

Stocks

DGEN ▲ 0.20% 2,802.97

CSCX ▲ 0.05% 5,649.96

Asian Markets

MUMBAI ▼ 1.00% 14,899.10

TOKYO ▼ 1.04% 12,557.66

SINGAPORE ▼ 2.97% 2,626.05

SHANGHAI Flat 2,277.41

Currencies

Buy Tk Sell Tk

USD 68.20 69.20

EUR 97.43 101.93

GBP 119.43 124.54

JPY 0.63 0.66

SOURCE: STANDARD CHARTERED

Commodities

Gold ▲ \$812.15 (per ounce)

Oil ▲ \$110.97 (per barrel)

SOURCE: AFP

(Midday London Trade)

More News

Wig market morphs into money-spinner



Hair loss issues are creeping up. Local manufacturers are producing wigs, toupees, tassels and hair extensions and industry people estimate that the market volume of such items has morphed from almost nothing to more than Tk 48 crore last year.

B-4

CA stresses watch on BBBF recommendations

Chief Adviser Fakhruddin Ahmed yesterday asked for regular monitoring to see the outcome of implemented and under-implementation recommendations of Bangladesh Better Business Forum (BBBF), formed to help drive economic growth. The CA, also chairperson of the BBBF, made the suggestions chairing the fifth meeting of the public-private business forum at the CA's office.

B-3

International

Tata car row opens debate on India's industrial drive

As evicted farmers square off against giant Tata Motors over land seized to build the Nano, the world's cheapest car, India's industrialisation strategy has come under the spotlight. Work at the nearly completed plant was suspended this week.

B-4

Contact Us

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

Taskforce wants e-banking gateway in six months

SAJADUR RAHMAN

A taskforce committee on Internet or online banking has recommended developing a payment gateway soon to render the services.

It also asked for resolving the digital signature issue as early as possible.

The gateway could be built either by Bangladesh Bank (BB) or by a consortium of public-private commercial banks in a six-month time, according to the taskforce body suggestions.

The BB remains non-responsive to the matter, although the private commercial banks (PCBs) want the central bank to do it. The distrust among banks is the main reason behind such reluctance by the PCBs.

"Both the BB and PCBs decline to develop and run the payment gateway for Internet banking," said Abul Kashem Mohammad Shirin, deputy managing director of Dutch-Bangla Bank Ltd, who is also a taskforce member.

The Prime Minister's office made an initiative to introduce Internet or online banking in early 2006 through the formation of a committee to this end. The present government after



assuming power in January 2007 tried to take the issue forward and discussed it at a series of meetings with stakeholders.

Later, a taskforce committee headed by a senior government official has been formed early this year to make recommendations on the issue. The committee placed its recommendations to a technical committee.

Lusa Mirza, consultant, Access to Information

Programme of UNDP, which is supporting the government on the issue, said: "We want this service get implemented, no matter who is doing it."

Internet banking is changing the global trend of the banking business rapidly. In many countries, including neighbouring India and Pakistan, banking is now no longer confined to the branches where one has to approach the branch in person, to withdraw cash or deposit a cheque or

request for a statement of accounts.

In Internet banking, any inquiry or transaction is processed online without any reference to the branch at any time.

"A bank has to give access to its data base to other banks for the transaction. Banks do not believe each other to do so," a taskforce committee member who is a government official said.

When asked, a senior BB official said the BB is now working with the automated cheque processing system, not with the Internet payment gateway.

Another major recommendation the taskforce committee has made is to decide on the digital signature for online shopping and other transaction.

"We are working on it. A team comprising government and UNDP officials visited Singapore recently to see how it is functioning there," Lusa Mirza said.

Now a team of domestic and foreign consultants is working on to formulate rules and regulations for digital signature, she said, adding that the 1972 Evidence Act might need to be amended in this regard. sajjad@thedailystar.net

Adamjee EPZ misses FDI target



This picture shows workers at Adamjee Export Processing Zone.

JASIM UDDIN KHAN

Adamjee Export Processing Zone has received only \$45 million foreign direct investment (FDI) in four years against the government projection of \$400 million.

Responses from overseas entrepreneurs have been lukewarm. A Canadian company, Hy-Lan Sweater International Ltd, went into operation at Adamjee in March 2006, which was the first significant investment after the launch of the EPZ.

In 2004, the Bangladesh Export Processing Zones Authority (Bepza) took over the total area and assets of Adamjee Jute Mills after its closure on June 30, 2002 and established the EPZ.

Bepza expected \$400 million to come in foreign investment within 18 months after Hy-Lan's set-in, but some factors

dashed the high expectations. The factors, according to an official, include the delay in project implementation, pattern of investment and a sudden rise in the prices of construction materials.

"We could not develop the road, plots and other infrastructure within the stipulated time due to an abnormal rise in the prices of construction materials," said Ashraf Kabir, project director of Adamjee EPZ.

Although 156 plots, out of 200, have been handed over to the investors, only five companies started full-fledged production, Kabir added.

The companies are Hong Kong-based Kwun Tong Apparels Ltd, Hy-Lan Sweater International, local DNV Clothing Ltd, Epic Garments and Protective Shoes Ltd.

According to the Bepza website, total investment of the firms stands at \$45.39 million,

with their export earnings reaching \$24.80 million. About 6,000 workers have been employed in the factories.

Kabir hopes more investment would pour in soon.

Contacted, another high official of the EPZ said the pattern of EPZ investment was different.

As most factories at the Adamjee EPZ trade in readymade garments and accessories, they need comparatively low investment and are labour-intensive.

The country has now eight EPZs: Chittagong, Dhaka, Mongla, Ishwardi, Comilla, Uttara, Adamjee and Karnaphuli, where about 250 industrial units invested around \$1.4 billion.

With 2.24 lakh employees, the EPZs have fetched \$2.42 billion from exports in fiscal 2007-08. jasim@thedailystar.net

Renewable energy policy on cards

SOHEL PARVEZ

The government is set to make a policy on renewable energy to facilitate development of the sector to meet 10 percent of the country's total power demand by 2020.

The policy 'Renewable Energy Policy of Bangladesh' is expected to receive the green light from the council of advisers in two months, a senior official of Power Cell told The Daily Star on Wednesday.

"We are framing the policy to encourage coordinated development of renewable resources to attain optimum benefit. I hope it will be finalised in two months' time," said Mohammad Abdul Jalil, director general of Power Cell.

The government move on renewable energy -- solar, wind, biomass and biogas -- came amid growing concerns on a steady decline of non-renewable resources such as fossil fuel, which has prompted many countries to seek alternative sources of energy to meet future need.

Bangladesh is more dependent on non-renewable resources such as petroleum and natural gas to meet demand for power. The contribution of renewable sources to power generation remains negligible, stakeholders said.

To increase contribution, the government had earlier taken steps to finance installation of the Solar Home System (SHS) in the off-grid rural areas under a project named 'Rural Electrification and Renewable Energy Development Project', financed by global lending agencies.

Until May, the total number of SHSs stood at 211,000 generating about 11 MW of electricity, according to the state-run Infrastructure Development Company Ltd (IDCOL), which promotes installation of SHS with the participation of organisations such as Grameen Shakti and



RAHIMAFROOZ WEBSITE

This photo shows solar panels installed at Borkol in Rangamati district. The government is set to make a policy on renewable energy.

Rahimafrooz

The government has also taken steps to encourage generation of energy through biomass, and biogas due to the availability of rice-husk, crop residue, woods, jute stick and animal waste.

"In Bangladesh, efficient utilisation of renewable energy resources is yet to assume commercial dimensions and hence rational policy dissemination on renewable energy usage is essential," the draft policy said.

The draft policy recommends establishment of an institution named Sustainable Energy Development Agency (SEDA) to ensure development of renewable energy.

SEDA will also support establishment of small and medium renewable energy enterprises and providers, create market opportunity and start-up business models, the draft says.

To encourage private sector investment, the draft policy favoured providing appropriate subsidy for installation of solar, wind and biomass utilities.

"Renewable energy project sponsors, public or private, shall be exempted from corporate income tax for a period of 15 years," it said.

The project sponsors will also be allowed to import equipment without payment of custom duties, VAT and any other surcharges and import permit fees, provided that the equipment is not produced locally, according to the draft.

It also said that a network of microcredit support systems will be established, especially in rural and remote areas, to provide affordable financing for consumer purchases of renewable energy equipment.

Sohel Ahmed, general manager of Rahimafrooz Renewable Energy Ltd, praised the government's move but said the policy should have an option allowing renewable energy producers to supply to the national grid.

"Options for supplying to the national grid should be available in the policy for greater benefit," he said.

sohel@thedailystar.net

United Airways to operate international flights

UNB, Dhaka

United Airways, a private airliner, spreads its wings with its first international flight on Dhaka-Kolkata-Dhaka route on September 24.

United Airways Chairman and Managing Director Capt Tasbirul Ahmed Choudhury made the announcement at a press conference at Sonargaon Hotel Thursday.

He said the return fare for the Dhaka-Kolkata-Dhaka route is Tk 13,314 (inclusive all taxes) while the one-way ticket is Tk 7,009.

Tasbirul said United Airways would operate flights on the Dhaka-Kolkata route seven days a week.

"We've planned to operate flights on Chittagong-Kolkata and Dhaka-Kathmandu routes," Tasbirul told reporters.

The airliner is now using two Canadian origin Dash-8-100 aircraft on different routes, but is planning to include two more Dash-8-300 and six big jets for its international operations within the next five years.

Apart from Kolkata, the company also has a plan to expand its operation to other regions of India like Mumbai, Chennai and Guwahati, Tasbirul said.

"We're also planning to expand our operations to Bangkok, Kuala Lumpur, Bahrain and Dubai by July 2009," he said.

Responding to questions, Tasbirul said the number of domestic passengers did not decline with even after the airliner has increased its passenger tariff following the jet fuel price hike.

"For example, we carried a record number of passengers on the Dhaka-Chittagong route last month," he said.

Currently, United Airways is operating flights on the Dhaka-Chittagong, Dhaka-Jessore, Dhaka-Sylhet and Dhaka-Cox's Bazar routes.

"Shortly, we'll operate flights on the Dhaka-Barisal and Dhaka-Syedpur routes too," Tasbirul told reporters.

Parjatan profit triples

SAYEDA AKTER

Bangladesh Parjatan Corporation (BPC) has recorded operating profits of Tk 2.5 crore last fiscal year, driven by cuts in "systems loss" and increasing domestic tourism, said its chairman yesterday.

The profit has trebled from the previous year thanks to a strict drive on reducing "waste of resources" at commercial units of BPC, said Shafique Alam Mehdi, chairman of BPC.

In fiscal 2006-07, BPC made operating profits of Tk 84 lakh.

"We have developed a monitoring system to ensure reduction of waste and accountability at every commercial unit, which includes regular reporting on the occupancy rate, even in-off season," said the BPC chairman.

Shafique Alam was speaking at the 20th commercial confer-

ence of BPC, organised for the managers of its commercial units in Dhaka. He said the increase in profit is also the result of growing domestic tourism in the last five years.

The BPC chairman said a rise in the number of domestic tourists have forced the corporation to pay extra attention to the sector.

"Over the last five years, the sector witnessed remarkable growth, as the domestic tourism developed a lot," he said.

"Sometimes in the peak season, managing accommodation for tourists in Cox's Bazar becomes difficult."

"BPC, as a whole, has been making profit over the recent years, although not every unit is equally profitable," he claimed.

BPC has 35 commercial units, including hotels, motels, bars, restaurants, swimming pools, car rental services, and

golf clubs. Of them, 15 units have already been transferred to the private management.

"The 15 units were in loss for long, affecting the overall performance of BPC," Alam said. Thanks to the handover of the units to the private sector, BPC could now make an extensive profit.

BPC has started privatising its hotels, motels, restaurants and bars from May as part of its reform initiative. Under the reform programme, BPC would turn into the National Tourism Board, an autonomous body to be maintained by a board of directors.

BPC has already finalised a draft tourism law, which is now waiting on the government's approval and likely to be announced by the end of this month, the BPC chairman added.

sayeda@thedailystar.net

Ramadan Special Iftar Menu!!

Unlimited pizza and soft drinks only @ Tk 350 (including VAT)

One Smokey Joe Sandwich/ Beef Loaf Sandwich (French Bread) & One Iced Mocha (Alto) only @ Tk.250 (including VAT)

* Offer valid for dine in only. Offer valid from 5:30 pm to 7:30 pm everyday only during Ramadan.

Address: Pizza Corner Nilu Dhanmondi, Nilu Square, House - 75, Road - 5/A, Plot - 1, 3, 5, Satmasjid Road, Dhanmondi, Dhaka - 1209

Address: Pizza Corner, Banani House # 98, Road # 11, Block # C, Banani, Dhaka

Address: Coffee World Nilu, Dhanmondi Nilu Square, House - 75, Road - 5/A, Plot - 1, 3, 5, Satmasjid Road, Dhanmondi, Dhaka - 1209

Address: Coffee World Dohata, Bishan Dohata Tower, Building - 1/A, Road - 113, Gulshan Avenue, Gulshan - 1, Dhaka - 1212

Address: Coffee World Banani, House - 98 (1st floor), Road - 11, Block - C, Banani, Dhaka - 1213

Address: Coffee World ETC, Dhanmondi, Concord Royal Court, Plot - 2756, Road - 27, Dhanmondi, Dhaka - 1209

Address: Coffee World Gulshan, Plot - SE (F) 1, Road - 140, Gulshan - 1, Dhaka - 1212

Address: Coffee World Uttara, R.A.K. Tower, Plot - 1/A, Jasimuddin Road, Sector - 3, Uttara, Dhaka - 1230

Address: Coffee World, World Bank, E - 32, Agargaon, Sher - e - Bangla Nagar, Dhaka - 1207

Brands of ETCETERA

Hotline: 8852344 Email: customercare@etceterabd.com Web: www.etceterabd.com