



DHAKA FRIDAY JUNE 6, 2008

Stocks

DGEN 0.49%
3,154.19

CSGX 0.02%
6,032.59

Asian Markets

MUMBAI 1.64%
15,769.72

TOKYO 0.65%
13,341.12

SINGAPORE 0.29%
3,143.89

SHANGHAI 0.54%
3,351.65

Currencies

	Buy TK.	Sell TK.
USD	68.00	69.00
EUR	103.22	107.78
GBP	131.04	136.17
JPY	0.64	0.67

SOURCE: STANDARD CHARTERED

Commodities

Gold	\$ 873.05 (per ounce)
Oil	\$ 122.60 (per barrel)

SOURCE: AFP

More News

400 years of commercial Dhaka



This year Dhaka observes its 400th anniversary and Dhaka Chamber of Commerce and Industries (DCCI), in association with Bangladesh Asiatic Society, have taken an initiative to write down the Commercial History of Dhaka. A committee has been formed on this regard to oversee the regular activities of the project.

B-4

SEC warns merchant banks of failure to cool down market

In the wake of bullish trend in stock market, the stock market regulator yesterday warned of actions including cancellation of licence of the merchant banks if they fail to bring in new issues to pull the overpriced stock market down.

B-3

International

Thailand mulls price supports for rice

With the threat of farmers' protests hanging over the embattled government's head, Thailand's premier has floated a scheme to buy local rice at inflated prices, the government said Thursday. Export prices for Thai rice hit a record high this year.

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

Two ATM service firms close to partnership deal

SAJJADUR RAHMAN

E-Cash, an automated teller machine (ATM) network company, has claimed it reached the final stage of its negotiations with Cash Link Bangladesh to build a partnership with the latter to help expand business.

"We have been talking for over two years. There will be a deal once the formation of Cash Link Bangladesh is finalised by its partners," said Zahir Ahmed, managing director (MD) of E-Cash.

E-Cash is the pioneer in ATM services in Bangladesh. The company, launched in October 2001, has now only 24 ATM booths. Another 20 booths are under implementation process, according to the company's top official.

Cash Link Bangladesh, a new company proposed by five banks and their technology operations management part-

ner, Euronet Worldwide, wants to become a competitor for ATMs from the very beginning. AB Bank is the leading partner with 30 percent stakes in the proposed company.

"We want to expand, but it needs capital," Zahir Ahmed said, adding that Bangladesh has huge potentials in expansion of ATM network.

E-Cash alone plans increasing the ATM booths to 100 by this year, the official claimed.

Bangladesh Bank data shows that there are about 600 ATMs in the country. The number was less than 300 a year ago. Currently, Dutch-Bangla Bank Limited has the largest network with 260 ATMs. The other major ATM market players are BRAC Bank, Q-Cash and Standard Chartered Bank.

Market experts predict that Bangladesh has great potentials in introducing online delivery channels. Currently, only 7-8 percent of the popula-

tion has access to banks.

"The number of bankable population could easily be five crore who were never been attracted by the banks," the E-Cash MD said, pointing to the fact that the company has been growing at 20-25 percent a year for the past couple of years.

When contacted, the Cash Link Bangladesh's partner banks said they are now negotiating on the price issue.

E-Cash's paid-up capital is nearly Tk 4 crore and the total valuation of the company is Tk 12 crore.

E-Cash is owned by United Group and maintained by Electronic Transactions Network Ltd (ETN). ETN has agreement with eight banks. These are: Agrani Bank, Bank Asia, Dhaka Bank, Islami Bank Bangladesh, Social Investment Bank, Southeast Bank, State Bank of India and AB Bank.

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A file photo shows an ATM of E-Cash, which has claimed it reached the final stage of its negotiations with another ATM company Cash Link Bangladesh to build a partnership.

Warid in talks with Huawei

Mobile operators going for lower-cost equipment as they eye 3G network

MD HASAN

Warid Telecom, the country's fourth largest mobile operator, is in talks with Chinese company Huawei to buy equipment for its network expansion, showing evidence that operators are looking for cheap solutions.

Huawei appears to be the cheapest solution provider in Bangladesh's highly competitive market for mobile equipment where European mobile equipment vendors dominate.

"We are in talks to sign a deal with Warid. But some time is required to complete the deal," said an official of Huawei.

Grameenphone, the country's largest operator, on Tuesday signed a multi-million dollar network expansion deal with Huawei.

Industry insiders said Grameenphone-Huawei deal is nothing but an example to the other mobile operators to go for low-cost technology as all operators plan to introduce 3G (third-generation) technology.

3G is the latest technology in mobile communications that

is basically designed for providing mobile access to internet-based services.

Sources said Ericsson and Motorola are already involved in Warid's network expansion projects.

The telecom vendors in Bangladesh are now in a battle to grab the future market of 3G. The telecom regulator is now working to finalise a policy concerning how to award 3G licenses to the mobile operators.

In Bangladesh, Ericsson, Huawei, Nokia-Siemens, Alcatel-Lucent, Motorola, Cisco are the leading telecom vendors.

"We are delighted to choose Huawei as our second GSM equipment supplier," said Anders Jensen, chief executive officer of Grameenphone.

"Huawei's advanced technology and value-added services will help us to deliver an excellent mobile experience to our customers," he added.

"With our customised solutions and professional service capabilities, we are dedicated in helping Grameenphone strengthen its leadership and

competitiveness in Bangladesh," said Kevin Tao, senior vice-president of Huawei.

However neither GP nor Huawei commented on the price for the order.

Besides Grameen, Huawei counts Teletalk, Aktel and Bangladesh Telegraph and Telephone Board (BTB) as its customers in Bangladesh.

GP and other operators are under pressure to expand their networks, in the backdrop of a rapidly expanding pool of mobile phone users, in order to maintain service quality.

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

Three months earlier Grameenphone called for bids, with Ericsson and Huawei taking part. Grameenphone choose Huawei because the company had offered to complete the network expansion work at a significantly lower

price than that of Ericsson, sources said.

Cost reduction has become a pressing issue for GP during the past year as intense competition in the local market has forced operators to cut call charges while continuing to spend heavily on marketing.

Not only GP's, cost reduction is a major concern for all other telecom operators. At present, with the exception of GP all other operators are operating below break-even point.

Industry insiders said not only for their cost cutting strategy, but also the possibility of holding back the issuance of WiMax license to the mobile operators encourage them to just update their technology at a lower cost.

During his visit to Dhaka last month, Naguib Sawiris, chairman of Orascom Telecom Holding (OTH), said Banglalink would welcome 3G.

"We will stick to 3G. Because we believe, it is the continuation of GSM. It's much more easier for us to upgrade our technology by adopting 3G rather than WiMax," he said.

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51.5pc rise in foreign firms' profit repatriation

STAR BUSINESS REPORT

Profit repatriation by foreign companies increased by 51.5 percent in 2007, reducing the net inflow of foreign direct investment (FDI), said the Centre for Policy Dialogue (CPD).

The observation was published in a paper on "State of the Bangladesh Economy in Fiscal Year 2008 and Outlook for Fiscal Year 2009" which was released by the leading think tank Wednesday.

The total inflow of FDI in 2006 and 2007 were \$823.4 million and \$950.4 million respectively. However, excluding the profit repatriation, the actual investment stood at \$358 million and \$245 million

in the two years.

The paper also found that oil, gas and power companies were on the top in repatriating their profits. In 2007, these companies repatriated a total of \$507 million, which was 71.91 per cent of the total profit repatriation from the country.

To cope with the situation, the CPD suggested that the government should encourage the large-scale foreign companies to reinvest their profit and offload a part of their shares in the capital market. These measures will make the local shareholders to get a part of the profits made by the foreign companies.

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