

TRANSTEC
 (Split-Free) technology
Free Installation
 Split AC
 TRANSCOM ELECTRONICS
 885344-9
 0172-465463

Stocks

DGEN ▲ 0.43% 2,836.40

CSCX ▲ 0.43% 5,682.13

Asian Markets

MUMBAI ▲ 3.18%
14,944.97

TOKYO ▲ 3.38%
12,624.46

SINGAPORE ▲ 4.67%
2,694.49

SHANGHAI ▼ 2.68%
2,143.42

Currencies

	Buy Tk	Sell Tk
USD	68.10	69.10
EUR	96.73	101.21
GBP	120.71	125.82
JPY	0.62	0.65

SOURCE: STANDARD CHARTERED

Commodities

Gold ▲
\$807.54
(per ounce)

Oil ▲
\$107.64
(per barrel)

SOURCE: AFP
(Midday London Trade)

More News

DSE poised for an uplift



An optimistic DSE President Abdul Haque says: "We are working on upgrading the trading system." The upgrading process will significantly expand the capacity of trade volume that can take place, prior to the float of shares by the high rollers, such as Grameenphone.

B-4

Govt, industry people urged to tackle labour unrest

Dhaka Chamber of Commerce and Industry (DCCI) urged the government and industry people to be more sincere for resolving labour unrest as it posed a threat to the country's foreign currency earning. Expressing its concern over the latest spell of labour unrest, the DCCI in a press statement said measures should be taken immediately to resolve the issue in the greater interest of Bangladesh's foreign trade.

B-3

International

India's service sector to grow 9.5pc this year

India's service sector is likely to witness a growth of over 9.5 per cent in the current year, driven by huge investments, despite a slowdown in economic growth, the Confederation of Indian Industry (CII) has said.

B-4

Contact Us

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

Freight forwarders want easy remittance system

Tk100 crore gets stuck in complex process a year

JASIM UDDIN KHAN

Local freight forwarders have demanded that the government evolve a system that can ensure Bangladesh receives legally the money remitted by foreign freight forwarders to their agents here.

They said the money supposed to be given by the agents of foreign importers would stand at no less than Tk 100 crore a year, which they are being denied due to a complicated process.

The government measures for licensing the freight forwarders, local and foreign, have not been able to remove such complications, they have complained.

Freight forwarders assist exporters in shipments and price quotations by advising on freight costs, port charges, consular fees, costs of special documentation, insurance costs and their handling fees.

They also recommend the

packing methods that will protect the merchandise in transit. If any exporter desires, freight forwarders can reserve the necessary space on a vessel, aircraft, train, or truck.

In Bangladesh, the sector had earlier been plagued by financial indiscipline, which the government aimed to remove through the new licensing last year.

According to the National Board of Revenue (NBR), the government sought to ensure that the money earned by freight forwarders abroad is returned to Bangladesh.

"If the government does not allow the money in, how the foreign freight forwarders give us our portion?" said Badrul Haque, president of International Freight Forwarders Association of Bangladesh (IFFAB).

A new statutory regulatory order (SRO) suggested the freight forwarders (FFs) bring their charges into the country through the legal channel. But

they exchange their service charges in unauthorised ways, an NBR high official said.

Asked about the local FFs' complaints, NBR Chairman Muhammad Abdul Mazid said the objective of the government move on licensing was to discipline the sector.

The NBR chief hoped that the issue, now being examined, would be settled soon so that Bangladeshi freight forwarders can get their service charges in legal ways.

Around 400 freight forwarders have already received licences from the NBR, but the foreign freight forwarders operating here are yet to get licences due to a row over getting clearance from Bangladesh Bank.

As per the new licensing system, the foreign freight forwarders are required to invest about Tk 1 crore to run their business in Bangladesh. Without the clearance from Bangladesh Bank, the NBR was reluctant to issue licences to foreign companies until

recently. However, on receipt of the US embassy request on relaxation of the terms and conditions in licensing, the NBR has started issuing provisional licences to the companies.

Meanwhile, the International Freight Forwarders Association of Bangladesh (IFFAB) and Association of Cargo Agents Bangladesh (ACAB) have decided to merge into a single umbrella, Bangladesh Freight Forwarders Association (BFFA), and now await the green light from the Ministry of Commerce.

Due to lack of licensing, businessmen previously complained of unnecessary complications and costs in recovering goods from ports.

It was also believed that the non-licensing of the freight forwarders deprived the country of licence fees and value added tax (VAT) on freight charges.

jasim@thedailystar.net

Standoff over Nano plant in West Bengal goes



A file photo shows Indian security guards walking past an under-construction section of Tata Motors plant in Singur, Kolkata. A two-year-old agitation by farmers in West Bengal against the Tata Motors factory, set to produce the world's cheapest car, ended Sunday night.

PALLAB BHATTACHARYA, Kolkata

A two-year-old agitation by farmers in West Bengal in India against a Tata Motors factory, set to produce the world's cheapest car, ended Sunday night after a land-for-land agreement reached between the state's Left Front government and Trinamool Congress leader Mamata Banerjee.

A standoff over land acquired by the government,

land was acquired for the car plant in Singur, near Kolkata. There was no immediate reaction from the Tata which had rejected a compromise on the land holding pattern for its \$315 million project.

"The government has taken the decision to respond to the demand of those farmers who have not received compensation," Gopal Krishna Gandhi said after the first face-to-face meeting with Chief Minister Buddhadeb Bhattacharjee and Mamata Banerjee.

Trouble began after the government took over 1,000 acres of farmland for the factory last year.

The government offered compensation but some farmers rejected it, demanding that at least 400 acres of land be given back to them.

Trinamool chief Mamata Banerjee said she was suspending her protests since the government has agreed to stop construction of ancillary units on land belonged to unwilling farmers.

"We will get land back within the project... this is our victory," said Banerjee who has been leading the farmers' campaign for return of their land.

BTRC unveils guideline on telecom infrastructure sharing

STAR BUSINESS REPORT

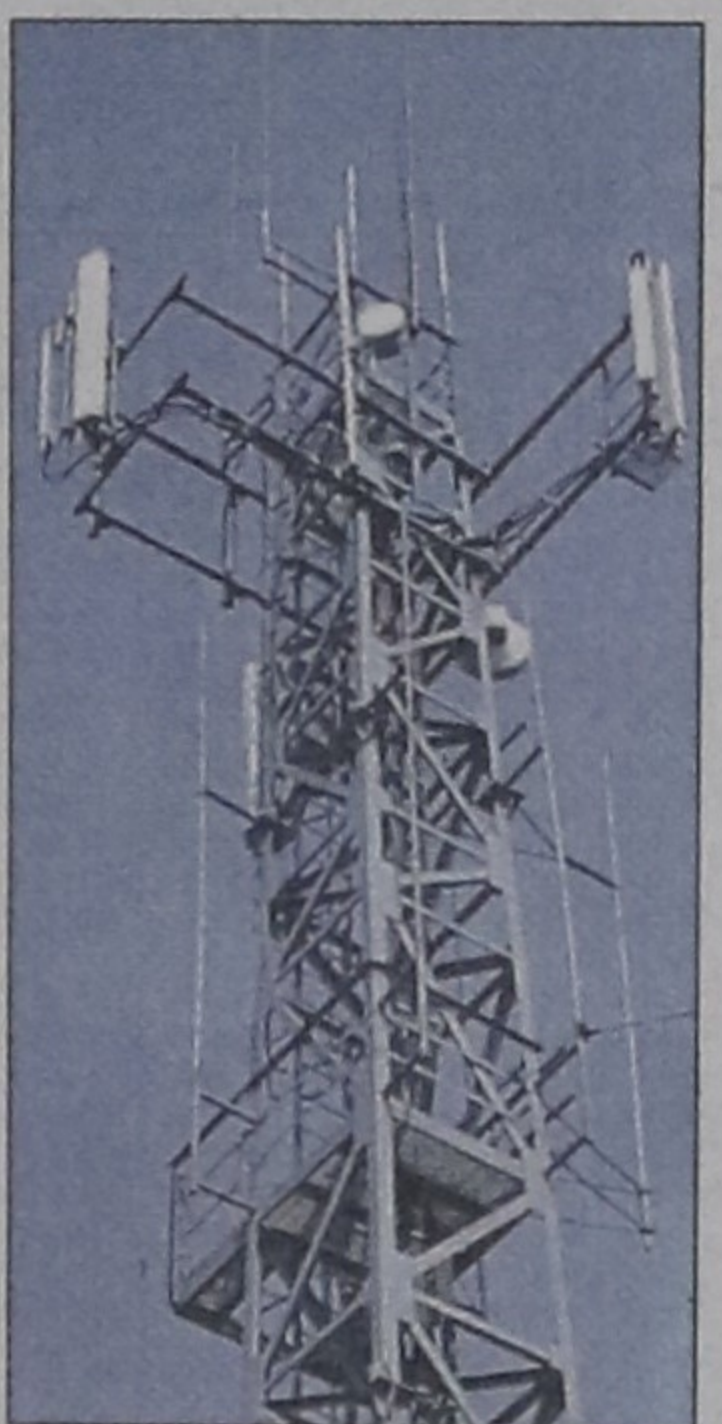
Telecom operators with inadequate infrastructure facilities will be able to share top market players' platforms under a new infrastructure sharing guideline.

Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday finalised the guideline, which says operators who own telecom platforms will share their respective infrastructure capacity with other operators on a non-discriminatory basis.

The guideline aims to optimise utilisation of telecommunication resources to ensure availability of a wide range of high quality, efficient, cost-effective and competitive telecommunication services throughout Bangladesh.

The telecom operators spend millions of dollars a year to develop individual infrastructure.

"As per the guideline, operators shall enter into agreements to share their respective infrastructure with other operators. If there is a dispute over sharing, BTRC will intervene to



resolve the dispute," said Md Rakibul Hassan, deputy director (system and services) of BTRC.

Infrastructure sharing to minimise costs and environmental hazards is a must in a market with too many operators, industry insiders said. Six mobile and 12 landline

operators are providing telecom services for about 45 million customers. Some of the new market players, including Warid, TeleTalk and some private landline operators lack in adequate infrastructure facilities.

However, the top operators have been reluctant to share their infrastructure facilities with the small players.

UAE-based Warid has recently signed an infrastructure sharing agreement with country's oldest operator Citycell. Under the deal, both companies are now sharing their base transceiver stations (BTS) and other infrastructure.

The guideline will solve the problems, Hassan said. All operators must post information regarding available infrastructure for sharing on the websites under the guideline.

Under the guideline, infrastructure seekers can share the big operators' electronic infrastructure and other facilities, which would include sharing base transceiver station, spectrum, antenna, feeder cable, radio access network (RAN), microwave radio equipment,

billing platform, switching centres, router, base station controller (BSC) and optical fiber.

The guideline also includes sites, buildings, shelters, towers, power supply and battery backup, grounding, air conditioning, security arrangement, poles, ducts, trenches in the list of things to be shared.

Top three operators have already rolled out their network over and across the country. Grameenphone has 11,000 BTSs, followed by Banglalink's 5,000 and Aktel's 3,000. Grameen and Banglalink have also developed a fiber optic network.

The new guideline will benefit state-run mobile operator TeleTalk. The company has been struggling for better network facility since its inception in 2005.

"We may go for infrastructure sharing," said a high official of TeleTalk. "The new guideline may give TeleTalk some relief from the problems caused by the delay in network expansion, mainly due to financial crisis," the official said.

NBR targets highly-paid officials in private firms

UNB, Dhaka

In a further bid to detect tax evasion, the National Board of Revenue (NBR) is likely to start a drive against the highly paid officials in different private organisations.

NBR chairman Muhammad Abdul Mazid said yesterday the NBR is inquiring about different organisations, associations and service holders to expand the tax net.

"Besides, I will request the factory owners to cut the income tax at source. To avoid tax evasion, we will ask them to submit salary sheets of any suspect organisation," he said.

The observation of the NBR chief came during a view exchange meeting with the factory owners of different sectors.

The NBR chairman also hinted that his organisation would find out how many of the members of an association have taxpayer identification numbers.

He said that the Central Intelligence Cell (CIC) of the NBR is working in its own way to detect tax evasions.

Eid cash pullout stretches banks

STAR BUSINESS REPORT

Banks are facing a huge rise in cash withdrawals as people have rushed to meet additional spending for the Eid, officials said yesterday.

To avoid any crisis, Bangladesh Bank injected about Tk 2,869 crore into the banking system last week through repurchase agreement auctions, a common measure by the central bank to ensure enough liquidity.

"Our vault has become nearly empty today (Monday). We have paid out Tk 1.6 crore, a 20 percent rise in transactions from last week," said Mohammad Sayeedullah, vice-president of Islami Bank and also manager of its Elephant Road branch.

Generally, people go on the shopping spree and empty their bank accounts in the last week of Ramadan, but the situation appears different this year. Customers are trying to avoid the last-minute rush for cash pullout, bankers said.

The inter-bank call money market remains relatively stable although bank officials fear the rate may go up in coming days.

"Cash withdrawals witnessed a rapid rise on Sunday. We transacted 100 more transactions on Sunday than on any workday of the previous week," said a senior official of Eastern Bank's English Road branch.

The EBL official said the cash withdrawal rate might increase by 25-30 percent next week.

"We faced a mad rush Sunday and were forced to work until 5:30pm to pay account holders," he said.

Kamruzzaman, an official of AB Bank Ltd, echoed him. "People are also pulling out their fixed and savings deposits at pre-matured stages," Sayeedullah said.

A fund manager of the National Credit and Commerce Bank Ltd however said the call money market remained steady yesterday. The rate hovered between 8 percent and 9 percent.

Abdus Sobhan, first assistant vice-president of Shahjalal Islami Bank Ltd, said the call money market might face a rising trend next week when government and private offices would start paying their staff festival bonuses.

Tea exports rebound on rising output

Earnings near \$15 million

SOHEL PARVEZ

The country's tea exports rebounded last fiscal year due to an increase in domestic tea production and the produce's competitive price in the global market, industry people said yesterday.

Export earnings from tea stood at \$14.89 million in fiscal year 2007-08, up 114.55 percent from \$6.94 million in 2006-07, according to Export Promotion Bureau statistics.

"A shortfall in tea production in a few tea producing countries has helped us attain the growth in export," said Md Idris, executive director of HRC Syndicate, the

biggest exporter of local tea. "High price of tea in the Indian market also offered us an opportunity to get a competitive edge in pricing," said Idris.

Export earnings from tea recorded a sharp fall in fiscal year 2006-07, due mainly to a shortfall in tea production, which also drove tea prices up, industry insiders said. But a 6.15 percent increase in tea production in fiscal year 2007-08 helped exporters gain higher export earnings.

Total production of tea stood at 58.83 million kg in the fiscal year 2007-08, up from 55.42 million kg a year ago. Exporters said Pakistan is

the biggest market for Bangladesh's tea. Afghanistan, Kazakhstan, Saudi Arabia and the United Arab Emirates are the other major markets for local tea.

On the face of growing domestic consumption of tea, its production must rise so the producers can increase their export earnings, said industry people.

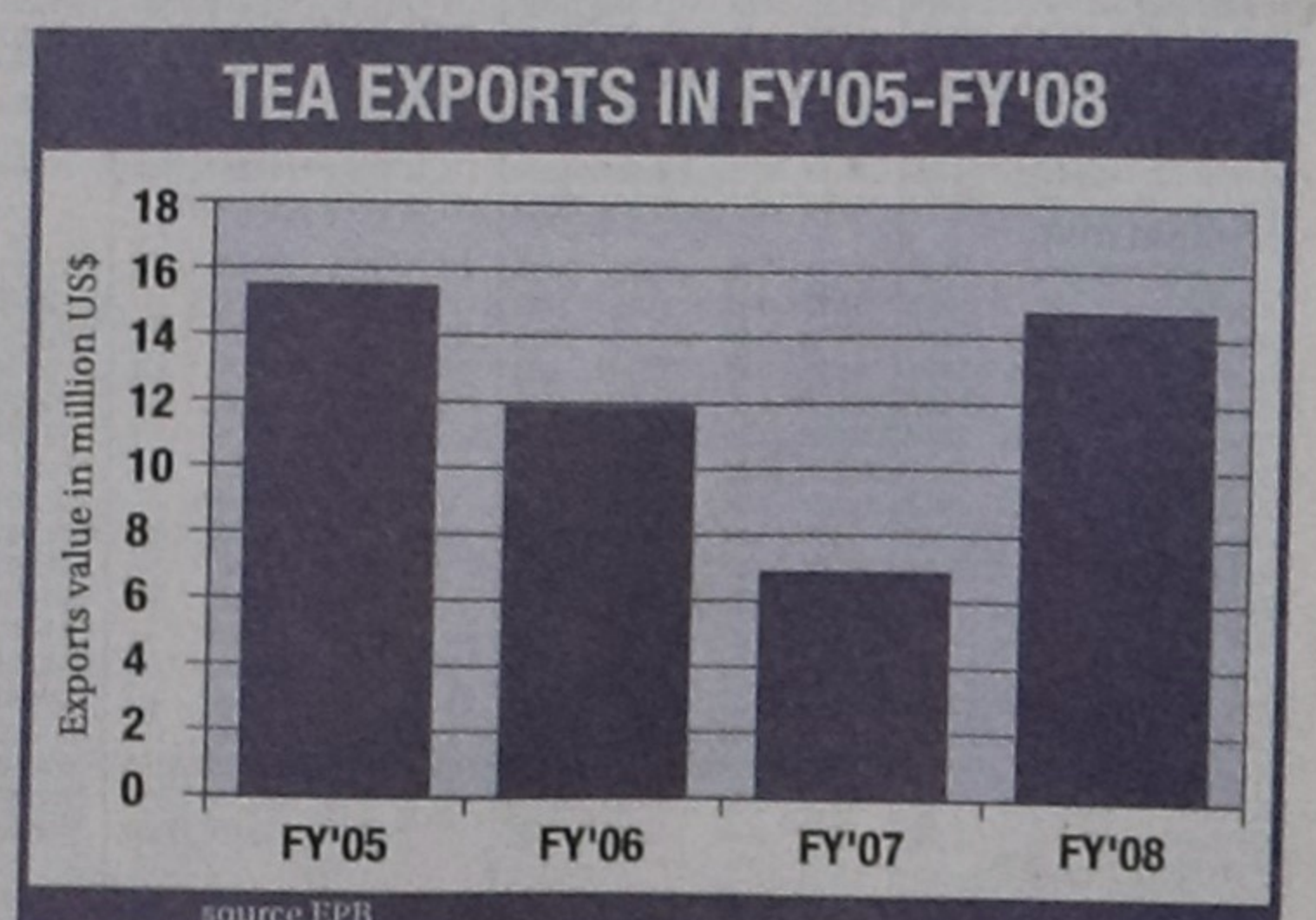
"The main problem in exporting tea is the production shortfall. We have to increase production to export more," said Idris of HRC, which bagged over 35 percent of total export earnings from tea last fiscal year, followed by MM Isphahani and Elite



International Ltd.

The HRC official said other countries such as Vietnam have advanced much in increasing tea production in the last couple of years.

"Production in Bangladesh is not increasing much to reach the expectation," he said, adding that tea production will increase in the coming days as many



new gardens are being added to the old ones due to relatively better prices of tea.

Idris, however, said export earnings in the current fiscal year is not that encouraging

due to higher tea prices in the domestic market.

"As a result buyers, mainly from Pakistan, are discouraged," sohel@thedailystar.net