

First private submarine cable on cards

BTRC to seek proposals from stakeholders this month

STAR BUSINESS REPORT

The telecom watchdog has decided to allow a submarine cable in the private sector, enabling the ICT and cellphone users to get cheaper services.

Bangladesh Telecommunication and Regulatory Commission (BTRC) is likely to start the process this month seeking proposals from prospective private sector stakeholders.

The ICT (information and communication technology) businessmen anticipated a significant reduction in internet charges, as the monopoly of state-owned BTB, the sole owner of the country's single submarine cable, will go after the private sector steps in.

BTRC Chairman Manzurul Alam said, "BTRC will invite proposals from the private sector by this month and there will be an open auction on completion of the scrutiny of all such proposals."

The whole process of establishing a private sector submarine cable will complete by the year-end, he said.

The government would not bar any intending private company from laying a submarine cable to connect the country with another undersea cable, he said.

The need for an alternative

submarine cable has been a much-talked-about issue among the stakeholders of ICT and mobile telephone sectors just after Bangladesh's joining the information super highway in May 2006.

Such a need has become stronger on disconnection of the existing on-land optical fibre line for at least 2 dozen times since its inception. This disconnection has resulted in a severe disruption in telecommunication and internet connections which led to a business loss of crores of taka.

The present landing station is connected to Dhaka through a 433-km optical fibre line.

BTRC sources said some officials of the commission already visited the Philippines to examine the viability of a private sector submarine cable.

The second cable will ensure redundancy of trunk cable, availability of restoration facilities for the existing cable SEA-ME-WE-4 (SMW-4).

"Besides this, BTB's monopoly over the present cable will be reduced and thereby the internet charges might be reduced to a tolerable level as it will have to compete with the new one," an official of BTRC said.

The official said some companies including India's BSNL, Reliance

Communications, talked to the BTRC to provide an alternative submarine cable services to Bangladesh.

Talking to The Daily Star, Rafiqul Islam Rowly, president of the Bangladesh Association for Software and Information Services (BASIS), said the private sector submarine cable will not only bring a back up for the existing one but also help get internet connection at a competitive price.

The BTB has recently reduced internet tariff charges by 20 percent to 40 percent in different slabs in a bid to accelerate the growth of the country's ICT sector.

But the ICT stakeholders are not happy. They said it should be reduced as like as India.

An internet subscriber has to pay Tk 20,000 a month for above 2 mbps (mega bits per second) dedicated internet connection to BTB. But in India, a subscriber pays hardly Tk1,800 (in Bangladesh currency) for the same connection.

Bangladesh connected itself to the International Information Super Highway last year by joining an international consortium of 16 telecom operators, which installed the undersea cable at a cost of \$35.1 million.

Local hometex brand set to go global

REFAYET ULLAH MIRDHA

A local home textile company is to start exporting locally designed and produced bed sheets to Ukraine and Italy next month.

"We will be the first company in the country to export bed sheets under its own brand," Shameem Hossain, managing director of Classical Home Textiles, said yesterday.

Shameem said his company purchases grey fabrics from local textile factories and get those printed in his factory under the brand of Classical Home Textiles to sell in the local market.

"Since I have very strong position in the local bed sheet market I now focus on foreign markets," he said.

Shameem said his company has a 40 percent share in the Tk 100 crore local bed sheet market, which is growing 20 percent a year.

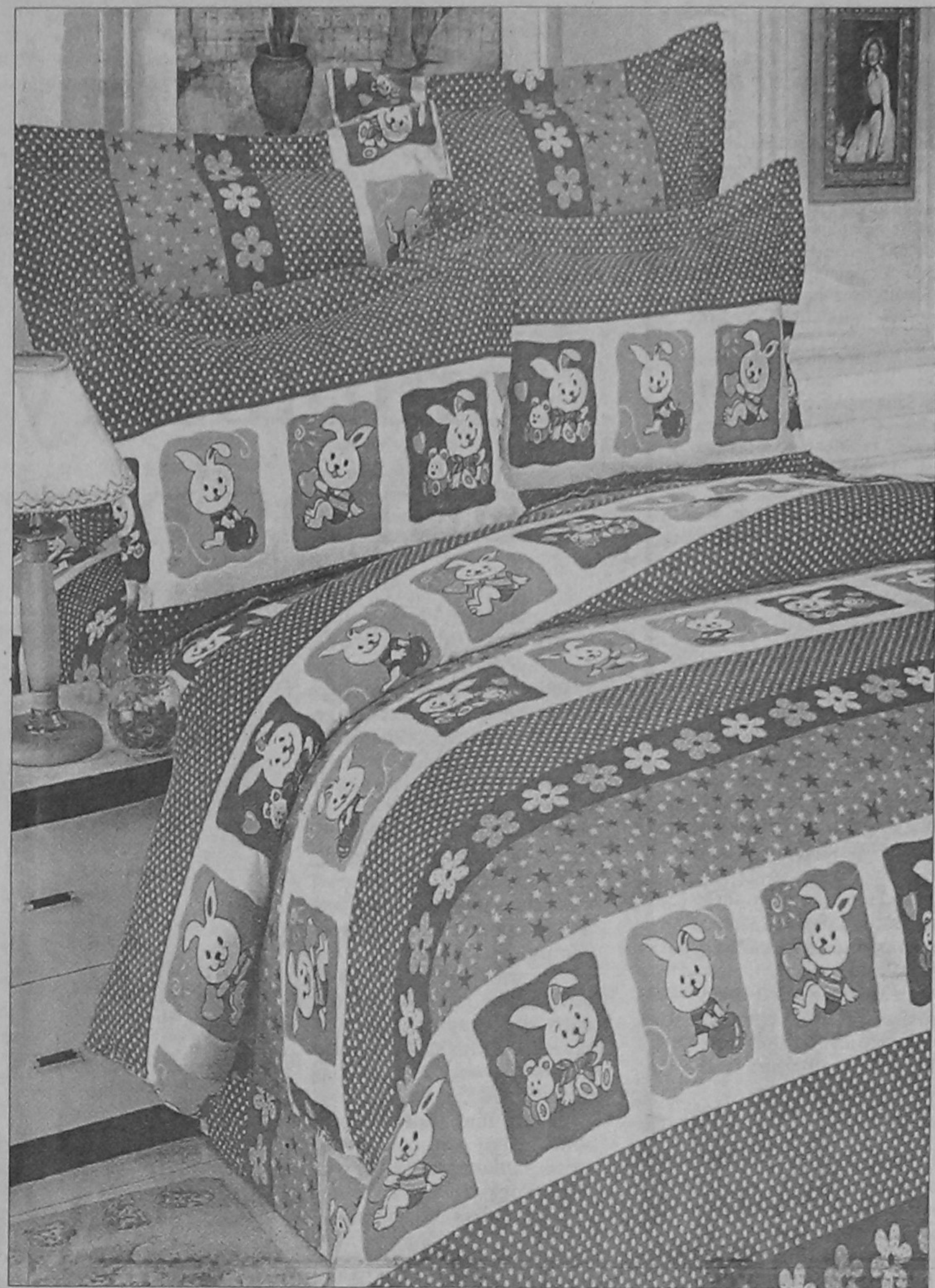
The Classical Home Textiles Ltd has always been giving importance to developing its own brand as branding helps grab market share, said Shameem, adding that the company does not own any textile plants.

"Classical Home Textile, which also supplies pillow cover, side pillow and comforters to the local market, has developed its own designs and printing," Shameem said. The export-oriented factories make bed sheets in line with the designs supplied by foreign buyers, he added.

The country's annual demand for bed sheet is 1.44 crore metres and more than 90 percent of demand is met by local factories, he said.

Classical Home Textiles was established in 1989 with only six employees and now it has 122 employees.

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A bed sheet designed and produced by Classical Home Textiles, which is to start export to Ukraine and Italy next month.

BIRD FLU PANIC
Poultry farms reduced to 1500 from 6000 in Sirajganj

OUR CORRESPONDENT, Sirajganj

Poultry business in Sirajganj is now facing a standstill as many farms in nine upazilas of the district have been closed on the bird flu panic, according to industry insiders.

They said price hike of poultry feed, shortage of chicks and necessary medicines have also caused the closure of the farms.

Many farm owners have left the trade and chosen other professions, as selling and purchasing of fowls in the local markets came to a halt on detection of avian influenza in a number of farms in the northern region, including adjacent district Bogra.

Akmol Hossain, secretary of Sirajganj District Poultry Farms Association, said there were about 6000 poultry farms in the nine upazilas a year back. But, the number now reduces to 1500 and the sector is on the verge of collapse due to the onslaught of bird flu.

The price of big poultry bird has increased by Tk 10 to Tk 15 per kg, though the demand for the item declined. Besides, its production also declined due to the dearth of eggs or small-size chicks.

Aslam, a farm owner and trader of fowls at Station Bazaar in Sirajganj town, said, "People don't show interest in buying poultry birds, even the 'Deshi' (native) birds. So we are facing a huge loss."

Juran Shaikh, a farm owner of Shialkhol in Sadar upazila, said, "I have decided to leave the poultry-related business and will set up a grocery shop in the local market."

Akmol Hossain, the farms association leader, suggested the government take necessary steps to protect the sector by creating awareness among the people.

US firm to invest \$70m in Karnaphuli EPZ

UNB, Dhaka

An American company will invest US\$70 million in Karnaphuli Export Processing Zone to set up a 50-mw power project and a tyre plant.

The American company, M/s Levithan Global Corporation, and Bangladesh Export Processing Zones Authority (Bepza) will sign an agreement to this effect in Dhaka today, said a press release.

US Chargé d'Affaires Geeta Pasi is expected to attend the agreement signing ceremony.

India bails out farmers in pre-polls budget

AFP, New Delhi

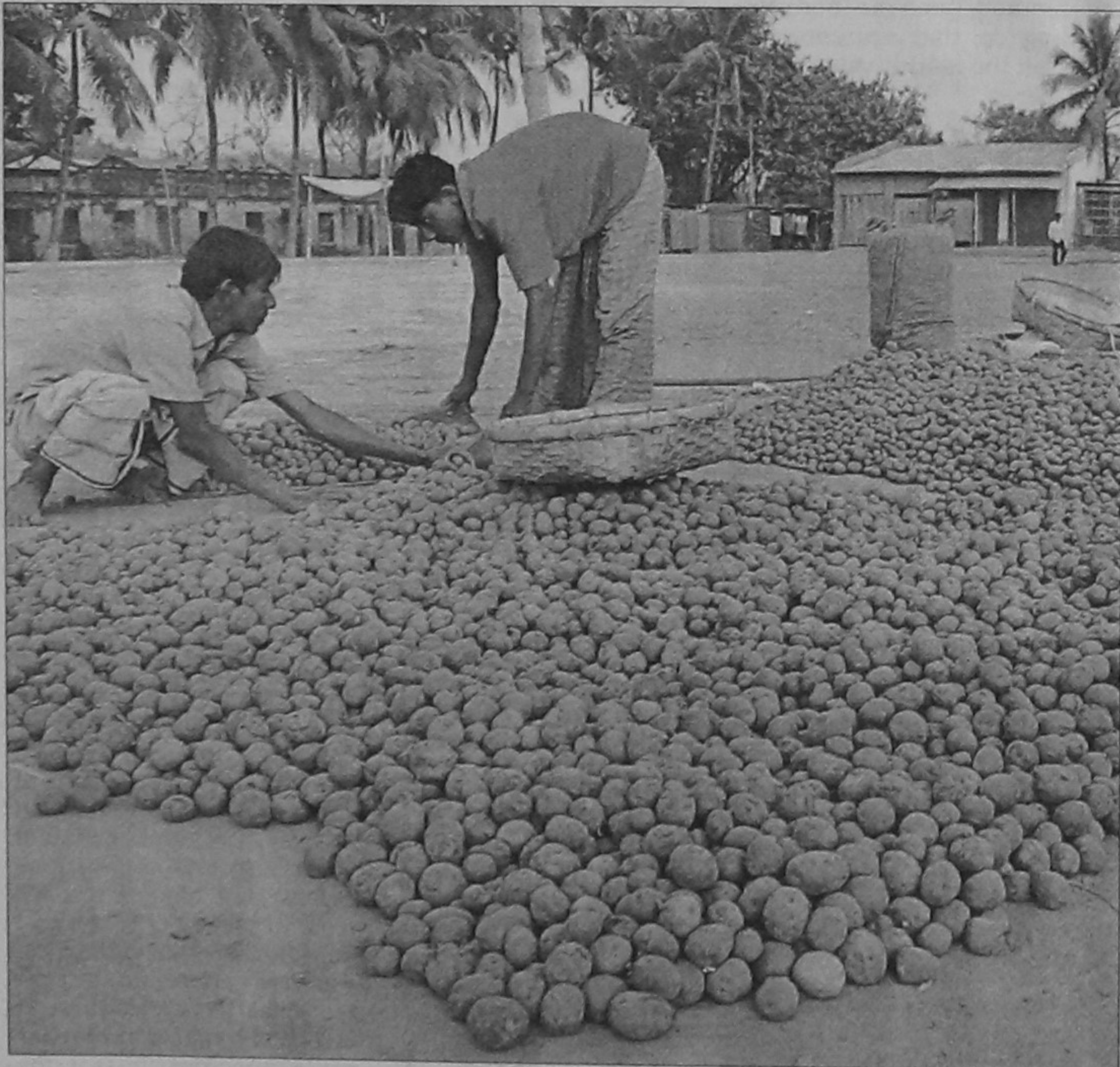
India's Congress-led government announced on Friday a 15-billion-dollar loan bailout for small farmers in a populist pre-election budget targeting the party's traditional poor rural supporters.

Finance Minister Palaniappan Chidambaram, releasing the budget against the backdrop of a slowdown in India's scorching economic growth, unveiled the 600-billion-rupee (15-billion-dollar) relief plan for 40 million farmers.

He also pledged to wrestle down the fiscal deficit, tame inflation running at an eight-month high of nearly five percent and hiked personal income tax exemptions. But a rise in short-term capital gains taxes hit share prices.

About 30 million indebted farmers' loans would be fully waived and another 10 million would get aid, said Chidambaram.

Vegetable market building project costs increased



Farmers arrange potatoes at Mahastangar Wholesale Vegetable Market in Bogra. The market has been built under a project aimed at building vegetable market places in 16 northern districts.

STAFF CORRESPONDENT, Bogra

The costs of a project aimed at building vegetable market places in 16 northern districts have been increased.

The cost of North-West Crop Diversification Project (NCDP) has been increased to Tk 408 crore from Tk 371 crore. The project that began in 2001 will end in June 2009.

Bangladesh government and ADB (Asian Development Bank) are implementing the project to ensure fair vegetable

prices and inspire vegetable cultivation in the northern districts.

Project Director Md Fazlul Haque Mollah said a central vegetable market will be built in Gabtali in Dhaka at a cost of Tk 10 crore to sell vegetables to be collected from different markets of the northern districts.

Structures of at least 39 vegetable market places, out of 76, have already been completed, said the project director.

Under the project, Mahastangar Wholesale

Vegetable Market has been completed. On an average more than 1,200 metric tons of vegetables are being sold from the market every day during the winter season.

The wholesale market place has helped local vegetable growers get fair prices. Earlier, middlemen were active to control vegetable prices in Bogra district.

More than 10,000 hectares of land have been brought under vegetable cultivation in Bogra district in this year.

Prime Finance First Mutual Fund offering likely this year

ICB to act as custodian of the Tk20cr fund

Aiming to meet the growing needs of Bangladeshi investors, a Tk 20 crore mutual fund styled Prime Finance First Mutual Fund is likely to be offered to the investors this year.

The fund was formed following a trust deed signed recently between the parties concerned, said a press release.

Prime Finance, a leading Bangladeshi merchant bank, is sponsoring 20 percent of the fund worth Tk 4 crore, while another 30 percent worth Tk 6 crore will be raised through private placement. The rest 50 percent equivalent to Tk 10 crore will come from the general public through initial public offerings (IPOs).

According to the deed, Investment Corporation of Bangladesh (ICB) will act as trustee and custodian for the fund, while ICB Asset Management Company Ltd will be responsible for managing the fund.

Announcing the launch of the fund, Managing Director of Prime Finance Akter H Sannamat said: "Recent market situation has boosted investors' demand for products that gravitate towards safer investment."

Hence, it is a timely introduction of the fund to respond to market needs and provide more choices to the investors, added Sannamat.

He said the main objective of the fund is to safeguard the

interests of the investors by investing in high-quality securities and generate capital appreciation by investing in equity and equity-related instruments listed on the bourses.

The Prime Finance managing director said the ICB Asset Management Company will soon submit a prospectus to the capital market regulator -- the Securities and Exchange Commission (SEC) -- to invite public subscription with the consent of the regulatory body.

The Tk 20 crore fund has been divided into 2 crore shares of Tk 10 each. Every market lot will comprise of 500 shares that will be offered to the investors at face value.

Rising prices erode US consumers' buying power

AFP, Washington

US consumer spending showed a modest improvement in January according to a government survey Friday, but Americans' spending power was eroded as stores marked up the prices of goods.

A Commerce Department report showed that consumer spending increased 0.4 percent last month while personal income rose 0.3 percent.

Both readings were better than anticipated as most analysts had expected spending and income to rise 0.2 percent respectively, but economists

said the survey also revealed that Americans' wallets are being increasingly stretched by inflationary pressures.

"Consumers are spending more dollars, but the extra spending is being wiped out by higher prices. After adjusting for inflation, real spending was flat in January, for the second month in a row," said Nigel Gault, an economist at Global Insight.

An inflation gauge in the report, known as personal consumption expenditures (PCE), showed consumer prices rose 0.4 percent in January, rising at the same pace as consumer spending.

The core PCE reading, which is viewed by economists as a cleaner barometer of inflationary pressures because it strips out volatile food and energy costs, increased 0.3 percent.

"In short it is a weak picture of the consumer. Income growth, the raw material for spending, is fading. Inflation is nettlesome, not yet troublesome. Spending in real terms is weak," said Robert Brusca of FAO Economics.

In the year to January, the PCE inflation gauge jumped 3.7 percent, marking its strongest annual gain since July 1991. Core PCE rose 2.2 percent.

Brazil seeks closer trade ties with SE Asia

AFP, Singapore

Brazil is seeking closer trade relations with Southeast Asia, the South American nation's minister for external relations said Friday during a visit to Singapore.

Celso Amorim, who arrived in Singapore from a two-day visit to Vietnam, was speaking to reporters after attending a business seminar.

The trip is part of his government's effort "for having closer relations with countries in Southeast Asia and the Far East," he said.

"Our trade with the region is still very uneven," Amorim said, calling trade with Singapore already significant while with Vietnam it is "almost negative" but offers much potential.

Brazil's junior trade minister Welber Barral said late last year that his country is one of the 30 biggest exporters in the world, according to the World Trade Organisation, and by 2010 will be among the 25 biggest.

Thai baht hits fresh 10-yr dollar high

ANN/ THE NATION

The baht yesterday broke 32 to the US dollar for a fresh 10-year high amid fears over revocation of the unremunerated reserve requirement of 30 percent and the US recession.

Treasurers predict the baht's strength will continue if exporters still sell off dollar revenue as quickly as they have so far. The baht opened at 32.05/32.08 to the dollar before reaching a peak of 31.98 in the morning. It closed at 32.00/32.01, up 0.33 percent from Wednesday.

The treasurers said exporters continued to sell off their dollar income amid fears the government will remove the withholding-reserve requirement.