

Stocks

DGEN ▲ 1.68% 2,850.16

CSCX ▲ 1.03% 5,715.95

(Week-on-week basis)

Asian Markets

MUMBAI ▼ 2.26% 14,000.81

TOKYO ▲ 0.93% 12,214.76

SINGAPORE ▲ 1.16% 2,570.67

SHANGHAI ▼ Flat 2,079.67

(Friday closing)

Commodities

Gold ▲ \$750.25 (per ounce)

Oil ▲ \$102.67 (per barrel)

SOURCE: AFP

(As of Friday)

More News

Eid brings buying binge



As the Eid approaches, people ride on a buying and selling spree. It is very usual. So British supermarket trader late Jack Cohen's business motto -- pile it high, sell it cheap -- does not work much this season. Sellers pile it high indeed, but obviously do not need to sell it that cheap. And buyers also do not care to buy it high. Because it is the Eid time.

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Advancers rule stocks

Dhaka stocks traded mostly higher for a third week with investors chasing market heavyweight Titas Gas. The state-run company accounted for 10.65 percent of turnover last week.

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International

EU rules out stimulus plan to avert recession

Finance ministers from the 15 euro countries on Friday ruled out a sweeping European stimulus plan to ward off a recession but gave themselves some wiggle room on extra spending. The ministers agreed at a two-day meeting in the French Riviera city of Nice that Europe would not follow in the footsteps of the United States and Japan.

Pakistan inflation hits 30-year high

Pakistan's inflation hit a 30-year high in June, official figures showed Friday, with experts forecasting it will take at least six months to be reined in. The country's Bureau of Statistics said in its August report that the consumer prices index jumped 25.33 percent from a year earlier.

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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

Weak trade unions fail to tackle unrest

Labour leaders say

REFAYET ULLAH MIRDHA

Dozens of trade unions in the readymade garment (RMG) sector are hardly in any position to resolve recurrent labour unrests, as they have no control over workers at factory level due to inactivity of most workers' unions, observed trade union leaders.

According to some leaders, at present there are more than 28 registered trade unions and more than 13 unregistered trade unions in the RMG sector.

Of the 200 registered workers' union units at factory level, only 15 or so are active, the trade union leaders claimed.

As a result, the central trade union leaders do not have any proper means of intervention in the wake of any labour unrest, although the leaders are meant to play a major role in resolving labour unrest.

During the recent incidents of unrest, garment workers attacked many factories, but the trade union leaders could not communicate with the workers due to the absence of active workers' union units.

Moreover, a ban was imposed on trade unionism since the declaration of state of emergency last year. However, the government relaxed such trade unionism embargo from industries, commercial enterprises and ports on September 7.

In line with trade union rules, leaders have an obligation to appease workers through realisation of their rights after negotiations with the factory owners concerned.

"We know we have a lot of responsibilities in the wake of



A file photo shows garment workers agitating to press home their demands. Dozens of trade unions in the country's readymade garment sector can hardly resolve labour unrests, as they have no control over workers at factory level due to inactivity of most workers' unions, according to trade union leaders.

any unrest in the industrial sector. But, sometimes we feel helpless as we have no control over the workers," said Amirul Haque Amin, secretary general of the National Garment Workers Federation (NGWF).

He identified two main factors behind the failure of the labour leaders in properly handling the severe RMG labour unrest, firstly, the absence of effective factory level units of workers' unions, and secondly, difficulty to unite so many trade unions under one umbrella.

Quamrul Ahsan, secretary of the Bangladesh Garment & Textile Workers Federation, pointed to the fact that leadership has not

emerged among workers at factory level because trade unionism in the form of workers' union are limited for various reasons.

"When any unrest occurs at any factory, all workers try to take up the leadership on the negotiation table, which, most of the time, leads to disputes being unresolved," he went on.

He said that the number of trade unions, registered and unregistered, is now more than it used to be.

"We tried to bring all such trade unions, operating in the garment sector, under one umbrella," Quamrul said, adding that the initiative ended up in failure due to lack of harmony among the union lead-

ers.

President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Fazlul Hoque said surely some factories do not have any workers' union.

"There is no hard and fast rule for forming a union at factory level. If the workers want to form a union at factory level they can do it," he said.

"We, the owners, always appreciate constructive roles of the trade unions," Hoque said.

He urged the trade union leaders to be more responsible in the wake of any labour unrest as they are an integral part in the production process.

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Aziz hesitant over fuel price cut

STAR BUSINESS REPORT

The finance adviser is still hesitant over making any clear commitment on local fuel price cuts against the international price-drop.

"Following the drop in fuel prices globally, we may discuss the issue," Mirza Azizul Islam told journalists responding to queries at Zia International Airport yesterday on his ending two-week foreign trips.

Aziz attended two international conferences, one on aid effectiveness in Accra, and the other on climate change in London.

The adviser pointed to the fact that despite the global price cut, the government subsidy for fuel does not cease, adding: "However, the international price cut resulted in a reduction in our subsidy."

The finance adviser, who led a 39-member Bangladesh delegation to the London conference, said he has just come back home and is yet to learn whether any step is taken about the fuel price following the price cut in the international market.

The international oil price rose was hovering around \$101 a barrel on Friday as Hurricane Ike neared the Texas Coast, shuttering a quarter of US crude oil and refinery production and threatening the US energy hub with a 20-foot wall of water. Oil was selling at US \$146 a barrel two weeks back.

The government hiked fuel prices on June 30 this year, though it was for the first time. Diesel and kerosene prices were increased 37 percent to Tk 55, petrol prices 33 percent to Tk 87, and octane 33 percent to Tk 90.

On the political activities ahead of national election, Aziz said political activities are not a challenge to the economy, rather the challenges are law and order situation and poor communication structures.

It is also very difficult to predict whether the economic growth will be faster or slower because of the political changeover after national election, he said.

He suggested that the future leaders should continue the present economic growth trend keeping in mind that the economic development will have to be driven by the private sector.

On the outcome of London conference, Aziz said the international community has recognised that Bangladesh is in the frontline of the adverse

impact of the climate change.

He said the British government has mobilised a fund of 75 million pounds to help assist Bangladesh adapt the climate change, while some other bilateral and multilateral donor agencies have vowed to provide assistance.

In another development, UNB said the government was likely to introduce a permanent pricing formula on the sale of petroleum fuels on the domestic market through periodic adjustments-upward or downward.



A file photo shows a man adjusting a fuel price index at a refuelling station. The finance adviser is still hesitant over making any clear commitment on local fuel price cuts against the international price-drop.

TeleTalk eyes Tk 32cr in net profit

MD HASAN

State-run mobile operator TeleTalk has set a target to earn Tk 32 crore in net profit in the current fiscal year, adding 18 lakh new customers to its network.

The TeleTalk board set the target at a time when the overall mobile market witnessed a downward trend in earnings.

Industry insiders expressed doubt over TeleTalk's net profit target and termed it ambitious. But Iqbal Mahmud, chairman of TeleTalk, said yesterday: "This is not whimsical. The profit target has been set based on good calculations."

If TeleTalk's chairman has made correct calculations, the mobile operator will be the third to touch the break-even point in the six-operator mobile market followed by market leader Grameenphone and Aktel.

At present, all operators, except Grameenphone, are incurring losses in the market. A price war and increasing operating costs are mainly to blame for the losses.

Grameenphone's operating profit dropped 57 percent in the first half of the year, compared to the same period a year ago.

The market's second largest player Banglalink has recently spelled out risks to an early plan to reach the break-even point by year-end and blamed the government for not executing its tax reduction plan on SIM cards. Aktel ran into massive losses at the end of 2007. The com-



pany's net profit showed a negative trend in its financial report, although it was profitable until June 2007.

"Profit after tax (PAT) declined due to a hike in finance costs and depreciation in line with aggressive network expansion," said the company's financial report.

TeleTalk had depreciation of Tk 119 crore last fiscal year. "We had massive depreciation last year, but we are hopeful of earning profit this year," said Mahmud.

TeleTalk is the country's smallest operator by subscribers with around 2.31 percent market share. It started operations in 2005 amid high hope, but failed to compete with the five other operators due to lack of quality services and poor marketing strategy.

Until July 2008, the company has been able to add only 0.93 million customers in two and a half years since its entry to the market.

In a recent development, the company's board approved a Tk 573 crore network expansion project.

Under the project, first-phase work went to European Nokia-Siemens Networks and Chinese Huawei to expand its network for Tk 273 crore.

The TeleTalk board chairman said the company would

add 18 lakh new customers in the current fiscal year as part of the first phase work.

The company plans to add another 30 lakh customers to its network by awarding second-phase network expansion work, he said.

Along with executing its network expansion programme, TeleTalk will adopt 3G (3rd generation) technology.

3G is a technology that includes capabilities and features such as enhanced multimedia (voice, data, video, and remote control), usability on all popular modes (cellular telephone, email, paging, fax, videoconferencing and Web browsing) and broad bandwidth and high speed.

The telecom regulator has announced that it will issue three 3G licences early next year.

Grameenphone is the market leader in the mobile telecommunication sector with around 20.83 million subscribers. Orascom Telecom Bangladesh, which operates Banglalink, is the second with around 10 million subscribers as of July 2007.

Telecom Malaysia International Bangladesh, which operates AKTEL, and Warid Telecom International are the third and fourth market players with around 7.98 million and around 3.48 million subscribers respectively. The country's oldest and lone CDMA operator Citycell's customers reached 1.67 million in July 2008. hasan@thedailystar.net

Dialogue on public-private economic partnership today

UNB, Dhaka

A dialogue on public-private partnership for economic development will be held here today aiming at sustained economic growth and improvement of business climate.

Bangladesh Better Business Forum (BBBF), a government initiated private-public interface, in association with Federation of

Bangladesh Chamber of Commerce and Industry (FCCI), has organised the dialogue, which will begin at 10am at Radisson Water Garden Hotel, said a press statement.

Chief Adviser Fakhruddin Ahmed will attend the occasion as chief guest.

Council of advisers, diplomat and mission heads, high civil and military officials, civil society representatives from different profession and strata of the society will attend the programme.

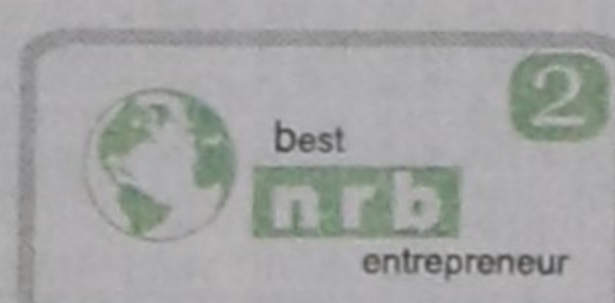
Fakhruddin had earlier asked for regular monitoring to see the outcome of implemented and under-implementation recommendations of BBBF, formed to help drive economic growth.

The five working groups under BBBF formed last year have made 250 recommendations, of which 113 were endorsed by the Better Business Forum. Of the approved recommendations, 52 have already been implemented while the rest are in different stages of implementation.

best business award 2008

The Dhaka Chamber of Commerce & Industry (DCCI) is pleased to announce the most prestigious biennial "DCCI Business Award 2008" during its Golden Jubilee Celebration.

The awards will be given separately for three categories:



Eligibility and Criteria

This award is open to all Bangladeshi Entrepreneurs. The criteria for the Business Award 2008 are as follows:

- Business Performance
- Company Management / Profile

- Financial Performance / productivity
- Contribution to the Community and CSR

Detailed information is available at www.dcci50.com & at the DCCI Secretariat.

How to Apply

Applications or nominations for the awards should be made in a prescribed format which can be collected from the DCCI Secretariat or email. These may also be downloaded from www.dcci50.com. Applications should be supported by sufficient documentary evidence.

Deadline

Application and Registration form for the DCCI Business Awards 2008 must be submitted by September 30, 2008.

Date of Award Ceremony

The Award Ceremony will take place on Saturday, November 01, 2008

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