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2 firms win licences to handle domestic, int'l phone calls

STAR BUSINESS REPORT

Two local companies have won licences to set up exchanges that allow legal connections between domestic and international telecom operators carrying voice calls.

The two firms, which beat 26 other competitors in the auction, agreed to give 65.75 percent of their revenue to the government.

ICX refers to switching system, which provides interconnections among the existing or future telecommunication networks of the operators and allows monitoring, lawful interception facilities and

roaming number portability.

Earlier on Tuesday, three local companies -- Novotel Limited, Mir Telecom and Bangla Trac Communications Ltd -- have own bids to set up international gateways (IGWs) to handle international phone calls to and from Bangladesh.

IGW service is a switching system through which international voice traffic is sent and received.

The ICX services will have physical connections with IGW services. All voice calls, including VoIP (voice over internet protocol), will be routed through ICX and IGW services.

According to the BTRC (Bangladesh Telecommunication Regulatory Commission), a new era has begun in the country's telecommunication industry, ending decades old monopoly of state-run Bangladesh Telegraph and Telephone Board (BITB) as well as preventing all illegal international call termination.

M&H Telecom and Getco Telecommunications will receive licences to operate ICX services for 15 years. The licences are renewable.

According to the licensing agreement, the new companies will have deposit Tk 5 crore in

licence fees each. Every year each firm will have to deposit Tk 2.5 crore for renewal of licence.

The new ICXs will be set up in the private sector in addition to the BTTB's existing ICXs and each firm can establish three ICXs. A company will be able to set up one ICX in Dhaka and other two ICXs in Chittagong and Khulna or Sylhet and Bogra.

The BTRC invited bids from Bangladeshi enterprises in October 2007 for ICX licences under the International Long Distance Telecommunication Services Policy 2007.

Gate pass fees at Ctg port raised after 4 decades

STAFF CORRESPONDENT, Ctg

Gate pass fees at Chittagong Port have been increased after four decades.

Chittagong Port Authority (CPA) increased the fees for entry into restricted areas of the port with effect from Wednesday through a circular. The previous rate was fixed back in 1968.

As per the new rates, fee for a single entry is Tk 10 per person, Tk 30 for a small vehicle like car and Tk 50 for a heavy vehicle like truck.

The previous fee was Tk 0.50 per person Tk 1 for each heavy vehicle.

The CPA officials and port users hope following the increase in fees vehicles would not crowd inside the port yards. The increased fee will also generate more revenue for the port, they said.

Meanwhile, Chittagong Port Truck Owners and Contractors Association expressed resentment over the rise in fees.

Industry seeks zero tariff for raw materials for non-cotton fabrics

STAR BUSINESS REPORT

Zero tariff on importing raw materials for manufacturing non-cotton textile items, such as sweater and others, can help flourish the industry, which ultimately will meet the local demand, observed industry insiders.

They said now Bangladesh is to import almost all non-cotton items it needs per annum, let alone exploring its export market.

The investment in setting up factories to produce such items has been very slow on some discouraging tax measures by the government. In the 2007-08, 10 percent duty and 15 percent VAT (value added tax) on import of raw mate-

rials, including polyester staple fibre, viscose staple fibre, acrylic staple fibre and pet-chips, were imposed. Such import was tax-free previously.

Sources in the knit sector said more than 50 percent items are now produced by yarn made from non-cotton items like petrochemical and cellular items as those are considered environmentally hazardous.

Talking to The Daily Star, Chairman of the Prime Group of Industries MA Awal said at present Bangladesh produces around 10 percent of the total textile production from non-cotton items.

"It is possible to add more value to production of non-cotton items

compared with those of cotton items, if zero tariff facility restored," Awal said, adding that Bangladesh would also be able to tap the item's export potentials, as the demand for non-cotton items is very high in the world market.

Owner of Purbani Synthetic Spinning Mills Abdul Hai Sarker, also the president of Bangladesh Textile Mills Association, said some four factories have already shifted their production to other than non-cotton items due to the latest budgetary move.

"Every year the local woven and knit manufacturers import finished non-cotton items, used mainly to produce sweater worth US\$200 million," Sarker said.

Bamboo-made furniture gaining popularity

SAJJADUR RAHMAN

Bamboo-made furniture is now gaining popularity among city dwellers, turning down the notion that it is a high-end production, industry people said.

Despite the prospect, any market expansion outside Bangladesh still looks bleak on non-availability of bank finances, they said.

"The market is rising day by day. But lack of finance remains a hurdle for its expansion," Anwar Siddique, proprietor of Bash, Bet, Pati Shilpa Ltd (a manufacturing unit of bamboo, cane and mat), told The Daily Star yesterday.

She said: "We get export orders from Bangladeshi expatriates for the bamboo-made furniture frequently, but we can't export the item because of the absence of any knock-down facility in such furniture."

She said she needs money to set up some modern machines for capacity building of her industrial unit.

A wide range of variety of bamboo furniture like table, sofa, bench, shelves, dining table, TV rack, garden accessories and decor, indoor and outdoor items is now being exhibited at the ongoing National Women SME Expo 2008 at the Bashundhara Shopping Mall in Dhaka.

The highest range in price of high-end items is Tk 20,000.

According to an organiser (SME Foundation) of the exposition, huge visitors flock to the stalls of bamboo-made furniture.

"The furniture has attracted visitors from the very beginning of the fair," Rasel Mahmud, programme manager of SME Foundation, told The Daily Star.

Once bamboo-made furniture

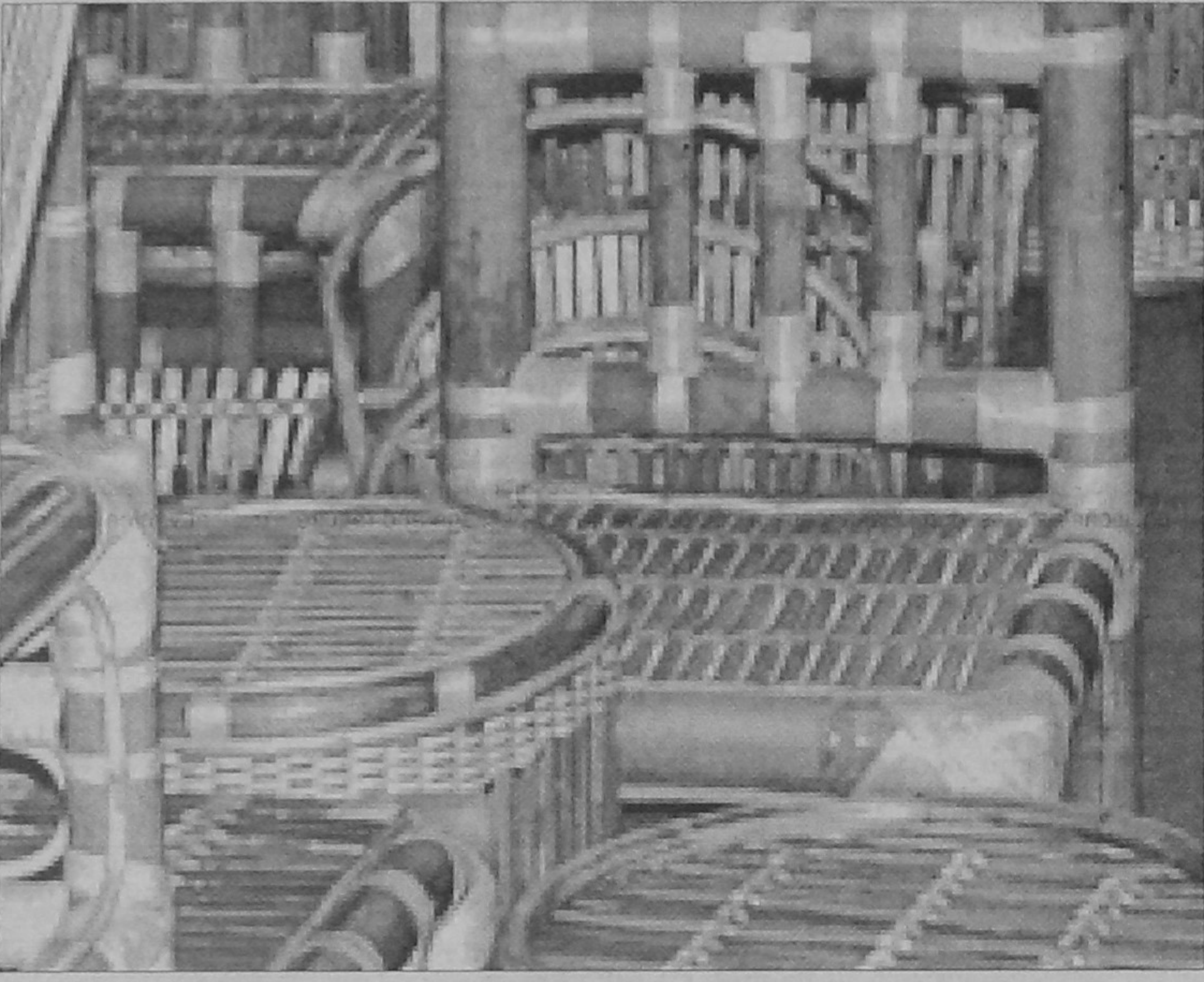


PHOTO: STAR

Some of the pieces of bamboo-made furniture that draw more attraction from users in recent time. Industry people said proper bank finances would help flourish the industry and expand the country's export basket.

was used by the rural folks and less wealthy segment of the society. Now rich people are increasingly using it because of its unique beauty and durability.

"We've trained craftsmen for fine tuning of the products to cater to the consumers' needs," Anwar Siddique, who won President's Award in 2004 for her entrepreneurship, said.

Abdul Mukit, chief executive officer of the enterprise, said banks do not provide them collateral-free loans.

"We went to Janata Bank, a state-owned commercial bank, a few years ago for loans. The bank asked collateral because we're a limited company," Mukit said.

He experienced the same at a private bank and since then,

stopped going to other banks.

The CEO said that he needed to import some machines such as cutter and spray equipment immediately to expand the business aiming to capture a bit of the billion dollars export market. Currently, China and Indonesia are dominating the bamboo-made furniture market globally.

New Vietnam rice export regulations likely

ANN/VIETNAM NEWS

The Vietnamese government should carefully regulate this year's rice exports as crops in the northern provinces were likely to suffer, said Deputy Minister of Industry and Trade Nguyen Thanh Bien.

Relevant ministries and rice exporters are still waiting for the Prime Minister to hand down new rice export regulations for March.

The new regulations have been proposed by the Ministry of Industry and Trade, the Ministry of Agriculture and Rural Development, the Vietnam Food Association and several Mekong Delta provinces, the hub of the country's rice farming.

The regulations would ensure the nation's food security while protecting the rights of exporters and farmers, Bien said.

However, Bien urged the government to caution about prices and volumes surrounding this year's rice exports given the long period of cold weather in the North.

Vietnam's rice exports last year were strictly supervised in order to ensure national food security as the country's central provinces suffered food shortages due to flooding.

Deputy Director of the Ministry of Agriculture and Rural Development's Cultivation Department Phan Huy Thong said it was not possible yet to forecast winter/spring rice yields in northern provinces.

"We have to wait until mid-March, when the replanting of paddy seedlings are basically complete, to be sure about the yield," Thong said.

Meanwhile, the Vietnam Food Association forecast that global rice prices would rise due to increasing world demand. The association reported that rice demands in Africa and the Middle East had surged since the early months of the year.

Moreover, he said food shortages could occur in several rice exporting countries, like China, which has also suffered severe bouts of cold weather.

According to the Ministry of Industry and Trade, Vietnamese rice export prices have significantly risen since early this year. As of February 4, a tonne of Vietnamese exported rice was priced at US\$400, up \$100 from a year ago.

APPRECIATION OF RUPEE AGAINST US DOLLAR

India announces new round of relief for exporters

PALLAB BHATTACHARYA, New Delhi

India has announced yet another round of relief for exporters hit hard by appreciation of rupee against US dollar by exempting from tax three more services rendered by goods transport agencies, couriers and rail containers.

Transportation of export goods by rail and courier services provided to an exporter for carrying documents, goods or articles to a destination outside have also been exempted from service tax, it said.

With this, the number of services enjoying tax exemption for exporters has gone up to 13.

Earlier, refund of service tax paid by exporters was extended to services including ports, general insurance, inspection and certi-

fication agency, business, exhibition, storage and warehousing.

The government imposes 12 percent service tax and 3 percent education cess on services. The rupee has appreciated by about 12 percent in 2007, impacting the earnings of exporters.

Amidst concerns that the government-set target of 160 billion dollars export target for 2007-8 could not be met, the government had earlier in July, October and November last year announced a series of fiscal and monetary steps for exporters since last year including cheaper bank credit, higher rate of tax refunds and faster reimbursements of tax refund claims, exemption of tax on services rendered by ports, road transport and railways and slashing of import duty on textile fibres.

The government had also come out with concessional credit by banks for small and medium exporters readymade garments, textiles, leather goods, handicrafts, marine, engineering and processed agricultural products, toys and sports goods.

While welcoming the latest round of service tax exemption, the Federation of Indian Export Organizations said certain major services related to exports were still not exempted from tax like payment of commission to foreign agents, overseas travel, professional services and use of customs house agents.

Unless these services are included in tax exemption list, the benefit on exports battling rising value of Rupee would be minimal, it said.

30pc Korean firms plan to withdraw from China

ANN/THE KOREA HERALD

About 30 per cent of Korean companies operating in China have considered withdrawing from the country, while some say they are already preparing to do so, a survey released Wednesday reported.

The mid-January survey of 350 listed members of the Korea Chamber of Commerce and Industry's China branch found that 25 per cent of them have seriously considered leaving the country, while another 3.1 per cent said they are now preparing for liquidation.

The poll was conducted to gauge the current business conditions for Korean firms in Asia's fastest-growing economy amid tightened regulations, especially with stricter labour laws which call for an increase in wages and workers' benefits. Recent official data illustrate the growing trend of Korean companies giving up in China.

Further highlighting the uncertainty among investors, as many as 85.8 per cent of the respondents said they expect worsening business conditions in China. Merely 3.9 per cent projected an improvement.

The growing hardship has prompted the Korean government to take aggressive steps. The Ministry of Commerce, Industry and Energy on Tuesday said that

the government and business groups have agreed to cooperate in drawing up measures to help Korean companies strengthen their competitiveness, as well as to provide resources for weaker ones to adapt to or safely exit the country.

The government's plan was prompted by Beijing's tightened labour, environmental and foreign investment incentive policies.

Underscoring the growing pessimism regarding China's investment climate, KORCHAM noted, a similar survey conducted in March 2007 showed that 17.8 per cent of respondents expected an improvement, while 33.1 per cent predicted a decline.

Labour management was cited as the most troubling issue by 43.1 per cent of those polled. This was followed by frequent changes in laws and regulations, cited by 21.4 per cent, then business development difficulties, with 13.3 per cent, and challenges to raising capital, cited by 10.5 per cent.

The main reasons for flight-by-night cases were complicated liquidation procedures, cited by 56.7 per cent, issues concerning the reduction of and exemption from taxes pertaining to land-leasing fees, cited by 18.7 per cent, and the lack of cooperation by local governments, cited by 14.7 per cent. Flight-by-night refers to

the way in which some businesspeople exit China without going through proper steps of shutting down their business leaving former employees in the lurch.

As an alternative to China, 15.4 per cent said they would transfer to North Korea if peace is established on the Peninsula, and if issues relating to immigration, telecommunications and customs regulations are resolved. Another 17.8 per cent said they would set up a new business there, as opposed to just switching markets.

Still, the survey found that 33.3 per cent of the respondents plan to increase their investment, despite the tougher business environment, while 36 per cent said they plan to maintain their operations as they are.

KORCHAM said the growing number of Korean companies seriously considering leaving China signals the need for policy measures that would help them close their operations in a legitimate and efficient manner.

With the majority of the respondents hoping to maintain their businesses, KORCHAM highlighted the need for adopting mid-to long-term management support programmes jointly operated by the government and relevant institutions.

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- Head of Internal Control & Compliance:**
The Head with his team will be assigned for Internal Control & Compliance, Audit, HR related activities of Controlling office & Branches. The deserving candidate must have MBA/Masters in any discipline from any reputed & recognized university. Should have at least 5-6 years experience in any major commercial bank out of which minimum 2 years of related experiences in handling audit, control & compliance related activities. Excellent communication skill in both English & Bangla with sound knowledge in computer literacy is must.
- Jr. Officer/Officer/SO/EO for Head Office/Branches:**
The deserving candidate must have MBA/Masters in any discipline from any reputed & recognized university. Banking experience of 03 years and above having sound knowledge in General Banking, Foreign Exchange transactions, Lending operations and Credit Management.

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The positions are designed with attractive salary packages under an open ended progression. If you are the right person we are looking for, please send your Resume with two recently snapped passport size photographs, indicating the expected emoluments and giving 2 (two) references, to the Advertiser, **GPO Box No. 2226, Dhaka-1000** latest by **29th February, 2008**. Please write the name of the position & Department applied for on the top left corner of the envelope. **Only short listed candidates will be called for interview.**

Tata ties up with Briley

ANN/THE STATESMAN

BJETS, Asia's leading private jet company providing innovative business aviation services to corporations and high net-worth individuals in Asia, has announced its plans to be Asia's largest business jet operator in the region with the Tata Group as a significant investor.

The company also signed the single biggest order ever in Asia for a fleet of 50 brand new jets worth over \$600 million.

Deliveries will be over a period of five years beginning in the first quarter of 2008 comprising 20 Cessna Citation CJ2+ jets and 20 Hawker 850XP and 900XP jets with options for 10 more.

The first 15 new jets will be delivered by the end of 2008 setting a record-breaking milestone for BJETS. BJETS will have the biggest fleet of private jets in Asia in its very first year of operations.

To achieve its core focus of safety and service, BJETS will crew these new safe state-of-the-art high quality aircraft with only select qualified and extremely well-trained pilots.

The Briley Group is the majority shareholder in BJETS. The other significant shareholder is Indian Hotels Company Ltd, better known as the Taj luxury brand of hotels, resorts and palaces, a part of the Tata Group.

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