Star Business

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Stocks

DGEN	3,057.33	0.08%
CSCX	5,551.33	0.35%

Currencies

	Buy TK.	Sell TK.
USD	67.90	68.90
EUR	104.86	109.46
GBP	132.02	137.17
JPY	0.65	0.69

SOURCE: STANDARD CHARTERED

Commodities

Oil $130.47 (per barrel)

SOURCE: AFP

More News

Italian textile machinery makers eye more business

Finding Bangladesh textile sector's continuous growth, the Italian textile machinery makers eye a greater market share of their products here, as they told a seminar in Dhaka yesterday.

Wahiduddin for increase in farm subsidy

The government needs to increase agricultural subsidy in the next budget for ensuring food security against the backdrop of soaring prices of essentials both on international and domestic markets, economist Professor Wahiduddin Mahmud said yesterday.

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International

Road is less travelled in US as gas prices skyrocket

Americans are driving less for the first time in nearly 30 years as they face up to skyrocketing fuel prices, putting a dent in lifestyles in a country where the car has long reigned as king.

WTO offers fresh flexibility on industrial goods

The World Trade Organisation offered about 30 developing countries on Tuesday a range of options to cut industrial goods tariffs in the hope of finally concluding the Doha round of trade talks.

Brazil's Petrobras bigger than Microsoft: Survey

Brazil's state-controlled oil company Petrobras has overtaken Microsoft to become the third-biggest company in the Americas in terms of stock market capitalisation, a Brazilian research firm said Tuesday.

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Contact Us

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

Shared ATM scheme gets poor response

Banks reluctant to share machines with rivals

SAJJADUR RAHMAN

Plans to set up a joint network of ATMs have stalled, as the country's banks are unwilling to share facilities with each other.

Shared ATMs would allow customers from any of the banks in the scheme to use the cash point facilities of all member banks. This would massively expand customer networks and cut costs for banks.

However each bank sees ATMs as a competitive tool and are worried that this advantage will be lost if the machines are opened to other banks' customers. They also fear the shared scheme will be in the control of BRAC Bank who launched the idea.

BRAC Bank Limited, one of the fastest growing private banks in the country, launched Omnibus; a common network for ATMs and Point of Sales (POS) terminals in November last year investing Tk 6 crore in the project.

So far IT Consultants Limited, operator of the ATM network Q-Cash is the only other member.

Omnibus has integrated the ATM and POS networks of BRAC Bank and Q-Cash, enabling cardholders of the bank and Q-Cash member banks to access their accounts from any of the ATMs and POS terminals.

But a senior official of IT Consultants Limited said the scheme had struggled to find other members. "Individual banks have shown little interest to join the common network," he said.

"Even our member banks do not want to use the Omnibus network run by the BRAC Bank," the ITCL official said. "It is unfortunate that BRAC Bank had not set up Omnibus as a separate entity," the official remarked.

Currently Q-Cash has over 100 ATMs and BRAC Bank 55.

"Banks do not want to be a member of the Omnibus ATM and POS network because of the 'ego problem'," a senior official of AB Bank Limited said.

Yesterday a top BRAC Bank official said Omnibus should be a separate entity.

"We will make it a separate organisation from the BRAC Bank once seven members join the network," Abedur Rahman Sikder, head of marketing and corporate affairs of the bank told The Daily Star.

BRAC Bank takes Tk 10 lakh as joining fees to the network and Tk 1 lakh as monthly service charge.

In most of the cases banks do not want to pay the fees, he added.

The number of ATMs in Bangladesh has grown rapidly in the past few years and there are now more than 500 in operation, mainly in Dhaka and Chittagong. The largest operator is Dutch-Bangla Bank Limited that has invested heavily in the machines and now has around 230.

Cash Link Bangladesh, a new company formed by a consortium of banks and their technology operations management partner, Euronet Worldwide have also planned to set up 505 ATMs across the country over the next three years.

sajjad@thedailystar.net

US passes anti-Opec bill

AFP

Cezar Bonifacio changes a gas price display in San Francisco. Oil prices bolted to a new record above $132 a barrel Wednesday after the US government reported that supplies of crude oil and gasoline fell unexpectedly last week.

AFP, *Washington*

The House of Representatives Tuesday passed a bill authorizing the federal government to sue Opec in US courts over alleged price fixing, in the latest swipe at the cartel over skyrocketing oil prices.

The bill passed the Democratic-led House by 324 to 84 votes, on a day when the price of oil soared to a record above 129 dollars a barrel.

"The House today with a strong bipartisan and veto-proof margin voted to hold foreign oil cartels and Big Oil accountable," Democratic House speaker Nancy Pelosi said.

President George W. Bush has however threatened to veto the legislation, although its margin of passage in the House suggested Democrats may get a two-thirds majority needed to sustain the largely symbolic measure.

"Instead of using a veto threat to shield cartels and Big Oil companies from accountability, the Bush Administration should work with the Congress to protect American consumers," Pelosi said.

The White House warned that the bill could discourage foreign investment in the US economy, subject US firms abroad to reprisals, and could end up limiting oil supplies, raising prices and threatening US jobs.

The bill would allow the US Justice Department to subject Opec member nations to the same anti-trust laws as US firms face.

The Organization of Petroleum Exporting Countries (Opec), which produces 40 percent of the world's oil, comprises Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, Qatar, the United Arab Emirates and Venezuela.

Democratic White House candidate Hillary Clinton has repeatedly threatened to amend anti-trust law to confront Opec, and promised to tackle the group through the World Trade Organization (WTO), if elected president.

Frozen fish meets demand for uncontaminated fish

Staff of Peninsula Sea Fish Limited are busy packing frozen fish. The company has started to supply frozen sea fish to the domestic market to meet the rapidly growing demand for uncontaminated fish.

KAWSAR KHAN

One of the country's leading fish exporters has started to supply frozen sea fish to the domestic market to meet the rapidly growing demand for uncontaminated fish.

Peninsula Sea Fish Limited (PSFL), a concern of the Peninsula Group, claims to be the first Bangladeshi company selling fish frozen at sea in the local market in any scale.

"We now supply around five tonnes of frozen fish every month to different shops in Dhaka," said Monowarul Hoque, managing director of the Peninsula Group.

The move comes following a string of reports of sea fish being preserved using harmful chemicals such as formalin.

Experts said around 50,000 boats collect around 2 million tonnes of sea fish annually but they do not reach the consumers uncontaminated as these boats lack proper preservation facilities.

"We maintain between minus 32 degree Celsius and minus18 degree Celsius at every level of fish preservation until it reaches the retail consumers, which helps to keep the food value of the fish," said Appel Mahmud, marketing manager of PSFL.

Describing the preservation and cooling facilities of PSFL the officials said they start the preservation process as early as the collection of the fish from the sea through the group's another sister concern Peninsula Fishing Ltd which catches these fishes with its four deep sea fishing trawlers equipped with individual quick frozen (IQF) facility.

Under the IQF facility, the fishes are being frozen at minus 30 degree Celsius and then preserved at minus 18 degree Celsius.

Describing why the fishes are preserved at minus 18 degrees temperature, he said that this temperature safeguards the fish from becoming decomposed as well as this temperature also halts the growth of harmful bacteria in the fish.

The company, exporting fish to countries including China, Japan, Thailand, Middle East and some European countries started supplying frozen fish to local stores since November last year.

Fish is the second largest export item of the country. In the first nine months of the fiscal year 2007-08 the country earned $381.02 million through exporting frozen foods showing a 7.31 per cent growth over the previous fiscal. In the FY 2006-07 the country earned $515.32 through exporting the products.

kawsar@thedailystar.net

GP sacks supplier for child labour

STAR BUSINESS REPORT

Grameenphone, the country's largest mobile operator, has sacked a supplier and launched a major investigation following revelations of unacceptable working conditions, pollution and child labour at its suppliers.

The revelations that appeared in a Danish Television documentary last week showed miserable working conditions and environmental violations at factories manufacturing mobile antenna masts for Grameenphone in Bangladesh.

Norway's Telenor owns majority of Grameenphone. In response to the documentary, Telenor's Chief Executive Jon Fredrik Baksaas said: "I am both saddened and surprised to learn that Telenor's regulations have been violated and that key terms in our contracts with our suppliers have been breached."

"We recognize, however that inspection routines have been inadequate and that we have failed to follow up our extensive regulations with respect to these suppliers. We have now taken immediate steps to ensure that required standards are adhered to," he said.

"GP's business connections with a vendor have been terminated after our inspections revealed that a boy below the age-limit set for this specific industry was working on the facilities," Telenor said.

Grameenphone's Chief Executive Anders Jensen said: "We have zero tolerance for any breach of local laws and regulations and we are committed to improve the working conditions in these vendor factories."

DUTY-FREE RMG EXPORTS TO INDIA

8 garment units get quota

REFAYET ULLAH MIRDHA

The Export Promotion Bureau (EPB) yesterday started giving approval to garment factory owners for exporting 8 million pieces to India this year under an agreement between Dhaka and New Delhi in September last year that allows Bangladesh a zero tariff facility for the yearly export of the agreed pieces.

On the first day, the EPB okayed the quotas for 8 factories who expressed their interest through the trade bodies like Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

The deadline for getting such approvals from the state-run export promotional agency is June 30.

"But, so far the response is not good from the exporters' end in this regard as many exporters lost their interest due to hassles in making LCs," said a senior official of BKMEA.

On such lukewarm response, Mohammad Khalilur Rahman, the EPB director general (DG), told The Daily Star, "We will go for re-advertisement to woo the local manufacturers to export their RMG products to India unless the 8 million quota is not fulfilled within the stipulated time." However, the DG hinted at extension of the timeframe in the interest of fulfilling the entire quota of 8 million pieces.

"But I am hopeful that they will come very soon to avail the quota," Khalil said.

The RMG units that were allocated the quota are Union Sportswear Limited (150,000 pieces of men's and lady's trousers), Rose Dresses Limited (70,961 pieces of lady's and men's trousers), Generation Next Fashions Limited (52,770 pieces of T-shirts), Kimberly Apparels Limited (1,31,605 pieces of men's cotton shirts), Padma Poly Cotton Knit Fabrics Limited (54,000 pieces of knit items), Sterling Creation Limited (1,34,295 pieces of pants), Romana Fashions Limited (7417 pieces) and Rose Garment Designers Limited (2,00,000 pieces). As per the EPB condition, an RMG unit is entitled to get a maximum quota of 2 lakh pieces.

Meanwhile, a BGMEA senior official said setting any deadline for availing the quota is unrealistic because such export to India is a continuous process.

The export value of these 8 million pieces has been estimated by the apex trade body for the apparel sector at US$3.9 million.

Talking to The Daily Star BKMEA President Fazlul Hoque said it will take time to fulfill the quota as there are procedural problems in duty-free export of RMG products to India.

Out of the total quota, affiliated members of the BGMEA will get 70 per cent share, while the affiliated BKMEA members will get the rest 30 per cent share.

reefat@thedailystar.net

3 govt firms to amend rules to sell more shares

STAR BUSINESS REPORT

The three state-run companies are going to amend their memoranda and articles of associations next month for further offloading of their shares on the stock market.

The three companies -- Atlas Bangladesh, Eastern Cables and National Tubes -- have already announce the date of holding extra-ordinary general meetings (EGMs) to make changes in rules which will allow them to offload shares without any legal complexities.

If the government sells more shares in the already listed three companies, they will lose majority control in violation of the existing memoranda and articles and associations.

It is said in the memoranda and articles of associations that the government must hold majority or 51 percent stakes.

"We hope we can complete all necessary requirements by the next month to offload 25 percent additional shares," said Abdul Baten Sarker, company secretary of National Tubes, whose EGM will be held on June 23.

The EGM of Atlas Bangladesh will be held on June 16 and the EGM of Eastern Cables will be held on June 19.

The government in February this year decided to offload 25 percent more shares in four state-run companies on the stock market.

But, a group of employees in Usmania Glass Sheet Factory filed writ petitions with court to prevent the government giving up majority control of the company.