA

VACANCY ANNOUNCEMENT

UNFPA Bangladesh Country Office invites applications from eligible candidates for the following position:

Position : Project Assistant (NIPORT)

Number of Position : 1 (One)

Contract Type : Service Contract

Reporting to : Assistant Representative/Deputy Representative

Location : Planning Commission

Duration : Initial for 1 year (with three months probation) to be renewed on an yearly basis based on performance

Duties and Responsibilities:
Under the overall guidance of UNFPA Representative, direct supervision of the Asst. Representative/NPO and in consultation with the respective Project Director, the NPA substantive contributes to the effective management of UNFPA project(s) and activities. Assist the Project Director to manage training/workshop/research programmes according to the approved TPP. Coordinate among related parties like NIPORT project authority, UNFPA Country Office, MOHFW and other partners in the field of Population and Development. Prepare and maintain necessary documentation for the particular project.

Qualifications and Competencies:
Graduate in Social Science/Economics/Business Administration. At least 3-5 years of professional experience in the field on Population and Development. Experience of working with Government and NGO is desired. Experience in the United Nations system, especially UNFPA will be an asset. Ability to work in ATLAS is added advantage. Excellent command of oral and written English is essential. Proficiency in current office software applications is required.

Interested candidates are requested to apply along with a detailed CV/P11 form and a passport size photograph on or before 2nd March 2008 by 4.30 p.m. to the **Representative, UNFPA Bangladesh, IDB Bhaban (15th Floor), E/8-A Rokeya Sharani Sher-e-Bangla Nagar, Dhaka-1207. Alternately, CV/P11 can be send via e-mail to the following address: hr@unfpa-bangladesh.org. Detail Terms Of Reference and P11 Form can be obtained from the UNFPA Website www.unfpa-bangladesh.org/php/vacancy.php**

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