

Stocks

DGEN	0.85%
3,079.34	
CSCX	0.18%
5,532.85	
(Thursday closings)	

Asian Markets

MUMBAI	2.42%
17,125.98	
TOKYO	2.38%
13,863.47	
SINGAPORE	0.4%
3,189.20	
SHANGHAI	0.71%
3,557.75	
(Friday closings)	

Commodities

Gold	\$882 (per ounce)
Oil	\$117.74 (per barrel)

SOURCE: AFP (As of Friday)

More News

Ctg port's operations to be privatised

The Chittagong Port Authority will handover the operational activities at the port to private sector and work only as a regulatory body to take care of maintenance, management and development of the port.

BB governor asks businesses to practise CSR

Banks and other corporate houses should practise corporate social responsibility (CSR) to assist the poor and the destitute, the central bank governor said yesterday. "Banks are coming up to support the country's health and education sectors."

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International

Rising prices' whirlwind effect



Rice is the world's most important crop. It is the staple of more poor people than any other food. The doubling of rice prices over the past year affects them more directly than the rise in the price of wheat, for example, for other poor consumers.

Airbus to set up joint venture in China

European plane maker Airbus expects to launch a joint venture in China to make aircraft components, as part of its efforts to carve a larger slice of the world's fastest growing aircraft market. "We are studying the possibility of setting up the venture," Laurence Barron, president of Airbus China, said, but declined to elaborate.

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

Traders attacked for charging card users more

SAJIADUR RAHMAN

Shops, restaurants, hotels and clubs are charging customers more if they use credit cards, breaking an agreement with card suppliers, bankers claimed.

On average traders are demanding between 2-3 percent extra from cardholders, saying they need to be compensated for the charges they face from banks.

However banks denied that traders had the right to pass on such costs.

The number of users of credit cards is growing quickly and has reached 4 lakh. The first card was introduced by Standard Chartered Bank (SCB) in 1997.

Under the terms of agreements between traders and the card supplier, traders pay a charge ranging from 1.5 to 3 percent in order to be able to accept card payment. This

amount should come from the price of the goods and services, not by charging buyers extra.

Abdur Rahman Sikder, head of corporate and marketing affairs of Brac Bank Limited, said as per an agreement with the respective banks on credit card use, traders are provided with the banks' equipment and other infrastructure services. Accepting credit card payments also cuts down the risk, costs and time needed by traders to handle cash.

"Merchants will give us fees around 2 to 3 percent from their selling price, but not from charging customers any extra money," Sikder said.

"They (merchants) should take the same price from the buyers using credit cards as it is taken from the customers buying in cash," Gitanka Datta, head of card division at the SCB, said, admitting that merchants charge extra from customers.

Yasin Ali, managing director of Dutch-Bangla Bank Limited, is also of the identical view.

A senior banker who experienced this malpractice by merchants narrated this way: "I bought an electronic item a couple of days ago. The seller wanted to charge 3 percent extra from me for use of the credit card, but I did not agree and paid him in cash."

"Fortunately, I had the cash with me," he added.

However, some traders denied taking extra money from their customers, but some others said they do it for the banks, not for themselves.

"We charge customers 3 percent additional amount of money than the actual price of the goods purchased to pay it to banks," a sales consultant of laptop seller acer brand told The Daily Star at the Bashundhara City Shopping Complex.

Bangladesh Bank data says payments and transactions through credit cards by private banks rose to Tk 4.31 billion on December 31, 2007 from Tk 1.92 billion six months ago. During the same period, payments and transactions through debit cards and automated teller machines (ATMs) reached Tk 24.95 billion and Tk 24.80 billion respectively from Tk 11.74 billion and 11.62 billion respectively.

The growth rate was around 124 percent for credit cards, 112 percent for debit cards and 95 percent for ATMs during the June-December period in 2007.

Of the four lakh credit card users, the SCB tops the list with about 200,000 credit cards, followed by BRAC Bank with 46,000, HSBC's about 40,000, Prime Bank's 30,000, National Bank Limited's 26,000 and Dhaka Bank's 20,000.

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On an average traders are demanding 2-3 percent extra from credit cardholders in violation of an agreement with card suppliers, say bankers.

Orange, SK Telecom, Etisalat eye investment

Company reps in Dhaka this week for talks

MD HASAN

Delegates of three big telecoms companies-- UK-based Orange Telecom, South Korean SK Telecom and UAE's Etisalat-- start meeting telecoms regulator tomorrow to investigate investment opportunities in Bangladesh.

High officials of the three companies will meet Bangladesh Telecom Commission (BTRC) chief tomorrow and Wednesday to explore investment potentialities in submarine cable and WiMAX technology and mobile phone as well.

The news came at the moment when the BTRC forecast that the number of mobile phone subscribers would be doubled to 7 crore by 2010 and the sector's turnover would also reach to Tk 50,000 crore by 2011.

"We have got huge responses from the world's telecoms giants. And the visit of these companies to the country means how Bangladesh has become a significant hub for telecoms," Major General (ret'd) Manzurul Alam, chair-

Who's coming to Dhaka?

- Set up in 1976 in the United Arab Emirates Etisalat now has more than 56 million mobile subscribers. Its main operations are in the Middle East and Africa. In South Asia it is already present in Pakistan and Afghanistan.

- SK Telecom was established in 1984 and is South Korea's main mobile operator with a market share of 50.5 percent in 2007. It has 20 million subscribers in its home market and has expanded into the US, China, Vietnam and Mongolia.

- Set up in 1994, Orange Telecom was the fourth UK mobile operator and has grown to gain more than 15 million subscribers and 2 million internet users in its home market Worldwide it has more than 170 million customers on five continents.

man of BTRC, told reporters yesterday.

The telecoms regulator said perhaps the companies are coming to explore opportunities in WiMAX, private submarine cable and joint ventures in existing mobile operators.

"We will introduce a service for telecoms investors under which maximum procedures will be completed by the BTRC so that investors can decide to invest here sitting in one office," Alam said.

BTRC has taken up initiatives to bring back discipline in the telecoms sector.

The BTRC is working hard to introduce the latest technologies like WiMAX and third generation mobile phone, Alam said.

India's Reliance, Tata and Singapore-based Singtel also visited Bangladesh and basically investigated the potentiality to participate in the bidding process of private submarine cable.

BTRC said some 65 companies including 15 foreign ones already showed their interest to participate in the submarine cable bidding.

Orange could show interest in introducing WiMAX technology in Bangladesh, BTRC officials said. WiMAX is a wireless digital communications system, that is intended for wireless "metropolitan area networks". WiMAX can provide broadband wireless access up to 30 miles (50 km)

for fixed stations, and 3 to 10 miles (5 - 15 km) for mobile stations.

SK Telecom already showed interest to buy stakes in the state-run Teletalk, BTRC officials said but failed to confirm Etisalat's intention.

Bangladesh's telecoms sector has been growing since 1991 after introducing mobile telecommunications. With having telecoms penetration rate of 29 percent, at present, the country has 38 million mobile and 11 million land phone customers.

The revenue from the telecoms sector also increased to Tk1345 crore till yesterday, which was Tk500 crore in the last fiscal year. The telecom regulator said this year revenue basically increased mainly because of getting compensation of Tk631 crore from different mobile and fixed line operators for their illegal involvement in international call termination through using VoIP technology.

However, the regulator hope the average revenue from telecoms sector will be Tk1500 crore a year.

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Vietnam rice export ban until June

AFP, Hanoi

Vietnam's government will ban new rice export contracts until June, despite a bumper harvest, to ensure food security and boost the value of the grain, state media reported Saturday.

Vietnam is the world's second largest rice exporter after Thailand, and growers have benefited from sharply rising world grain prices, even as domestic consumers have been hit hard by double-digit inflation.

Industry and Trade Deputy Minister Nguyen Thanh Bien said the export ban would be maintained despite a spring crop in the southern Mekong delta, the main rice basket, the Vietnam News Agency (VNA) reported.

The move would help to

"reduce the quantity but increase the value and export revenues, while ensuring food security and serving the state's interest," Bien said, according to a VNA report in the Tin Tuc daily.

Vietnam has so far this year exported more than a million tonnes of rice, earning more than 400 million dollars, Bien was quoted as saying.

In contradictory data, the Government Statistics Office (GSO) said Friday Vietnam had exported almost 1.6 million tonnes of rice, earning 775 million dollars, in the year's first four months, boosting earnings by 73 percent.

Bien said recent shipments to the Philippines, a rice deficit country, had earned a record 1,200 dollars per tonne.

World rice prices have skyrocketed, a trend blamed on

higher energy and fertiliser costs, greater global demand, droughts, the loss of rice farmland to biofuel plantations, industry and cities, and on prices speculation.

Bien predicted world rice prices may hit 1,500 dollars per tonne next month and that they will continue to rise until 2010, said the VNA report.

Vietnam's Prime Minister Nguyen Tan Dung earlier capped 2008 national rice exports at 3.5 million tonnes, down from a previous target of 4.5 million tonnes, aiming to maintain national supplies and reduce domestic inflation.

Vietnamese consumer prices, driven by higher food and energy costs, have risen by more than 17 percent in the first four months of 2008 year-on-year, fuelling popular anger and a spate of labour strikes.

Six more knitwear makers to adopt lean production system

REFAYET ULLAH MIRDHA

Six more leading knitwear manufacturers are going to adopt the lean production system, as the system has proved effective to enhance the output by 20 percent with the existing manpower and logistics, according to the trade body for the knitwear sector.

In order to raise competitiveness, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and German Technical Cooperation (GTZ), the implementation wing of German Overseas Aid, launched a project to try this new production method, also known as Toyota Production System. According to the system, workers sit in a team rather than following the existing line system to produce items.

BKMEA officials said they have a target to launch the new production system in some 40 knit factories this year.

Industry insiders said buyers' pressure for lowering prices of the readymade garments (RMG) and competition from RMG making countries like Vietnam and Cambodia have prompted them to make their products more cost effective to sustain competitiveness through adopting the new system.

As the line production system resulted in the decline in production, the manufac-

turers are now shifting to the lean system, said Al-Bokor, project coordinator of Productivity Improvement Cell (PIC) of BKMEA. In the lean system workers are multi-skilled and can help each other quickly in the production process, he added.

Bokor said now they are working for HR Textile, SM Knitwear Limited, Reedisha Knitex Limited, NAZ Bangladesh Limited, Karooni Knit Composite Limited and Active Composite Limited to introduce the new production system.

"I think not only the apparel sector, but also almost all other manufacturing sectors have to adopt the lean system to reduce costs and wastes to remain competitive in global markets," Bokor said.

When asked, Director of HR Textile Limited Dr Mohammad Abdul Moyeen said he is going to implement the lean production system as it has already proved effective to enhance productivity in other factories.

Moyeen agreed with other manufacturers that the production costs in the local markets have increased more than 35 percent over the last few years following the implementation of the minimum wage for RMG workers and the sharp rise in the prices of cotton and other raw materials used in knitwear.

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Workshop on Fundamentals of Corporate Social Responsibility (CSR)

Mid level & senior level executives of any company / organisation, academic professionals and those individuals who want to learn the new methods of doing better business can participate.

Time : May 16, 17 & 18, 2008
Meeting Venue : Cox's Bazaar
Training Fees : BDT 25,000 per person
(Inclusive training materials, travels and hospitality facilities)

To participate please download the application form at www.csrcentre-bd.org or call 01199831122 for further information.

Last Date of Registration is May 5, 2008

For registration visit
Website: www.csrcentre-bd.org



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