

## Stocks

DGEN ▼ 0.45% 3,022.25

CSCX ▼ 0.36% 5,880.51

## Asian Markets

MUMBAI ▲ 0.8% 14,220.07

TOKYO ▼ 0.14% 13,829.92

SINGAPORE ▲ 0.83% 2,986.62

SHANGHAI ▲ 3.64% 2,905.01

## Currencies

	Buy TK.	Sell TK.
USD	68.15	69.15
EUR	104.60	109.19
GBP	132.67	138.17
JPY	0.63	0.66

SOURCE: STANDARD CHARTERED

## Commodities

	<b>Gold</b>	▼ \$889.27 (per ounce)
	<b>Oil</b>	▼ \$136.87 (per barrel)

(Midday London Trade)  
SOURCE: AFP

## More News

WB not against subsidy: Patel



"The World Bank is not against subsidies, but they have to be smart, time-bound and targeted to protect the poorest and vulnerable households," World Bank Vice President for South Asia Pratul C Patel said, responding to criticism that the bank works to cut safety nets.

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## Dhaka stocks down

DSE stocks were down yesterday as a result of falling prices, primarily, of share of banking, investment, pharmaceutical and cement companies. The DSE General Index declined by 13.77 points, or 0.45 percent, to 3022.25 points, while the DSE All Share Price Index fell by 6.15 points, or 0.23 percent, to 2591.12 points.

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## International

### Eurozone factory orders jump unexpectedly

Factories in the 15 nations sharing the euro saw demand surge unexpectedly in April, official EU data showed on Wednesday. New industrial orders in the eurozone rose 2.5 percent in April from March and jumped 11.7 percent compared with the same month in 2007, the European Union's Eurostat data agency said.

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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](mailto:business@thedailystar.net)

# AKTEL to fight back with 3G

## Hope Telekom Malaysia, NTT DoCoMo

MD HASAN

Telekom Malaysia and its new partner in AKTEL, NTT DoCoMo, aim to fight back in Bangladesh's highly competitive telecoms market by introducing the 3G (3rd generation) technology.

"We will aim to increase AKTEL's corporate value by providing DoCoMo's business know-how regarding 3G and increase returns in the form of consolidated revenue and dividends, higher roaming income, and stronger domestic competitiveness," said the Japanese telecom giant in a reply to the Daily Star.

The share sales issue ended last week by an announcement that DoCoMo will buy AK Khan and Company's 30 percent stake in AKTEL.

"The deal, worth \$350 million, is expected to be completed by the end of 2008," according to the DoCoMo announcement posted on their website.

Yusuf Annuar Yaacob, chief executive officer of Telekom Malaysia echoed the DoCoMo's plan regarding Bangladesh market and said, "DoCoMo is one of the world's largest telecoms companies and therefore is able to provide a significant amount of expertise in areas such as technology and marketing that will further strengthen our position in Bangladesh".

Industry insiders said DoCoMo's partnership with AKTEL is definitely a 'worry' for the other market players.

"Besides the capacity of introducing new technology, the Japanese giant can push things for TM in terms of investment," said a high official of a leading mobile phone company.

It has always been TMI's ethos to provide the Bangladesh market with the latest technological advances in the field of telecommunications. Yaacob said adding,

"TMIB now has TMI and Docomo, two of the most respected telecommunications companies in Asia as its shareholders that will drive TMIB to the next level".

Industry sources said it is obvious that big operators are waiting for next generation technology like 3G.

Most of the operators including Grameenphone, Banglalink have already showed their interest in 3G licenses. The telecoms regulator may issue 3G licences by the year-end.

"It's a matter of debate whether the 3G will hit the market. But every operator is keen to introduce it," said an official of Bangladesh Telecom Regulatory Commission (BTRC), the regulator.

AKTEL lost its market position at the end of last year from second to third in terms of subscriber acquisition. The company's officials said it happened basically because of AKTEL's illegal international call termination (VoIP) scandal and the dillydallying of the share sales as well.

hasan@thedailystar.net



● Japanese NTT DoCoMo ranked number one mobile phone operator among the world's top 20 companies in terms of revenue generation in 2006

● It has operations in Asia, Europe and North America

● It took over Nippon Telegraph and Telephone Corporation's mobile communications business in July 1992

● The company has more than 52 million customers worldwide

● Its total employees stand at 22,006

# Excess liquidity in banks down as credit demand up

STAR BUSINESS REPORT

There had been a decrease in the excess liquidity amounting to Tk 2859 crore in the banking system in April, as demand for private sector credit increased.

According to Bangladesh Bank sources, excess liquidity on April 30 stood at Tk 9337 crore, which was Tk 12196 crore on March 30 of this year and Tk 14279 crore on June 30 in 2007.

Referring to this decreasing trend in excess liquidity, Finance Adviser AB Mirza Azizul Islam yesterday said demand for credit has increased, which, he claimed, has been caused by the investment-friendly budget.

Commercial banking sources said it is a regular phenomenon that the businesses take more loans from the banks for hoarding prior to the announcement of the budget, with the aim to make more profits from possible price hikes of commodities after the budget has been announced.

"This creates more demand for credit and also results in increased call money rate. We are talking about what has happened to

excess liquidity in April, but the fact remains that it decreased further in May," said managing director of a private commercial bank.

The increase in private sector growth, which is usually 15 to 16 percent, has been more than 23 percent in April.

The call money rate last month reached around 20 percent, which usually remains below 10 percent.

The call money rate, however, has come down below 10 percent after the announcement of the budget, managing director of another private commercial bank said.

"Various initiatives taken by the present government have created a congenial environment for investments. Therefore, some banks may be pushed hard for credit," Mirza Azizul Islam told reporters after a meeting with a delegation of Bankers Association of Bangladesh (BAB) at the Planning Ministry.

BAB Chairman Nazrul Islam Majumder, who led the delegation, told reporters they have requested the government to increase the government deposit in the private commercial banks from 25 percent to 50 percent.

# Minimum export prices of hilsa fixed

STAR BUSINESS REPORT

The commerce ministry yesterday fixed the minimum export price of hilsa fish to get the actual value from this item, according to a press statement of the ministry.

It said the price of hilsa weighing 600 gram to 1000 gram has been fixed at US\$6 per piece and a hilsa of 1000 gram up to 1500 gram at \$ 8, while a hilsa weighing more than 1500 gram would cost \$12 a piece.

This order will remain effective until further notice in this regard, the statement added.

Sources in the ministry concerned said the government is denied the exact prices of hilsa due to smuggling of the item.

According to the statistics of the Department of Fisheries (DoF), the total production of hilsa was 2.80 lakh tonnes in 2006-07 fiscal year (FY) against 2.77 lakh tonnes in FY 2005-06. In FY 2004-05, such output was 2.75 lakh tonnes.

Hilsa accounts for 15 percent of the total fish production of 2,328,545 tonnes in the country.

The total market value of hilsa is Tk 70 billion, said a senior official of the Ministry of Fisheries and Livestock.

# Glass industry meets 95pc local demand

## Suggests more export incentives

SAYEDA AKTER

The local multi-billion taka glass industry that sprang up in a span of three years now exports produces to a number of countries after meeting around 95 per cent of the domestic demand.

According to industry insiders, a growth in real estate business and construction of huge establishments has helped the industry flourish.

The present market size of the country's four glass manufacturing units is around Tk 300 crore.

These factories, with a capacity of producing 250 tonnes of glass a day, are Nasir Glass Industry, PHP Float Glass Industries Limited, Usmania Glass Sheet Factory Ltd and MAB Glass Industries.

Of these, Nasir Glass Industry and PHP Float Glass Industries Limited started commercial production in 2005.

The sector people said by the end of 2002, Bangladesh's entrepreneurs started thinking about manufacturing glass locally noticing the growth of high-rise buildings and the dearth of quality glass. Previously the country was fully dependent on imported glass, whereas it now imports only 5 per cent of its demand for coloured and luxurious designed glass from China, Thailand and Indonesia.

Among the local industries, Nasir and PHP are producing float glass and the rest are producing sheet glass.

Palash Ahmed, GM of Nasir Group, said this industrial unit started its journey with an investment of Tk 300 crore, which now holds more than 40 percent of the total market share.

He said his company pro-



The photo shows workers putting coloured glasses on the windows of a multistoried building in Dhaka. The local glass industry that sprang up in a span of three years now exports to a number of countries.

duces every year around 73000 tonnes of glass, including float, shades (commonly known as mirror), tempered and reflective ones.

A director of PHP Float Glass Industries Limited

float glass per annum and it now puts its efforts for capacity building.

Most of the raw materials, including dolomite, limestone and chemicals, for float and sheet glass need to be imported from abroad. However, the specialised sand, another essential material for producing glass, is available in the local market.

The local glass companies are also exporting their products mainly to South Asian countries, including India, Nepal, Bhutan and Sri Lanka.

Palash Ahmed said apart from exports to these countries, his company eyes South Korea as its next export destination.

Despite all successes, the industry as a whole is faced with some difficulties, which, according to insiders, need to be addressed.

The Nasir Group general manager identified the weak transportation system as a major problem in the sector.

He also urged the government to take necessary measures to ease the border difficulties to smoothen the shipment of consignments, as glasses are usually exported through borders.

Rakib Un Nabi, manager of Usmania Glass Sheet Factory Ltd, a famous sheet glass producer, suggested the government provide export incentives for the sector at an enhanced rate, citing the example of China who gives 25 percent incentives to such a sector.

Recently, the commerce ministry said the government is considering giving 10 percent incentives on exporting sectors, which, the industry people hope, would help the sector boom.

sayed@thedailystar.net

# World economy to grow 4pc in 2008: French bank governor

AFP, Paris

The world economy is likely to grow by about 4.0 percent this year and the United States should avoid a recession, the governor of the Bank of France Christian Noyer said on Wednesday.

Noyer, who is also a member of the monetary policy council of the European Central Bank, told a press conference that "world growth should stabilise around 4.0 percent in 2008."

The property crisis and the strong rise of raw material prices had left an impression that "the world economic cycle, until then going forward, was going to be set back."

He said that some experts had "even envisaged a recession in the United States" but "the reversal has not occurred" and the United States had entered a period of "slower growth, and not a recession."

Noyer, in a regular letter to the French president published on Wednesday, said that the world economy faced several risks.

One was an unexpectedly sharp fall in consumption arising from a fall of property prices, and another was continued acceleration of raw materials prices.

A third was a possibility that the financial crisis might slow down growth in "real economies" beyond the sectors of finance.

Noyer said that in the second half of last year, the European economy had entered "a phase of great uncertainty which weighs on the outlook for growth."

He said that "globalisation has ceased, probably for a long time, to be directly disinflationary."

The prices of raw materials seemed to be on an upward trend.



Joshua Persky, an unemployed financial engineer, stands in front of the Charles Schwab building in New York with a sign proclaiming "Experienced MIT Graduate for Hire". Persky, who is married and supports five children, lost his job in the volatile banking industry six months ago.

# \$30b needed a year to fight hunger : FAO

AFP, Vienna

The UN's Food and Agriculture Organization on Wednesday said 30 billion dollars (19 billion euros) will be needed every year until 2050 to stave off world hunger, this year exacerbated by a food crisis.

Speaking to the press ahead of an agriculture conference in Innsbruck, FAO Director General Jacques Diouf said this sum needed to be funneled mainly into boosting global agricultural production.

Diouf also estimated that the price of food commodities - which rose dramatically this year - will remain high due to

strong demand, harvesting problems caused by climatic changes, as well as low food reserves.

The Innsbruck conference, running Thursday-Friday, will specifically address agriculture in European and Central Asian countries that are experiencing the growing pains of economic transition.

Also on the agenda is how the FAO can support those countries worst hit by the food crisis.

Diouf highlighted that at an FAO Food Summit in early June in Rome, the international community promised to untie seven billion euros.