

DHAKA WEDNESDAY AUGUST 27, 2008

Stocks

DGEN ▲ 0.88% 2,746.19

CSCX ▲ 1.25% 5,592.57

Asian Markets

MUMBAI ▲ 0.22% 14,482.22

TOKYO ▼ 0.78% 12,778.71

SINGAPORE ▼ 0.96% 2,707.19

SHANGHAI ▼ 2.62% 2,350.08

Currencies

Buy Tk Sell Tk

USD 68.00 69.00

EUR 98.58 103.08

GBP 123.89 129.06

JPY 0.62 0.65

SOURCE: STANDARD CHARTERED

Commodities

Gold ▼ \$817 (per ounce)

Oil ▼ \$112.45 (per barrel)

(Midday London Trade)

More News

Hope dims for PSTN operators



Multiple problems cast dark shadows over the entry of new private landline operators. Losses seem too crippling to the operators to bear. It is no wonder that the private public-switched telephone network operators ponder withdrawal, say industry insiders.

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International

Infosys acquires UK-based Axon for \$753m

India's second largest software exporting firm Infosys Technologies announced that the company is on its way to acquire the UK-based consultancy services company Axon Group for 753 million dollars in an all-cash deal.

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Mobile banking rattles banks

Bangladesh Bank promises to listen to growing concern

SAJJADUR RAHMAN

Banks, the traditional leader in payment systems, see mobile banking as a new threat if private telecom operators are allowed to use their outlets for money transfer without law.

The central bank governor has taken the bankers' concern into account and asked them to submit recommendations in writing in two weeks, a senior bank official said.

Bangladesh Bank Governor Dr Salehuddin Ahmed held a meeting with the bankers yesterday over the issue, which came to a head after the central bank moved to make policies on mobile banking.

"We have given our opinions at the meeting and told the central bank that banks have no objection to using modern technology as a tool of expanding delivery channels," Mahmud Sattar, president of the Association of Banks Bangladesh (ABB), told The Daily Star.

But the transactions must be

done through the banks, and mobile phones should be used as a mere banking tool, he said.

"A mobile phone outlet cannot be used as a bank branch."

"We won't let anything, which hurts the banking industry, happen. Banks have been asked to submit their proposals in two weeks on the proposed policies," said a senior central bank official.

The decision to consider banks' recommendations came at the meeting between the bankers and the BB governor. The meeting discussed two proposed policies -- a guideline for mobile phone banking and a set of rules for mobile-phone payment systems.

If the policies are approved, the banks say, mobile operators' outlets will be used as payment centres. Banks fear the phone companies will take away a large swathe of their business because of thousands of outlets across the country.

Officials present at the meet-

ing said banks had questioned the definition of mobile banking and its legality. They said the facility might be abused.

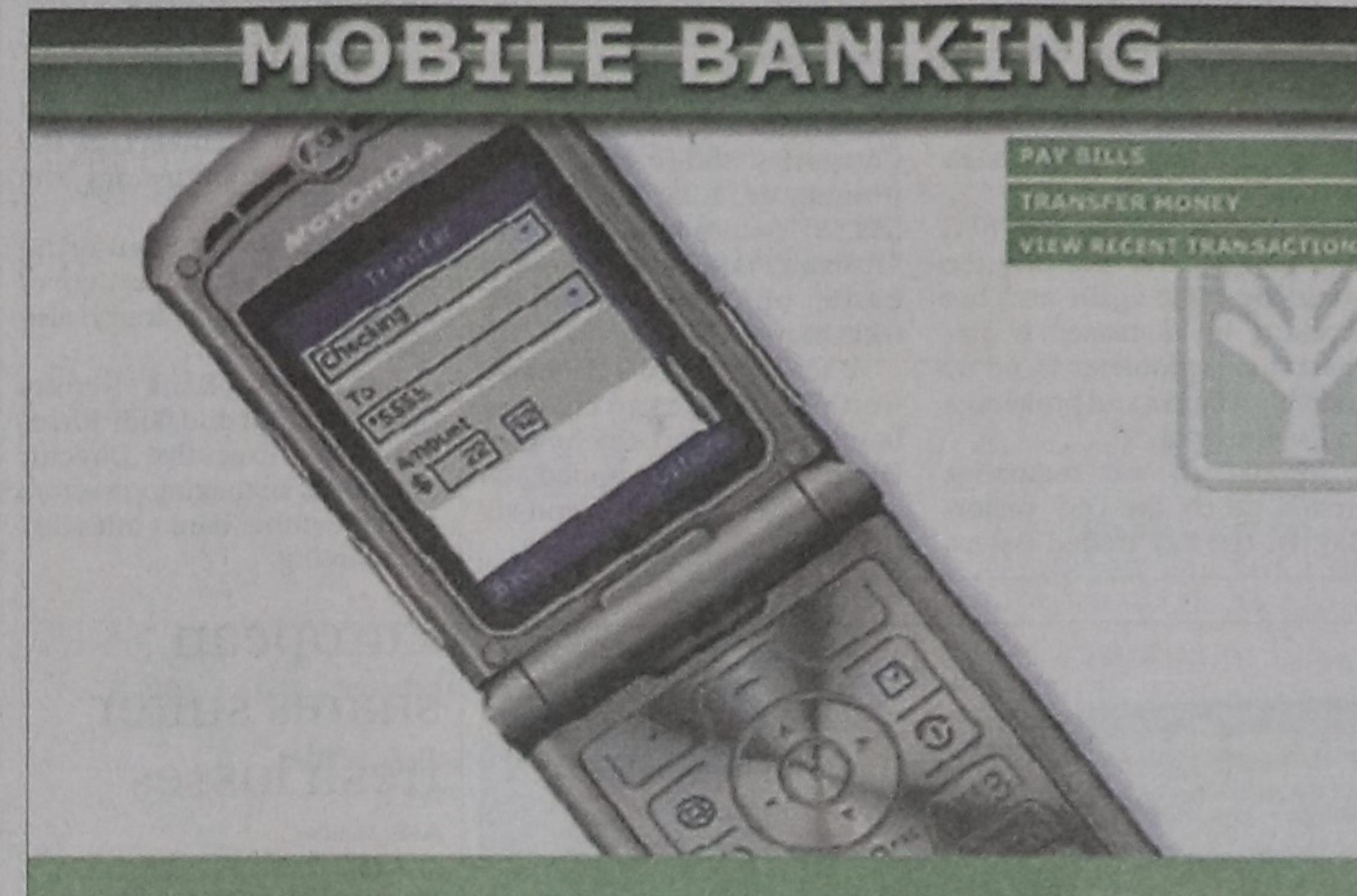
"This new payment system needs to be regulated and supervised," said Muhammad A Rumee Ali, chairman of BRAC Bank. "I welcome the move, but it must be under a legal framework to protect clients' interests."

Ali, a former deputy governor of the central bank, said, there might be huge scope for abuse of the facility without a proper law.

"Mobile banking will be equivalent to a bank's traditional business, but banks are operated by tough laws," said another private bank official who attended the meeting.

"BB should make a law first to introduce phone banking as the money laundering issue is directly involved there," he said.

Senior officials of BRAC Bank, Dutch-Bangla Bank, Dhaka Bank, Standard Chartered and HSBC were



present at the meeting.

The bankers who attended the meeting said the governor had assured them that there would be no decision that affects the banking business.

The BB has taken the step after Grameenphone's applica-

tion in December last year for a licence to introduce mobile phone banking.

On receipt of GP's application, the BB held several meetings with the government agencies and departments, under-

taken research and studies and visited Thailand and the Philippines.

Local bankers claimed that mobile phone banking exists only in the Philippines, South Africa and Kenya.

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Three Beximco units to merge

STAR BUSINESS REPORT

Shareholders and creditors of Beximco yesterday approved a draft on the merger of three industrial units of the business conglomerate.

The approval came at separate meetings of Beximco Limited and Beximco Fisheries Limited in Dhaka, according to a statement.

In line with the amalgamation scheme, Beximco Fisheries and Shinepukur Holdings will be amalgamated with Beximco Limited.

Shareholders of Beximco Fisheries and Shinepukur Holdings, which have been in the red for the last five and two years respectively, will benefit from the amalgamation, as the restructured company will be able to generate dividends for the shareholders by making profits.

One Beximco share will be offered for every two shares of Beximco Fisheries and Shinepukur Holdings.

According to Beximco Group officials, the move to merge the three units into one reflects the group's business strategy. Earlier in August 2006, the group merged its four textile units into one.

High-profile teams to visit CIS to expand export basket in Jan

REFAYET ULLAH MIRDHA

Two high-profile government trade delegations will go to Russia and some other CIS (Commonwealth of Independent States) countries next January for better trade ties, especially for augmenting Bangladesh's export volume.

The manufacturers and exporters hailed the move saying that it will open up a window for domestic product exports.

According to the Export Promotion Bureau (EPB), itineraries of these teams are now being worked out.

The countries they will visit include Russia, Ukraine, Uzbekistan and Kazakhstan, the state-run export promotional agency said.

"In this connection, EPB has already held three meetings with the high-ups of the ministries concerned and stakeholders of different export oriented sectors," its Director General Khalilur Rahman told The Daily Star yesterday.

He said, "When Turkey has been making huge business with these countries through outsourcing RMG items from Bangladesh, we should put every effort to make direct business with these countries."

Khalilur Rahman said the EPB has also a plan to send trade delegation to some Latin American countries in mid-2009.

He pointed to the fact that Bangladesh's trade with Russia and other CIS countries is not up to the expected level, as those markets remained untapped over the years.

He is of the opinion that the country should overcome some obstacles to expansion of business with these countries, which include complexity in banking clearance, long lead-time and long sea route.

EPB data shows Bangladesh

Policy dilemma holds back Taiwan jobs for 3,000 workers



A file photo shows migrant workers at Zia International Airport after they were deported from Kuwait. Taiwan government's proposal to recruit 3,000 workers from Bangladesh a year, placed four years back, has not yet received any response from Dhaka.

JASIM UDDIN KHAN

Taiwan government's proposal to recruit 3,000 workers from Bangladesh a year, placed four years back, has not yet got any response from Dhaka, told The Daily Star recently.

In 2004, Dhaka was formally informed of the Taipei interest to hire this amount of Bangladeshi every year in the backdrop of increasing demand for cheap labour in the Taiwanese job market.

"During the visit of our employment minister to Bangladesh, the proposal was submitted to the Bangladeshi government to take workers

from here to work in construction, textile and home-care sectors in our country," Frank Wen-Yan Chen, representative at the Taipei Liaison Office in Dhaka, told The Daily Star recently.

He said the present interim government has not responded positively, although there was some progress in this regard during the BNP regime.

Frank Chen said the proposal is still valid, if Dhaka responds.

"Around 3 lakh foreign workers -- mainly from Vietnam, the Philippines and China -- are presently working in Taiwan," Chen said, adding Taiwan can even accommodate more than three thousand workers, as

proposed, because the demand is very high there.

Terming the proposal 'a gesture of friendship', the Taipei representative in Dhaka said, "If Bangladesh wants to send workers, it will need to open an office in Taiwan. This office may work with the Taiwanese government to issue visas to the job seekers."

A high official at the Ministry of Expatriates' Welfare and Overseas Employment said the matter has some complications regarding foreign policy.

"The issue has been discussed with the foreign ministry; but the ministry is yet to reach any decision," the official added.

Another high official of the ministry said Bangladesh maintains One China policy, so setting up a foreign consular office in Taipei, without changing government policy decision, is difficult.

"We are still working on the issue to reach a decision so that workers can go to Taiwan," he added.

The bilateral trade balance is heavily leaning towards Taiwan. Bangladesh imports goods over \$400 million, which include machinery, raw materials, electronic and intermediate goods, from Taiwan every year, whereas it exports goods worth only \$15 million to that country.

Recently, some Taiwanese investors relocated several of their shoe and leather factories, valued over \$300 million, from China to Bangladesh.

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Asean steps up economic integration

ANN/THE STRAITS TIMES

Asean took more steps towards economic integration on Tuesday, when its economic ministers agreed to a comprehensive set of new measures that include the dismantling of non-tariff barriers and free-flow of talent.

Singapore Prime Minister Lee Hsien Loong said at an opening ceremony yesterday: "Singapore believes that a strong, rules-based global trading system is still the best recipe for continued growth and prosperity for all economies."

"Therefore, it is imperative that we see beyond the recent difficulties, and continue to push for multilateral trade liberalisation."

The 40th annual Asean Economic Ministers Meeting is the first of its kind since the Asean Charter was inked in the republic by the 10 leaders in November last year.

Singapore Minister for Trade and Industry Lim Hng Kiang will be chairing the meetings, which are being held at the Shangri-La Hotel until Friday.

Economic officials from Japan, South Korea, China, India, Australia and New Zealand are also in town for the event.

Lee said these talks come at a crucial moment, after the breakdown of global trade talks in Geneva last month.

Asean "should continue to integrate and liberalise" its own economies, he added.

He disclosed that officials have reported a "substantial conclusion" on a new Asean goods agreement which will allow Asean to "move beyond tariff reforms to trade facilitation measures".

These include the elimination of non-tariff barriers, harmonisation and simplification of customs procedures and development of common product certification standards.



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Asean is expected to seal a free trade agreement (FTA) with India on merchandise trade.

It is also hoping to announce the conclusion of talks on a substantive portion of a comprehensive economic agreement with Australia and New Zealand.

If successful, this will be the first FTA that Asean has pulled off in which all elements of the deal were settled in simultaneous negotiations.

Money frees you from doing things you dislike. Since I dislike doing nearly everything, money is handy.

~ Groucho Marx

