

**TRANSTEC Refrigerator**

- TRH BM-11 (Blue) 10.5 CFT
- TRH BM-10 (Blue) 9 CFT
- TRH BM-11 (Red) 10.5 CFT
- TRH BM-10 (Red) 9 CFT
- TRH BM-11 (Silver) 10.5 CFT
- TRH BM-10 (Silver) 9 CFT

TRANS COM ELECTRONICS  
8857364-8  
01712-645443

## Stocks

DGEN	1.25%
3,207.89	
CSCX	1.07%
5,933.30	

## Currencies

	Buy TK.	Sell TK.
USD	68.00	69.00
EUR	104.28	108.99
GBP	133.00	138.13
JPY	0.65	0.68

SOURCE: STANDARD CHARTERED

## Commodities

Gold	\$87.45 (per ounce)
Oil	\$127.35 (per barrel)

SOURCE: AFP (As of Friday)

## More News

### Public-private partnerships



Infrastructure investment in Bangladesh has continually fallen short of what the government seeks and what is necessary for the country to meet its development goals. This situation, which has worsened in recent years, demands new ways to improve infrastructure and the much talked about public-private partnerships (PPP) may be a solution.

B-4

### Biman leases aircraft from Thai carrier

Biman Bangladesh Airlines Ltd yesterday leased a Boeing 747-300 aircraft from a Thai airline for one year in a bid to minimise disruption in its flight schedules. "The 512-seater aircraft from Orient Thai Airlines will arrive at Zia International Airport (ZIA) by June 17," a Biman high official said.

B-3

### DSE benchmark index hits 3200 points

The benchmark index of the Dhaka Stock Exchange (DSE) yesterday crossed 3200 points for the first time, closing at 3207.89 points, led by banking, investment and pharmaceutical sectors' shares.

B-2

## International

### Telecommuting grows in US

Across the United States, workers and companies are looking at telecommuting as a means to curb transportation costs in the face of record-high gasoline prices. Some 48 percent of employers offer an option of telework at least one day a week, according to a 2007 survey by the Society for Human Resource Management, an association of company managers.

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)

# GP to unveil major expansion order

## Chinese Huawei to break Ericsson's equipment supply monopoly

MD HASAN

Grameenphone, the country's largest mobile operator, is set to announce a major network expansion on Tuesday when it unveils a deal worth several hundred million dollars to buy equipment from Chinese telecom group Huawei.

The move marks a change in strategy for GP that has until now relied on network equipment from Swedish based Ericsson, the world's number one mobile telecom infrastructure supplier.

Sources concerned said the total amount of the deal could be up to half a billion dollars, although the order is expected to be spread over several years.

Zhang Hui (Tony), chief executive officer of Huawei Technologies (Bangladesh) said, "Possibly it's the ever biggest deal of Huawei in Bangladesh and definitely we are very happy."

According to Huawei the order is to build a "nation wide

GSM soft switch core network, and radio network in the high traffic areas of Bangladesh including Dhaka, Rest Dhaka and Sylhet."

GP and other operators are under pressure to expand their networks in order to maintain service quality at a time when the number of users is expanding rapidly.

Neither GP nor Huawei would comment on the value of the order. "You will see everything on June 3, when we disclose it," Zhang Hui said.

The deal, scheduled to be signed tomorrow, will end the 11 years unique dominance of Ericsson. The Swedish group has acted as the sole supplier since GP, a joint venture between Norway's Telenor and Grammen Telecom was set up in 1997.

Cost cutting has become a pressing issue for GP during the past year as intense com-

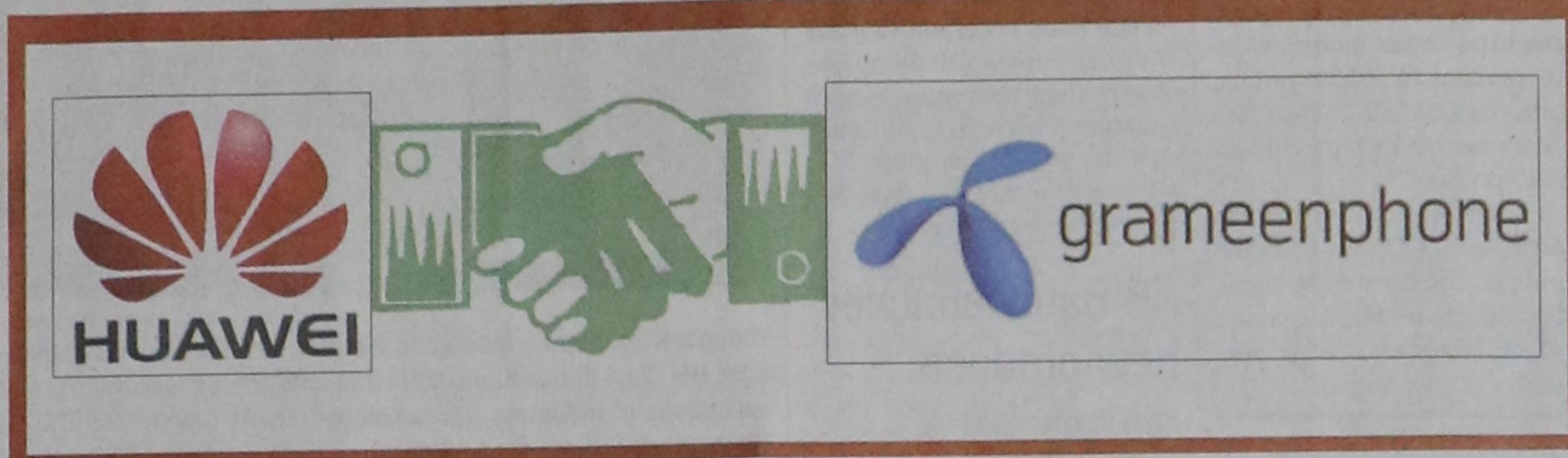
petition in the Bangladeshi market has forced operators to cut call charges while continuing to spend heavily on marketing.

After taking charge last year Grameenphone CEO, Anders Jensen, announced his cost cutting policy to retain the company's profitability.

Grameenphone's operating profit dropped by 32 percent in the first quarter of 2008 compared to the same period of the last year on increasing costs behind a huge number of customer acquisition.

With 18.6 million customers at the end of April 2008, the company is still by far the largest mobile group among the 6 mobile operators in the market with a market share of around 45 percent.

Orascom Telecom



Huawei already counts Teletalk, Aktel and Bangladesh Telegraph and Telephone Board as its customers in Bangladesh.

Industry sources said the move to break Ericsson's dominance reflected Grameen's determination to cut costs. It is also common practice for mobile operators to have more than one supplier to ensure competition.

Three months ago Grameenphone called for bids, with Ericsson and Huawei taking part. Grameenphone choose Huawei because of it had offered to complete the work at a significantly lower price than Ericsson, sources said.

Cost cutting has become a pressing issue for GP during the past year as intense com-

petition in the Bangladeshi market has forced operators to cut call charges while continuing to spend heavily on marketing.

Bangladesh, which operates Banglalink, is the second leader with around 8.64 million subscribers.

Telecom Malaysia International Bangladesh, which operates AKTEL, and Warid Telecom International are the third and fourth market player with around 7.57 million and around 2.93 million subscribers respectively.

Pacific Bangladesh Telecom Ltd, which operates Citycell, and the state-run Teletalk Bangladesh are the other two operators.

Norway's Telenor owns 62 percent of the company, which launched operation in 1997, with the balance 38 percent being held by local Grameen Telecom.

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# Poland new market for Bangladesh's knitwear

REFAYET ULLAH MIRDHA

Poland, a central European country, is becoming a major export destination for Bangladesh's knitwear products, according to industry insiders.

The demand for the local knitwear products in the Polish market increases because those are good in quality and cheap in prices. Besides, there is a new development that the Polish, who were accustomed to buying Bangladesh knitwear through German retailers, are now keen to import those directly, a major exporter told The Daily Star.

The Polish market is being dominated by Germany, a major buyer of Bangladesh knitwear products in European Union.

Data shows Bangladesh exported knitwear products worth US\$21.06 million to Poland in 2007, while the earning was \$18.39 million in 2006 and \$7.13 million in 2005.

These knitwear products include T-shirts, sweater and lady's polo.

An official of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) however said the amount of knitwear product exports to Poland in the current year could not be ascertained as compilation now goes on.

Meanwhile, a 3-year record shows a decline in woven exports to the central

European country. In 2007, woven products worth \$2.6 million were exported, while the country fetched \$6 million from exports to Poland in 2006 and \$3 million in 2005.

According to industry people, the country's knitwear exports to Europe were \$3.9 billion in 2007, which is 75 percent of the item's total export figure.

Considering Poland as a highly potential market, the trade body for the knitwear sector has already urged the Export Promotion Bureau (EPB) to send soon a high profile business mission to that country.

BKMEA President Fazlul Hoque said, "Since the response from Polish side is good the government should take it into consideration as soon as possible."

Hoque, however, said his organisation will consider sending such a team if the state-run export promotional agency does not respond positively in this regard.

Meanwhile, knitwear, the largest export earner followed by woven garments, earned \$3.913 billion during July-March period of the current fiscal, marking a 17.34 percent growth over the same period of the previous fiscal.

During this time, woven garments earned \$3.770 billion, a 7.54 percent growth over the same period of the previous fiscal.

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# SEC imposes restrictions on 2,436 BO accounts

SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) yesterday imposed restrictions on 2,436 beneficiary owner's (BO) accounts as a preliminary investigation found the accounts shoddy and suspicious.

Under the restrictions, share sales and transactions cannot be done from these 2,436 shoddy BO accounts until further notice.

The capital market watchdog investigation also found that a single mailing address was used for all the BO accounts. Moreover a single bank was used for opening these BO accounts.

All the BO accounts were used during Premier Bank's initial public offering (IPO) in March last year.

The address used for opening all the BO accounts is 137, Tejgaon Industrial Area. An instant visit by this correspondent to the address found Total Fashion Wear, a garment factory with around 150 to 200 workers currently employed.

More than 1,000 bank account numbers, opened in different branches of Al Arafah Islami Bank, were used to open 2,436 BO accounts, said Farhad Ahmed, executive director of SEC.

It is mandatory to mention a bank account number, the branch name and a BO account number in case of applying for shares in IPO. On the other hand, it is also mandatory to mention a bank

account number and the branch of a bank while opening a BO account.

Ahmed said the commission's primary investigation, which was done in the last six months, found that these accounts were not opened legally. "Until further order, no shares can be sold or transferred from these BO accounts, which are now subject to enforcement action or further enquiry by the SEC," he said.

"We will start further investigation of the matter and try to identify who is/are behind it," he said.

Of the 2436 BO accounts, 2357 were opened through Anwar Securities, while 36 through Tareque Ibrahim and Co, 26 through Lankabangla Securities, 13 through SES Companies and 4 through Total Communications.

False information use in opening BO accounts is a violation of securities laws. "If proven, the punishment could be in two ways -- civil or criminal. In case of civil, the maximum punishment is Tk 10 lakh penalty, while in case of criminal the maximum punishment is 5 years jail or financial penalty or both," Ahmed said.

Presently, there are around 15 lakh BO accounts. There are also allegations that many of the BO accounts were opened with illegal procedures and used in IPOs.

Dokan Malik Samity President Amir Hossain Khan said the NBR should make the system 'optional' for businesses instead of mandatory.

# Traders urge govt to make electronic cash register use optional

UNB, Dhaka

Traders yesterday strongly opposed the government decision to install electronic cash registers as mandatory in medium and wholesale shops from July 1.

The traders urged the government to make the decision to install the cash registers optional.

They raised the demand at a workshop on the use of electronic cash register in Dhaka.

The shop owners also said the government should rationalise the gross profit determination system. Presently it is 30-35 percent, which is irrational, the traders said.

The National Board of Revenue (NBR) Chairman Abdul Mazid speaking at the workshop tried to pacify the anger of the traders.

"The revenue board will be flexible on the issue and give enough time to familiarizing the business with cash register," he said.

Citing the usefulness of the electronic cash register, he said it will ensure collection of VAT from the consumers by providing transparent information.

Bangladesh Dokan Malik Samity (association of shop owners) Executive Secretary MA Kader Kiron said there should be a specific definition of medium shops on which the NBR made installation of the cash register mandatory.

Presently, there are around 15 lakh BO accounts. There are also allegations that many of the BO accounts were opened with illegal procedures and used in IPOs.

# EC assures support for shipbuilding industry

STAFF CORRESPONDENT, Ctg

Dr Stefan Frowein, European Commission delegation chief in Bangladesh, here yesterday assured shipbuilding companies of support of European Union, urging the latter to go "full steam ahead" with the business.

The EC delegation chief made the assurance while visiting the Western Marine Shipyards Limited (WMSL) on the other bank of the river Karnaphuli at Shikalbaha in Patiya upazila of Chittagong to have preliminary ideas of the shipbuilding industry in Bangladesh.

The shipbuilding industry has the potential to earn billions and benefit both the people of Bangladesh and the European Union, observed Frowein, as he said that three shipbuilding companies, including Western Marine, secured significant orders from Europe in recent months.

Making its inroad in global shipbuilding market in February this year, the Western Marine has already received orders for building 18 ocean-going ships. Of these, five have been received from Denmark, twelve from Holland and one from Singapore.

The country will earn foreign currency worth US\$ 180 million from the completion of the ships, informed the Western Marine officials.

"It is particularly apposite that a country, which is renowned for ship-breaking, should move to shipbuilding, creating an industrial 'cycle of life' with a certain poetic appeal", said Frowein.

Chittagong Port Authority (CPA) Chairman Commodore



Dr Stefan Frowein, European Commission delegation chief in Bangladesh, visits the Western Marine Shipyards Limited (WMSL) on the bank of the river Karnaphuli at Shikalbaha in Patiya upazila of Chittagong yesterday. CPA Chairman Commodore M Farooq and CCCI President Saifuzzaman Chowdhury accompanied him.

M Farooq and Chittagong Chamber of Commerce and Industry (CCCI) President Saifuzzaman Chowdhury accompanied the EC delegation chief during his visit at the shipyard.

The CPA chairman requested the EC delegation chief to help Bangladeshi shipbuilders acquire advanced shipbuilding technology and skills.

The CCCI president hoped that the EC delegation chief's visit would help enhance Bangladesh shipbuilding

industry and open a new frontier for exporting ships to Europe.

Western Marine Shipyards Limited (WMSL) Chairman Saiful Islam sought EC's assistance to develop skilled manpower through training and transfer of technology for boosting country's shipbuilding capabilities.

He said shipbuilding boom could bring about significant expansion of Bangladesh's commercial relations with the European Union.

The company, aiming to

take the local shipbuilding industry to a new height, also received "World Maritime Day Award 2007" in recognition of its contribution to ship building industry in the country, said the sources at Western Marine Shipyards Limited.

Sprawling over a 15-acre of land, its shipyard employs over 2000 skilled and semi-skilled manpower. The company expects to employ further 10,000 people at its facilities in near future.