

Stocks

DGEN ▲ 0.52% 2,675.07

CSCX ▲ 0.52% 5,380.15

(Thursday)

Asian Markets

MUMBAI Closed

TOKYO ▲ 0.48% 13,019.41

SINGAPORE ▼ 0.68% 2,797.50

SHANGHAI ▲ 0.55% 2,450.61

(Friday)

Currencies

	Buy Tk	Sell Tk
USD	68.00	69.00
EUR	99.70	104.23
GBP	125.24	130.49
JPY	0.62	0.65

SOURCE: STANDARD CHARTERED

(Thursday)

Commodities

Gold ▼
\$772.98
(per ounce)

Oil ▼
\$111.12
(per barrel)

SOURCE: AFP

(Friday)

More News

Local corporate minds for world companies



Local corporate minds are accelerating the business pace of global multinational corporations in Bangladesh. Today's feature looks at what makes some local CEOs tick and what they portray to the world at large by being ambassadors of Bangladesh.

B-4

International

India may allow duty free steel export

In a respite to steel industry which is holding the price line for over three months now, the government may exempt value-added steel from the purview of export duty if products are made out of imported raw material.

B-4

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

BTRC to discipline rogue ISPs

Telecom regulator sits today

STAR BUSINESS REPORT

The telecom regulator has moved to legalise about 500 unauthorised internet service providers (ISPs) that serve broadband connections mainly to home users.

Bangladesh Telecommunication Regulatory Commission said it would solve legal setbacks by the end of August. BTRC sits today with all stakeholders to form a committee seeking feedback on how to bring the unauthorised ISPs into a legal framework.

The BTRC move came at a time, when the rogue ISPs were questioned repeatedly by different stakeholders -- from bandwidth providers to internet users.

"We are working to form a policy on how these illegal ISPs can continue their business under a legal framework," Manzurul Alam, chairman of BTRC, told The Daily Star on Thursday.

The BTRC chief said his commission has no plan to launch a drive against the illicit ISPs as he said the providers

Number of ISPs	Annual licence fees		Yearly renewal fees	
Licenses: 200	Dhaka	Outside Dhaka	Dhaka	Outside Dhaka
Unauthorised: 1,000	Tk1 lakh	Tk30,000	Tk50,000	Tk10,000

connect people at the home-user level.

Asked to explain BTRC's licensing plan, the former army officer said the commission intended to issue new licences for the illegal service providers.

But the entrepreneurs of unlicensed ISPs said they were not financially capable of running their businesses by paying "hefty" annual fees.

In line with BTRC's data communication service policy, ISPs have to pay 1 lakh for licences in Dhaka, whereas renewal fees have been fixed at Tk 50,000. ISPs outside Dhaka have to pay Tk 30,000 in licence fees and Tk 10,000 in renewal fees.

A total of 70 authorised ISPs, out of 200 licensees, are operating mainly in Dhaka, Chittagong and Sylhet. The country's total internet home use subscription is about 7.5 lakh, with about 6 lakh connections provided by unauthorised ISPs.

According to Bangladesh Cable Internet Operators Association (BCIOA), more than 500 unauthorised ISPs operate in Dhaka, with about 1,000 across the country.

The unauthorised ISPs run their business, mostly leasing bandwidth from big ISPs.

Bangladesh's broadband market has become more attractive to home users, thanks to a more than 35 percent cut in internet bandwidth prices in June.

Earlier in a separate move, the government cut bandwidth costs from 20 percent to 40 percent in February.

"We oppose BTRC's move on licensing," said Fuad M Sharaf Uddin, president of BCIOA, an association of unlicensed ISPs.

"Unauthorised ISPs look very big in terms of numbers. But we are very small in terms of revenue."

Citing an example, Fuad said his company Fissa

Communication's primary investment was Tk 12 lakh. "I have to spend more for damage control in times of natural disasters. Returns of a small operator like mine are very small at the end of the day and not enough for us to go big."

Asked how they can operate legally, he said: "BTRC should tie us with big legal ISPs so that we can provide services for users as we are doing now."

Unauthorised ISPs should operate on a third-party licence with a minimum annual fee, Fuad stressed.

Internet Service Providers Association Bangladesh (ISPAB) differed.

MA Salam, president of ISPAB, said every business should go through a legal framework. "BTRC should bring them into an existing licensing procedure to create a level-playing field in the broadband market."

"Whatever the stakeholders say the BTRC will make a policy in a way so that internet users can benefit to the maximum," said the BTRC chairman.

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Sweater exports mark rapid rise

REFAYET ULLAH MIRDHA

Sweater item exports are increasing rapidly as Bangladesh has become a lucrative destination for readymade garments (RMG) outsourcing on the appreciation of Chinese currency and increase in workers' wages in competing countries, according to industry insiders.

The item manufacturers said orders from buyers are huge, as many RMG manufacturing countries are now reluctant to make sweaters because production of the item is more labourious than other garments.

Many Chinese apparel makers have recently either switched over to other business or suspended the production on a decline in buying orders and higher cost of doing business due to a hike in workers' wages.

Export Promotion Bureau (EPB) data shows sweater products worth US\$1.47 billion were exported in the immediate past 2007-08 fiscal year (FY) against \$1.24 billion exports in FY2006-07.

Meanwhile, many RMG factory owners have enhanced their capacity, or opened up new factories to cope with the growing demand for sweater items from foreign buyers.

SQ Group, one of the largest sweater exporting factories, has already signed a joint venture agreement with the UK-



based Crystal Martin Group, a sweater factory, to produce the export item in the country.

The joint venture unit is expected to go into production next month, said Shah Nawaz Mohammad Sabbir, a senior manager of the SQ Group.

"The SQ Group has already four sweater factories in operation. It has a plan for further expansion shortly to meet the buyers' growing demand," he added, pointing to the fact that foreign buyers like Bangladesh's sweaters because of better quality in stitching and good finishing.

Dragon, Tupa, Starlight and Diganata groups are some other major players in sweater manufacturing. In Bangladesh, the February-September period is the peak season for sweater production.

Wal-Mart, Marks and Spencer, GAP, Tesco, H and M, JC Penny and Zara are the major buyers of Bangladeshi

sweater products, industry people said.

"We expect the overall exports of the item to cross \$2 billion mark this fiscal," said Shahidul Islam, managing director of Rupa Group.

Shahidul, also the vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said at present there are 680 sweater factories across the country.

He said in most cases designs are supplied by buyers as attractive designs are yet to be developed here.

EPB said the country fetched US\$14.110 billion from overall exports in FY 2007-08, registering a 15.87 percent growth over the previous fiscal. Of the total export earnings, only woven and knitwear, the two sub-sectors of RMG, fetched \$10.699 billion during the last fiscal.

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Local developer to build high-end condominium

KAWSAR KHAN

A local real estate company has begun constructing a housing project with an investment of Tk 200 crore in Dhaka, which it claims to be a high-end condominium in the country.

Shanta Properties Limited (SPL) has begun constructing the 15-storey project at Paribagh in the capital on an area of over 84 katha land.

Condominium is a modern housing concept where a specified part of apartment is individually owned, while use of and access to common facilities such as hallways, heating system, elevators, exterior areas are owned by all under legal agreement.

"Now Concord Group has a sister concern named Concord Condominium Ltd, but it constructs typical types of apartments, not condominium," said an official of Concord Real Estate and Building Products Ltd, another concern of the group.

With the name SPL Digonto, the condominium project began in April 2007 and aims to complete in December 2010.

The project will include 2,000 square feet long walkways, 50-foot long swimming pool, central system for pure as well as hot water, 6000 square feet party hall, a 263-car parking facility, children's play area, free space around the garden, table tennis and poolroom and



This photo shows the ongoing construction of a condominium in Dhaka, which promises to be high-end. Built by Shanta Properties Limited, the work of the high-cost project is scheduled to be completed in 2010.

steam bath, which will make the project a unique one, an official of the developer said.

"In a general apartment you have to go elsewhere for physical exercise consuming time and separate gyms for male and female, but in a condominium you will get everything," said Mominul Haque, executive (Market Communication and Brand) of SPL.

"Due to absence of such lavish apartments in the past many people have bought apartments in countries like

Malaysia and Singapore because these types of flats were not available in Bangladesh," Mominul added.

The company sources said size of each of 150 apartments will be from 2,471 sqft to 3,171 sqft and the cost of each apartment would not be below Tk1 crore.

Claiming that the company got a very good response from people, the sources said they have so far got booking for over 40 percent of the total apartments.

"Condominium is a demand

of modern time when the city is suffering from acute land crisis," said Tanvirul Haque Probal, president of Real Estate and Housing Association of Bangladesh (REHAB).

Sector people said South Breeze Housing Ltd, Concord Real Estate and Development Ltd, Dom-Inno Builders Ltd and Bay Developments Ltd are some of the companies who are constructing luxurious apartments, but not condominium.

STAR BUSINESS REPORT

Export earnings from agro-processed foods grew 77 percent to \$40.65 million in fiscal 2007-08, rising from \$22.94 million a year ago, buoyed mainly by a surge in the exports of dry foods, rice, fruit juice and biscuits.

The exporters' continuous innovation of finding new exportable products and their strong marketing efforts have enabled processed foods to win the hearts of Bangladeshis in the Middle East, Europe and other parts of the world.

"It's the result of all of our efforts. We really feel proud that we are adding as high as 70 percent value to various food items," said Amjad Khan Chowdhury, chief executive of PRAN-RFL Group, the country's leading exporter of agro-processed products.

Industry people said Bangladesh's agro-processed food items are being exported, in a bid to reach millions of expatriates working in various countries, mainly in the Middle East.

According to agro-processors, locally processed foods are also being sold in Australia and the US, although Saudi Arabia and other Gulf states, with hundreds of Bangladeshi workers, are the largest markets. Bangladeshi processed foods are being exported to about 70 countries, including some Africa nations, although the earnings from that segment remains negligible, compared to the country's total export income of \$14,110 million for 2007-08.



The file photo shows Bangladeshi agro-processed foods.

"We have a lot of room for progress," said Chowdhury. "In the past, Bangladeshi expatriates were our main consumers. But now, Indian and Pakistani people also like our products."

Statistics by Export Promotion Bureau show that Bangladesh's dry foods such as puffed rice, flattened rice and chana chur dominated half of the export basket for agro-processed foods, followed by aromatic rice, fruit juice and spices.

Last year, export earnings from dry foods increased by more than double while earnings from biscuits went up three-folds. Fruit juice and rice exports also rose.

Industry people said that a 20 percent cash incentive offered by the government helped attain consistent growth.

"Continuous innovative ideas of ethnic food products results in rapid growth. And it will continue as long as

Bangladeshi people continue to go abroad," said ME Dowla, managing director of another leading exporter, Eurasia Food Processing (BD).

The MD of Eurasia, which exports mainly frozen vegetables and snacks mainly to the UK, however said many people are processing foods in an unhygienic manner, which could hurt exports in future.

A senior official of Square Consumer Products that registered over 60 percent growth in the January-June period of 2008 said a change in the attitude of expatriate Bangladeshis had helped exports grow.

Mozammel Huq, adviser of Bangladesh Agro-Processors Association, said improvement in areas such as packaging and supply chain is needed to make local products more competitive.

"Above all, an internationally recognised testing laboratory is essential to boost exports," Huq said.