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DHAKA THURSDAY MARCH 13, 2008

## Stocks

DSEX	0.66%
3,008.29	
CSX	0.33%
4,943.36	

## Asian Markets

MUMBAI	0.03%
16,127.98	
TOKYO	1.60%
12,861.13	
SINGAPORE	2.0%
2,917.94	
SHANGHAI	-2.30%
4,070.12	

## Currencies

	Buy TK.	Sell TK.
USD	68.00	69.00
EUR	102.81	107.38
GBP	135.01	140.21
JPY	0.66	0.69

SOURCE: STANDARD CHARTERED

## Commodities

Oil	\$108.47
(per barrel)	

SOURCE: AFP

## More News

No collateral---no loan



To run her fashion and design house in Dhaka, Nahida Sharmin, who started her venture 7 years back, approached several banks looking for a small business loan, all to non-avail. Everywhere she heard the same story. Without collateral or security, no loan. B-4

## International

**FDI in China up sharply**  
Foreign direct investment into China jumped 75.2 percent in January and February from a year ago, the government said Wednesday, as Asia's number two economy remained a top investment destination.

**Gulf states in race to build tallest tower**  
Gulf Arab states, flush with proceeds from record high oil prices, are racing to build the world's tallest tower. Saudi Arabia has just joined the fray with a plan to build a one-mile (1,600 metre, 5,249 foot) tower in the Red Sea city of Jeddah. B-4

## Bangla Biz Lexicon

**BORO**—the principal rice crop of Bangladesh in terms of production. The rice is generally cultivated in March-May cropping season. In 2006-07 fiscal, Boro production was around 160 lakh metric tonnes.

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Apollo Hospital running at 50pc of capacity

## Competition heats up in private healthcare market

**JASIM UDDIN KHAN**  
Apollo Hospital Dhaka is running at only 50 percent of its capacity as competition heats up at the top end of the private healthcare market in the capital.

Apollo was built to provide space for 450 patient beds, but less than 300 are installed. Of these the hospital is not able to fill more than 155.

These stark figures were the reason the hospital was forced to cut jobs.

Apollo, which started its operations in Dhaka having investment of US\$35 million in March 2005, is to reorganise management after it fails to get desired business.

Square Hospital and United Hospital are among the top end private healthcare facilities in Bangladesh.

"Our occupancy never exceeds 155 seats. The hospital, which has currently 287 beds with infrastructure facilities for 450 beds, is really struggling in terms of getting patients," said Giasuddin Ahmed, general manager (public relations) of the hospital.

Most employees of the Apollo Hospital on March 8 staged demonstrations after 150 members of the staff, including docs and nurses, were sacked.

On the job cut the hospital said for the better future of the overall employees, the authorities have decided to right-size

the manpower. The right-sizing process is being done under the existing law of the country, the hospital added.

The management of the hospital said it wants to ensure best ever-healthcare services in the country.

"We want to reach break-even point soon to ensure better services for our clients. If we cannot reach the point we cannot provide ultimate services," said Malka Shamrose, business development director of the hospital.

"Our clients are actually the premier class of people in the society and they seek best physicians, best nurses and best technicians. So, we need to reorganise our setup," Shamrose said.

As part of the right-sizing manpower the management retrenched a total of 550 nurses and staffs from its 1400 employees, Giasuddin said.

A total of nine private commercial banks of the country funded 50 percent of the total project cost in a syndicated loan.

A group of highly qualified doctors and nurses from both home and abroad have been appointed in the hospital. Of them, a good number of doctors are from the United States and India.

The most advanced computerized tomography (CT) machine has been introduced in the hospital, funded by local business group STS Holdings.



A panoramic view of Apollo Hospitals Dhaka, which is now running at a 50 percent of its total capacity amid stiff competition in the private healthcare market. Apollo started its operations in Dhaka having investment of US\$35 million in 2005.

# Banglalink subscribers double in 2007

## Over 22pc market share by year-end planned

STAR BUSINESS REPORT

Customers of Banglalink, the private mobile telephone operator, more than doubled in the year 2007 with a 116 percent growth to 7.1 million, forecasting to grab more than 22 percent market share by the current year.

According to the company's full year financial results, released by its chief executive officer Rashid Khan, in 2007 Banglalink added 3.8 million customers to its network from the 13.5 million customers entered to the total mobile market in the year.

The company's market share also increased to 20.6 percent by December 2007, jumped by 5 percent from 15.6 percent during the same period a year earlier.

Among the six mobile operators in the market, Banglalink crossed AKTEL at the end of 2007 in terms of subscriber acquisition. According to Bangladesh Telecommunication and Regulatory Commission, AKTEL's total subscribers reached 6.40 million at the end of 2007.

The country's total mobile subscribers reached 36.42 million by the end of January 2008. Grameenphone still retained its first position with having 16.88 million following Banglalink's 7.45 million and AKTEL's 7.28 million.



Chief Executive Officer Banglalink Rashid Khan speaks at a function in Dhaka yesterday as the company announced its full year financial results.

"Strong marketing strategy, innovative packages, network expansion and improved customer care facilities were the main keys behind passing Banglalink's successful year," said the company's CEO announcing the full year result at a local hotel.

While revenue of other major operators remained stagnant, Banglalink's revenue growth increased by 105 percent by the end of 2007 to reach Tk1340 crore from Tk655 crore in 2006.

However, Egypt based Orascom's subsidiary Banglalink is yet to achieve break-even point after its

entrance in Bangladesh three years ago.

Telecom is a long-term investment based industry. It takes few years to get return against investment, said Rashid Khan, citing an example that the company has to spend Tk100, including Tk800 SIM tax, for an individual user.

## TOTAL SUBSCRIBERS

Operators	Users in million
Grameenphone	16.48
AKTEL	6.40
Banglalink	7.08
Citycell	1.41
Teletalk	0.85
Warid	2.15
Total	34.37

SOURCE: BTRC

But it needs more than eight months to recover the money from a customer.

The ARPU (Average Revenue Per User) erosion is also a major concern to have profit from the stiff competitive market, although the company invested ever-highest Tk2450 crore in the year 2007 for network expansion.

According to the company statement, Banglalink's ARPU went down to Tk140 at the end of 2007, which was Tk215 during the same period a year earlier.

The company's CEO eyes 2008 as a very good year for Banglalink saying that the company will invest the same as it invested in 2007. Banglalink invested Tk4,159 crore as of December 2007.

# BB makes draft policy to appoint directors from bank depositors

STAR BUSINESS REPORT

Bangladesh Bank has set a draft guideline on appointment of directors from the depositors' side to ensure their representation for protecting their interests, according to sources.

The draft guideline will be published in newspapers soon to elicit public opinion before finalising it.

Under the Banking Companies Act 1991, directors are appointed by shareholders and depositors have no say in it whatsoever even though they bear a considerable part of the risks.

Collapse of the Oriental Bank in 2006 is an example how depositors could be affected for wrongdoings of the management.

Depositors do not have any statutory right to receive company accounts, attend annual general meetings, table resolutions or ask any questions. They can risk their money but have no say on how the bank might be governed or whether its resources might be used for genocide, war, or unethical activities.

"Earlier, the BNP government in 2003 took a similar

move to appoint directors from the depositors, but it did not take for reasons unknown," a senior BB official told The Daily Star yesterday.

In 2003, the BB amended the laws that did not allow appointment of directors from depositors, he added.

A depositor has to be a graduate and maintain a bank account at least for two years to be eligible for being a director, the BB draft guideline said.

It also said the would-be director and his/her family members' shares could not exceed more than one percent of the paid-up capital. He/she cannot be a defaulter or be a member of a political party.

On the selection criteria, the draft guideline said every banking company would be asked to send names of a list of 25 depositors who according to the guideline are eligible to be directors.

After assessing all the issues, a committee comprising three directors of BB will appoint maximum two directors for a banking company for a period of three years, but the time can be extended for another term, it said.

# Fertiliser subsidy to come under review

STAR BUSINESS REPORT

The government will review the existing subsidy for fertiliser in order to maximise its benefits for the farmers, agriculture adviser CS Karim said yesterday.

The adviser also said his ministry would do a demand projection of fertiliser based on upazila level crop production forecast.

We will review the existing subsidy to fertiliser, the adviser said after a seminar on fertiliser management at the Bangladesh Agricultural Research Council.

The seminar was attended by researchers, economists and private sector representative dealing with fertiliser. The adviser's comment came after the discussants suggested harmonisation of subsidy to various types of fertiliser to stop wastage and smuggling.

Experts also suggested for public private partnership in distribution and monitoring of fertiliser, establishment of district-wise buffer stock.

They also recommended

increased production of fertiliser domestically to save huge amount on subsidy the government now pays by importing.

At present, the government provides up to 15 percent subsidy based on import price while it pays around Tk 25 for each kilogram of urea now.

The adviser said the demand for urea was projected at 28.18 lakh metric ton for the fiscal year 2007-08.

According to the ministry of agriculture, the country requires to import 13 lakh metric tons of urea in the fiscal 2007-08 to meet the total projected demand.

"We will modify it based on the recommendations from the discussion today," said Agriculture secretary Md Abdul Aziz.

Food Adviser Dr AMM Shawkat Ali who inaugurated the daylong programme said urea production should be subsidised. Low price will boost agriculture production.

"But subsidy has to be managed carefully," he added.

# Govt now to go for reactivation of Rupali Bank

UNB, Dhaka

The government will go for reactivation of state-run Rupali Bank before taking any policy decision on the bank's future.

"We'll see how we can activate the bank first...the policy decision on its future will be taken later," Finance Adviser Dr Mirza Azizul Islam said, while talking to the news agency yesterday in Dhaka.

He said recruitment processes, as well as, lending operations of the bank remained in halt, while other banking operations of the bank were hampered due to the privatisation move.

The Advisors' Committee on Economic Affairs decided on Monday to drop Rupali Bank from its privatisation

list as the winning bidder Saudi Prince Bandar Bin Mohammad Bin Abdul Rahman Al Saud failed to sign a purchase agreement within the stipulated time.

Finance Adviser spoke of three alternative policy options regarding the bank's future after reactivation. "The first would be to corporatise the bank, while the second would be to try to offload some more shares in the capital market, depending on the share price, and the last would be to make another attempt to sell it out," he said.

Meanwhile, the Ministry of Finance has all Rupali Bank files and documents back to the Finance Ministry from the Privatisation Commission.