

Air travel tech provider to focus on country's e-ticketing market

STAR BUSINESS REPORT

Amadeus, a global travel technology provider, has plans to lay more emphasis on Bangladesh's e-ticketing market by introducing its latest technology.

The company said in order to retain the existing market share and to comply with the International Air Transport Association (IATA) mandate, it has already introduced e-ticketing in Bangladesh.

According to the IATA mandate, Amadeus officials said no tickets can be issued by a Global Distribution Systems (GDS) agent other than an e-ticket after June 1, 2008. Any paper tickets that need to be issued will be done directly by the airlines. The booking and selling of tickets for multiple airlines is known as the global distribution system.

Keeping the IATA mandate in mind, Amadeus already provided its solutions to its agents in Bangladesh. The company also trained its agents to handle the e-ticketing system.

"As a GDS service provider, our commitment to IATA was that our ticketing system would be based on 100 percent e-ticketing system," Carneiro said. "Our office in Bangladesh is ready to provide any solutions the travel agents need to introduce e-ticketing mechanism."

GDS companies in Bangladesh issued 0.8 million tickets in 2007, 95 percent of which were e-tickets, he said.

Airlines have divested most of their direct holdings to dedicated GDS companies, who make their systems accessible to the consumers through internet gateways. Modern GDS systems typically allow users to book hotel rooms and rent cars, in addition to rail and airline tickets.

In Bangladesh, apart from Amadeus, there are three other GDS companies, Galileo, Abacus and Worldspan. Out of the 700 travel agents, 480 are connected with the Amadeus GDS solution. GTD Bangla Pvt Ltd represents Amadeus in Bangladesh.

Carneiro is optimistic about the future of e-ticketing in

Bangladesh and said, "We are confident that we will continue to increase our market share in Bangladesh, alongside the expansion of the market itself. We have a positive outlook on the future market."

The company claims to be occupying the leading position in the market with a 42 percent market share.

According to high officials of the company, the number of airline ticket bookings by the travel agents via Amadeus systems increased from 32 percent in December 2007 to 42 percent in April 2008.

"Our GDS system in Bangladesh is most preferred and we are the market leaders in terms of market share. The comprehensive content that we provide and our high service levels and functionality is superior," said Charles P Carneiro, head of marketing and corporate communications of Amadeus Indian Subcontinent.

"As we provide travel technology solutions to the entire industry, we are able to offer cutting edge technology to

travel agents far beyond the traditional GDS domain. Travel agents also feel secure to book on the Amadeus system, which significantly helps increase our market share in Bangladesh," he said while presenting a keynote paper on the activities of Amadeus in Bangladesh and Sri Lanka at the company's regional office in Bangkok recently.

Through GTD Bangla Pvt Ltd, Amadeus provides a wide range of products including front office, mid-office and back office solutions for travel agents.

Bangladesh's outbound traffic consists mainly of labourers and pilgrims to the Middle Eastern countries, comprising of 70 percent of the total traffic. The remaining outbound traffic comprises of 20 percent corporate clients and 10 percent leisure clients.

In the case of inbound traffic, foreign tourists represent less than 20 percent. Amadeus officials said this is a source market for Bangladesh and they can focus on it in the coming years.

Rahimafrooz launches CNG refueling station chain

Rahimafrooz CNG has launched a CNG refueling station chain, Quikfill, in the country.

The logo of Quikfill was officially unveiled at a function in Dhaka on Monday, says a press release.

The refueling stations will provide 24-hour service, electronic billing system and backup power supply.

Quikfill CNG (compressed natural gas) refueling stations have been opened in Tongi, Tejgaon, Manikganj and on Biswa Road. Eleven more stations will open soon in other parts of the country.

Afroz Rahim, chairman of Rahimafrooz Group, Feroz Rahim, managing director of Rahimafrooz CNG, directors and senior officials were present at the launching ceremony.

Japan, India ink currency swap agreement

PTI, Mumbai

India and Japan Monday concluded a bilateral arrangement for swapping of local currencies against the US dollar for up to USD 3 billion.

The Bank of Japan and the reserve Bank of India signed the agreement for addressing the short-term liquidity difficulties and supplementing the existing international financial arrangements, the RBI said in a release.

The move will also help in strengthening the ties between the countries.

ROK inflation near 10-yr high

AFP, Seoul

South Korea's annual inflation rate was 5.5 percent in June, close to a 10-year high due to soaring prices of oil and other commodities, official figures showed Tuesday.

The year-on-year rise in the consumer price index was the biggest since a 6.8 percent climb in November 1998, the National Statistical Office said. Month-on-month, the figure rose 0.6 percent.

BTCL signs deal with govt to get all BTTB assets

UNB, Dhaka

The newly constituted Bangladesh Telecommunications Company Ltd (BTCL) has signed vendors' agreement with the government to take over the state-run telecommunications service.

Under the deal, all assets and liabilities of the now-defunct Bangladesh Telegraph and Telephone Board (BTTB)

were handed over to the BTCL, said an official announcement yesterday.

Posts and Telecommunications Ministry Director (Wire) Shamsul Kibria signed the agreement on the government side, while BTCL Managing Director M Ashraf Al-eem and Director Brig Gen Rafiqul Islam on behalf of the new company.

The BTTB made a fresh start following its rebirth as a public limited company titled 'Bangladesh Telecommunications Company Limited (BTCL)' yesterday, aiming to provide "better services to the customers".

The transformation came in the wake of sweeping changes under the interim regime, as part of a longstanding reform recipe.



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Asian customers agree huge iron ore price rise

AFP, Sydney

Anglo-Australian mining giant Rio Tinto announced Tuesday that it had reached agreement with all its customers in Asia for iron ore price increases of up to 97 percent.

The new settlements are in line with Rio's agreement announced last week with China's Baosteel, which saw lump prices increase by 97 percent and fines prices increase by 80 percent, the company said.

"These agreements are a strong endorsement of the

settlement reached last week and reflect the very strong demand for our products across the world's fastest growing markets," said Sam Walsh, chief executive of Rio Tinto's Iron Ore group.

"The agreements throughout Asia will provide an important platform as we embark on the largest expansion in Rio Tinto Iron Ore's history, increasing production from the Pilbara to 320 million tonnes of iron ore per annum in 2012 and 420 million tonnes per annum beyond that."

The settlements are for iron

ore deliveries from Hamersley Iron, Robe River and Hope Downs for the contract year starting on April 1, 2008, the company said in a statement.

Rio Tinto shares closed up two dollars or 1.48 percent at 137.50 dollars (132.21 US) on the Australian stock exchange, while BHP Billiton put on 70 cents to 44.40.

There was no immediate reaction from BHP Billiton, the world's biggest miner which has launched a 147 billion US dollar takeover bid for Rio and has not yet announced its contract prices for this year.

Bangladesh to get £7m from UK for tax reform

BSS, Dhaka

The United Kingdom has approved 7 million pound sterling equivalent to Tk 100 crore to the government of Bangladesh for Tax Administration Capacity and Taxpayer Services (TACTS).

The five-year programme will support the National Board of Revenue (NBR) to increase the number of taxpayers, promote transparency and public trust in the revenue adminis-

tration system and to increase public revenue, said a DFID press release.

The TACTS will assist the NBR in implementing a comprehensive programme on taxpayer services aiming to improve outreach to the public. This will include improving the availability of information by setting up one-stop service centres and web based systems, the press release added.

In addition, the functioning of the Large Taxpayer Units and

the Central Intelligence Cell of the NBR will also be strengthened.

Shahid Malik, the UK's Development Minister with responsibility for South Asia, said, "With one of the lowest tax revenue collection rates in the world, it is vital for Bangladesh to develop a sustainable source of domestic resources".

Bangladesh is currently developing a new National Strategy for Accelerated

Poverty Reduction Implementation of this will require a boost in resources to finance the country's long term plans for improved health and education services, better infrastructure and growth.

"I am pleased that we can usefully support Bangladesh to strengthen revenue collection so that it can finance its expenditure needs," Sarah Sanyahumbi, DFID Bangladesh Acting Country Representative said.



Biz Letters, Star Business, The Daily Star, 19 Karwan Bazar, Dhaka-1215

Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words.

Potentials of crop biotechnology

Agriculture is the largest contributor to the economy of many developing countries, generating more than half of the annual gross domestic product (GDP). Fifty percent of the world's poor-



est people are resource-poor farmers, and another 20 are the rural landless who are dependent on agriculture for their livelihood. It is unfortunate, but true that we live in such a world where 1 in every 6 people has no access to food and 2.8 billion people live on less than \$2 per day.

Combating poverty involves actions to increase food security and per capita income. Increased income of farmers contributes to poverty alleviation of a large majority of the world's poor. Science and technology are globally recognised as the drivers of increased wealth and continuous improvements in the standard of living.

Agri-biotech comprises a wide range of biological disciplines and it offers enormous potential to speed up the development of plant varieties with pro-poor traits, such as drought tolerance, higher yields and increased nutritional value, among others.

In USA, farm income from biotech (BT) crops (HT soybean, Bt potato, Bt maize etc.) is \$15.9 billion. Biotech cotton has already made a significant contribution to the income of poor farmers in the first decade (1996-2005), and can be enhanced significantly in the second decade.

India has already adopted biotech crops and their cotton area represents 25 percent of the global area of cotton. It was 2002 when India adopted Bt cotton (a biotech crop) for the first time

and became the leading cotton growing country of the world in 2007.

China has also benefited from producing biotech crops, contributing to poverty reduction. Iran and China are the most advanced in the commercialisation of biotech rice, which is the principal food of the poor.

In 2007, the number of countries planting biotech crops increased to 23, comprising of 12 developing countries and 11 industrial.

The most important contribution of biotech crops will be their contribution to the humanitarian MDG (millennium development goals) of reducing poverty and hunger by 50% by 2015.

We cannot end poverty simply by voting for a single politician or feeling bad when we see a picture of starving child. Biotech crops have the potentials to alleviate poverty in the present world. The role of agri-biotechnological innovation in economic change and sustainable development is receiving attention in the national, regional and international levels. A transparent and science based debate is essential for maximizing the potential of crop biotechnology.

Jewel Rana
Mymensingh

Rice, a pricey issue

On the present issues on the 'Price hike of Rice', I think the business syndicate of the international rice sellers is generating more problems than the business syndicate of our country. We know the exporting countries placed an embargo on the food export; the reasons for which may be varied, like the burdens of population, political reasons, economic compulsion, etc. This came in the face of Bangladesh, suffering most for the high global rice prices.

The food management process of Bangladesh started with predictions, ideas and speeches. To solve the panicked situation, alternate ways should be found on the basis of dependable sources of information.

Recently, from an article, I come to know that the consumers and farmers of Bangladesh store more rice than the businessmen. They store rice because they panic that there will be a shortage of rice. So, if all people want to store more rice, then there will be a crisis. Because of the increase in food prices, a vast number of people try to purchase less and eat less, and thus they remain hungry. I think this is also the case for many higher and middle class families, although they do not make sacrifices for rice or food products, but rather reduce consumption of other service commodities.

Even if we cannot reduce the price of rice, we have to increase the income of the people and balance the economy. The economy should be readjusted. However, this may not be an easy task because the industrialists may not be inspired as there would be pressures on profit. Whatever the solution, everyone will agree that it is high time to do so. So, let us all start.

Mohibul Islam Leemu
Dhaka

Agree to the steel anomaly

My attention has been drawn to the letter written by Mr. Alihussain Akberali, chairman, BSRM Steels Ltd, Chittagong in your Biz Letter column on June 25, 2008, titled, 'Anomalies in the steel industry'.

I feel that Mr. Akberali has rightly pointed out the step-motherly treatment given by the government to the rod manufacturers using billets over the rods made from scrap. Going by my common sense, as I have limited knowledge on steel or rods, it is implied that the standard and quality of the rods made of billets are definitely superior to that made from scrap. We are in an earthquake-prone zone and so we have to make sure that we use good quality materials to build our homes, bridges, etc. This factor should be seriously taken into consideration by the government.

I hope I have made my point clear as I believe cheapness is not a measure of where quality stands.

MY Hakim
Dhaka

Advertisement: New growing sector

Advertising is currently the new growing sector of Bangladesh. Nowadays if we watch television or skim through the newspapers, we see lots of advertisements. Advertisements are of good quality and those have effects on the consumer's minds. If we take the example of advertisements of any

multi-national companies or mobile phone operators, we can easily understand the phenomenon.

The field of advertisements got their new direction after the mobile phone companies started operations. Generally advertisements inform the people of products. But nowadays advertisements are not only informative; they also have a good story line, nice screenplay, good directorship and well-groomed models.

Ad agencies are also present in the market to compete with each other. There is a positive competition on the basis of brain-work. An original story line and simple descriptions gets more recognition in the market. It actually increases the productivity of the people and the dedication for the work.

However, according to me, it is not right to copy other people's ideas in this sector. People should be inspirational and should execute their original ideas. Many people are employed in this sector for editing, concepts and lots of other related things. A multinational company's advertisement should use local people, so the general people can relate to the advertisement in real life.

Silvea Akther
Dhaka

Are the workers' riot justified?

Sakhina is 22 years old and works in a garment factory in Mirpur. She has been working in the same garment factory for over four years now. At the end of the month she gets only Tk 1, 660, the minimum as ruled by the government in 2006. Her family members consist of her husband, who is a rickshaw puller, three chil-

dren, all aged between 1-4 years, her husband's mother and one widowed sister-in-law. Her husband earns up to Tk 1, 800 a month. In total, their household earnings reach no more than Tk 3,350 per month.

This is a very common situation for poor families across the country.

With the inflation at unbearable heights of 11 percent, families like Sakhina's are in immediate and real danger of falling into rock-bottom poverty, as the prices of even basic commodities like rice are rising at lightening pace everywhere.

The common assumption as to the cause of the recent riots involving the RMG sector workers is that the companies are holding back salaries and hence provoking anger among the workers. I personally believe that other factors are also at play here.

Firstly, an absence of proper employment laws fails to ensure that the workers receive their due payment on time. Secondly, foreign consumers are unaware of the harsh living standards of these poor people in the RMG sector. By increasing awareness abroad, the consumers will be more willing to pay a fair price for their goods. Lastly, increased competition from other nations means that Bangladesh can only win contracts via cut-throat competition. This reduces profit margins for the business owners



and therefore, reduces salaries for the workers.

We must come to a solid solution to these problems because the RMG sector is a vital sector in boosting the economic growth of this country.

Minhaj Ahmed
Dhaka