

Stocks

DGEN 1.50%
2,636.74

CSCX 0.87%
5,285.86

Currencies

	Buy Tk	Sell Tk
USD	68.25	69.25
EUR	84.49	88.92
GBP	98.82	103.45
JPY	0.70	0.73

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold \$747.50
(per ounce)

Oil \$57.58
(per barrel)

SOURCE: AFP

(As of Friday)

More News

Benefit from meltdown



In today's integrated and global world economy, no country will remain untouched by the current global financial turmoil. Every nation will face an impact, either directly or through side effects, says Ravi Kapoor, a senior official at Citi South Asia.

B-4

Time extended for commodity import loan repayment

Bangladesh Bank (BB) has extended the time limit for repayment of loans financing only the import of wheat, pulses and edible oil, from three months to five months, following a sharp decline in the prices of these items in international market. The central bank issued a circular in this regard yesterday.

B-3

International

Economic crisis tops agenda of Apec leaders' summit

The crisis plunging the world into a recession is to dominate an Apec summit in Peru next weekend, along with efforts to firm up an international response to the turbulence.

IMF welcomes G20 action plan, calls for more stimulus

The International Monetary Fund chief Saturday welcomed the outcome of the Group of 20 summit, calling it a step toward resolving the world's financial crisis. "Today's summit was significant because of the people present."

B-4

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

BTRC takes tough line on rogue ISPs

Licences to be scrapped if found running VoIP

MD HASAN

The telecom regulator yesterday took a tough line on errant internet service providers (ISPs) and said it would scrap licence of any ISP without explanation, if it is found guilty of running illegal VoIP business.

The BTRC decision came at a time when the telecom watchdog detected some ISPs' involvement in illegal international call termination business through VoIP (Voice over Internet Protocol) technology.

Bangladesh Telecommunication and Regulatory Commission (BTRC) issued three IGW (international gateway) licences to private sector companies in February this year for routing international incoming and outgoing calls to stop illegal VoIP business.

But the grey market's VoIP operators have restored their business as the three private IGW operators are not still equipped enough to terminate all calls generated everyday to and from Bangladesh, industry insiders said.

"BTRC will not spare anyone involved in illegal VoIP business," said an official of the commission. "ISPs should be confined to their business."

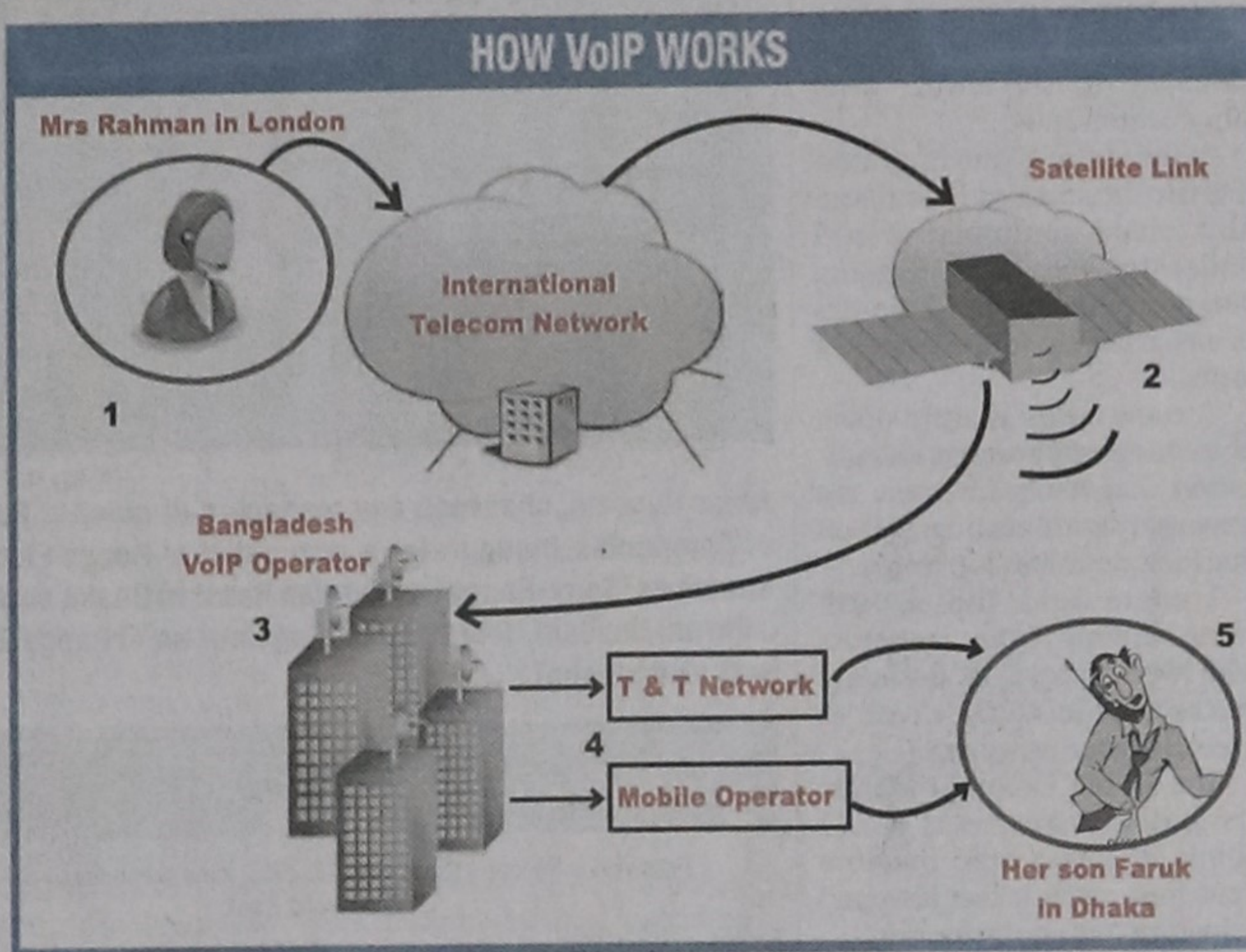
The official said: "So we have decided to cancel licence if any ISP is found running illegal call termination."

Bangladesh handles around 11-million-minute calls each day, of which 90 percent calls are made by non-resident Bangladeshis living across the world.

Now a total of 70 ISPs, out of 200 authorised, are operating in Dhaka, Chittagong and Sylhet.

Illegal VoIP business by ISPs is nothing new as BTRC since January 2007 found a number of ISPs' involvement in illegal VoIP business.

ISPs have been involved in such illegal business as they can offer lower cost, industry insiders said, adding that when a call charges 4 cents per minute in legal channel, one can make it by only 2.5 cents through illegal channel.



"Therefore, the grey market's operators are muscling in on the business," said a high official of a leading telecom operator. The private call handlers have also failed to route all the international calls, the official said.

He said if a mobile operator sends 100 calls to the IGW, only 25 percent calls are transferred successfully.

VoIP is a technology that allows someone to make voice calls using a broadband internet connection instead of a regular (analogue) phone line.

Some VoIP services may only allow calling other people using the same service, but others may allow calling anyone who has a telephone number, including local, long distance, mobile and international ones.

Bangladesh has always been considered as one of the most lucrative markets for VoIP business because of a big number of its population living abroad.

The expatriates do not bother whatever technology they should use for calling

home. But naturally they prefer low-cost channel. However, how much they are cautious about the country's revenue losses for their calls by using illegal channel is still a question.

"If any ISP is found involved in VoIP business, its licence should be cancelled," said MA Salam, president of Internet Service Providers Association Bangladesh.

BTRC has so far fined Grameenphone, Banglalink, AKTEL, Citycell and some landline operators for their involvement in VoIP business.

But when BTRC is running drive in association with law enforcers against VoIP, the grey market operators seem to continue their business. Industry people assumed that some big VoIP giants might restore their business targeting the Eid.

International calls to and from Bangladesh almost double during Eid time.

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Citycell fined for import irregularities

STAR BUSINESS REPORT

The Office of the Joint Commissioner (Customs), Dhaka has fined Citycell Tk 2.90 lakh for its alleged involvement in a misdeclaration of 'country of origin' of a consignment worth Tk 2.4 crore.

The customs office last week in a letter to the country's lone CDMA (code division multiple access) operator said the company has violated section 4.8.1 of the import policy for 2006-09.

"Citycell's misdeclaration is a complete violation of import policy," said Kamalapur ICD Joint Commissioner Wahida Rahman Chowdhury.

Citycell yesterday said it stands on its earlier version. Previously, Citycell in its official version said: "It has recently been brought to the attention of Citycell that there may be some issues relating to a particular shipment of such equipment from one of its vendors."

"As far as Citycell is concerned it complied with all regulatory and tax-related issues with regard to this shipment and is assisting the authorities concerned," the mobile phone operator said.

Chinese telecom equipment vendor Huawei was the importer on behalf of Citycell. The Kamalapur ICD detected another unlawful import by Citycell which is still under re-examination.

Officials of Kamalapur Inland Container Depot (ICD) asserted that they had found Citycell's involvement in such misdeclaration of 72 antennas imported by Huawei a couple of months ago.

The customs officials said in the documents that the exporter was a US company. Investigators found that the goods came from Hague via Hong Kong, although it should be imported from China.

Global media not convinced over G20 summit impact

'No leader has a plan to tame wild capital flows'



US President George W Bush leaves after posing for a group photo at the G20 summit in Washington. Leaders of the richest economies and emerging economic heavyweights crafted a joint strategy to deal with the global financial crisis, but the media remain unconvinced.

AFP, Paris

At best cautious, at worst downright cynicism was expressed by the world's media Sunday over the results of the Washington economic crisis summit.

"Summit of lies," headlined La Repubblica, the left-wing Italian newspaper. El Pais of Spain called the summit declaration a "modest" first step to reforming international finance.

British newspaper The Observer said that no leader at the summit "has a plan to tame the wild capital flows that have distorted the global system in the last few years."

The leaders vowed to use government spending to reverse a spreading recession, to press for a global trade deal to ward off protectionism and to reform financial regulation and world financial institutions.

Saturday.

Italy's La Repubblica newspaper under its dramatic "Summit of Lies" headline questioned the leaders' promise to seek coordinated growth, commenting that up to now "nations have acted in a scattered order."

"The only clear signal from this G20 was the acceleration of the birth of a new world order," it said, highlighting that only Saudi Arabia and China had the financial reserves to take part in a relaunch of the International Monetary Fund.

"Ciao Old Europe," said the right-wing La Stampa which said Europe would have "very little weight" in the new G20.

Spain's centre-left El Pais said that the Washington summit had been "the first necessary step, though still modest, to reforming the world financial architecture."

Zero tariff benefit to double exports to Taiwan

Say local traders

JASIM UDDIN KHAN

Local traders see exports to Taiwan double next one year availing of a duty-free facility Taiwanese government offered for the least developed countries (LDCs).

They proposed to the government to authorise the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) to issue Certificate of Origin so that local exporters can avail of such a facility.

"If the local traders are allowed to avail of the Taiwanese offer, Bangladesh's exports to Taiwan may cross US\$ 50 million by the fiscal year to come," said an FBCCI director.

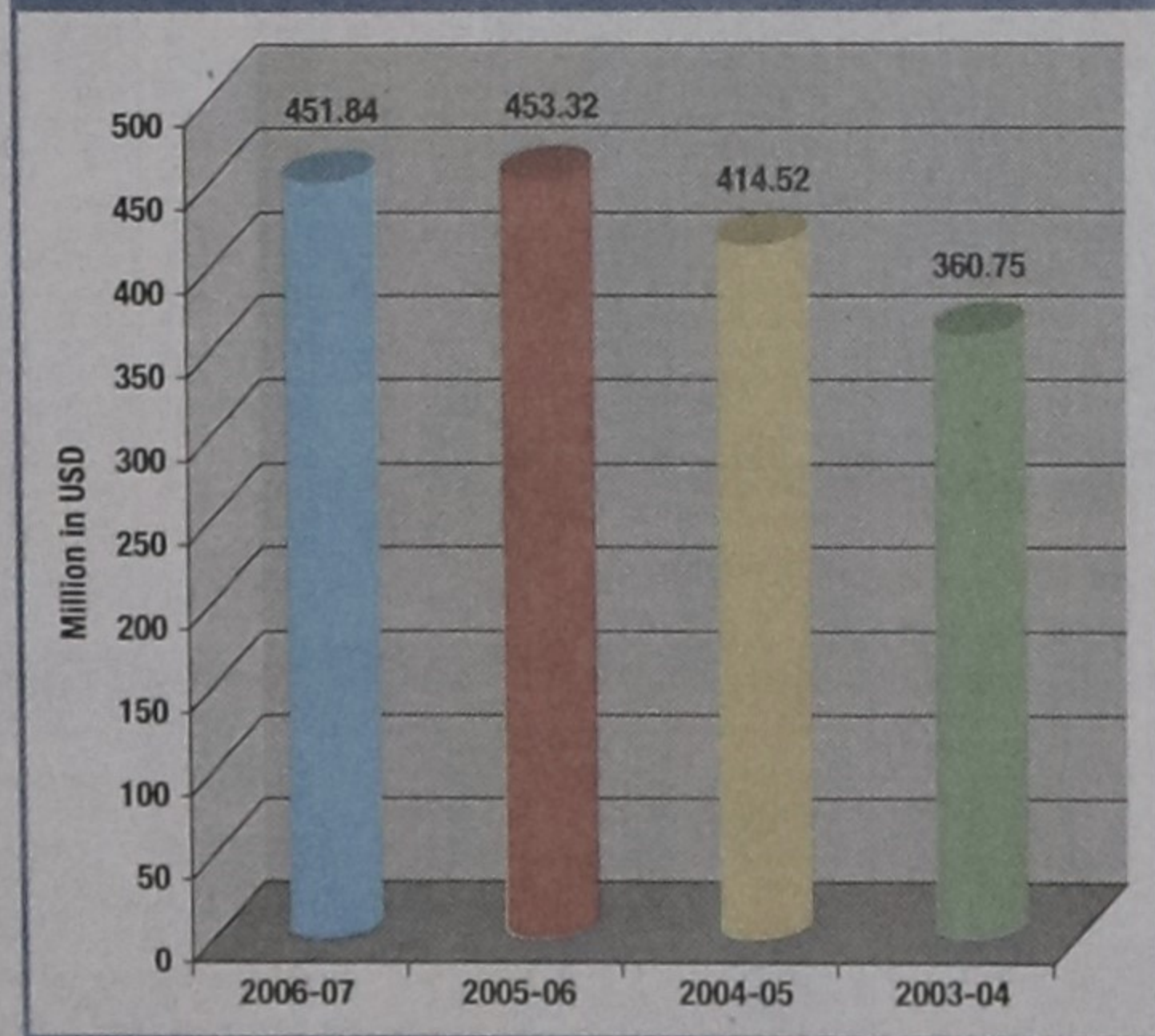
The country has long been missing the opportunity as the government restricted such a trade link with Taiwan fearing it would contradict its One China policy.

The issue came up for discussion at a meeting yesterday between Taipei representative in Dhaka and Export Promotion Bureau (EPB) officials.

The EPB officials discussed the ways how Bangladesh exporters can avail of the Taiwanese zero tariff benefit.

Frank Wen-Yan Chen, representative, Taipei Liaison Office in Dhaka, pointed to the fact that many LDCs benefit from the Taiwanese duty-free access without establishing any diplomatic ties.

Bangladesh's trade imbalance against Taiwan



"We will forward Bangladesh traders proposal to our government to accept the FBCCI's certificate for granting such access," Chen told reporters after the parity with state-run export promotional agency.

Bangladesh's 125 products to which Taiwan government allowed a zero tariff in 2006 include leather, footwear, jute yarn, door and window frames, woven fabrics, wool yarn, handbags, table, kitchen and household articles, sacks and bags.

The country's trade imbalance with Taiwan is growing day by day.

In 2006-07, Bangladesh exported goods worth \$21.07 million to Taiwan, while its import from that country stood at \$472.91 million during the period.

"Though we received the proposal in early 2006, we have progressed a little in this regard because we want that the One China policy is not violated," an EPB official said.

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ACI eyes Tk 52cr profit in 5 years

STAR BUSINESS REPORT

ACI Formulations, a subsidiary of ACI Limited, has set a target of making net profits of Tk 52.6 crore over the next five years with a compound average growth rate of 30 percent, officials said.

The company, which manufactures crop-care and public health products, aerosol, mosquito coil and air freshener, aims to reach Tk 670 crore in sales revenue in 2013.

The figures were revealed at a projection meeting of ACI Formulations in Dhaka ahead of the company's share trading debut on the bourses on Tuesday. Prospective investors including both institutional and individual were present at the meeting.

ACI will join the stock exchanges under direct listing rules by offloading 89,87,500 ordinary shares of Tk 10 each, totalling Tk 8.98 crore. This is 35.95 percent of its paid-up capital of Tk 25 crore.

As of June 30, ACI has made net profits of Tk 9.48 crore from sales of Tk 106.94 crore. The gross profit was Tk 21.48 crore, with earnings per share at Tk 3.79.

ACI said it would invest the money in new projects or sectors, which have proven track records of giving high returns against low investment, rewarding the shareholders with good returns in commensuration of their contribution and take steps to strengthen the balance sheet of the company.

Financial crisis won't hurt RMG: BB



The file photo shows workers busy at a garment factory in Dhaka.

REJAUL KARIM BYRON

The garment sector is unlikely to take a hit from the global financial meltdown as exporters sell low-end products with demand expected to be elastic, according to Bangladesh Bank.

The central bank made the observation at its management board meeting early this month.

But the International Monetary Fund (IMF) has predicted that the growth of the RMG sector may slide to a single digit.

In a report to the government, the IMF mission said last week that the RMG growth rate may come down to 9 percent. The growth rate was between 14 percent and 21 percent over

the last five years.

Remittance inflows from the Middle East may fall if oil price continues to fall. The central bank report also mentioned that loan defaults in banks might increase due to the global crisis.

Exporters may not be able to pay back their loans if they fail to earn enough money, according to officials with the central bank.

Bangladesh Bank's foreign exchange reserve is not likely to be affected adversely either, as the taka is not freely convertible for capital account transactions, a BB official said.

Withdrawal of funds by foreign investors would not have a significant impact, as the foreign investors' share in

the equity market is only 2.48 percent.

Bangladesh Bank took up several initiatives to tackle any immediate impact of the global turmoil on the financial sector.

To minimise exchange losses, Bangladesh Bank immediately revised currency benchmark of its reserves, substantially protecting the real value of the reserves. Presently, 50 percent of the BB's total reserves are held in the US dollar and the rest in other currencies.

To avoid default risks, BB immediately withdrew funds at or before maturity from a number of its banks that were merged or taken over, or likely to be merged or taken over soon.