

Stocks

DGEN	0.25%
3,087.10	
CSCX	0.48%
5,559.45	

Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	104.78	109.50
GBP	134.36	139.51
JPY	0.65	0.68

SOURCE: STANDARD CHARTERED

Commodities

	Buy TK.	Sell TK.
Gold	\$882	\$117.74
Oil	(per ounce)	(per barrel)

SOURCE: AFP (As of Friday)

More News

Private suppliers warned not to sell low quality seeds

Agriculture Adviser CS Karim yesterday warned private seed suppliers not to sell low quality and barren seeds.

"It is expected that they will supply quality seeds to farmers. But I came to know that barren seeds are sold."

Biman team to go to Bangkok to see Orient Thai aircraft

A four-member technical team is likely to go to Bangkok this week to see the Boeing 747 of Orient Thai that won the bid for leasing out to Biman Bangladesh Airlines.

The team is comprised of three Biman officials and one Civil Aviation Authority official.

B-3

International

Asia's rainforests vanishing as timber, food demands surge



Asia's rainforests are being rapidly destroyed, a trend accelerated by surging timber demand in booming China and India, and record food, energy and commodity prices, forest experts warn.

Microsoft takeover deadline for Yahoo expires

A Microsoft deadline for Internet service company Yahoo to accept its \$44.6 billion-dollar (28.5 billion-euro) acquisition offer expired at midnight Saturday, setting the stage for a hostile takeover bid by the software giant.

Strike hits key British Oil refinery

Workers at one of Britain's biggest oil refineries started a two-day strike Sunday, forcing the closure of a major North Sea pipeline and triggering panic-buying of petrol.

B-4

Contact Us

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

TeleTalk aims to list this year, valued at Tk1300cr

Board to discuss plans to sell off 25-30 stake

MD HASAN

TeleTalk, valued at around Tk 1300 crore (\$188 million) with the struggling state-owned operator, is aiming to offload up to 30 percent of its shares to the public by the end of the year.

Based on the valuation, carried out by the TeleTalk board, the company aims to raise around Tk 400 crore. The money will be used to expand its network and boost its limited subscriber base of 1.01 million.

The TeleTalk board will meet next week to finalise the plans for its initial public offering, sources said.

"In principle we have already decided to raise the funds this year. The next board meeting will decide whether the amount to be offloaded on the capital market is 25 percent or 30 per-

cent," said a high official of the company.

TeleTalk is now expected to follow the footsteps of Grameenphone, the country's largest mobile operator, which has announced plans to list sometime between July and September. Grameenphone, with its 17.81 million subscribers, has been valued at around \$3.75 billion.

Yesterday analysts were sceptical about the timing of the listing, saying TeleTalk should have come to market earlier when it was in a stronger position.

The news of the listing plans comes at a time when speculation was mounting that the government is considering to sell a part of the company to a foreign investor.

The Bangladesh Telecommunication and Regulatory Commission (BTRC) officials said some

foreign companies including South Korean SK Telecom have shown interest to buy a stake of the state-run mobile phone operator.

However, high officials of telecommunications ministry said the government has no plan to sell TeleTalk's stake to any foreign company.

"The government's intention is to make TeleTalk a strong mobile operator in the country," said a high official of the ministry.

TeleTalk is the country's smallest operator in terms of subscribers with a 2 percent market share. It started operations in 2005 with high hopes, but has failed to compete with the five other multinational operators in due to its lack of quality services and poor marketing.

Until March 2008, the company was able to add only 1.01 million customers, whereas its

nearest rival Warid Telecom International had 2.79 million customers, although it entered the market in 2007.

Grameenphone is followed by Banglalink with 8.31 million subscribers and Aktel with 7.45 million.

"It's a very good news for the customers of TeleTalk and also for the country. But the listing should have been done at the moment when there were hundreds of customers standing in large queues to get connection of the company," said Abu Ahmed, professor of economics at Dhaka University.

TeleTalk's board recently approved a Tk 542 crore network expansion project. The officials of the company said the money raised from the market could be used to implement the project.

hasan@thedailystar.net



- TeleTalk Bangladesh Limited was incorporated 26 December, 2004 as a public limited company.
- May 2005, the company launched its commercial operation, the country's fifth mobile operator.
- TeleTalk has established its network foothold in 61 Zilas, and 336 Upazilas.
- Of the country's 38m subscribers, TeleTalk has a 2 percent market share, with 1.01m subscribers.

Gardens sit on stockpile of 3,000 tonnes rubber

Ethylene vinyl acetate throws challenges

KAWSAR KHAN

The country's state-run rubber plantations are sitting on a stockpile of 3,000 tonnes of rubber as they struggle to compete against an imported substitute known as ethylene vinyl acetate (EVA).

Officials said the government plantations, which accounts for 75 percent of total domestic rubber production, have not been able to sell Tk 50 crore the inventory for the last few months following the decrease in domestic demand.

EVA, a glossy substitute, is widely used for making products such as slippers, shoes, and rickshaw tyre.

A pair of slippers requires 70 percent rubber and 30 percent EVA, but it is also possible to produce slippers with 100 percent EVA.

Slipper makers said due to the changing nature of consumer demand they prefer making EVA slippers.

"In the past, I used to manu-

facture only rubber made slippers, but now I make EVA slippers as its demand is high," said Mahbubul Alam, owner of Babul Plastic and Rubber Industries.

"The products made of EVA are attractive but are less durable. EVA made slippers are also expensive compared to rubber made slippers," said an official of Bangladesh Forest Industries Development Corporation (BFIDC), which develops and runs government rubber gardens.

Now, Bangladesh produces around 9,000 tonnes of rubber a year, which meets the entire local demand.

Per kg of locally made rubber is sold between Tk 130 and Tk 137 in local market while the imported EVA sells at Tk 230-Tk 240 a kg.

BFIDC's 16 rubber gardens in Chittagong, Cox's Bazar, Sylhet, Mymensingh, Tangail and Sherpur have around 3 million rubber trees. Of them, 1.8 lakh trees produce rubber.

EC team clears Bangladesh of forging GSP certificates

Govt claims

JASIM UDDIN KHAN



European countries concerned.

Now the team focused their probe to China and Myanmar suspecting that unscrupulous traders of these two countries exported products by issuing forged GSP certificates.

"If OLAF finds that China or Myanmar is involved in the forgery, EU will impose some restrictions on Chinese textile export to Europe," Shahab Ullah said.

The team, led by Michael Dittrich, will again come Dhaka in November this year to introduce automated system so that no third country importers get any chance to send products issuing forged GSP certificates.

The OLAF team suggested that Bangladesh should immediately introduce automated system in issuing GSP certificates so that concerned customs officials can verify the certificates online.

OLAF's responsibilities include protecting the European Union's (EU) financial interests through conducting investigation into fraud, corruption and any

other irregularities besides misconduct within the EU institutions.

The EC under the GSP offers lower tariffs or duty-free access for imports from 178 developing countries and territories, including Bangladesh to the EU markets.

But a section of dishonest entrepreneurs, including several companies from countries that are not entitled to GSP facilities, import raw materials from China, Korea, Hong Kong and Taiwan and use fake certificates while exporting their products to European countries, sources said.

The OLAF team that arrived in Dhaka on April 15 on a 10-day visit tried to identify how a third country people use Bangladesh quota of GSP certificates.

Earlier, the German Customs imposed a 12 percent deposit on suspicious imports due to fears over the widespread abuse of certificates that allow Bangladeshi products a duty-free access.

Later, it lifted the restriction after Bangladesh adopted some measures to check forgery.

The EPB from first January launched a new type of GSP certificate, security seal and stringent policy of distribution.

jasim@thedailystar.net

Rupali Bank management in dark about govt's future plan

SAJJADUR RAHMAN

Rupali Bank management is in the dark about government's future plan on the bank following the scrapping of a deal with a Saudi Prince last month, said a senior official of the bank.

"Even we are yet to receive any formal letter from the government on the cancellation of the sale deal," the official told The Daily Star, adding: "what we are informed is the withdrawal of the embargo on the bank activities."

Meanwhile, a visiting senior International Monetary Fund (IMF) official yesterday said the government is going ahead with some options in the Rupali Bank plan, but nothing is decided yet.

"The government needs to find out new strategy on the Rupali after the scrapping of the sale plan," Thomas R Rumbaugh, adviser, Asia and Pacific Department of IMF, said.

"We have discussed a number of possibilities on the bank," added Rumbaugh who is leading a mission here to review the country's present economic situation.

Finance ministry sources said the government is mulling some plans on the bank's cor-

Chronology of Rupali Bank

- March 2005: Govt assigns Privatisation Commission to sell bank
- April 2006 : PC floats tender
- May 2006: PC approves short-list of seven buyers
- Aug 2006: Saudi prince Bandar Bin Mohammad Bin Abdul Rahman Al Saud wins right to buy 67.26 percent of bank
- Feb 2007: PC awards remaining 26 percent govt stake to Saudi prince
- March 2008: Govt cancels deal blaming prince's non-responsiveness

poratisation and privatisation.

World Bank (WB) and IMF have long been pushing for the privatisation of all four state-owned banks. The other nationalised commercial banks (NCBs) -- Sonali, Janata and Agrani -- were corporatised by the caretaker government late last year. The government decided to privatise the Rupali Bank in 2005 under a WB-funded modernisation project.

It handed over the RBL to the Privatisation Commission (PC) in that year to sell the bank. Accordingly, the PC arranged a series of high profile international road shows between March 12 and March 29 in 2006 to sell the bank's government-held shares spending about Tk 18 crore.

The commission showcased Rupali's assets at the road

shows in Mumbai, Kuala Lumpur, Karachi, London and Dubai.

Besides IMF, the WB endorsed the road show, terming it as essential and unavoidable.

Later, the PC in 2006 invited proposals from bidders and some seven bidders submitted proposals. Of them, Saudi Prince Bandar Bin Mohammad Bin Abdul Rahman Al Saud won the bidding at his offered \$330 million for 66.27 percent stakes. In February 2007, the government awarded the remaining 26 percent shares to the prince at \$128 million. Private sector holds the rest about seven percent shares.

Earlier in 2008, the Saudi prince, who had agreed to buy the bank, slashed more than \$270 million off the amount he was originally willing to pay for

the state-owned enterprise, claiming he had been misled about the size of the bad debts the bank has.

In a letter to Chief of Army Staff General Moeen U Ahmed, the prince said he is now willing to pay only \$185 million instead of the \$456 million he offered last year.

Later, the government in March this year cancelled the proposed sell-off deal with the Saudi prince for his non-responsiveness to takeover the bank.

The total amount of Rupali assets as shown in December 2005 stood at \$1.07 billion with over 493 branches across the country.

Rupali's current classified loan reached Tk 1,830 crore at the end of 2007.

sajjad@thedailystar.net



A Thai farmer transports harvested rice on a motorbike in Thailand's Narathiwat province on Saturday. Thai PM promised yesterday that the kingdom would not cut rice exports.

Thailand will not cut rice exports

Says premier

AFP, Bangkok

Thailand's prime minister Samak Sundaravej promised Sunday that the kingdom would not cut rice exports, as soaring prices of Asia's staple grain continued to fuel concerns of a shortage.

Samak said in his weekly television address to the nation that there was plenty of rice in Thailand, the world's biggest exporter.

"Thailand will not announce a ban on rice exports. It would destroy our reputation," he said.

He explained that farmers

were now planting five crops in two years -- up from the traditional two crops per year -- to ensure they met demand.

"When we grow rice, it is not like in the past when the production came out every three to four months," he said. "Rice production is coming everyday; we will not face a rice shortage."

International demand for Thai rice has soared after other top exporters Vietnam and India imposed limits on exports to ensure domestic supply.

The benchmark Thai variety, Pathumthani fragrant rice, was

priced on Wednesday at 998 dollars per tonne for export, up nearly 35 percent from a month earlier, the Thai Rice Exporters Association said in its price survey.

Domestic prices have followed a similar trend, and Samak on Sunday urged Thais not to hoard the grain.

"People buy a lot of rice because they are concerned. They used to buy one (bag of rice), now they buy five. They used to buy two, now they buy 10," Samak said, adding that this set a bad example to other countries.

World rice prices have

soared this year, a trend blamed on higher energy and fertiliser costs, greater global demand, droughts, the loss of rice farmland to biofuel plantations, and price speculation.

Thailand, which shipped an estimated 9.5 million tonnes of rice overseas last year, has been at pains to convince the world that it has no plans to curb supplies.

On a visit to Malaysia on Thursday, Samak said he promised Thailand's southern neighbour that his country could provide them with rice if there were any shortages in Malaysia.