

Stocks

DGEN 0.76%
2,938.00

CSCX 0.44%
4,791.58

Asian Markets

MUMBAI 2.03%
16,339.89

TOKYO Flat
12,992.28

SINGAPORE 0.23%
2,919.68

SHANGHAI 2.32%
4,335.45

Commodities

Gold \$989.54 (per ounce)
Oil \$102.22 (per barrel)

Currencies

	Buy TK.	Sell TK.
USD	68.00	69.00
EUR	101.82	106.38
GBP	133.33	138.48
JPY	0.65	0.68

More News

Music to the pirate's ears

In a country where the music industry is losing around Tk 120 crore annually due to audio piracy, at last artistes have found a way to earn some money.



B-4

International

Microsoft expands business software

Microsoft announced Monday that it is expanding the range of business software it makes available as a service on the Internet. The announcement made by chairman Bill Gates was touted as a "significant step."

Opec unlikely to raise output

Opec has virtually ruled out pumping more oil to ease record-high prices, key oil ministers signaled Tuesday on the eve of a cartel meeting.

B-4

Bangla Biz Lexicon

Bhori - a widely used unit to weigh gold in Bangladesh's jewellery stores. A bhori is equivalent to 11.664 grams.

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

GMG aims high, eyes Tk1,350cr turnover

SOHEL PARVEZ

The country's biggest private carrier, GMG Airlines, eyes an ambitious turnover of around Tk 1,350 crore in 2008 as it is set to fly to four new destinations in the Middle East.

"We expect to hit Tk 1,350 crore turnover as we are going to fly to Abu Dhabi, Muscat, Kuwait and Doha in addition to our existing international destinations," said Shahab Sattar, managing director of GMG Airlines, which made Tk 280 crore turnover in 2007.

GMG Airlines, now with a fleet of 7 aircraft, flies to Kolkata, Delhi, Katmandu, Bangkok and Kuala Lumpur. It also operates on domestic routes.

In 2007, GMG carried 3,72,000 passengers on its international routes compared to 2,16,000 in 2006, a growth of around 72 percent.

The hefty growth was possible due to a steady rise in air traffic in Bangladesh's aviation market, said the GMG managing director.

The growth in air traffic, which according to experts is

NUMBER OF PASSENGERS CARRIED BY GMG AIRLINES SINCE INCEPTION

Year	No. of passengers
1998	73,188
1999	1,94,522
2000	1,87,425
2001	2,05,062
2002	1,80,226
2003	1,44,372
2004	2,04,829
2005	2,10,165
2006	2,16,196
2007	3,72,000
2008	9,41,000 (projected)

about 8.0 percent a year, has also encouraged at least four international airlines to begin operations from Bangladesh while three local private airlines started operations last year.

"We are getting passengers from this growth in air traffic," Sattar said.

The growth in air traffic, which according to experts is about 8.0 percent a year, has encouraged at least four international airlines to begin operations from Bangladesh while three local private airlines started operations last year.

"We want to start flying to Abu Dhabi in mid April," he said, adding that the airline will start flights to the new destinations after adding another Boeing-747 to its fleet in early April.

Sattar said the company plans to start flights to Muscat in early June while Kuwait and Doha in early August this year.

The GMG managing director hoped that total volume of passengers would reach around 10 lakh in 2008 and helped the carrier hit Tk 1350 crore turnover.

"The net profit that we are expecting to earn from this gross turnover will help us offset our accumulated losses," said Sattar.

At present, the airline has an

accumulated loss of about Tk 45 crore, according to its managing director.

Starting in 1998, the GMG Airlines operated flights only on domestic routes for six years and got the permission to operate on international route in 2004.

The permission to start international flights also helped the airline reach breakeven point after an eight-year consistent loss.

"We have reached the breakeven point after we had got the opportunity to fly on international routes."

The airline's net profit stood at about Tk 6 crore in 2007, up from below Tk 1 crore a year ago, according to Sattar.

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Business leaders demand further cut in lending rate

STAR BUSINESS REPORT

The latest reduction in lending rate will have a little impact on the economy, said top business leaders yesterday and asked the central bank to pursue commercial banks to lower the rate further.

"Although the banks have lowered the interest rate by a meagre one percent only, it is still much higher than the 3-5 percent rates in our neighbouring countries," BGMEA President Anwar-ul-Alam Chowdhury said addressing a workshop on International Trade Payment Practices in Dhaka.

International Chamber of Commerce-Bangladesh organised the workshop.

"Business communities should convince the Bangladesh Bank (BB) and commercial banks to cut further the interest rate on loans for the sake of the economy," BKMEA President Fazlul Hoque suggested.

ICC-B Vice President Latifur

Rahman inaugurated the workshop, also addressed by Citibank NA, Bangladesh Managing Director Mamun Rashid and international trade finance expert Vincent O'Brien.

The business leaders said higher bank interest rate has been diminishing Bangladesh's competitive edge in the global market.

"The existing lending rates are already much higher compared to those in the neighbouring countries, thereby making our position more vulnerable in a competitive market," Latifur Rahman said.

He suggested the central bank and the government take necessary measures in this regard.

In the latest move, private commercial banks (PCBs) Monday announced that they would cut their lending rates by one percentage point this month to reduce the spread between the lending and deposit rates.

But businesspeople said still the rates are much higher than

those in other countries, including our neighbouring countries.

Due to long but constant persuasion of the government and the central bank, the PCBs have decided to reduce the spread without lowering the deposit rate.

The PCBs often charge 16 percent against its credits, according to BB statistics.

Private banks in India have lowered their lending rates twice only in February this year to make credit affordable to the businesspeople, including the small segment, according to newspaper reports in India.

Latifur Rahman however praised the central bank initiative to reduce the gap between the interest and deposit rates saying the move would help attracting investment and setting up new industries in the country.

Some 125 participants from apparel industry and banks attended the workshop held at the Bangladesh China Friendship Conference Centre.

SPREAD Adviser to consider bankers' offer from absolute view

UNB, Dhaka

Finance Adviser Dr Mirza Azizul Islam yesterday said he would consider the whole issue of bankers' offer to reduce the lending rate and interest rate spread from absolute point of view.

He said he would look into the absolute lending rate and the actual spread between the lending and deposit rates, as the bankers decided to cut the lending rate by one plus percentage point.

The finance adviser said he would first see the proposal and talk to the Bangladesh Bank governor on the issue, as the governor has been assigned to look into the matter.

As per the bankers' proposal submitted to the Bangladesh Bank on Monday, the average lending rate would be reduced by one plus percentage point to 14.75-15.00 percent from the existing average of 16 percent.

Int'l agency warns audio piracy on increase in Bangladesh

STAR BUSINESS REPORT

Audio piracy has increased in Bangladesh in the last two years due to a 'total lack' of legal enforcement, according to the international body that represents the music recording industry.

According to the International Federation of the Phonographic Industry (IFPI), the piracy rate in Bangladesh for domestically produced music is 85 percent, increasing to 90 per cent for Indian music and 100 percent for international artists.

"Due to the total lack of enforcement the overall piracy situation in Bangladesh has worsened over the last couple of years with increasing sales of pirated CDs/DVDs in urban cities especially Dhaka," said Laura Childs, a spokeswoman for IFPI.

"With CD players becoming increasingly popular and cheap, demand for audio CDs and DVDs has gone up," she said, adding that domestic piracy production had increased "sharply."

"In 2005/2006 there were only two CD/DVD plants in Bangladesh whereas in 2007 there are 6 CD/DVD manufacturing plants in operation and all are located in Dhaka. Each plant can produce 40,000 pirated optical discs in 24 hours."

As local production of pirated discs has increased during the last year the import of large quantities of pirated discs from Pakistan, Malaysia and Singapore has decreased drastically, she said.

She also said that piracy producers "are now lobbying the government for incentives for creating export openings for the pirated products."

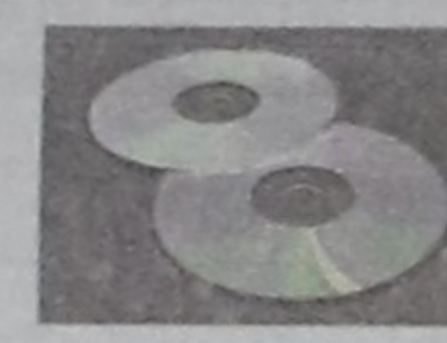
The IFPI represents the recording industry worldwide, with a membership comprising of some 1400 record companies.

Childs rejected arguments that in low income countries piracy did not cost the industry any significant amount. "Bangladesh has a huge market for audio and video discs domestically. Bangladesh is also one of the major exporters of pirated



Photo shows pirated CDs being sold on Dhaka footpath. The overall piracy situation in Bangladesh has worsened over the last few years.

AUDIO PIRACY RATES IN BANGLADESH



Artist's Origins	Piracy rate
Domestic	85 %
Regional (India)	90%
International	100%

Source: IFPI

optical disc to India and Nepal," she said.

Childs said the IFPI had been in contact with authorities in Dhaka but to little effect. "Unfortunately, there is no central body which looks after piracy. IFPI is in contact with the Dhaka Police and Customs and has requested assistance on this matter. Even the ministries of culture and industry were approached in the past without success."

Rejaul Islam, working in a music shop at Basundhara City, Dhaka, has a huge collection of bands and artistes, such as Pink Floyd, Beatles

and Deep Purple, but didn't know that selling pirated CDs and DVD is a punishable crime.

"These things have a huge demand among music lovers, so we have to bring and store them in the shop. It would be very expensive to import things from abroad and the retail price would rise a lot and could result in us losing our clients," said Rejaul.

Police in Dhaka said around 40 people were charged for breaching copyright and piracy related offences last year, but it was very difficult to impose effective punishments.

DSE election May 11

Submission of nomination papers begins today

STAR BUSINESS REPORT

Election for the posts of four directors of Dhaka Stock Exchange (DSE) will be held on May 11, instead of March 9, as per a new election schedule.

The DSE Election Board made the announcement at a meeting yesterday, DSE sources said.

As per the new schedule, the submission of nomination papers will begin today and continue until April 10. The candidates can withdraw their nominations by April 22.

Earlier, the election was postponed due to withdrawal of nominations by all the nine candidates.

According to sources, six candidates withdrew their nomination papers on February 20 upon pressure from a group to make way for an influential candidate so

that he could have an easy win.

However, media reports on what has been going on prompted him to withdraw his nomination on February 24. Along with him all the remaining candidates withdrew their nominations on the same day.

The influential candidate has been accused to be involved in financial scams on several occasions. He also received loans from banks on fake shares.

He is a close associate of a former lawmaker of BNP, who is presently in jail. He is also an associate of the former prime minister's youngest son.

The DSE at a board meeting on Sunday decided to hold the annual general meeting (AGM) on May 15. As per the DSE constitution, the election must be held every year before the AGM.

Indian exports up 20pc in January

ANN/ THE STATESMAN

India's exports went up by a healthy 20.47 per cent in January this year while the cumulative value of exports during April-January in this fiscal registered a growth of 21.62 percent.

Exports during January were valued at \$13,140.71 million as against \$10,907.72 million in the same month last year. In rupee terms, exports touched Rs 51,739.82 crore, which was seven per cent higher than the value of exports during January 2007.

The cumulative value of exports for the period April-January 2008 was \$1,24,190.41 million as against \$1,02,110.27 million registering a growth of 21.62 per cent in dollar terms and 7.66 per cent in rupee terms over the corresponding period last year.

India's imports during January 2008 were valued at \$22,504.41 million representing an increase of 63.57 per cent over the level of imports valued at \$13,757.93 million in January 2007.



Sri Lankan factory workers make cups to be sewn into brassieres. More than half of foreign manufacturers in China believe the Asian giant is losing its competitiveness, which is leading them to shift businesses to other low-cost countries like Bangladesh, Sri Lanka, Vietnam or India.

China losing competitive edge

AFP, Shanghai

More than half of foreign manufacturers in China believe the Asian giant is losing its competitive edge to other low-cost countries like Vietnam or India, a survey said Tuesday.

Fifty-four percent of respondents in 66 companies - most of them foreign-owned firms in east China's Yangtze River delta area, thought China's competitiveness is waning, the joint survey said.

The survey by the American Chamber of Commerce in Shanghai and consulting firm Booz Allen Hamilton said seven out of 10 respondents cited appreciation in the Chinese yuan as a key reason for lost competitiveness.

A stronger local currency makes exports become more expensive.

Meanwhile, 52 percent of respondents also attributed

China's decline to rising wage costs with average annual compensation for white-collar managers and blue-collar workers growing 9.1 percent and 7.6 percent respectively.

"The manufacturing philosophy employed by many foreign multinationals in China in recent decades is in need of an overhaul," said Ronald Haddock, vice president of Booz Allen.

"If they don't do anything differently and the yuan goes up, they are in trouble," said Haddock, adding that foreign producers need to optimise their operational and marketing strategy in China to offset the impact.

However, only 17 percent of the companies surveyed have concrete plans to relocate at least part of their Chinese operations or expand manufacturing capacity out of the country in the next five years.