

# Star Business

DHAKA SUNDAY SEPTEMBER 7, 2008

## Stocks

DGEN ▲ 0.20% 2,802.97

CSCX ▲ 0.05% 5,649.96

(Thursday closings)

## Asian Markets

MUMBAI ▲ 2.79% 14,483.83

TOKYO ▲ 2.75% 12,212.23

SINGAPORE ▲ 1.97% 2,574.21

SHANGHAI ▲ 3.29% 2,204.45

(Friday closings)

## 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

(As of Thursday)

## Commodities

Gold ▲ \$794.15 (per ounce)

Oil ▲ \$106.93 (per barrel)

(As of Friday)

## More News

4000 tonnes Dutch potato seed import by Nov

Private entrepreneurs will import around 4,000 tonnes of high yielding variety potato seeds from the Netherlands in November for cultivating those during the next Rabi season. Agriculture ministry sources said the high productive 'Diamond' variety of Dutch potato is a very profitable one to the farmers, particularly to the growers of Munshiganj district.

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## International

Libyan magic transforms banks of the Nile



With its panoramic views of the Nile Sudan's flashiest hotel brings the flair of Moamer Kadhafi and Italian luxury to a capital struggling to keep up. Burj al-Fateh Hotel -- 18 floors of steel and glass shaped like a sail -- is a nine-year Libyan dream turned architectural icon that cost 190 million dollars. Financed by Lafico, the Libyan Foreign Investment Company, and designed by Italian architects, its facilities set new standards of luxury in Sudan.

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## Contact Us

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

# Grameen Telecom won't pay for Telenor wrongs

Says a high official of local shareholding company

MD HASAN

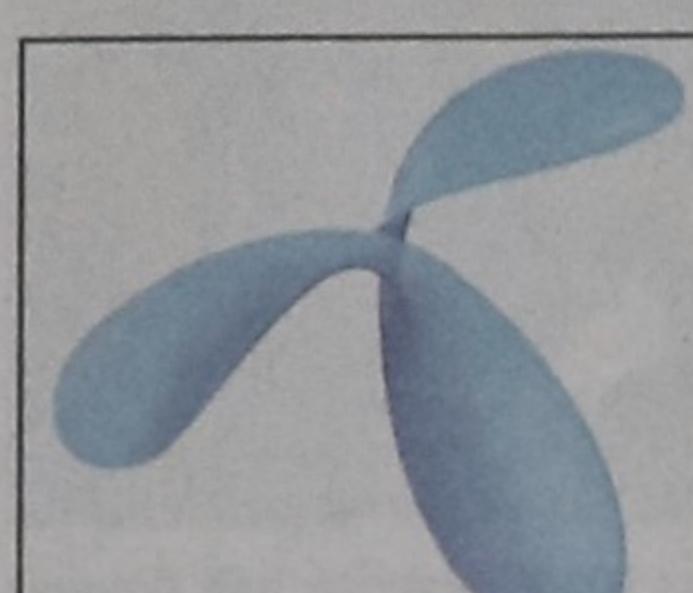
Grameen Telecom, the local shareholder of the country's largest mobile phone operator Grameenphone, said yesterday it was not ready to pay any fine for 'illegal' activities committed by Norwegian firm Telenor, its majority stakeholder.

Telenor owns a 62 percent share, while Grameen Telecom holds the remaining stake in Grameenphone, launched in 1996. Telenor controls the management of the cellphone company.

"Grameenphone is run by the Telenor management. So Telenor is to blame for any illegal activity. Why should we pay for their repeated illegal activities in Bangladesh?" a high official of Grameen Telecom told The Daily Star yesterday.

"Grameen Telecom has no association with illegal call termination business through VoIP conducted by Grameenphone," the official said, asking not to be named because of the sensitivity of the issue.

Bangladesh's telecom regulator made Grameenphone Tk 168.4 crore and Tk 250 crore in separate cases for its involvement in illegal international call termination business through voice over internet protocol (VoIP) technology. As a shareholder, Grameen Telecom will have to bear Tk



158.84 crore of the fine, while Telenor will pay Tk 260 crore.

Of the total amount of the fine, Grameenphone has so far paid Tk 218.4 crore from its account to Bangladesh Telecommunication Regulatory Commission (BTRC).

However, an official of Grameenphone said Grameenphone board has endorsed the agreed fine, meaning every shareholder has come to a consensus to pay the fine.

Telenor in a statement on Friday said it was in complete agreement with Dr Muhammad Yunus, chairman of Grameen Telecom, that the circumstances surrounding the VoIP issue need further investigation, particularly to uncover the persons responsible.

Telenor stresses that it was an issue, which

Grameenphone must respond to, in a process that includes both shareholders, the statement added.

In March 2008, Grameenphone said it appointed PricewaterhouseCoopers, an independent audit firm, to audit Grameenphone's alleged involvement in illegal international call termination.

About Telenor's alleged involvement in illegal internet telephony services, Dr Yunus in statement on Friday demanded that Telenor authorises ensure transparency in the matters, making public the investigation reports.

"We can't allow the name of Grameen to be tarnished directly or indirectly by inappropriate operations," Yunus said in a statement distributed through PR Newswire.

Earlier in reply to a query of The Daily Star, Esben Tuman, communications director of Telenor Asia, last month said: "We are working closely with Grameenphone in dealing with the VoIP issue. Any appropriate action cannot be decided upon until the final conclusions of Grameenphone's internal investigations are completed".

However, he told The Daily Star yesterday: "The fine imposed in connection with the VoIP case is a Grameenphone issue. The matter is dealt with in a correct

and proper manner, and is therefore handled and paid by Grameenphone."

An internal conflict between Telenor and Grameen Telecom is not new. Both the shareholders are engaged in a race to keep the majority stake in \$3.2-billion Grameenphone.

Referring to the 1996 deal, Yunus said Telenor and Grameen Telecom agreed that the joint company should become a locally operated company within six years with Bangladeshi management and majority Bangladeshi ownership.

"This has not happened. Telenor is unwilling to let go control of the company," complained Yunus, adding, "We are now being told that the words of the written agreement in a legal sense are non-committal statements. We relied on the words of the agreement."

"Telenor now tells me that it was a mistake to rely on their words," he wrote.

The Nobel laureate might take legal actions against Telenor to force it to honour the deal, according to media reports.

Both Telenor and Grameen Telecom agreed to go for offloading Grameenphone's shares by this month, subject to getting approval from the capital market regulator.

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# Garment owners threaten shutdown

STAR BUSINESS REPORT

Garment owners yesterday threatened to close their factories in the trouble-torn Gazipur district for an indefinite period if the government fails to provide security for the industry by September 25.

The owners issued the ultimatum in a memorandum to Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Anwar-Ul-Alam Chowdhury Parvez at the association's office in Dhaka.

Apparently affected by bouts of violence, the owners have handed a key to the BGMEA president in a symbolic threat to shut their factories.

As many as 91 Gazipur-based RMG owners signed the memorandum, seeking security from the government by the deadline.

The owners also urged the government to meet their eight-point charter of demands for smooth operation of their businesses in the area riven by labour unrest.

At least 151 factories have been hurt by violence since January across the country, industry insiders said.

The major demands include a normal environment in garment factories, arrest of attackers and others with ties to the recent violence, security to investors and soft loans for the affected owners for rehabilitation.

The owners also demanded that the government increase



RMG workers take to the streets to press home their demands.

the number of police and fire-fighting stations in Gazipur, re-introduction of a simultaneous holiday for all factories in the district and development of roads and highways.

Rahman has warned that the garment owners are waiting for nervy days ahead as the workers may take to the streets again to demand the disbursement of Eid bonus and unpaid salary.

"Another chaotic situation may arise from the distribution of salaries and Eid bonuses. The government should stay alert to any chaos," he said.

Parvez said he had urged the government from press conferences to provide security for garment owners considering the importance of the sector.

The BGMEA chief assured the owners of conveying the message of concern to the government with an appeal to take immediate measures.

Bangladesh earned \$10.699 billion through exports of woven and knitwear, the two sub-sectors of RMG, in fiscal 2007-08, according to the Export Promotion Bureau.

# RMG's duty-free access to US faces setback

African countries stand in the way

JASIM UDDIN KHAN

Bangladeshi readymade garments (RMG) may face a setback in its effort to win duty-free access to the American market as US authorities have responded positively to the appeal of few African countries to exclude the country's RMG from New Partnership Act (NPDA) 2007.

Ghana and Mali have recently requested Jim McDermott, chairman of the Ways and Means Subcommittee of the US House of Representative, for excluding five categories of Bangladeshi textile and apparel products from the NPDA 2007.

The government will send a high-level business delegation to several African LDCs to convince them that the bill would be beneficial to all the LDCs.

Meanwhile, a taskforce has been formed with technical help of Centre for Policy Dialogue to assist the government on the issue.

McDermott introduced the NPDA 2007 bill in the US Senate in October 2007 with the aim to reduce extreme poverty worldwide. The legislation will help the people who live on less than \$1 per day and primarily live in the LDCs.

On several occasions, Bangladesh has tried to make it clear to the African countries that the country's duty free access to the US market under NPDA will not hamper schemes such as African Growth and Opportunity Act.

The chief adviser will meet a

# Biman's Dhaka-New York direct flight hangs in balance

RASHIDUL HASAN

The planned restoration of Biman's Dhaka-New York direct flight in October now faces uncertainty, as the regulatory authority for commercial aviation is yet to comply with the minimum international safety standards even 11 years into a complaint placed by an international body, according to sources in the aviation sector.

The United States Federal Aviation Administration (FAA), the single most influential aviation agency in the world, placed the Civil Aviation Authority of Bangladesh (CAAB) in Category 2 after finding some irregularities in the CAAB operational activities in an investigation conducted in December 1997.

Such categorisation placed additional restrictions on Bangladesh's airlines flying to



A photo shows a busy Zia International Airport. People in the aviation sector allege the CAAB has compromised with the required runway and taxi pavement strengths at ZIA against the current air traffic.

the US.

The FAA said the CAAB failed to meet the International Civil Aviation Organisation's (ICAO) minimum safety standards according to its International Aviation Safety Assessment (IASA) Programme.

According to the FAA findings, Bangladesh's aviation regulator runs short of technically qualified personnel, and also lacks continued surveillance and inspection records.

"Had we been able to step into Category 1, we would have the authority to change the air routes in demand," said a senior Biman official.

Frustration from the sector people has surfaced over the "incompetence" of CAAB.

They said it has horrendously compromised with the required runway and taxi pavement strengths at ZIA.

"Continuous surveillance of air carriers is being conducted," he claimed.

Meanwhile, an aviation expert expressed his unhappiness over the present condition of the pavements at ZIA.

"Operations of the heavier planes on the weak pavement of ZIA leads to development of some cracks, resulting in a damage to the aircraft fuselage to some extent," Imran Asif complained.

He said a brief summary of FAA findings and subsequent actions taken by the CAAB have already been sent to the ambassador of Bangladesh in the US in 2006 to inform the FAA of the latest progress, but the FAA has not responded yet.

On the FAA remarks on incomplete certification records and documents, Sakeb said his organisation has already developed appropriate Air Navigation Order (ANO) for Air Operation Certificate (AOC) and airworthiness matters and documentation made proper.

"Continuous surveillance of air carriers is being conducted," he claimed.

Speaking to The Daily Star, Nasimul Haque, former president of the Bangladesh Airline Pilots Association, pointed to the fact that air passengers now prefer the airlines such as Singapore or Lufthansa to Biman, as they feel more comfortable travelling with those belonging to Category 1.

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