UAE's Etisalat keen to invest in telecommunications

STAR BUSINESS REPORT

UAE-based telecoms company Etisalat has shown interest to invest in Bangladesh's mobile and data communications.

A four-member team of the company headed by its Vice-president (international investment) Saood Al Jinaibi met the BTRC chief for exploring investment opportunities in Bangladesh.

Bangladesh Telecommunication and Regulatory Commission (BTRC) officials said the UAE telecoms giant is likely to invest in data communication, submarine cable and mobile phones.

The BTRC chairman told the visiting Etisalat officials that there has been no scope to issue licence to a new mobile phone company in Bangladesh.

BTRC sources said Etisalat met the telecoms regulator mainly to know if there is any scope for investment here.

Established in 1976, Etisalat is one of the biggest telecoms companies in the UAE. The company now has more than 56 million mobile customers. Its main operations are in Middle East, and Africa. In South Asia, it operates in Pakistan and Afghanistan. The company also has submarine cable business.

Officials of two other giants -- South Korean SK Telecom and UK-based Orange Telecom -- will meet BTRC tomorrow and the day after tomorrow.

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

BTRC said some 65 companies including 15 foreign ones have already shown interests to participate in the submarine cable bidding.

Bangladesh's telecoms sector has been growing since 1991. 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 Tk1345crore till yesterday, which was Tk500crore in the last fiscal year.

BB asks NBFIs not to appoint former high-ups as advisers

STAR BUSINESS REPORT

In another financial sector reform move, the central bank has barred any former chairman, director or managing director of a non-banking financial institute (NBFI) from becoming adviser of that NBFI, said a Bangladesh Bank (BB) circular issued yesterday.

The BB issued a similar circular earlier for the banks. Now the same restriction has been imposed on the NBFIs.

"The move will help improve their management and governance," a BB official said, quoting the circular.

The official said the central bank was compelled to issue such circular as it found that some NBFIs have appointed advisers from their former chairmen, directors and managing directors.

The circular has also drawn up guidelines for the advisers saying that they would not be allowed to go beyond their scope for works.

"They (advisers) won't be permitted to interfere in the day-to-day activities of the organisation," the circular said.

Their appointment would not be for more than two years, it said.

Women entrepreneurs seek more budgetary allocation

STAR BUSINESS REPORT

Women entrepreneurs yesterday asked the government to allocate money in the budget to help them with project financing and marketing of their products.

They demanded for a Tk 100 crore budgetary allocation, minimum tax-free income of Tk 3 lakh and a reduced rate of VAT.

The demands were made at a pre budget discussion with the women entrepreneurs and high officials of National Board of Revenue (NBR) in Dhaka.

At the meeting, organized by the Bangladesh Women Chamber of Commerce and Industry (BWCCI), NBR Chairman Muhammad Abdul Majid spoke as chief guest, while BWCCI President Selima presided over.

Abdul Majid said the government places agriculture, small and medium enterprise and handicrafts sectors under special consideration in the coming budget.

He said the small entrepreneurs would be excluded from income tax net as the government considers increasing the number of SME by changing its definition.

"The focus of the present government is to promote labour intensive industries to create employment in the country," Majid said.

Selima Ahmed said the women entrepreneurs are awaiting a budgetary allocation so that small women entrepreneurs can market their products home and abroad.

She also emphasized introduction of separate cells for women entrepreneurs at tax offices to make the tax payment hassle free.

Many BWCCI members expressed their grievance for the hassle that they face to pay taxes.

Warid, Citycell sign deal on infrastructure sharing

Warid Telecom CEO Muneer Farooqui and Citycell CEO Michael Seymour exchange documents after signing a memorandum of understanding yesterday at BTRC office to share BTS infrastructures. Chairman of BTRC Maj Gen Manzurul Alam (Retd.) is also seen.

In a major development in the country's telecoms sector, Warid Telecom and Citycell yesterday entered into an infrastructure sharing deal.

Under the MoU, both companies will share their Base Transceiver Stations (BTS) and other infrastructures like towers, poles, power and transmitter equipment and transmission bandwidth, says a press release.

As per the MoU, it has been identified that about 350 BTS sites will be possible to share or lease between the two companies. Out of those BTS, about 150 will be shared or leased by both companies within this year.

Chief Executive Officer (CEO) of Warid Telecom Muneer Farooqui and Citycell CEO Michael Seymour signed the memorandum of understanding at the Bangladesh Telecommunication Regulatory Commission (BTRC) office on behalf of respective organizations.

BTRC Chairman Major General Manzurul Alam (retired) and other high officials from BTRC, Warid Telecom and Citycell were present during the signing ceremony. The MoU was signed following a request from the telecoms regulator to share resources of telecom service providers among themselves.

BTRC Chairman Manzurul Alam termed the agreement as a milestone for the telecommunication industry.

"I sincerely believe this initiative will greatly reduce network deployment hurdles, create an environment of cooperation and co-existence and most importantly reduce expenses," he said.

MCCI

A delegation of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) headed by its President Latifur Rahman meets Muhammad Abdul Mazid, chairman of the National Board of Revenue (NBR), and members at the NBR office in Dhaka yesterday to discuss proposals for the next budget. (Story on B1)

BRAC Bank declares 10pc stock dividend

The 9th annual general meeting (AGM) and the 6th extraordinary general meeting (EGM) of BRAC Bank Limited were held in Dhaka on Thursday where the bank declared 10 percent stock dividend for its shareholders for 2007, says a press release.

The shareholders approved the issuance of 1:5 rights share (one rights share for every five (5) ordinary share of Tk 500 each including premium of Tk 400) and increase in authorized capital to Tk 480 crore from the existing Tk 200 crore.

Fazle Hasan Abed, chairman of BRAC Bank Limited, chaired the meetings.

5-star hotel in Sylhet opens Wednesday

UNB, *Sylhet*

Bangladeshi expatriates, aiming to attract foreign tourists, completed construction of the country's first five-star hotel outside the capital in Sylhet.

The hotel 'Rose View', located near by the New Shahjalal Bridge at Upashahar, was constructed at a cost of Tk 125 crore.

"The hotel will be formally inaugurated Wednesday," said its managing director Moyeen Uddin, a Bangladeshi expatriate living in the UK, at a press conference here yesterday.

Moyeen said the hotel has 150 cozy deluxe suites, including one presidential suite, seven ambassador suites and 27 royal suites. The hotel also has an extensive array of restaurant outlets, a fully equipped fitness centre, swimming pool and other recreational facilities.

He said the hotel would offer full range of meeting facilities with LCD projectors, overhead projectors, audio-visual equipment, wireless microphones, white boards and flipcharts.

Moyeen said all furniture of the hotel have been imported from China, Thailand and Singapore.

He said the inspiration to construct the five-star hotel came from his father Ahad Uddin, the chairman of the Rose View Complex Private Limited.

Coal policy needed to attract more FDI

Seminar told

STAR

Foreign Adviser Dr Iftekhar Ahmed Chowdhury speaks at the seminar on Canada's LDCs Market Initiative in Dhaka yesterday.

STAR BUSINESS REPORT

A demand from the apex trade body has been raised at a seminar in Dhaka for immediate formulation of a coal policy and a massive development of infrastructure in order to exploit Bangladesh's potentials to be a good FDI (foreign direct investment) destination of investments by many.

"Whatever the form of government remains in power in the next two years, we will push for a coal policy and massive infrastructure development," Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) told the seminar at a city hotel yesterday.

The Canadian High Commission organised the seminar on Canada's LDCs Market Initiative to celebrate the 5th year of Bangladesh's successful utilisation of a duty- and quota-free benefit for its products to the Canadian market.

From January 1, 2003, the government of Canada extended duty- and quota-free access to imports from 48 of the world's least developed countries (LDCs), including Bangladesh, with the exception of supply-managed agricultural products (dairy, poultry and eggs).

The FBCCI chief hoped that besides its identity as a major apparel exporting country, Bangladesh could be a good destination of investments by many.

"So, now the government's focus should be on development of infrastructure," Annisul suggested.

Foreign Adviser Dr Iftekhar Ahmed Chowdhury attended the function as the chief guest where President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Anwar-Ul-Alam Chowdhury Parvez, President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Fazlul Hoque and President of Bangladesh Textile Mills Association (BTMA) Abdul Hai Sarker also spoke.

Former Bangladesh high commissioner to Canada Mohsin Ali Khan chaired the seminar.

"We are looking for a duty-free market access to all developed countries, which we are already enjoying from Canada," Iftekhar said, pointing to the fact that the Canada benefit helped Bangladesh a lot in exporting its RMG products to that country at an enhanced rate.

The adviser also pointed to the enhanced interests of the Canadian entrepreneurs to invest here informing the seminar that as many as 19 Canadian investors have recently registered with the Board of Investment (BoI).

Canadian High Commissioner in Dhaka Barbara Richardson assured the local business community of more help in doing global business.

The BGMEA president eyes Canada as one of the largest export destinations of Bangladesh RMG products on the increasing demand for the product in that country.

Anwar-Ul-Alam Chowdhury Parvez said in the July-February period of the current fiscal Bangladesh exported RMG products worth US$300.80 million to Canada against $400.80 million in the 2006-07 fiscal.

He said the trend of receiving orders from buyers' end clearly indicates that the country will be able to export RMG products worth $18 billion within 2010 and $25 billion within 2013, but infrastructure development is a prerequisite to such rise in exports.

BKMEA chief Fazlul Hoque said Bangladesh has the opportunity to exploit the remaining 94 percent as the country has already grabbed 6 percent of the entire Canadian knitwear market.

Mohsin Ali Khan said Bangladesh has huge export potential for jute, jute goods and ceramics as the demand for such products in Canada is very high.

"Bangladesh can start lobbying with Canadian authorities to supply T-shirt, caps and similar products for the Vancouver Olympic in 2010," he suggested.

NBR warns of punishment to errant PSI firms

UNB, *Dhaka*

The National Board of Revenue (NBR) appears serious to punish pre-shipment inspection (PSI) companies for their irregularities.

"NBR will go ahead case by case in detecting and punishing the PSI companies concerned if any irregularity is found," NBR Chairman Muhammad Abdul Mazid said.

He said the NBR would go for instant actions against those PSI companies that will be found involved in irregularities. "Irregularities by PSI companies are affecting industries of the country, we won't tolerate that."

About the appointment of an audit firm for auditing PSI activities, he said, "We couldn't do that due to a case in the court. After the withdrawal of the case, we're very much interested to appoint an audit firm, but unfortunately we didn't find any capable firm."

On March 19, the government cancelled the certificate of M/S Cotecna Inspection SA, a pre-shipment inspection company, for serious irregularities.

The NBR said the certificate of Cotecna has been cancelled under the Pre-Shipment Inspection Rules 2002 for violation of law and rules by the company.

Cotecna was assigned to give Clean Reports of Findings (CRF) for Block B (China, Thailand, Korea (North and South), the Philippines and Cambodia) and Block D (Japan, Hong Kong, Vietnam, Taiwan, Australia, New Zealand, Solomon Island, Fiji, Kiribati, Venatu and Papua New Guinea).

The NBR recently found Cotecna Inspection SA involved in serious irregularities in import inspections, particularly in Sports Utility Vehicles (SUVs) like Hummer seized from high-profile corrupt suspects.

It found that duty worth Tk 2.3 million was evaded on car imports alone due to the inspection irregularities by the PSI company.

In one case, the NBR found wrong price certification in clean report of findings (CRF), as the company quoted US$ 18,500 instead of $35,215 as original price of the Hummer3.

Besides, Chittagong Customs has detected around 550 cases of irregularities in import of industrial raw materials, chemicals and industrial goods by Cotecna.

The report said Cotecna changed the harmonized coding system of import items to help importers evade customs duties.

Chittagong Customs detected 314 cases of under-valuation and price manipulation by the company in imports from China and 81 cases from the Philippines.

Sources said Cotecna issued clean reports of findings against 110 import consignments that showed less quantity, depriving the government of about Tk 14 crore.

The previous BNP-led 4-party alliance government appointed four PSI companies -- Cotecna Inspection SA, SGS (Bangladesh) Limited, Bureau Veritas BIVAC (Bangladesh) Limited and Intertek Testing Limited -- in August 2005 for three years for certifying price, quality and quantity of imported goods.

Now BIVAC International SA, France has been assigned for giving CRF in Block B countries while SGS SOCIETE GENERALE DE SURVELLANCESA, Switzerland for Block D countries until August 31 this year.

Seeing the immense alleged irregularities by the PSI companies, NBR decided to appointment a PSI audit firm.

A tender was floated in this connection and only one audit firm, M/S National Marine Consultants Inc, out of three contenders submitted bids, remain alive in scrutiny by Proposal Evaluation Committee (PEC).

Finance adviser fears discontent if fuel price adjusted to int'l prices

UNB, *Dhaka*

Finance Adviser Dr Mirza Azizul Islam yesterday warned that domestic fuel price adjustment to rapidly rising international prices could be a major source of social discontent and cost-push inflation.

"The tradeoff involved in energy management policies seems to have been inadequately addressed," he told a ministerial roundtable at the Ministerial Segment of the 64th session of UNESCAP in Bangkok, according to a message received here.

"Access to energy-saving technologies as well as financing required for applying such technologies at affordable cost are limited," he said at the special roundtable titled 'Energy Security and Sustainable Development in Asia and the Pacific'.

Thai Prime Minister Samak Sundaravej inaugurated the session with Bangladesh Finance Adviser Dr Aziz in the chair. The Thai prime minister stated that the present energy demand and supply of the regional countries and the efforts of Thailand for energy security.

Dr Aziz presented a country policy statement of Bangladesh in the plenary session, calling upon the ESCAP secretariat to take actions for establishing Regional Climate Fund, Regional Oil Fund and Regional Food Bank to face emergency situations.

Speaking at the roundtable, the Adviser said, "Foreign direct investors in the energy sector are typically very large and many countries like Bangladesh are often at a disadvantageous situation in negotiating contracts that adequately protect host country's interests."

He said the present scenario definitely calls for international action to deal with highly oligarchic market structure on the supply side.

"In particular, the international community should seriously consider how, at least, a part of the windfall gains reaped by oil-exporting countries can be mobilized to provide some relief to the import-dependent LDCs."

Dr Aziz hoped that the deliberations in the session would aim at finding and recommending solutions to resolve the existing energy security problems in the regional countries.