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TRANSCOM ELECTRONICS

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## Stocks

DGEN	1.78%
3,026.23	
CSCX	0.01%
5,548.09	

## Asian Markets

MUMBAI	0.64%
16,752.86	
TOKYO	1.53%
13,953.73	
SINGAPORE	0.73%
3,203.42	
SHANGHAI	1.84%
3,560.24	

## Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	104.35	108.94
GBP	131.45	136.59
JPY	0.65	0.69

## Commodities

Gold	\$ 875 (per ounce)
Oil	\$123.33 (per barrel)

## More News

Phone banking from home or car



Phone banking is a new service that attracts Bangladesh customers increasingly. A customer just needs to press some buttons on his or her cell phone to know the balance of account or to ask for some specific services like balance enquiry, fund transfer, chequebooks, statements and foreign currency exchange rate from his or her home, office or car. B-4

## International

### \$458m subsidy for Malaysian rice farmers this year

Malaysia will spend 1.472 billion ringgit (458 million dollars) this year to subsidise rice farmers and import more rice from Thailand to bolster its stockpile, the agriculture minister said Tuesday. B-4

### Nissan Motor warns of sliding profits

Japan's Nissan Motor Co. said Tuesday it expects net profit to tumble almost 30 percent this year due to sluggish sales in maturing markets, a stronger yen and high material costs. B-4

## 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)

# Orascom wants to invest in banking sector

## Banglalink eyes to reach 10m users by July

Md HASAN

Egypt-based Orascom Group, the owning company of mobile operator Banglalink, yesterday expressed its interest to invest in Bangladesh's banking sector.

During his daylong visit to Dhaka, Naguib Sawiris, the chairman of Orascom Telecom Holding (OTH), a sister concern of Orascom Group, also showed interest to invest in fertilizer, cement and tourism sectors.

"Mobile aside, we have a big desire to invest in other sectors. But at this moment, our interest is mainly in banking sector," Sawiris told a press meet in Dhaka yesterday.

"We are very much eager to have banking licence in Bangladesh or to acquire any existing bank," Sawiris, who also met Chief Adviser Fakhruddin Ahmed and discussed investment proposals, said, adding, "We would like to introduce mobile banking, money transfer and procurement with the mobile."

Sawiris, Forbes ranked 60th richest man of the world, anticipated that his local subsidiary Banglalink's customer base will reach 10 million by the end of July from its existing 8.3 million customer as of May 2008.

Banglalink, in recent years has become the number two mobile operator of the country in terms of subscriber acquisition, exceeding AKTEL.

Asked when Banglalink will hit break-even point, Sawiris said, "We are trying."

Sawiris identified excess taxation and lack of frequen-



Sawiris Naguib, chairman of Orascom Telecom Holding (OTH), a sister concern of Orascom Group, speaks at a press meet in Dhaka yesterday. He said mobile aside, Orascom Group is also interested to invest in the country's banking sector.

cies as two hurdles to the mobile sector in Bangladesh. By resolving these issues government can earn much more than what it earns now from mobile sector, he added.

Commenting on investment environment, he believes that present time is better to invest here compared to the previous regime. He said, "I must say, we had no access to the previous government—our access was not granted in the past."

But in the changed scenario, Sawiris said the country's foreign direct investment has flourished, because there

is no interest group. "So, this time, we will put our investment plans to the current government," he said.

Explaining his desire to become an owner of a Bangladeshi bank, Sawiris said there are so many Bangladeshis who now live abroad and desire to send money to their families without any hassle. "We believe that Orascom Group has the best vehicle (mobile) to provide that service," he said.

The company sources said Orascom Group has already compiled a list of local banks, which they would like to buy, if

they fail to get a banking licence.

For investing in other areas, like fertilizer and cement, Sawiris said it depends on the supply of the gas.

Asked about the possibility of acquisition and merger in Bangladesh's cellphone market, he said, "Frankly speaking you have six operators, but we see only three."

He however said most competitors do not want to sell unless they have built some value. "And that's why we don't see someone wants to sell its stake right now. But I believe six is a crowd," he

said.

About the upcoming technology, Sawiris said Banglalink will welcome 3G (third generation technology). "We will stick to 3G. Because we believe, it is a continuation of GSM. It's much more easier for us to upgrade our technology by adopting 3G rather than WiMax."

According to Sawiris, Banglalink will invest \$350 million this year to enhance its network. The company already invested \$700 million since it started its operation in Bangladesh in 2005.

Sawiris denied Banglalink's involvement in illegal call termination through VoIP (voice over internet protocol) technology. He said, "Banglalink was not involved in VoIP."

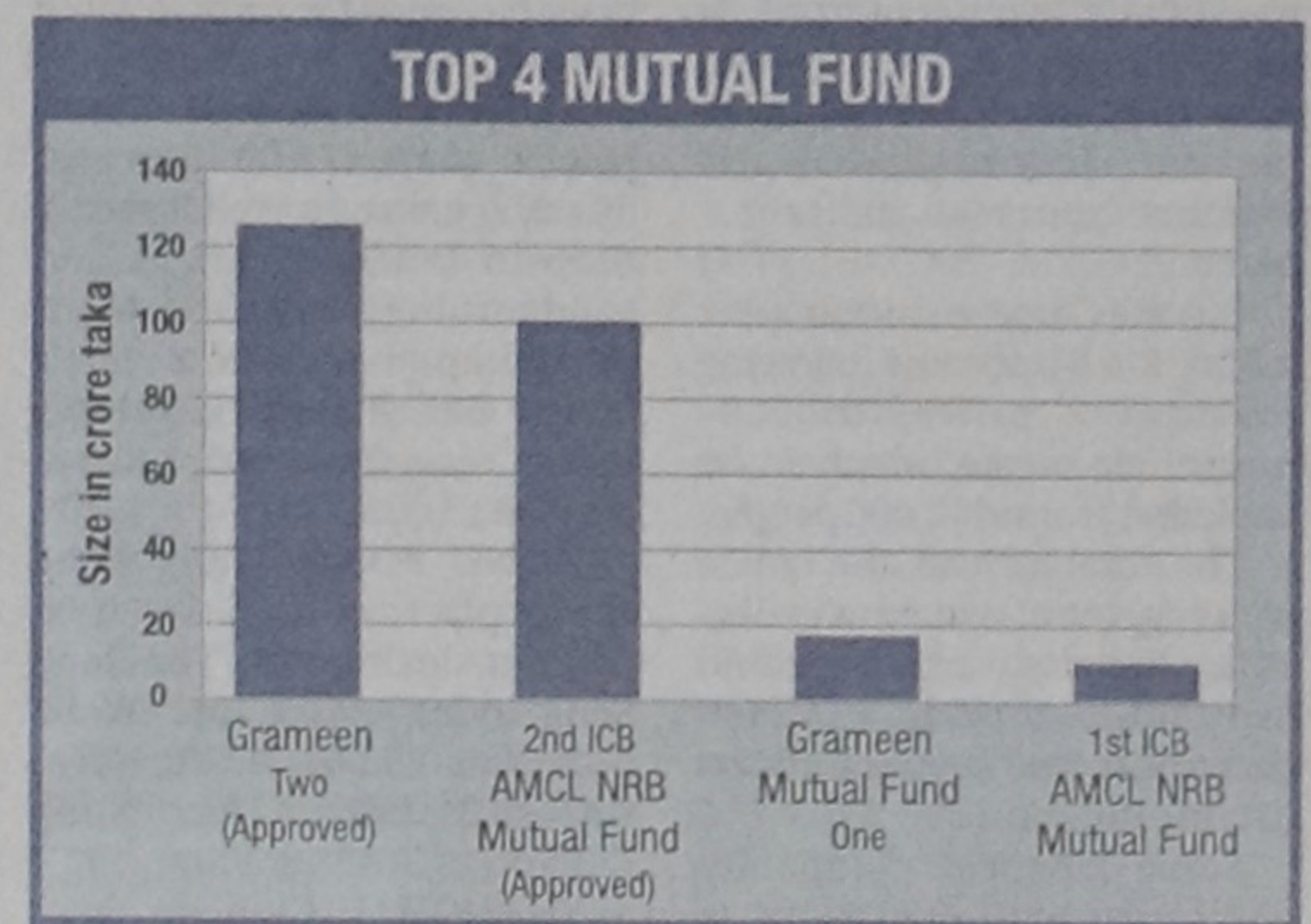
However, he said, "If we find anybody in Banglalink is doing anything like that, he will not be here."

OTH is a sister concern of the Orascom Group, one of Egypt's largest business groups, maintaining significant holdings in the areas of telecommunications, information technology, tourism and construction in the global market.

OTH was established in 1998 and has grown to become a major player in the global telecommunications market. Orascom Telecom has an average penetration of approximately 40 percent in six emerging markets with a population of 430 million, exceeding 74 million subscribers as of May with a market capitalization of \$15 billion.

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# Biggest-ever mutual fund gets SEC nod



SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) approved the biggest-ever mutual fund, Grameen Two, yesterday.

The approval came at a meeting of the stock market regulator in Dhaka with the SEC Chairman Faruq Ahmad Siddiqi in the chair, SEC officials said.

The Tk 125 crore mutual fund, the second scheme of Grameen Mutual Fund One and sponsored by Grameen Bank under the management of AIMS of Bangladesh Limited, will offer units of Tk 15.34 crore, face value of each unit being Tk 10, to public through initial public offering (IPO).

Tk 16.66 crore has been kept for the existing unit holders (as per the latest book closure) of Grameen One, while Tk 25 crore worth of units have already been subscribed by Grameen Bank as sponsor's contribution in the new scheme, while Tk 68 crore has been allocated to sister concerns of Grameen Bank and capital market functionalities through pre-IPO placement.

SEC Executive Director Anwarul Kabir Bhuyian, at the meeting, said, "In stock markets of developed countries mutual fund's contribution is bigger than other securities," adding, "So, we hope more mutual funds will be created and listed on the market, which is needed for a sound capital market."

According to market sources, contribution of the existing mutual funds in terms of market capitalisation is around 3 percent, which is more than 50 percent in many developed countries.

However, there should also be a smooth supply of other securities so that the mutual funds can invest on the securities, Kabir said.

Earlier, the SEC rejected the prospectus of Grameen Two mutual fund on March 18, saying that the issue manager failed to fulfil necessary requirements.

Yawer Sayeed, managing director and chief executive officer of AIMS, said the success of Grameen One mutual fund encouraged the sponsor to float the second scheme.

The public subscription may commence early next month.

Presently, Grameen Mutual Fund One is the biggest mutual fund with an amount of Tk17 crore, which was formulated in 2001 and its units were offered to public in September 2005. Prior to the launching of Grameen Two, a Tk 100 crore '2nd ICB AMCL NRB Mutual Fund' will make its debut on the stock exchange.

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# Ananda hands over first ship to Danish buyer tomorrow

STAR BUSINESS REPORT

Bangladesh is set to emerge as a ship exporting nation tomorrow when Ananda Shipyard officially hands over its first ship "Stella Maris" to a Danish buyer.

This was announced at a press conference yesterday in Dhaka by ship builder Ananda Shipyard & Slipways, which was awarded orders for building some 24 ships including six ferries, from countries such as Denmark, Germany and Mozambique.

"It's a result of our 25 years of endeavour. I believe Bangladesh will soon put its name on the global map as a shipbuilding country," said Dr Abdullah Bari, chairman of Ananda Shipyard.

Ananda, which signed a deal with Danish firm Stella Shipping for building two ships in September 2005, will also build another 23 vessels for its foreign buyers.

While Ananda Shipyard is the pioneer in getting work orders, another local company Western Marine Shipyard has also won bids from European buyers. According to the stakeholders, local ship builders have fetched about \$300 million worth of orders till date.

Experts said Bangladesh, which usually is known for its ship breaking, is fast becoming the destination for building

small vessels as traditional ship building nations' are now reluctant to build smaller ones having the capacity of less than 15,000 dead weight tonnes.

Japan, China, South Korea and Vietnam, known for building ocean-going ships, are now focusing more on building large ships with the capacity of over 20,000 DWT.

Cost competitiveness, technical know-how, skilled manpower and above all excellent communication skills of Bangladeshi ship builders helped in getting orders, industry stakeholders said.

The Ananda Shipyard chairman said the company received about \$225 worth orders to build 24 vessels. But builders have to import almost all the raw materials from countries such as China.

"We have skilled and hard working people. We are hopeful that we will be able to achieve excellence in building larger ships in coming days," said Afruja Bari, managing director of Ananda Shipyard.

Industry people said Bangladesh is enjoying the benefit of skilled workforce in building ships as some workers, who have working experience in different foreign countries, already came back to their own country and joined the local industry.

# Efficient management cuts business costs at Ctg port

JASIM UDDIN KHAN

Strict vigilance and efficient management reduced the business costs at Chittagong port in 2007.

The move also helped raise exports and improve the lead-time, businessmen said.

According to available data, importers previously had to pay Tk 30,000 on an average for per less than container load (LCL) and Tk 20,000 for per full container load (FCL) TEUs at the port.

LCL is a shipment that is not large enough to fill a standard cargo container and FCL is large enough to fill that cargo container.

"Now the importers need to pay only Tk 2,900 for both the LCL and FCL, of which Tk 1,500 is being paid to freight forwarders and Tk 1,400 for port landing charge," said Mahbub Chowdhury, director, Bangladesh Garments Manufacturers and Exporters Association.

Chowdhury said the shipping agents, freight forwarders and port and customs officials used to take away the additional charges without any legal ground.

Vested quarters stopped taking those additional charges with the introduction of some rules and regulations after the present caretaker

government assumed power, he claimed.

The exporters had to pay Tk 13,000 as freight charges besides bribing port and customs officials and paying charges to the inland container depot.

"Now traders have to pay only Tk 600 as stamp duty instead of Tk 13,000," Chowdhury said.

President of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) Anwar Ul Alam Chowdhury Parvez termed the current situation at the port as very positive, which has made the local exporters more competitive than ever before.

"We are paying no additional charges at the port," the BGMEA chief said.

"Bangladeshi exporters are getting more orders from buyers due to this competitive edge," he added.

Abdus Salam Murshedi, a director of the BGMEA, said import is an essential component for the country's export trade.

"A huge fall in overall cost has contributed much in increasing Bangladesh's export," Murshedi said.



File photo shows cargo being unloaded at Chittagong port. Strict vigilance and improved management reduced the business costs at the port in 2007.

reach a consignment to Europe from Bangladesh. Now the lead-time hovers between 25 days to 28 days, they said.

"Waiting time at outer anchorage to berth a vessel also reduced significantly at 5 days from previous 11 days," Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said.

He said the timely customs clearance and efficient management of container also

improved the situation.

Due to the changed scenario and the improvement in competitiveness, the country's export grew an impressive 21.25 per cent in March to reach the first nine months exports over US\$ 10 billion amid more shipments of key garment items.

"Our exports continued to maintain a double digit growth. Both knitwear and woven items have done exceedingly well," said Shafyat

Sohel, a garment exporter.

The traders now suggest immediate introduction of container scanning system at Chittagong Port.

Presently, a USA bound ship loaded with Bangladeshi products requires a 10-11 day waiting at any USA port for security checkup. "If the Bangladesh government introduces a scanner, security check-up at the USA and EU ports will be minimum," he added. [jasim@thedailystar.net](mailto:jasim@thedailystar.net)