

## Stocks

DGEN ▲ 0.86% 2,925.45

CSCX ▲ 0.93% 5,796.74

## Asian Markets

MUMBAI ▲ 0.66%  
13,660.30

TOKYO ▲ 0.20%  
12,115.03

SINGAPORE ▲ 0.04%  
2,477.60

SHANGHAI ▲ 0.70%  
2,216.81

## Currencies

	Buy Tk	Sell Tk
USD	68.00	69.00
EUR	98.30	102.81
GBP	124.43	129.60
JPY	0.64	0.67

SOURCE: STANDARD CHARTERED

## Commodities

**Gold** ▲  
\$889.63  
(per ounce)

**Oil** ▲  
\$108.45  
(per barrel)

SOURCE: AFP

(Midday London Trade)

## More News

### Broadband debate heats up



Should Bangladesh adopt WiMax technology to spread broadband data transmission facility now, or should it be 3GSM technology? Or maybe Bangladesh should wait a few more months to see if Long Term Evolution (LTE) is making a significant jump in broadband worldwide.

B-4

### BGMEA eyes \$25b exports by 2013

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday promised to shoot up the country's exports to \$25 billion by 2013 provided the coming elected government and all concerned could maintain political stability and ensure right economic policies.

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## International

### Congress balks at huge US financial bailout

A battle over the US government's financial rescue package carries on in Congress Wednesday after top finance officials urged its swift passage and lawmakers dug in their heels, while the FBI reportedly launched a probe of failed banks and mortgage giants.

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# FDI inflow wanes

Political uncertainty, energy crisis blamed for 16pc drop in 2007

### STAR BUSINESS REPORT

Bangladesh received \$666 million foreign direct investment (FDI) in 2007, a 16 per cent drop from the previous year's \$793 million, although the global FDI marked a 30 per cent rise in the same period, according to a global investment report released yesterday.

The United Nations Conference on Trade and Development (UNCTAD) has prepared the World Investment Report 2008 titled "Transitional corporations and infrastructure challenge".

The report shows that Bangladesh slipped its position to 121st this year in terms of inward FDI performance index from 120th last year.

The Board of Investment (BoI) launched the report at a press conference at its office in Dhaka. Professor M Ismail Hossain of Economics Department at Jahangirnagar University made a presentation on the report.

Government officials, an economist and a trade expert identified political uncertainty, indecision over some big proposals and infrastructure constraints as major reasons for the FDI fall.

"Political uncertainty existed, although there was no political unrest last year," Kamaluddin Ahmed, executive chairman of BoI, told reporters.

### FDI INFLOWS: FACT SHEET

Year	2005	2006	2007
Bangladesh	845	793	666
India	7,606	19,662	22,950
South Asia	12,136	25,780	30,620
World	958,697	1,411,018	1,833,324

(Figure in US\$ million)

Bangladesh attracted \$666 million in FDI in 2007, down from \$793 million a year ago. Textiles clinched the highest amount with \$102 million, followed by telecom with \$89 million.

Kamaluddin Ahmed, executive chairman of BoI, said: "Political uncertainty prevailed in the past year although there was no political unrest."

Prof Mustafizur Rahman of CPD said: "Investors, both foreign and local, were afraid of investing in an uncertain political climate."

Zaid Bakht of BIDS said: "The government didn't respond timely to big foreign investment proposals."

Ahmed said: "The BoI has decided to discourage FDI in gas-run industries. FDI in services sector will be given priority."

Executive Director of the Centre for Policy Dialogue Mustafizur Rahman echoed the BoI chief's view, but Zaid Bakht, an economist, added another major point indecision about big foreign investment proposals for the decline in FDI.

"There was a serious political

uncertainty in the country in 2007. Investors, both foreign and local, fear to invest in such a climate," Mustafizur Rahman told The Daily Star.

Zaid Bakht, a research director of Bangladesh Institute of Development Studies (BIDS), blamed the government for its failure to reach decision on some big foreign investment proposals.

"The government did not respond timely. Even they handled some cases, including

Tata, very poorly, which has sent a wrong signal to global investors," Bakht told The Daily Star.

Of Bangladesh's \$666 million FDI flow, textile got the highest amount with \$102 million followed by telecom sector's \$89 million, trade and commerce \$93 million and gas sector \$71 million.

According to the report, the global FDI inflows rose by 30 per cent to \$1,833 billion in 2007 from \$1,411 billion in 2006.

South Asia FDI reached \$30.62 billion last year from \$25.78 billion, of which India alone got about \$23 billion.

FDI inflows into developed countries reached \$1,248 billion. The United States maintained its position as the largest recipient country with \$233 billion followed by United Kingdom's \$224 billion and France \$158 billion.

In developing countries, FDI inflows reached the highest level with \$500 billion, or 21 per cent rise over 2006. The least developed countries (LDCs) attracted only \$13 billion FDI in 2007.

The report said global financial crisis had a limited impact on FDI flows in 2007, but it would begin to bite in 2008.

UNCTAD has been publishing the World Investment Report since 1991. This year's report is 18th in the series. The global investment flows in the recent past, including the immediate past year, comes under the purview of such report.

# Three firms clinch licences to operate WiMax

### STAR BUSINESS REPORT

Three bidders yesterday won as many WiMax licences in a battle of nine and finally settled for a hefty amount of Tk 215 crore in acquisition fees each.

The three bidders -- BanglaLion Communication, BRAC BD Mail Network Ltd and Augere Wireless Broadband Bangladesh Ltd -- won the licences at an auction organised by Bangladesh Telecommunication Regulatory Commission (BTRC) at a city hotel.

"The auction price went beyond our expectation. However in a broader sense, this advanced technology will help meet the high broadband demand of Bangladesh," said Major (retd) Abdul Mannan, one of the partners of BanglaLion.

"I definitely admire BTRC for arranging such a transparent auction," said Mannan who is also the secretary general of Bikalpa Dhara Bangladesh, a political party.

The auction started at 11am with a call of Tk 27.50 crore and ended at 2:15pm.

The BTRC yesterday also distributed 35 MHz spectrum to each winner. On priority basis, BanglaLion chose 2585-2620 MHz bandwidth, while BRAC BD Mail and Augere Wireless went for 2330-2365MHz and 2365-2400MHz respectively.

As per the WiMax guidelines, these three companies will have to start operation by March 2009.

The winners will have to pay

50 percent of the amount within next 10 working days. The rest of the amount should be paid within three months from the date of licence awarding notification.

WiMax (Worldwide Interoperability for Microwave Access) is a wireless digital communication system that can provide broadband wireless access across 30 miles for fixed phone, and 3-10 miles for

allowed to invest at 70 per cent ownership.

The licensees will develop and operate a broadband network to provide nationwide service. At least 128 kbps download rate with upload download ratio of 1:4 per subscriber should be ensured at all time.

The operators should have the capability to provide domestic roaming service within their own networks.

### WIMAX LICENSING

Application fee	Tk 50,000
Licence acquisition fee	Tk 215 crore (settled by auction)
Annual licence fee	Tk 3 crore
Gross revenue sharing	0% for first year 2% for second year 4% for each subsequent year
Performance bank guarantee	Tk 15 crore
Licence tenure	15 years

mobile stations.

BTRC hopes with the introduction of 3G, another high-speed internet broadband technology, the country's internet penetration rate will reach 30 per cent by 2015, which is only 0.4 per cent now.

Some Hong Kong- and UK-based companies have stakes in the companies that won the WiMax licences yesterday.

As per the WiMax guidelines, bid winners can form joint venture with foreign firms but their share should not exceed 60 per cent, and non-resident Bangladeshis are

They must provide inter-operator roaming service when such technology is available and directed by BTRC.

The licensees will have to go for initial public offering (IPO) within three years of licence issuance, and shall not be allowed to transfer any shares before issuance of the IPO.

"The introduction of WiMax will brand Bangladesh as a developed ICT nation," said Maj Gen (retd) Manzurul Alam, BTRC chairman.

Read related story on B4

# Buffet to invest \$5b in Goldman

Offer spurs shares to rise



Goldman Sachs Tower in Jersey City, US

AFP, New York

Tycoon Warren Buffet's Berkshire Hathaway has agreed to buy five billion dollars of stock in Goldman Sachs, and could double its stake within five years, the Wall Street bank said late Tuesday.

Under the terms of the agreement, Berkshire Hathaway is buying five billion dollars of perpetual preferred stock bearing a 10 per cent annual interest rate, Goldman Sachs Group said in a statement.

Buffet, through his holding company, will have the option of buying five billion dollars of common stock priced at 115 dollars a share "at any time for a five-year term," the company said.

Goldman Sachs, until Monday one of the last two major Wall Street investment banks, with Morgan Stanley, said it plans to raise "at least" 2.5 billion dollars in common equity in a public offering.

Goldman Sachs said it had struck the deal with Berkshire Hathaway "in a private offering."

"We are pleased that given our longstanding relationship, Warren Buffett, arguably the world's most admired and

successful investor, has decided to make such a significant investment in Goldman Sachs. We view it as a strong validation of our client franchise and future prospects," Lloyd Blankfein, Goldman chairman and chief executive, said in the statement.

"This investment will further bolster our strong capitalisation and liquidity position," he added.

In electronic trading after the stock market closed, Goldman Sachs shares leapt 8.12 per cent to 135.20 dollars.

"Goldman Sachs is an exceptional institution," Buffett, chairman and CEO of Berkshire Hathaway, said in the statement.

"It has an unrivaled global franchise, a proven and deep management team and the intellectual and financial capital to continue its track record of outperformance," the "sage of Omaha" noted.

Monday, the Federal Reserve approved applications from Goldman Sachs and its Wall Street investment bank rival Morgan Stanley to become bank holding companies, effective immediately, amid a worsening financial crisis.

# GP extends time for private placement

### STAR BUSINESS REPORT

Grameenphone, the country's largest mobile phone operator, has extended the deadline for local institutional investors to participate in its private placement offering (PPO).

"Local institutional investors need to be given adequate time to do due diligence and allocate funds for the bidding," Grameenphone quoted its CEO Anders Jensen as saying in a statement.

"We are working with the Securities and Exchange Commission (SEC) to expedite the matter," Jensen said.

Grameenphone however did not specify any new deadline for the PPO.

"Under the current challenging global capital market conditions in which international investors are hesitant to commit to new investments, it is important to ensure that potential investors in Grameenphone are given adequate time to make investment decisions," the statement said.

Capital market insiders said Grameenphone extended the time for participating in PPO as the offer received poor response from the local institutional investors.

People close to the matter said only a handful local institutions -- including Trust Bank, Prime Bank, ICB, AIMS of Bangladesh, IDLC and Lanka Bangla -- participated in Grameenphone's PPO before its deadline ended last week.

The highest offer for each Grameenphone share during the PPO was Tk 12, while the lowest was Tk 3.

The Grameenphone PPO is scheduled to take place ahead of its planned initial public offering (IPO).

"The shareholders of Grameenphone remain committed to the IPO, development of the Bangladesh capital market and share Grameenphone's success with its future shareholders," the press release said, quoting the Grameenphone CEO.

# GP teams up with post office

### STAR BUSINESS REPORT

Grameenphone and Bangladesh Post Office (BPO) said the deal would supplement the income of low-paid runners, as they will enjoy the difference after paying about Tk 1 as charge for every minute of call if the rate is Tk 2.

The commission for recharge will be determined time to time on the basis of market rate. At present, GP offers about 2.75 per cent commission to the Flexload service providers.

While the BPO will get 5 per cent of the revenue generated through the process, according to officials.

"We believe this public and

private partnership will usher in another dimension to the services in rural areas," GP Chief Executive Officer Anders Jensen said after signing the agreement with the BPO at The Westin, Dhaka.

The other signatory was BPO Director General Mobasherur Rahman. The BPO had earlier also inked a number of deals with some local and foreign banks to deliver remittances.

Chief Adviser's Special Assistant Brig Gen MA Malek (retd), Posts and Telecommunications Secretary Iqbal Mahmud and GP Director for Public Relations Syed Yamin

Bakht were present among others at the programme.

The cell phone operator, which enjoys the highest number of subscribers at about 21 million till August, has over 70 per cent users in cities and district towns.

"The BPO would consider transferring money by mobile phone in future," said Brig Gen MA Malek at the signing ceremony.

At present, the BPO has about 40,000 employees, majority of which are postmen. Of them, runners providing services in the rural areas receive an honorarium of about Tk 750 a month.

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