

Stocks

DGEN ▲ 1.16% 3,001.37

CSCX ▲ 1.20% 5,963.45

Currencies

Buy Tk Sell Tk

USD 67.95 68.95

EUR 92.25 96.78

GBP 119.00 123.92

JPY 0.64 0.67

SOURCE: STANDARD CHARTERED

More News

Local designs spruce up RMG



Two things are going to refresh Bangladesh's economic outlook soon -- a boom in local brands and a new breed of designs and designers -- as the country has already grown into one of the busiest hubs for readymade garment (RMG) outsourcing. This is what experts say.

B-4

Govt to sell dry fly ash

The government is finally going to sell dry fly ash, a by-product produced at Barapukuria Coal-based Thermal Power Plant, at Tk 823 a tonne. The issue remained undecided for around three years, as the government had no policy to sell public properties, according to official sources. Dry fly ash is used as a raw material of cement.

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International

HCL offers to acquire Axon for \$785m

British consulting firm Axon Group PLC has agreed to accept a 785 million dollar bid by India's Information Technology major HCL Technologies Ltd, rejecting an earlier offer made by another Indian IT giant Infosys.

Manila maintains bans on sending workers to Jordan

Philippine labour officials said Sunday they were maintaining bans on sending Filipino workers to Lebanon and Jordan despite calls for them to be lifted. The ban on Lebanon was kept due to continuing concerns over peace and order in that country while that on Jordan was kept in force after employers refused to comply with new conditions for hiring Filipinos.

Myanmar plans offshore oil exploration with Vietnam

Myanmar's state oil company is to explore offshore oil and gas in a joint venture with two Vietnam companies, state media reported Saturday. It allows the companies to explore supplies in the Gulf of Martaban, south of Myanmar in the Andaman Sea.

B-4

Contact Us

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

Ctg customs house goes automated

CA launches project today

STAR BUSINESS REPORT

The automation project of Chittagong Customs House (CCH) kicks off its full-fledged operations today in a bid to herald a "corruption- and hassle-free era" in export and import procedures.

Chief Adviser Fakhruddin Ahmed will formally launch the project by filling in an electronic bill of entry form at a function to be held at Bangladesh-China Friendship Conference Centre in Dhaka.

Chittagong Chamber of Commerce and Industry (CCCI) sponsored the project and worked for around eight months to complete it on build-own-operate-transfer basis.

The automation will cut customs formalities to only five steps against the existing 42, trimming both hassles and time, said CCCI President Saifuzzaman Chowdhury at a press conference in Dhaka yesterday.

The project will lower the cost of doing business by 40-50 percent and save time by three



Custom House Chittagong

to four days in terms of completing customs procedures.

"Apart from contributing to more revenue generation, the automation will protect businesspeople from harassment," Saifuzzaman said.

It is estimated that the user-friendly procedures would help stop evasion of government revenue by at least Tk 350 crore a year, the CCCI president said.

The government set a Tk 15,474 crore revenue target from CCH in the current fiscal year against the previous fiscal year's revenue of Tk 13,942 crore. This growth has been estimated mainly on the basis of the automation project's success.

The processing cost for each export or import document will come down to Tk 50 from existing Tk 70.

Saifuzzaman said the automation scheme will cover all clearing- and forwarding-related activities including manifestation of export and import, writ management, law and litigation management, duty and valuation assessment, bill of entry licence,

HIGHLIGHTS	
○	Steps in customs clearance and taxation will come down to five against the existing 42
○	Cost of doing business will ease 40-50 percent
○	Time for clearance will require only a few minutes instead of three to four days
○	Traders do not have to be physically present for clearance
○	Tk 350 crore, earlier lost in tax evasion a year, will go to state coffers
○	Cost of data entry for each export or import document will come down to Tk 50 from Tk 70

security and auction system, reported news agency BSS.

Operations of Import General Manifest (IGM) and Export General Manifest (EGM), the two vital components of the automation, started a few months ago. All the activities of the CCH will be done online from today.

Stakeholders like the clearing and forwarding agents, exporters, importers and their banks and insurance companies will be able to get their port-related jobs done online, the CCCI president said.

The Chittagong chamber invested around Tk 2 crore

initially to set up the backup infrastructure of the automation project.

The chamber president said the CCCI carried out the automation project under a five-year agreement with the port authority and the government, making it a unique example of public-private partnership, reported BSS.

The deal was signed on April 13. Data Soft, a local IT firm, provided software and maintenance supports with full local expertise. The project work was initiated as part of the reforms undertaken by the taskforce in June 2007.

Telenor team due today

Seeks to settle odds faced by GP

STAR BUSINESS REPORT

A three-member high profile Telenor team arrives today in Dhaka, indicating parleys over the critical issues Grameenphone has been facing for the last few months.

The team, headed by Harald Norvik, chairman of Telenor, the Norwegian company that owns 62 percent shares in Bangladesh's largest mobile phone operator, includes Jon Fredrik Baksaas, Telenor's group president and chief executive officer, and other members of its executive management.

Grameenphone, 38 percent owned by Grameen Telecom, launched its operation here in 1997.

The Telenor high-ups are coming to Dhaka on a two-day visit at a time when the shareholders are battling each other over the control of the company. Sources said the Telenor board members are attempting to resolve internal conflicts, which sparked recently over the Grameenphone involvement in illegally international call termination, or VoIP (voice over internet protocol).

The talks might spread to the recent crisis with regard to



Harald Norvik

Grameenphone's image, said a high official of the \$3.2 billion local company.

In a press statement yesterday, Grameenphone said the Telenor board visits several companies within the group every year, and the team will be in Bangladesh as part of a visit to its Asian operations.

During their stay here, the Telenor Board will hold both formal and social meetings with the Grameenphone management, the statement added.

Grameenphone recently submitted its IPO proposal to the stock market regulator as per its plan to raise \$300 million (Tk 2,058 crore) -- \$ 150 million from the stock market and the rest through private placement or pre-IPO.

However, the company's shareholders engaged in an open battle over who should hold majority shares of the company recently. Grameen Telecom, the minority shareholder also threatened Telenor

to take legal actions against it (Telenor) to honour the deal concerning their joint subsidiary in Bangladesh.

Grameen Telecom claimed that as per the company's deal, Grameen Telecom will get majority shares in Grameenphone after six years of the company's incorporation. But it did not happen even after 10 years.

The illegal international call termination issue through VoIP technology also comes back

in the battle when Grameen Telecom said it would not pay for illegal practices by Telenor in Bangladesh anymore.

The telecom regulator fined Grameenphone Tk 418 crore for its involvement in illegal international call termination.

In the six-operator market, Grameenphone still holds the leading position with having 20.84 million customers followed by Banglalink's 10.17 million and AKTEL's 8.14 million.

Grameenphone by the end of June 2008 held 47 percent market shares, a sharp fall from 63 percent in December 2006.

Telenor is among the leading and fastest growing providers of mobile communications services worldwide with more than 150 million subscribers.

In addition to Grameenphone, Telenor is also present in Asia through DiGi in Malaysia, DTAC in Thailand and Telenor Pakistan.

German bank rescue failure clouds Europe

Hypo Real Estate fights for survival



People walk past the Berlin branch of the German bank Hypo Real Estate. The bank said that a planned 35-billion-euro rescue had fallen apart.

AFP, Berlin

Germany weighed the fallout Sunday from the failure of the country's biggest financial rescue in history, after Europe's top four economic powers pledged a coordinated approach to the credit crunch.

German bank Hypo Real Estate (HRE) dropped the bombshell late Saturday that a planned 35-billion-euro (48-billion-dollar) rescue fell through after the banking consortium involved pulled out of the deal.

The news came as the leaders of France, Germany, Britain and Italy huddled in Paris to pledge a more coordinated approach to prevent the meltdown in US financial markets from engulfing their economies as well.

President Nicolas Sarkozy, who hosted German

Chancellor Angela Merkel and prime ministers Gordon Brown of Britain and Silvio Berlusconi of Italy, vowed governments would help European banks and financial institutions in trouble.

But the leaders also called for punishing failing bank executives and urged a rapid meeting of the Group of Eight world industrialised powers to marshal a global response to the financial crisis.

While the four powers put on a united front Saturday, there was no talk of a joint bail-out fund for European banks, on the model of the 700 billion dollar US package approved Friday, after the idea was shot down by London and Berlin.

Merkel told reporters that "each country must take its responsibilities at a national level," and added: "It is important to act in a balanced way,

and for countries not to cause harm to each other."

That comment appeared to be aimed at Ireland, which has issued a blanket guarantee to bank depositors without consulting its neighbours.

European Commission head Jose Manuel Barroso expressed relief after the Paris meeting, welcoming the pledge by Europe's main economies to work together as a "concrete step in the right direction," in remarks published Sunday.

"I think we did our maximum in the face of a very grave and serious situation that Europe did not create but of which it is suffering the effects," Barroso told French newspaper Le Parisien.

But Spanish commentators, many stung that their leaders were excluded from the big-four meeting, had a darker take on the meeting.

Sri Lankan bank eyes Bangladesh

STAR BUSINESS REPORT

A Sri Lankan bank is in talks with local non-banking financial institutions to carve out a joint venture, with its focus on investment banking in Bangladesh.

National Development Bank (NDB), headquartered in Colombo, unveiled the plan in a filing to the Colombo Stock Exchange, seeking to operate an investment bank in Bangladesh as a majority shareholder.

NDB's disclosure came after it had conducted a feasibility study to start investment banking.

Over the last one year, the bank has been jockeying for local firms but has yet to make a final deal.

People close to the matter however said the Sri Lankan bank said NDB made progress in talks with some local firms such as Capital Market Services Ltd, a merchant bank.

According to NDB, it has already won approval from the Sri Lankan central bank, subject to obtaining approval from the Controller of Exchange and the Minister of Finance and Planning in the island nation.

But no approval has yet been received from Bangladesh regulators. "We have not received any approval from Bangladesh authorities," the bank said in a statement.

Transactions will take place after NDB gets the required approval and completes the terms and conditions of a joint venture agreement.

NDB is the third Sri Lankan bank, expected to come to Bangladesh, after investments by Commercial Bank of Ceylon and Sampath Bank. Sampath Bank has investment in Lanka Bangla Finance.



SHAFIQUL ALAM

EID WEARS ON: A thin crowd is seen at the Sonali Bank headquarters in Dhaka yesterday, the first workday of the banks after Eid-ul-Fitr holidays. Following a three-day public holiday on the occasion of the biggest festival of the Muslims, government offices, banks and business establishments resumed operations across the country yesterday. The festival fever still grips the capital with most shops and business houses remaining closed. Business activities in the city are expected to be back in full swing by the end of this week.