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DHAKA WEDNESDAY MARCH 26, 2008

**Stocks**

DGEN	2.01%
2,972.08	
CSCX	3.39%
5,209.89	

**Asian Markets**

MUMBAI	6.07
16,217.49	
TOKYO	2.12
12,745.22	
SINGAPORE	2.47
3,000.19	
SHANGHAI	0.09%
3,629.62	

**Currencies**

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	104.30	108.89
GBP	133.93	139.11
JPY	0.67	0.71

**Commodities**

Oil	\$100.35 (per barrel)
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**More News**

**DSE to upgrade trading system**

Trading on the Dhaka Stock Exchange (DSE) will remain suspended tomorrow, as the premier bourse will upgrade its trading system to check any disruption on the trading system.

B-3

**International**



Philippines President Gloria Arroyo (F) accompanied by Representative Carlos Padilla of the lone district of Nueva Vizcaya inspects a rice farm in the village of Malasin, in Dupax Nueva Vizcaya on March 24.

**Malaysia promises action on economic reforms**

Malaysia's Prime Minister Abdullah Ahmad Badawi on Tuesday pledged to push ahead with economic reforms after disastrous election results, and backed down on looming fuel price hikes.

B-4

**Bangla Biz Lexicon**

Jhoom—a way of growing crops on the slopes of hills. Jhoom cultivation is risky as it causes natural disaster like landslides. Lack of farmland forces the poor hilly people to go for Jhoom cultivation.

**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)

## Foreign trading partners reluctant to visit Dhaka

### Lack of entertainment, high taxes on alcohol, food blamed

JASIM UDDIN KHAN

Garment buyers and other foreign trading partners are currently reluctant to visit Dhaka, deterred by the lack of entertainment opportunities and exorbitant taxes on items such as alcohol, food and even water.

Instead they are demanding that Bangladeshi business contacts come to Bangkok and India, according to a delegation of hotel and guest house owners who met the National Board of Revenue Chairman Abdul Mazid in his office yesterday.

"They became frustrated as five star hotels in Dhaka have no night clubs and high expenses on services such as liquor, beer, chocolate and even water," said Noor Ali, managing director of the recently opened Westin Dhaka, a five star hotel in Gulshan.

Several Bangladeshi businessmen supported his views. Ariful Islam Manik, owner of Green Shine Garments Industry, said he met with three of his European buyers in Bangkok last week. He admitted that the buyers were reluctant to visit Dhaka for the official meeting.

Another garment owner Abdus Salam Mursheedy said he went to Bangalore 15 days ago to meet with one of his buyers.

"The government should review the tax rate because if any foreign guest comes to Dhaka he not only pays hotel charges but also many other expenses which ultimately help increase foreign currency earnings," Sadique Ahsan, chairman of Crystal Hotel and Resorts, said.

He said the present tax on any kind of

liquor is 560 percent, while taxes on beer are 413 percent.

Another problem are the charges demanded by banks for the use of credit cards. Noor Ali said most of the foreign guests paid their bills in credit card but the hotel owners needed to pay a substantial amount of money to banks for realising credit card amounts from the banks.

Sadique Ahsan, also the president of Bangladesh Hotel and Guest House Owners Association, said in Dhaka there have around 80 guest houses with capacity of around 2,500 seats but currently some of these guest houses were struggling.

While the five star hotels have prospered, the more budget conscious visitors have not been able to find the value for money facilities they need, industry sources said.

Sadique Ahsan also asked that hotels be allowed to exchange foreign currency as is common in many other countries as guests do not like to conduct such transactions away from where they are staying.

The hotel owners thanked the government for allowing them a five-year tax-holiday facility.

Different types of guests with a wide range of business people, including garment merchants, telecom investors, donor agency delegates, as well as a number of tourists usually visit Bangladesh.

In the past two years, three new five star hotels have opened in Dhaka and at least three more are expected to open in the next few years.

Industry experts said the capital now has around 1250 five star rooms.



Chefs busy at the kitchen of Westin Dhaka, a five-star hotel, in Gulshan. Foreigners are unwilling to visit Dhaka, as five-star hotels in the capital lack proper entertainment facilities and charge high on services such as liquor, beer, chocolate and even water.

**Irregularities in telecom sector**

## Raise fine from Tk5 lakh to Tk500cr for errant firms

**BTRC proposes to govt**

STAR BUSINESS REPORT

The telecom watchdog has proposed for a strong law through raising the amount of fine payable in case of any irregularities by the service providers in the telecommunication sector.

BTRC (Bangladesh Telecommunication Regulatory Commission) already sent a letter to the Ministry of Telecommunication on Sunday proposing to increase the fine amount from existing maximum Tk5lakh to Tk500crore by amending clause 65 of the Telecommunication Act 2001.

It believes that in absence of harsh punitive measures it will be too tough to curb illegal VoIP (voice over internet protocol) business even after licensing for international call termination.

The regulator has already awarded 6 local private companies licenses to run such a business.

"Now we await the approval from the Ministry of Post and Telecommunication where we sent the proposal with regard to the rise in the fine

amount payable for any violation of the BTRC law by the telecom service providers," BTRC Chairman Manjurul Alam told journalists yesterday after awarding five licenses to BTB (Bangladesh Telegraph and Telephone Board).

The BTRC gave licenses to the BTB for international gateway (IGW), interconnection exchange (ICX), international internet gateway (IIG), data service providing network and internet service.

BTB Chairman Ashraful Alim received the licenses on behalf of his organisation.

Earlier, the state-run BTB had provided these services to its customer without having any license. The BTRC sources said the organisation will become a public limited company by April, so it needs license like other private operators in the market.

The BTRC fined Grameenphone, Banglalink, AKTEL and Citycell Tk588crore in total for their alleged involvement in illegal international call termination or VoIP business.

## Strawberry farming to sweeten economy

NUR UDDIN ALAMGIR, Ctg

Successful cultivation of lip-smacking strawberry has ushered in a new economic prospect for thousands of people at Matiranga, a remote upazila in Khagrachhari district.

Matiranga Zone of Bangladesh Army grew strawberry on an experimental basis following the success in the first such cultivation at Rajshahi University (RU).

With the success, the Zone is now set to go for popularising strawberry cultivation in the upazila, providing the locals with required supports, sources said.

The initiative was taken as

cultivation of the fruit on a small piece of land with a little investment can help an individual earn handsome profit in the hilly upazila where people mainly depend on agriculture but lack cultivable land, said the sources in Matiranga Army Zone.

Strawberry cultivation does not need much land and takes time not more than two and a half months. It is not a tough job, as a farmer only needs to process the soil a little.

Lack of farmland forces the poor hilly people to go for 'jhoom' cultivation, a way of growing crops on the slopes of hills, they said. Jhoom cultivation is also risky as it causes

natural disaster like landslides.

Some 200 saplings planted at the Zone compound around two and a half months back brought forth a good yield this month proving the initiative a success.

The strawberry grown at Matiranga belongs to a special species, which Prof Manjur Hossain of RU botany department developed with the help of Prof Rafiqul Islam and some students of the department.

Both the professors were invited at a ceremony organised on the occasion of harvesting strawberry at the Army Zone on Saturday.

The professors said they

started a research in this regard in 1996 and found three species -- Rabi-1, Rabi-3 and Rabi-3 -- in 2003. Of them, Rabi-3 is cultivated at Matiranga since it produces saplings faster than the other two species.

Prof Manjur said, "Strawberry usually grows in the countries where winter prevails most of the time and our climate is not suitable for the plants. That's why we developed the species that can be grown here."

Prices of imported strawberry vary from Tk 900 to Tk 1000 per kg. A farmer can yield 2000 kg of strawberry from one bigha of land. "If we sell strawberry even at Tk 100 per

kg, it will help earn Tk 2 lakh from one bigha," said Prof Manjur.

At first the farmers have to buy the mother plants from the university at Tk 20 per sapling and later they will be able to produce the saplings themselves, he said.

The teachers already trained 129 persons from 24 districts on strawberry cultivation and sent saplings to the districts for experimental farming.

Zone Commander Lt Col Yusuf said, "Strawberry has a huge demand abroad and we are trying to help the locals make profit with small investment."



Strawberry cultivated on experimental basis at Matiranga in Khagrachhari holds bright prospect.

## S Korea cuts import tariffs on oil products

AFP, Seoul

South Korea is to cut import tariffs on oil products to help ease inflationary pressure on consumers and companies, officials said Tuesday.

From April 1 tariffs for gasoline, kerosene, diesel and heavy oil products will be slashed from three percent to one percent, the Ministry of Strategy and Finance said in a report to a cabinet meeting.

The cut is part of the government's drive to tame inflation amid rising prices of oil and other raw materials.

President Lee Myung-Bak has called for quick and effective measures, saying tackling inflation is his top priority.

Inflation reached an annual rate of 3.6 percent in February, breaching the central bank's target range for the third month in a row.

The ministry said discount outlets would be allowed to sell oil products in an effort to cut prices through competition.

It also lifted tariffs on 69 price-sensitive products including wheat, corn and nickel and identified 52 major products such as pork, eggs,

milk and instant noodles for intensive price oversight.

South Korea, the world's 13th largest economy, has few natural resources and has been especially hard hit by rising global commodity prices.

It is also grappling with a recent fall in the value of the won against the dollar, which makes imports more expensive.

Bank of Korea governor Lee Seong-Tae told a forum Tuesday that a slowing global economy is posing increasing downside risks to economic growth amid rising inflationary pressures.

"The slowing global economy is forecast to hurt South Korea's exports with a time lag, but solid economic growth of emerging markets and a weaker local currency could cushion its negative impact on overseas shipments," the central bank chiefs said.

However, he said rising raw materials prices are expected to slow private spending and business activities, raise import prices and put upward pressure on inflation.

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