

Stocks

DGEN ▼ 1.05% 2,858.95
CSCX ▼ 0.78% 5,668.11

Currencies

	Buy TK.	Sell TK.
USD	69.00	68.00
EUR	110.97	106.24
GBP	139.32	134.17
JPY	0.66	0.63

SOURCE: STANDARD CHARTERED

Commodities

Gold ▼ \$959.75 (per ounce)
Oil ▼ \$131.15 (per barrel)
SOURCE: AFP (As of Friday)

More News

Country's response to social responsibility guideline

Bangladesh Standards and Testing Institution (BSTI) has finished compiling Bangladesh's overall response to the working draft of ISO26000 as the guideline on standards for social responsibility in 2010. A senior official of the BSTI said it has already consulted 170 social responsibility stakeholders in Bangladesh to compile their response to the guideline of social responsibility standard.

Anti-graft drive helps NBR surpass revenue target

Finance Adviser Mirza Azizul Islam said yesterday that the anti-corruption drive might have helped net huge revenues, which surpassed the amended target for the very first time in the country's taxation history, in the last fiscal (2007-08).

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International

Gulf states to harvest food from foreign investment



Faced with a scarcity of fertile land, water shortages and surging world food prices, wealthy Arab states in the Gulf are seeking to secure their food supplies by investing in agriculture abroad. Saudi Arabia and the United Arab Emirates are now looking to Asia and Africa as opportunities for agricultural investments.

Sri Lanka bans duty free imports of white goods

Sri Lanka will ban its citizens from bringing duty free items ranging from air conditioners to washing machines into the country as part of their baggage allowance, a Customs ruling said Sunday. The ban, which comes into effect from August 1, bars passengers from bringing back air con-

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

Tk 573cr TeleTalk expansion project gets go-ahead

MD HASAN

State-run mobile operator TeleTalk finally gave the go-ahead for its much-talked-about Tk 573 crore network expansion project as the company last week awarded two of its existing vendors the first phase of the scheme.

According to the decision of the company's board meeting, the Tk273crore first phase work went to European Nokia-Seimens Network and Chinese Huawei.

The board in principle also decided to go for open tender process for awarding the second phase of the project, which is aimed to reach 1.8 million new customers by 2009.

"After a long verifying process of checking whether the claimed price for the work is rational or not, we have approved the project at our last board meeting," said Iqbal Mahmud, chairman of the TeleTalk board yesterday.

Plans to strengthen TeleTalk were first discussed more than two years ago with the operator finally approving the Tk573 crore network expansion project in February this year.

Soon after this, the company's board changed and several members of the new board expressed concerns over the budget allocated for the expansion project.

In February, the company's board decided that the company's existing vendors -- Huawei and Nokia-Seimens should do the initial network



The photo shows employees at work at a TeleTalk customer service centre in Dhaka. The state-run mobile operator finally gave the go-ahead for its much-talked-about Tk 573 crore network expansion project.

expansion works of Tk273 crore. The rest of the work was to be awarded through an open bidding process.

However, the board's decision to let company's existing vendors do the work soon ran into controversy as telecom industry experts began to question the allegedly high cost estimates by the TeleTalk board. Some rival vendors also alleged that the mobile operator bypassed the Purchase and Procurement Regulation (PPR) by awarding the mega project to these vendors.

A scrutiny committee has already examined the network expansion project.

The TeleTalk board chairman said, "We have maintained all

legal procedures as far as the network expansion project goes. Whatever we do we do for TeleTalk's development and also for welfare of the nation."

He said TeleTalk is not bound to follow PPR, adding that the company does not use government fund and has its own purchase policy, under which it maintains all purchase as per the company law.

TeleTalk is the country's smallest operator in terms of subscribers with around 2.31 per cent market share. It started operations in 2005 with high hopes, but failed to compete with the five other multinational operators due to lack of quality services and poor marketing strategy.

Till June 2008, the company has been able to add only 1.07million customers in two years since its entry into the market.

The five-year long TeleTalk's mega project styled Strategic Expansion Plan was initially discussed in 2006. The Nokia-Seimens and Huawei will go for core network expansion works of the project.

According to the company's final approval Nokia-Seimens and Huawei will engage to expand its earlier network sites. Under this initial phase, Nokia-Seimens and Huawei will undertake work worth Tk184crore and Tk90crore, respectively.

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DSE for quarterly reports of firms

No Ruplai Bank share traded on resumption

STAR BUSINESS REPORT

The country's premier bourse yesterday proposed to make it mandatory for listed companies to submit financial statements in every three months so that adequate disclosure of corporate financial information is ensured in a short span of time.

Presently, the listed companies are required to submit financial statements in every six months, meaning the investors have to wait for a considerable period of time to know the information about the companies' profitability and performance.

The Dhaka Stock Exchange (DSE) also proposed for weekly submission of information regarding net asset values (NAV) and portfolio positions of the mutual funds by the fund managers.

At present, these data are submitted to the bourse on monthly basis.

The Dhaka Stock Exchange (DSE) authorities made the proposals at a meeting in Dhaka.

"If the board approves it, the proposal will be sent to the regulator for final approval,"

said a DSE official, who attended the meeting.

Meanwhile, no Ruplai Bank share was traded on resumption of its trade yesterday, as there was no buyer for the state-run bank's share.

Sellers offered the shares at Tk 2686.50 per share, but no one was interested to buy them at that price.

Market operators said due to the circuit breaker the buyers were unable to offer prices any lower than Tk 2614. As per yesterday's circuit breaker, an investor could offer Tk 2614 as lowest and Tk 3194.50 as highest for buying or selling each Ruplai Bank share.

Share trading of the bank remained suspended since November last year to check the unusual price fluctuation. Prior to suspension, the bank's share price was nose-diving or skyrocketing now and then on confusing news on the bank's sell-off.

However, the government in March this year cancelled the sell-off procedures, as Prince Bandar Bin Mohammed Bin Abdulrahman Al-Saud, who won the bid to buy Ruplai Bank, failed to deposit the money on time in line with the

bidding provisions.

Following the cancellation, the Dhaka Stock Exchange (DSE) in consultation with the Securities and Exchange Commission (SEC) decided in May this year to resume the Ruplai Bank share trading after completion of dematerialisation of at least half of the bank's publicly held shares.

But, the DSE decided to resume Ruplai Bank's share trading last week after around one-fourth of shares in the bank were demated, meaning paper shares are converted into electronic ones.

As of last week, around 1.80 lakh shares were demated, which is around one-fourth of the publicly held shares.

Meanwhile, the premier bourse started the week with downward trend like the previous week. The DSE General Index fell by 30.4 points, or 1.05 per cent, to 2858.95 points, while the DSE All Share Price Index declined by 18.03 points, or 0.72 percent, to 2483.41 points.

A total of 2,13,39,971 shares worth Tk 307.31 crore changed hands. Of the issues traded, 56 advanced, 162 declined and nine remained unchanged.

Vietnam Asia's biggest exporter of timber furniture

ANN/VIET NAM NEWS

Vietnam has become the biggest furniture exporter in the Asean market, according to the country's Ministry of Industry and Trade.

The ministry was quoting figures from the American Hardwood Export Council.

The export turnover of locally made wood products reached US\$2.5 billion in 2007 and may reach \$3 billion in 2008, the ministry said. Vietnamese as well as Chinese products are seen as having high quality and good design.

Export turnover in the first half of the year for Vietnamese wood products reached \$1.36 billion, an increase of 20.4 percent over the previous year.

This turnover accounted for nearly 46 per cent of the total export target for 2008.

Export turnover from products sold in the US, the largest importer of Vietnamese furniture, amounted to \$450 million.

In the first half of the year, export turnover for the US market increased 16.6 per cent compared to the same period in 2007.

The major importers of Vietnamese furniture are Japan, China and Europe.

Vietnam has a total of 937 companies involved in export of wood products including furniture, a year-on-year increase of 21 percent. Foreign-invested wood companies led in export value.

WTO ministers gather for crunch summit to nail Doha deal

AFP, Geneva

Trade ministers from more than 30 countries, deeply divided and still clinging to core interests, mount another bid Monday to nail down a global trade accord before the arrival of a new US president early next year.

After nearly seven years of fruitless haggling, ministers will try to bridge gaps on trade-opening measures under the Doha Development Agenda, launched with great fanfare and hope in the Qatari capital in November 2001.

But the negotiations, under the auspices of the World Trade Organisation, are deadlocked as developed and developing countries alike have been slow to make concessions on trade in agriculture, goods and ser-

vices.

Their representatives will gather in Geneva knowing that from next January, the United States will have a new administration and a new Congress whose attitudes toward trade liberalisation are at this point uncertain.

The administration of George W. Bush is therefore anxious to secure an agreement now, hoping to make it hard if not impossible for a new Congress to reject it.

But the United States is not the only party to the talks that needs to keep an eye on its domestic audience.

The European Union is also struggling to show a united front following a public spat between EU chief trade negotiator Peter Mandelson and French President Nicolas

Sarkozy.

Mandelson is viewed with suspicion in Paris as a "neoliberal" prepared to sacrifice France's hefty agricultural sector for the sake of a deal.

Sarkozy bluntly asserted earlier this month that "conditions are not right" for a WTO agreement.

On Friday, French Trade Minister Anne-Marie Idrac said after a meeting with EU counterparts that they had agreed that the WTO talks needed a "new balance" to take better account of concessions Brussels had already put on the table.

"The general sentiment is that Europe has exhausted its room for manoeuvre in the agricultural sector and can go no further," she said.

Cable industry thrives on housing growth

SAJJADUR RAHMAN

Domestic cable industry has been growing for the last 10 years mainly due to the enormous growth in the country's housing sector.

The number of cable manufacturing units is rising. Only five years ago there were 20 factories and now the country has around 200 factories. However, only 10 are engaged in producing power and industrial cables.

"The cable factories can now meet cent per cent of the local demand," said Enayet Hossain Chowdhury, president of Bangladesh Electrical Merchandise Manufacturers Association (BEMMA).

Although there is no concrete data on the annual turnover of the domestic wire and cable market, it is assumed to be between Tk 1,500 crore and Tk 2,000 crore, according to the BEMMA.

"The industry is growing at an average of 15 percent annually, mainly because of the growth of the housing sector and industries," Chowdhury said.

The real estate sector contributes over 7 percent to the country's gross domestic product (GDP) and the industrial sector has also been witnessing double-digit growth for the past several years.

Rathindra Nath (Lashkar), assistant marketing manager of newly built Aziz Cables Industries Ltd, said the cable business is directly involved with the housing business.

Developers are now the big buyers of cable, he added.

Tanvirul Huq Probal, president of the Real Estate Housing Association of Bangladesh (REHAB), said cable and electrical equipment constitutes of



about 10 to 12 percent of the total cost of an apartment, adding that fifty percent of which is spent on cable alone.

Probal said, "We are proud that local companies are producing high quality cable, even better in quality than that of Indian cables."

Once the state-owned Eastern Cable dominated the domestic cable market. But soon after the liberation in 1971, cable companies including BRB, Paradise, Poly and Sunshine entered the market.

A good number of new companies such as Singer Cables, Racer Cable Industries, Aziz Cables, BCI Cables Industries, Polo Cables, Dhaka Cables, SRS Cables, Supersun Cables and

Citizen Cables entered the market in the past three years.

Businessmen however said the cable industry is yet to gain momentum, as the electricity penetration rate in the country is still less than 40 percent. They hope the sector has the potential to further grow.

Big market players however feared that small manufacturers duplicate their product to make huge profit.

"Many small companies, most of whom are unauthorized, duplicate products of renowned cable companies," Mohammad Shibly Hasan, a marketing executive of Paradise Cables, one of the pioneers in Bangladesh, said.

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Star Business

JOIN THE DEBATE

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