

Stocks

DGEN ▲ 3.27% 2,706.61

CSCX ▲ 2.84% 5,503.88

(Thursday closings)

Asian Markets

MUMBAI ▲ 1.11% 14,401.49

TOKYO ▼ 0.68% 12,666.04

SINGAPORE ▲ 0.36% 2,723.30

SHANGHAI ▼ 1.09% 2,405.23

(Friday closings)

Currencies

Buy Tk Sell Tk

USD 68.05 69.05

EUR 99.04 103.55

GBP 125.25 130.44

JPY 0.62 0.65

SOURCE: STANDARD CHARTERED

(As of Thursday)

Commodities

Gold ▲ \$824 (per ounce)

Oil ▲ \$119.48 (per barrel)

SOURCE: AFP

(As of Friday)

More News

Coal-fired plants can resolve power crisis: Roundtable

Energy experts said yesterday the government should immediately establish coal-fired power plants, even if it means that coal has to be imported, as it would take some time to extract local coal reserves to solve the power crisis in Dhaka.

B-3

International

Cubicles now 'home'



It sounds like the ultimate solution for the low-cost traveller looking for a place for the night: a cubicle featuring a computer to surf the Internet plus a reclining chair to sleep in, though with barely enough room to stretch one's tired legs.

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

Bank CEOs lag in scorecard

Review report points to Sonali, Janata and Agrani

REJAUL KARIM BYRON and SAJJADUR RAHMAN

Chief executive officers of state-owned commercial banks (SCBs) Sonali, Janata and Agrani have failed to improve the banks' performance in "core areas" in the last six months of corporatisation.

In a recent review report on Quarterly Performance Indicators (QPIs) of the CEOs and MDs of the banks, a working group on SCB restructuring headed by Bangladesh Bank Deputy Governor Nazrul Huda found no significant improvement in non-performing loans (NPLs), business growth and deposit mobilisation.

As the regulator of banks, the central bank has decided to strengthen its monitoring and asked the CEOs to speed up efforts to improve their performance.

The government corpora-

tised the three former nationalised commercial banks in November last year in line with recommendations of the World Bank under a bank modernisation project.

The highly-paid CEOs have been recruited to carry out the tasks, but the quarterly review that covered the three months to June showed 'no significant improvement' in the banks.

According to the report, the NPLs of Sonali, the country's largest commercial bank by assets, reached Tk 8,547 crore or 44.35 percent of its total loans in June.

The bank posted NPLs at Tk 6,859 crore or 35.36 percent of its total loans in December 2007.

The bank's recovered loans stood at Tk 246 crore against Tk 190 crore targeted for the three months to June.

Janata recorded Tk 1,965.2 crore in NPLs at the end of June, up from the expected amount

of Tk 1,863.4 crore. The NPL-total loans ratio increased to 16 percent against the 15 percent target. Agrani's NPLs climbed to Tk 2,992.46 crore or 27.5 percent against the expected level of Tk 2,729 crore or 22.47 percent of its total loans.

Sonali also lags in net interest margin and maintenance of general loan loss provision of Tk 3,621 crore against the target of Tk 5,150 crore. But the bank achieved the target of net profit before tax worth Tk 200 crore and return on assets -- 0.84 percent. The bank failed to achieve the targets of good loan, net interest income and total deposit, the review report revealed.

Janata Bank failed to achieve the total deposit target and non-interest bearing deposit. But the bank's position on good loans, net interest income and non-funded income improved. Operating efficiency and

NPL position of SCBs

Banks	June 30, 2008	% of total loans	Dec 31, 2007	% of total loans
Sonali	Tk 8,547 crore	44.35	Tk 6,859 crore	35.36
Janata	Tk 1,956 crore	15.99	Tk 1,923 crore	17.21
Agrani	Tk 2,992 crore	27.5	Tk 3,179 crore	28.67

profitability of the bank also improved.

Agrani failed to achieve the targets of good loan, net interest income, non-funded income and total deposit, but reached the target of non-interest bearing deposit as percentage of total deposit. Operating efficiency and profitability of the bank showed signs of improvement, the report said.

Syed Abu Naser Bukhtear Ahmed, CEO of Agrani Bank, said he had tried his best to improve the performance of the bank. "I am confident that the bank will do better by December."

Ahmed blamed the slow loan recovery on the "legacy of the past" and imprisonment of

some businessmen, who are loan recipients.

Finance adviser AB Mirza Azizul Islam last week sat with the banks separately and expressed his concern over the poor performance, especially in core areas.

"If the officials fail to achieve the targets, we must terminate them with one month notice," the adviser told reporters after the meetings.

However, the adviser said, the banks achieved most of the targets they had been set.

Senior officials with the banks however said the government institutions owe 32 percent of loans, while 33 percent of loans are stuck in court cases.

Private exchanges promise to cut call-barring monopoly

STAR BUSINESS REPORT

Two interconnection exchanges (ICXs) launched by local private operators promise to reduce telecom companies' traditional call-barring practice.

The companies that went into operation yesterday aim to forward both local and international calls to users through different telecom operators.

M&H Telecom and Getco Telecommunications, the two local private ICX operators, along with state-run BTCL, have been appointed to handle around 5.5 crore-minute local phone calls a day.

The ICX is a switching system, which provides interconnection among telecommunication networks of operators and allows monitoring and "lawful" interception facilities.

According to the ICX policy, the three companies will share 30 percent of the calls each in forwarding local and foreign calls generated by both mobile and landline operators. The rest 10 percent calls will remain open to competition.

"I believe the market's monopoly by the big operators will be removed," said BTRC Chairman Manzurul Alam at the launch of the private ICXs.

Big operators will no longer be able to refuse to take small operators' calls, as ICXs are appointed to handle the calls, the BTRC chief said.

The BTRC chief said: "The government revenue from the telecom sector will increase significantly thanks to these exchanges."

The government will earn about Tk 1,500 crore a year from the exchanges, he said.

Meanwhile, after last week's debut by Mir Telecom, two other private international gateways (IGWs) -- Novotel and Bangla Trac Communications -- announced their operations yesterday.

Although it is difficult to monitor telecom operators' interconnection, the BTRC chairman said, the introduction of ICXs may help create a level playing field in the market.

Industry insiders differ. They said every call generates revenue -- the reason nobody wants to refuse other operators' calls.

Tarique E Haque, managing director of Bangla Trac said: "We have installed state-of-the-art Ericsson's technology including AXE-810-based telephony server operating on E1N 3.1."

Tk260cr resort planned for business travellers

JASIM UDDIN KHAN

A local developer will build a Tk 260 crore luxury resort in Savar mainly to accommodate readymade garment business travellers, an official of the company said.

The company, Rose Valley, has acquired 26 acres of land to build a 10-storey complex with 120 rooms, 50 duplex cottages and a business centre to entertain around 250 guests at a time.

The local firm has already submitted its project plan to Bangladesh Parjatan Corporation (BPC) for approval and expects that the project will be completed by 2012 if the plan is approved.

"We want to accommodate the foreigners who visit Savar and Gazipur where over 500 garment factories are located," said Md Shahid Ullah, managing director of Rose Valley.

Buyers, chief executives and other officials of different firms, who frequently visit factories, spend a lot of time to travel from Dhaka.

RMG plant owners have long been underlining the need for such a resort in the busy industrial belt as the city thoroughfares are often gridlocked.

"It becomes a matter of embarrassment for the local businesspeople when their foreign guests are exhausted with the city's acute traffic jam," Shahid Ullah said.

Also, the city's existing five-

star and other luxury hotels lack proper facilities, whereas Rose Valley plans to arrange all types of entertainment to attract the businesspeople, he added.

"We will construct a spacious swimming pool with sauna, steam bath and other facilities. A Thai massage parlour and spa, and jogging, rowing and horse riding facilities will be there. The

resort will also showcase a big aquarium, bird cage and fountain, and greeneries," Shahid Ullah said.

Standard tennis, badminton and squash courts, modern gym, snooker table, children's playground and a modern theatre are also the parts of the plan.

The company has already signed a deal with a private bank to get a fund of around Tk



ROSE VALLEY

The photo shows a model of a cottage of the planned Tk 260 crore luxury resort to be built by a local developer, Rose Valley, in Savar.

60 crore for the project.

The firm has also introduced a unique membership system incorporating non-resident Bangladeshis to arrange a fund of about Tk 125 crore.

The company has plan to get about 5,000 members among which 3,000 will be NRBs who will contribute the amount in the next four years.

The company will sign a

memorandum of understanding with the president of NRB Association of Bangladesh in this regard.

Each member will have to pay Tk 10,000 in booking money and Tk 4,000 each month in 60 instalments.

The company also established a safari park in Bhaluka, Mymensingh.

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FBCCI, govt agencies to monitor prices of essentials in Ramadan

UNB, Dhaka

The monitoring taskforce of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in association with government agencies concerned will monitor the price situation to keep the prices of essential commodities stable during Ramadan.

A meeting of leading importers, wholesalers and retailers from across the country with leaders of the apex trade body yesterday took the decision to keep a close watch on the existing price situation in different markets.

The stocktaking took place at a time when newspapers say the market still went on behaving erratically, despite various government measures to bring down prices.

They decided to take initiative for hanging price list of main commodities in each kitchen market in the capital "to make the selling operations transparent so there should be no scope for conflict with the buyers".

Besides, it would be ensured that the wholesalers and stockists give receipt to the retailers during selling commodities to them. Contact phone numbers have to be inscribed on the receipt.

Chaired by FBCCI President Annisul Huq, the meeting also elaborately discussed current supply and price situation of essential commodities.

Desco to expand prepaid meter system to new areas

REFAYET ULLAH MIRDHA

Induced by huge response from customers, the Dhaka Electric Supply Company Limited (Desco) will bring more areas under its pre-paid meter system to relieve them of bill payment hassles through banks and prevent misuse of electricity.

In August 2005, this government-owned electricity distributing company, which was established in 1994, installed the pre-paid meter system at Uttara in Dhaka to ensure better customer services.

Presently, Desco is working in sectors 5, 13 and 14 of Uttara to bring the customers of those areas under such meter system, said the company's Managing Director Saleh Ahmed, adding that sectors 1, 4, 6, 7, and 8 of Uttara are now under this system.

It has planned further expansion of the service to 9, 10 and 11 sectors of the area.

"We will install pre-paid metre at the state-owned enterprises very soon to prevent the misuse of electricity and ensure proper recovery of bills," Ahmed said.

"Moreover, the company will install pre-paid meters in Mirpur, Tongi and Gulshan, three major areas under the coverage of Desco, within the next six months," he said.

So far, Desco brought 7500 customers under the pre-paid metre system in Uttara. The company earned Tk 13 crore from the sale of electricity in the area in the last three years under this system.

The system has provided customers with opportunities to receive hassle-free services and be aware about misuses of



STAR

A man takes a closer look at meters. Desco will bring more areas under its prepaid meter system.

power, as they are buying electricity before usage under the system, the Desco chief said.

Saleh Ahmed said a group of students of Bangladesh University of Engineering Technology (Buet) designed the pre-paid meter system.

Elaborating the reasons for choosing Uttara as the starting point, he said Uttara, being a model town, is a structured area compared with other areas.

Desco also considered the residents of the area as perfect consumers for single-phase pre-paid meters, he added.

Now, the Buet has upgraded the capacity of single-phase meters to three-phase that can be used for industrial purposes as well as bulk household consumption of electricity, he said.

The Desco chief said pre-paid meters have not been installed in Gulshan, which is even more structured than Uttara, due to bulk household consumption of power in Gulshan and Baridhara area.

"But, the three-phase type of pre-paid meters can be used for any purpose and anywhere," he said.

Abdus Samad, a resident of Uttara, said introduction of pre-paid meter has reduced almost all hassles in payment of electricity bill.

"But, the bill, even with 2 percent rebate by Desco, seems larger under the new payment system as we are paying before consumption," he said.

ASM Seraj Uddullah, general manager (Technical) of the newly created Dhaka Power Distribution Company (DPDC) that took over the charge of the former DESA's area of operation in Dhaka and its adjacent localities, said DPDC also has plans to introduce pre-paid metresystem. The DPDC needs government's approval in this connection, he said.

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