

DHAKA SUNDAY JULY 27, 2008

Stocks

DGEN **▲ 3.80%** 2,878.08

CSCX **▲ 3.77%** 5,692.33

(Friday closings)

Asian Markets

MUMBAI **▼ 3.40%** 14,274.94

TOKYO **▼ 1.97%** 13,334.76

SINGAPORE **▼ 1.85%** 2,922.91

SHANGHAI **▼ 1.55%** 2,865.10

(Friday closings)

Commodities

Gold **▼** \$920.50 (per ounce)

Oil **▼** \$123.26 (per barrel)

SOURCE AFP (As of Friday)

More News

Int'l trade facing financial fraud: ICC-B

The expanding international trade is facing financial fraud, the president of International Chamber of Commerce-Bangladesh (ICC-B) said yesterday. "Bangladesh has been growing fast in the international trade. As trade is growing, all parties involved are also getting exposed to the risk of international trade finance fraud," said Mahbubur Rahman.

Tourism fair ends on high note

A three-day tourism fair ended on a positive note in Dhaka yesterday. The fair styled 'BRAC Bank Bangladesh Travel and Tourism Mart 2008' was participated by a total of 55 organisations including different tour operators, airlines, hotels and a bank.

B-3

International

Wall Street hesitates, awaits clearer economic picture



With Wall Street investors hesitant, fresh data in the coming week could help provide a clearer picture of whether the US economy is in recovery mode or an extended downward spiral. In the coming week, the picture may become clearer with the first estimate of US gross domestic product (GDP) in the April-June quarter.

GM to build Saab cars in US

General Motors will begin building Saab vehicles in the United States rather than put its Swedish subsidiary up for sale, GM chairman and chief executive Rick Wagoner said Friday.

B-4

Contact Us

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

Telephone Shilpa Sangstha revival plan in trouble

Only one firm wants to be partner; state-run telephone equipment maker to go for re-tender

MD HASAN

The government's plan to breathe a new life into the Telephone Shilpa Sangstha Limited (TSS) has jolted, as a single company has so far showed interest to become a strategic partner of the lone state-run telephone equipment manufacturer.

The company management said they are a bit surprised over the poor response, both from local and foreign buyers, because many companies expressed their interest after the publication of an advertisement 'Expression of Interest' in early May.

According to the TSS sources, UK based Orange Telecom, a Russian based company and some local giant groups showed their interest and verbally made commitment to submit their bid. "Surprisingly, nobody has stepped into the final race," said a TSS high official.

To get official response from these companies, the TSS also extended the deadline for submitting of proposals from June 15 to July 20.

The official sees this single proposal to become the strategic partner of a company that valued its asset at over Tk 200 crore as 'unfortunate.'



A file photo shows a security man walking on the premises of Telephone Shilpa Sangstha Limited headquarters at Tongi. The government's plan to breathe a new life into the state-run telephone equipment manufacturer has jolted, as only one company has showed interest to become a strategic partner of it.

STAR

The TSS Board has chosen to have a partnership, which, it

thinks, might revive the obsolete technology-based company that incurred an accumulated loss of Tk 35 crore since 1998.

The company basically

Telephone Shilpa Sangstha at a glance

Authorized capital:	Tk 120 million
Paid up capital:	Tk 86,824 million
Total number of shares:	86,824 (79,550 shares owned by government and the rest of 7,274 shares by Nokia Siemens)
Total floor areas:	1,16,680 sft
Total land:	29.03 acres (Uttara and Tongi)

supplies land phone sets and analog system equipment to the land phone operator

Bangladesh Telecommunications Company Limited (BTCL), formerly Bangladesh Telegraph and Telephone Board (BTTB).

On the poor response, TSS Managing Director Shamsul Kibria said, "We will go for re-advertisement."

"TSS is our national asset. We have no right to handover this to a foreign company without going for a competitive bid," he added.

Telephone Shilpa Sangstha was established in 1967 as Telephone Industries Corporation under a joint venture agreement between the then the government of Pakistan and Siemens AG, West Germany, now Nokia Siemens Networks GmbH Co & KG,

Germany.

After the independence, Telephone Industries Corporation was made a limited company with its present name Telephone Shilpa Sangstha Ltd.

At present, the government holds 92 percent shares in the company, while Nokia Siemens Network owns the rest 8 percent.

Before going for a new strategic partner the Nokia Siemens will handover its stake to the government.

TSS officials said the government introduced digital telephony in late 1980s but it did not enhance the company's capacity to make digital equipment.

Kibria said, "We will call a board meeting this week to decide on any re-advertisement".

hasan@thecitizenstar.net

India's inflation eases to 11.89pc

ANN/THESATESMAN

In what is seen as adding cheer to the Indian government's confidence motion victory in parliament, inflation has finally stabilised to move down marginally to 11.89 percent for the week ended July 12 from 11.91 percent the previous week.

Stable fuel prices, on the back of dipping international crude oil prices, have once more been credited for the flattening of the inflation graph, even though cost of essential articles, including fruits, vegetables and pulses went up marginally.

Inflation for the week ended 17 May was revised upwards to 8.66 per cent from 8.10 per cent. The annual inflation rate was 4.76 per cent during the corresponding week of the previous year.

A major hiccup for the ruling coalition government in its election year, spiralling inflation has been a major source of concern even if it was blamed on the external economic situation, particularly the global crude oil price hike.

Coming just a week before the Indian central bank, Reserve Bank of India's annual credit policy on July 29, analysts hope this would prompt the RBI not to hike rates. Stating that the pace of inflation had moderated, they said the past six weeks had seen a substantial increase because of rising prices of commodities but now with international crude oil prices going down, it was reflected in the current figures.

"The inflation shows some stability, tempting one to believe the worst is over," one analyst said.

IDLC offers services to firms to improve managerial capacity

JASIM UDDIN KHAN

A leading non-banking financial institution is offering services to companies to improve their managerial capacity for international markets.

IDLC Finance Limited (IDLC) provides services for a motorcycle assembling plant, an export-oriented meat processor, a bicycle maker and software firms.

LEIC (Local Enterprise Investment Centre), a private sector development project funded by Canadian International Development Agency (CIDA), is funding the IDLC initiative to improve the managerial efficiency of the firms.

The core business of IDLC constitutes in loan disbursements. The company is providing this capacity building service to the firms as part of its corporate social responsibility," said Anis Khan, managing director of IDLC.

"Light engineering, meat processing and software development are the sectors where Bangladesh has a huge potential and that's why we have decided to team up with the companies in these sectors," Khan added.

IDLC is the first-ever financial institution in South Asia to work with LEIC to enhance the capacity of private sector, Khan said.

As part of the project, IDLC is helping Runner Automobiles Limited (RAL), a

State-run Nepal Airlines plans to sell shares

ANN/THEKATHMANDUPORT

The Nepal Airlines Corporation (NAC) Tuesday proposed to sell its shares to private parties under a public-private partnership (PPP) system in a bid to avoid further distress to the national flag carrier.

The meeting of the board of directors took the decision and is forwarding it to the Ministry of Culture, Tourism and Civil Aviation soon for approval, said a board director who attended the meeting.

NAC would need a green signal from the cabinet to convert the institution into a company from a corporation and induct the private parties under PPP.

"To clear the way for PPP, we also decided to conduct a valuation," the director said. "Even after becoming a company, the airline will still hold the status of the national flag carrier."

The government, in last year's budget speech, had also announced to run NAC under the concept of PPP.

After the corporation performed badly, successive governments have said they would convert it into PPP to inject new life into it. But, the plans have remained largely unimplemented. This is the first time that the NAC board formally decided in favour of a PPP.

Due to the management's negligence and alleged 'scouting for commission', it failed to maintain the scheduled operations of its two international aircrafts. It relied on a single Boeing aircraft for a year for all international flights as the other aircraft remained grounded due to damage to its engine.

WTO looks to capitalise on new optimism

AFP, Geneva

Optimism surrounded WTO negotiations on a new global free trade pact Saturday, but opposition from India and a handful of others could dash hopes of a breakthrough, insiders said.

Ministers from 35 leading nations headed for meetings aiming to finally bridge their differences, with pressure piling on negotiators from India and Argentina which have signalled opposition to a deal.

"This afternoon's session will be important. India will be looking to see what it can get out of the session to decide whether to ditch discussions," a diplomatic source told AFP on condition of anonymity.

Ministers from 35 leading economies have been meeting at the World Trade Organization since Monday to discuss cuts in subsidies and import tariffs with the aim of mapping out a new deal under the so-called Doha Round of WTO talks.

The round was launched in the Qatari capital seven years ago but has been deadlocked because of disputes between the rich developed world and poorer developing nations on trade in farm and industrial products.

The talks here were heading for collapse -- like so many others since Doha began in 2001 -- until a breakthrough late Friday saw the biggest powers find common ground on a draft agreement proposed by WTO Director-General Pascal Lamy.

But the deal remained under pressure. French Trade



Brazil's Foreign Minister Celso Amorim gestures as he leaves the World Trade Organisation (WTO) headquarters at the end of trade talks on late Friday in Geneva. "I think that we made a big step today," said Amorim, head of its delegation at the WTO talks.

Minister Anne-Marie Idrac said after a meeting of European Union ministers Saturday morning that they had called on EU Trade Commissioner Peter Mandelson to "improve the accord."

Mandelson insisted he had the backing to push towards a deal.

He told reporters that world ministers would meet again Sunday with EU backing "to work on this emerging deal as the basis of a modalities package which we believe could

unlock a final phase of a Doha agreement."

"At this stage, we're seeking to improve the package, not undo it," he said.

Argentina said it feared that "without significant changes to (Lamy's) accord ... it would be impossible to reach a positive outcome," in a letter to Lamy on condition of anonymity.

Lamy said earlier that there were still sensitive subjects such as cotton subsidies in the rich world that needed to be addressed.

Attention meanwhile turned on Saturday to the services sector, the third component of a final agreement along with farming and industry.

At the end of talks on Friday, leading negotiators emerged with upbeat assessments of the chance of success, but warned that some countries still risked sinking the process.

South Africa has also said it could not approve the deal in its current form and Japan's agriculture minister expressed strong dissatisfaction.