

DHAKA FRIDAY MAY 9, 2008

Stocks

	1.1%
DGEN	0.42%
3,092.05	

Asian Markets

	1.13%
TOKYO	13,943.26
SINGAPORE	3,171.88
SHANGHAI	2.17%
3,656.84	

Currencies

Buy TK.	Sell TK.
USD 68.15	69.15
EUR 102.88	107.46
GBP 131.31	136.45
JPY 0.65	0.68

SOURCE: STANDARD CHARTERED

Commodities

Gold	Oil
\$871.75 (per ounce)	\$123.93 (per barrel)

SOURCE: AFP

More News

Denim industry under threat on waste cotton exports

Local denim and home textile yarn industry is now under threat on exports of waste cotton, according to industry insiders.

Call money rate up 14pc

Interest rate in call money market yesterday rose to 14 percent from the previous day's 8.5-9.5 percent, according to the fund managers of commercial banks.

They attributed this rate hike to big LC (letter of credit) payment by a government-owned bank and increasing withdrawal of savings.

B-3

International

No relief in sight for farmer suicide zone



Thousands of farmers and labourers killed themselves in the affluent state of Punjab in India in the past decade because of debt crisis blamed on official neglect of the farming sector.

Experts say the government must pay immediate attention to agriculture if it is to improve the situation.

WTO sees no ministerial meeting in May

The World Trade Organisation said Wednesday it is highly unlikely that a ministerial meeting will be held this month given the scant progress in talks on liberalising agriculture and other thorny issues.

B-4

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Govt right now unable to ensure gas for Tata

Talks on \$ 3b investment proposals resume May 11

JASIM UDDIN KHAN

The government is to inform Tata that the country right now is unable to ensure required gas supply to its proposed \$ 3 billion investment in steel, fertilizer and power since Bangladesh faces shortage of adequate gas, energy ministry sources said yesterday.

The Indian conglomerate and the government are to resume two-day talks on May 11 in Dhaka.

Tata's Country Director Manzer Hossain met Commerce Adviser Hossain Zillur Rahman and Board of Investment (BoI) chief Kamal Uddin Ahmed last week and settled the agenda.

An official of energy ministry said the government will ask Tata to submit revised proposals so that instead of gas it can use other raw materials in the projects.

One of the Tata Group local representatives said the conglomerate will listen to the government's new proposals and may agree to review some of the previously settled issues.

About gas consumption, the

Tata representative said the Indian heavy industry giant does not need the gas right now. Tata requires gas after four years into the signing of the final investment agreement, he added.

Meanwhile, M Tamim, chief adviser's special assistant for power, energy, and mineral resources, on Monday said the government will follow a 'cautious' policy in giving new industrial gas connections in and around Dhaka and has decided not to provide any new gas connection in Chittagong region.

"It is true that the country does not have adequate supply of gas. We will inform the matter to all potential investors who want to establish gas-based industries here," the energy ministry official said.

BoI sources said the government wants to wrap-up the much-talked investment proposals of the Tata Group by this year.

The government has to take immediate decision on the Tata investment proposals as many other potential investors feel shaky to start negotiations, said a BoI official.

About gas consumption, the

The move is a response to an initiative by Tata's Manzer Hossain in which Tata asked for a resumption of talks that have been on ice since August 2006.

In 2005 the Tata Group initially proposed setting up a 1,000MW power plant, a steel mill with an annual production capacity of 420,000 tonne and a one million tonne capacity fertilizer unit in Bangladesh.

Following the letter, the finance ministry instructed the BoI to invite Tata's representatives for fresh dialogue.

Both sides provisionally agreed on a 15-year guarantee of 1.25 trillion cubic feet (TCF) gas and around 3 million tonnes of coal supply to Tata annually and upgrading of gas pipeline from the current 24-inch diameter to 30-inch diameter.

The Asian Development Bank (ADB) agreed to provide financial support for development of the gas pipeline.

During the long series of negotiations it was also agreed to allow Tata a 10-year tax holiday facility, and guarantee uninterrupted gas supply. The group also invested in the production of a 4000 mega watt power plant in India, is going ahead to invest in a steel plant in Vietnam and will explore a coal plant in Indonesia.

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two sides then agreed on awarding a coal mine for exploring around 3 million tonnes of coal a year to Tata in the middle of Phulbari and Barapukuria coal fields. However the decisions were never approved at ministry level.

The previous BNP-led government was unwilling to make the decision before the scheduled general election, while the present caretaker government has said it has other priorities.

In the meantime, Tata has launched major investment projects in other parts of the world.

During the period from April 2006 to date Tata Group bought the largest steel maker in Europe 'Corus' at a cost of around US\$ 13 billion along with a soda ash plant in the US at a cost of \$1 billion.

The group also invested in the production of a 4000 mega watt power plant in India, is going ahead to invest in a steel plant in Vietnam and will explore a coal plant in Indonesia.

Tata timeline



- April 2005 Tata formally submits \$2.5 billion investment proposal, later revised to around US\$3 billion.
- Proposal to setup 1,000MW power plant, 420,000 per yr tonne steel mill, one million tonne fertilizer unit.
- August 2006, negotiations reach stalemate.
- Feb/March 2008, exchange of letters prompts restart of dialogue.
- May 11, 2008, Tata is scheduled to resume talks with government.

BRAC Bank to buy majority stakes in GSP Finance

SAJJADUR RAHMAN

BRAC Bank Limited, one of the fastest growing private commercial banks, has decided to acquire 51 percent stakes in GSP Finance Company (Bangladesh) Limited, a joint venture leasing company, at about Tk 19.5 crore.

Both sides signed yesterday a memorandum of understanding on this issue.

"GSP Finance Company (Bangladesh) Limited (GSPB) has agreed to sell 1946,500 new shares to the BRAC Bank Limited at a face value of Tk 100 per share," a senior official of GSPB told The Daily Star.

Prices of 1946,500 GSPB shares will cost the bank Tk 19,465 crore, the official said.

Sources said foreign individuals and institutions own some 61.78 percent shares of GSPB.

After issuing 1946,500 shares to the BRAC Bank Limited, total shares of GSPB will stand at 38,16,500.

The paid-up capital of the leasing company will be doubled after selling shares to the BRAC Bank. GSPB's present paid-up capital is just Tk 18.7 crore.

According to the BRAC Bank sources, GSPB offered them first to buy the shares to raise the company's capital base. After a series of negotiations, both sides have come to an agreement.

GSPB started its commercial operation on April 17, 1996. Its authorised capital is Tk 100 crore, of which Tk 18.7 crore is fully paid-up.

GSPB's principal activities include lease financing of capital goods for industries such as plant, machinery and construction equipment, marine, road transport, medical, office and electrical equipment, power generators and boilers etc.

GSPB is also involved in merchant banking.

BRAC Bank that has 36 branches and some 500,000 customers made Tk 126 crore profit in 2007. The bank also emerges as a leader in SME financing in the country by disbursing over Tk 4,000 crore. The bank has also planned to go high with personal banking.

The bank has also huge ATMs (Automated Teller Machine) and POS (Point of Sales) network.

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Banglalink Chief Executive Officer Rashid Khan (right) speaks at a briefing in Dhaka yesterday to unveil the company's first quarter financial report.

Banglalink revenue grows 124pc in Q1

STAR BUSINESS REPORT

Revenue of Banglalink, the second largest mobile phone operator, more than doubled in the first quarter of 2008 to Tk 475 crore, registering a 124 percent growth over the same period of the last year.

According to the company's first quarter (Q1) financial report, Banglalink acquired 26 percent out of market's total 46 lakh new customers in Q1 (January-March). The company's total subscribers reached 83 lakh (8.3 million) as of March 2008.

When asked about the reasons behind the improved ARPU, Khan explained that the concentration on network improvement in last few years helped get more revenue from customers.

Khan claimed that Banglalink took number one position in the post-paid customer category with 5.6 lakh post-paid customers till March 2008.

The company's post-paid customer growth was 150 percent in March 2007.

Growth of Banglalink's market share also jumped to 21.3 percent in March 2008.

which was 16.8 percent a year earlier.

Among the six mobile operators in the market, Banglalink crossed AKTEL by the end of 2007 in terms of subscriber acquisition and still holds its position, as such. According to the latest figures released by the BTRC up to March 2008, the number of total mobile phone subscribers reached 38.93 million.

Grameenphone is the market leader in mobile telecommunication sector with around 17.8 million subscribers, while Orascom Telecom Bangladesh, which operates Banglalink, is the second leader with around 8.3 million subscribers.

Telecom Malaysia International Bangladesh, which operates AKTEL, and Warid Telecom International are the third and fourth market players with around 7.4 million and around 2.7 million subscribers respectively.

Citycell, and the state-run Teletalk Bangladesh are the other two operators.

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