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Stocks

DGEN	▲ 0.93%	2,791.20
CSCX	▲ 1.03%	5,667.55

Currencies

	Buy Tk	Sell Tk
USD	68.20	69.20
EUR	98.55	103.18
GBP	122.67	127.65
JPY	0.62	0.65

SOURCE: STANDARD CHARTERED

Commodities

 Gold	\$833.00 (per ounce)
 Oil	\$115.46 (per barrel)

SOURCE: AFP
(As of Friday)

More News

Garment industry in shadows of violence



Complaints are endless. Defence is strong. Rising prices of essentials, unpaid salaries, the government's inaction and absence of responsible trade unions are the common triggers in the recent unrest in garment factories, said a labour leader yesterday.

Stocks start week on upbeat note

Dhaka stocks, powered by mutual fund and insurance shares, started the week up yesterday. The benchmark index of the Dhaka Stock Exchange, DSE General Index, rose 25.75 points, or 0.93 percent, to 2791.2 points. The DSE All Share Price Index grew 20.04 points, or 0.84 percent, to 2389.15 points. Market insiders said the upward trend of the last week continued on the first trading day of the week.

International

China's fixed asset investment in textiles slows down

The fixed asset investment (FAI) in China's textile and apparel industry kept slowing down in the past seven months. Those projects with a fixed asset investment size of above 5 million yuan each have realized an accumulative 153.410-billion-yuan investment in this period, up 13.14 percent year on year, with the growth rate 12.60 percentage points lower than 2007.

Emirates expands long-range 777 fleet

Dubai's Emirates airline on Saturday took delivery of two long-range Boeings, a 777-200LR and 777-300ER, bringing the carrier's all wide-bodied passenger fleet to 111 aircraft.

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

EPB to go stronger

Plan underway to empower bureau to scrap exporter licence

JASIM UDDIN KHAN

The government has moved to empower the Export Promotion Bureau (EPB) to cancel licences of exporters or suppliers or take legal action against rogue operators for their involvement in fraudulent activities, an official said yesterday.

The government took the initiative as a section of exporters with their alleged fraudulent activities in international trade hurt the image of the country abroad.

Several Chinese businessmen had exported Chinese textile products to Germany by using Bangladesh GSP (generalised system of preferences) facilities with the help of some local exporters.

The result was, Bangladesh exports to Germany were hit hard as the German Customs had imposed on German importers a 12 percent deposit on "suspicious shipments" from Bangladesh.

But the German Customs had later lifted the restriction after Bangladesh adopted some measures to check forgery.

Meanwhile, around two dozens of complaints -- mostly



At present, the EPB has no authority to take punitive action against the violators of international trade law

from the US and European countries -- have piled up against Bangladesh exporters and other suppliers, alleging that the suppliers breached agreements.

A Belgian businessman has recently complained that his Bangladeshi counterpart had supplied low-quality jute, although he had paid for higher quality jute. In another instance, a French frozen foods importer accused his Bangladeshi counterpart of not sending stipulated quantity of shrimps.

"We proposed to the government that an International Dispute Settlement Cell should be established to settle disputes in international trade, as the Regulatory Reforms Commission (RRC) sought suggestion from us to improve trade environment," EPB Vice-

chairman Md Shahab Ullah said.

A high official at the commerce ministry said they had received the EPB proposal and sent it to the RRC. If the RRC clears the proposal and forwards it to the commerce ministry, the ministry will take a decision in this connection, he added.

"The government should take prompt action against complaints to discipline Bangladesh's trade with other countries and to restore the positive image of Bangladesh abroad," the official said.

A member of the Foreign Investors Chamber of Commerce and Industry said the chamber has been seeking such a cell for long and met with no response.

Presently, the EPB has no power to take punitive action

against the violators of international trade law.

"The EPB is currently dealing with many complaints from foreign businessmen, who accuse local businessmen of breaching agreement and cheating," the EPB vice chairman said.

He said it is essential to empower EPB or any other organisation so that they can take action against the violators.

The EPB vice chairman said the EPB could only investigate international trade disputes and blacklist the company involved in any particular dispute.

"The implementation of the proposal will empower the Bureau to take punitive action as well," he said.

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Qatar to take more workers from Bangladesh

Says envoy

UNB, Dhaka

Qatar will welcome more skilled workers from Bangladesh, said the Qatari envoy.

Ambassador Ibrahim Mohammed A Al-Abdullah gave the assurance when he made a farewell call on Foreign Adviser Dr Iftekhar Ahmed Chowdhury at his office yesterday.

The foreign adviser thanked the ambassador for his five years of "outstanding" service dedicated to expanding Bangladesh-Qatar relations.

The envoy expressed his deep gratitude to Bangladesh government for the support he had constantly received from the Bangladeshi authorities throughout his tenure of duty.

During the meeting, the foreign adviser said Bangladesh should be in a position to provide skilled personnel for the "Education City" being built in Doha.

There are about 80,000 Bangladeshis in that Gulf state at present.

Govt weighs options to raise Padma bridge funds from own sources

STAR BUSINESS REPORT

The government is considering different options to raise Tk 4,485 crore (\$650 million) from internal sources to start the construction of the country's largest bridge, which will cost Tk 12,420 crore.

International lenders will provide \$1.15 billion, according to a plan.

The options include converting the Padma bridge project into a company to raise funds from the stock market, imposing levy and surcharge, and financing from the annual development programme.

The options were discussed at a meeting in Dhaka yesterday, based on a World Bank estimate.

"We are examining various options to meet the gap," said Finance Adviser AB Mirza Azizul Islam after the meeting, also attended by Communications Adviser Ghulam Quader.

To meet the gap, Tk 1,600 crore may be raised through own finance from Bangladesh Bridge Authority, and levy and surcharges. The remaining Tk 2,885 crore may be provided from ADP in phases.

About the plan to convert the bridge project into a company, the communications ministry has already taken a decision to send a proposal to the Cabinet Division.

"We hope the construction of Padma Bridge will be completed by fiscal 2014-15. The work will start after the preparation of a detailed design of the project, which is now in progress," the finance adviser said.

The proposed Padma

Bridge, having rail, gas, telephone and electricity connections, will be constructed at the Mawa-Jajira point of Munshiganj and Shariatpur districts to connect the southwestern region with the capital and other parts of the country.

According to officials who attended the meeting sources, four international lenders have expressed interest to provide \$1.15 billion for the construction. The WB will fund \$300 million while three other agencies -- Asian Development Bank, JBIC (Japan Bank for International Cooperation) and IDB (Islamic Development Bank) -- will lend \$350 million, \$200 million and \$300 million.

The interest rate or service charges for loans are different for different donors: 0.75 percent for WB, 0.01 percent for JBIC, 3.30 percent for IDB and 3.49 percent for ADB.

However, which lending agency will be the lead donor is yet to be finalised, although opinions are there that WB will lead the project.

"We have not taken any decision of assigning any of the organisations as a lead donor," Aziz said.

The Executive Committee of National Economic Council approved construction of the Padma Bridge in 2007.

A feasibility study carried out for the Jamuna Multipurpose Bridge Authority by the Japan International Cooperation Agency concluded that the best design alternative was a pre-stressed concrete extradosed box girder design.

Separate body to regulate realtors suggested

STAR BUSINESS REPORT

The government should establish a separate regulatory body to regulate the real estate sector, a roundtable in Dhaka suggested yesterday.

"A separate regulatory body should be established to protect interests of both the developers and customers, but the government's first priority is to protect customers' rights," economist Professor Atiur Rahman told the roundtable.

The vernacular daily Ittefaq

organised the discussion on the proposed Real Estate Management Ordinance 2008 at a city hotel.

Rahat Khan, editor of the daily, moderated it.

Professor Monwar Uddin Ahmed, who teaches Economics at the Dhaka University, echoed Atiur's view and said a separate body is necessary, as the Rajdhani Unnayan Karttripakkha (Rajuk) will not be able to effectively regulate the real estate sector as long as it goes ahead with allocating plots by itself.

Housing and Public Works Secretary ASM Rashidul Hai said the government drafted the law at a time when malpractices by developers were on the rise.

"No one can deny the fact of customers being cheated by developers. Now we have to concentrate 80 per cent of our office hours on customers' allegations against developers," he said.

Hai said it is not right that realtors would not get bail against the cases filed under the ordinance. It is judges'

discretion whom they would award bail, the works secretary added.

He said the draft law now awaits the law ministry's vetting. After its nod, it will be placed before the Council of Advisers for final approval.

The role of the government is to facilitate private sector, but it moves to hinder the growth of the housing sector by the new law, said Tanvirul Haque Probal, president of Real Estate and Housing Association of Bangladesh (REHAB).

Besides protecting the customers' rights, the government should also ensure that clean developers do not leave the business for legal complications, said Mobasher Hossain, president of Institute of Architects Bangladesh.

At the function, the speakers also urged the government to keep some provisions in the law to ensure accountability of landowners.

National Housing Authority Chairman Abdul Qayyum and Rajuk Chairman Shafiqul Islam also spoke on the occasion.

Square backtracks on PSTN plan

MD HASAN

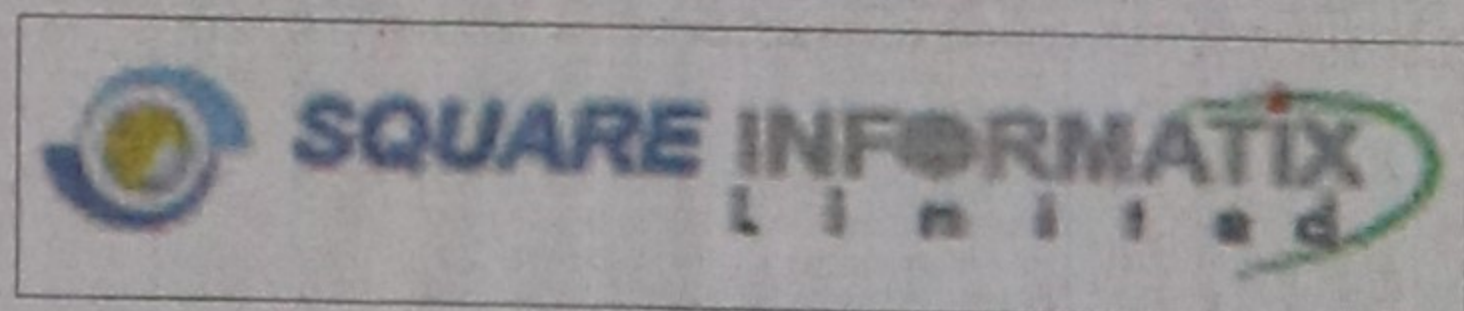
Square, one of the leading local business groups, has backtracked on its plan to go into landline business, as it found that the country's PSTN industry is not big enough for investment.

"We surrendered our PSTN licence last week," said a company official. "The landline industry has become a 'dead horse'. So we are not ready to pour a big amount into such a business, which ultimately goes down the drain," the official said.

He said the company conducted a market study, the findings of which were not satisfactory enough to initiate public-switched telephone network (PSTN) operation.

However, the official hinted the company that got the PSTN licence in September last year for nationwide operation will take part in the upcoming bid for WiMax, wireless-based broadband telephony technology, scheduled to be held this month.

"Running WiMax business is more profitable than PSTN's," the Square official said. Under the name of 'Aarontel', Square was sched-



uled to launch its PSTN operation by September.

Industry insiders termed the Square move a "wise step" as the industry now faces multiple problems stemming from discriminatory policy.

Since its onset in 2005, the first wireless landline operation started amid high hope to grab a major portion of the growing telecom market. The dream is yet to become a reality.

When state-run BTCL's connection had become a burden on customers, Bangladesh Telecommunication Regulatory Commission (BTRC) took step to issue 19 PSTN licences in the 2005-06 period in a bid to make the market more competitive.

As of August, BTCL (Bangladesh Telecommunications Company Limited) and 11 other private firms are operating their landline services across the country.

The private landline operators have invested Tk1500 crore for running business. But not a

single company could yet touch breakeven point, which also encouraged Square to abandon its investment plan in the industry.

Although the subscriber acquisition growth is satisfactory for some companies, a major portion is below that glass ceiling. The country's total phone users, including mobile, reached 4.5 crore as of July 2008. Out of that, only 2.5 percent customers own land phones.

ATM Hayatuzzaman, chairman of Dhaka Telephone, said Square took the right decision. In the present market scenario it is not economically viable to come to the PSTN market.

Masrur Nawaz Waiz, head of Corporate Affairs of RanksTel, said Square had showed their maturity in business by taking the decision.

The existing PSTN market is saturated, he said, adding that Square's licence withdrawal proves the market is not suitable for further investment.

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ADB mission gets new chief



Paul J Heytens

UNB, Dhaka

Paul J Heytens joined ADB's Bangladesh Resident Mission as its new country director yesterday, an official statement said.

Heytens replaced Hua Du, who was assigned to the ADB's Headquarters in Manila in July, after her three-year assignment in Dhaka.

Prior to joining work in Bangladesh, Heytens served as ADB's country director in Nepal.

Heytens worked for the ADB's East Department in 1990-1993 and project economist (agriculture), principal project economist, South Asia Department, in 2003-2004 and principal agricultural economist for South Asia Department in 2005-2007.

He also worked as economist for the Asia Pacific Department of International Monetary Fund (IMF) in 1993-1998.

8 awarded for SME women entrepreneurship

STAR BUSINESS REPORT

Eight women entrepreneurs in three categories were awarded the maiden national SME women entrepreneurship award 2008 yesterday.

They were awarded cash and crest for turning their dreams of being entrepreneurs into reality.

Small and Medium Enterprises (SME) Foundation organised the event for the first time to recognise the women's contribution and participation in the economy.

Neelima Akhter Chowdhury of Chittagong has been awarded the best women entrepreneur award 2008, Monoara Talukdar of Gaibandha the best innovative women entrepreneur and Aziza Khatun Huq of Décor Idee of Dhaka for best enterprise.

The first prizewinner got a crest and Tk one lakh, second and third prizewinners got a crest and Tk 50,000 and Tk 25,000 respectively.

Chaired by Abdul Mueyed Chowdhury, chairperson of SME Foundation, the function was attended by Mahbub Jamil, special assistant to the chief adviser on industries, as chief guest. Former advisers to the caretaker government and leading businesswomen Geeteara Safiya Choudhury



Mahbub Jamil (C), Geeteara Safiya Choudhury, Rokia Afzal Rahman, and Abdul Mueyed Chowdhury, among others, are seen at the award giving ceremony in Dhaka yesterday.

and Rokia Afzal Rahman also spoke.

Jamil said women entrepreneurs are facing many problems, including lack of working capital, infrastructure bottlenecks and bank credit.

"Policy makers, banks and non-bank financial institutions have a negative attitude towards women entrepreneurs," he said.

"I urge banks to come up with the finance for the women

entrepreneurs," he added. The present government is trying to change the mindset of the policy makers and bankers, he said.

He cited examples of loan allocation to the SME entrepreneurs 40 percent to small and 60 percent to the medium enterprises. Bangladesh Bank has asked commercial banks to give Tk 25 lakh collateral-free loan to women entrepreneurs. Jamil said.