

Stocks

DGEN ▼ 1.67%
2,760.67

CSCX ▼ 2.70%
5,552.30
(Week-on-week)

Asian Markets

MUMBAI ▼ 1.88%
9,406.47

TOKYO ▼ 0.45%
8,836.80

SINGAPORE ▼ 1.18%
1,806.02

SHANGHAI ▲ 1.42%
1,904.86
(Friday closing)

Commodities

Gold ▼ \$854.60
(per ounce)

Oil ▼ \$40.35
(per barrel)
SOURCE: AFP
(As of Friday)

More News

No privatisation plan for Khulna jute mills

The government has no plan to privatise any more state-owned jute mills of Khulna-Jessore industrial belt, instead steps will be taken to run the sick jute mills properly and reopen the closed ones as early as possible, said a state minister of the newly formed government yesterday.

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Stocks in the red

Dhaka were in the red last week because of correction in the share prices following a bull-run in two previous weeks. Although the market started with a positive index on every trading day, it closed lower due to profit taking, experts said. Most of the investors booked profit and switched to another stock that appears cheaper to them, they added.

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International

Media dub Satyam scandal 'India's Enron'



A billion-dollar false accounting scandal at one of India's biggest outsourcing firms dominated the country's media Thursday, with newspapers likening it to that at US energy giant Enron.

Citigroup, Morgan Stanley talk about merging units

Officials at the embattled banks Citigroup and Morgan Stanley will negotiate over the weekend about possibly combining their wealth management businesses, a deal mostly aimed at bolstering Citi with much-needed cash.

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Tourism booms on quiet politics

SAYEDA AKTER

The number of foreign tourist arrivals in the country grew significantly in 2008, thanks to a relatively stable political situation, said industry people.

According to statistics of civil aviation and tourism ministry, a total of 3.50 lakh foreign tourists visited Bangladesh until October 2008, which was a sharp rise from 2.65 lakh in 2007, 2 lakh in 2006 and 2.07 lakh in 2005.

"Both the increase in number of foreign tourists' arrival and good business made by local tour operators pushed the growth of local tourism industry last year," said Kazi Wahid Ul Alam, a tourism expert and editor of The Bangladesh Monitor, a fortnightly travel journal.

"Apart from business tourists, the flow of regular tourists was also higher than the previous years, which was an outcome of political stability during the last two years, and a campaign to vote for Cox's Bazar for New 7 Wonders of Nature," he said.

"This growth will ultimately benefit the national economy," he added.

However, among these numbers of total tourists, the exact number of real tourists could not be estimated due to a lack of official mechanism of the related ministry and Bangladesh Parjatan Corporation (BPC).

A big number of foreign tourists were garments and telecom investors who came to Bangladesh for business purposes, said industry people.

Alam said better infrastructure including accommodation facilities and developed aviation sector that is operating regular flights to major local tourist spots, such as Cox's Bazar, also helped



A relatively stable political situation pushed significantly the arrivals of foreign tourists in the country last year. An increased number of tourists and good business by local tour operators have helped tourism grow.

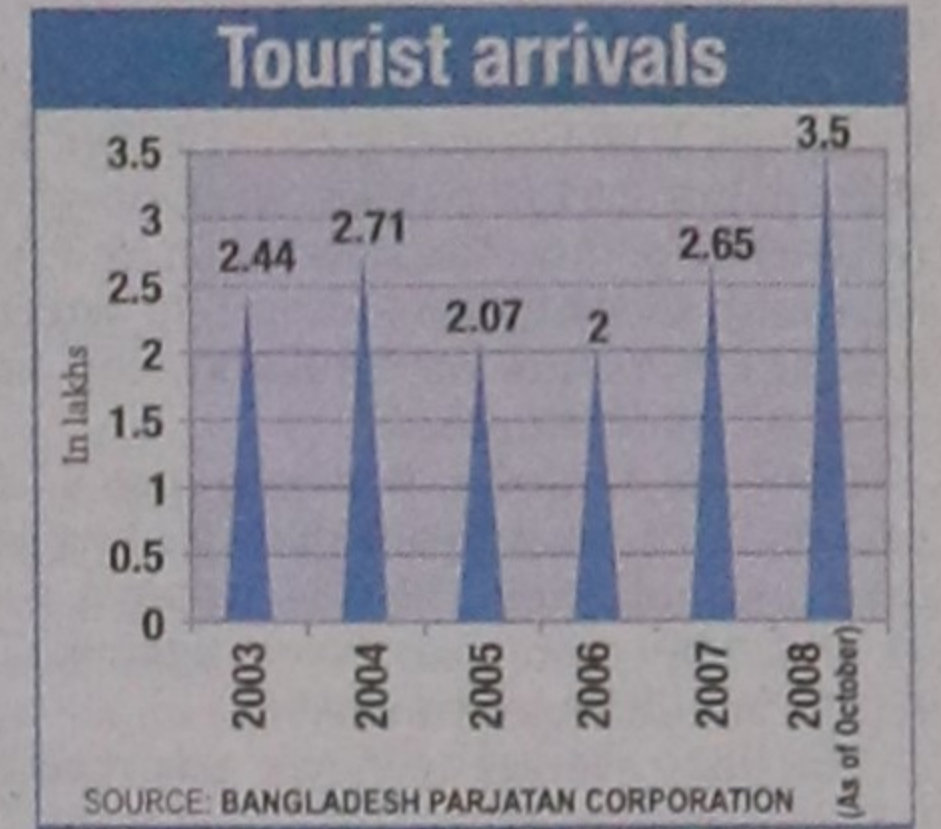
grow the industry.

BPC Chairman Shafique Alam Mehedi said the corporation is currently working to make a database to estimate

both the local and foreign tourists numbers separately and take measures to develop better communication, accommodation and entertainment facilities

to boost the industry.

"We are trying hard to avert any 'system loss' in different units of BPC and reform the entire organisation, so the



industry can run smoothly and add value to our national economy," he said.

In the last fiscal year, BPC recorded an operating profit of Tk 2.5 crore, driven by cuts in 'systems loss' and increased domestic tourism, said the chairman.

The profit has trebled against the previous year's, thanks to a strict drive to reduce 'waste of resources' at commercial units of BPC. In fiscal 2006-07, BPC made an operating profit of Tk 84 lakh.

The BPC chairman expects a further rise in number of foreign tourists this year, as he thinks the newly elected political government would attract new local and foreign investments to the industry.

However, Wahid Ul Alam urged the government to ensure political stability and further develop the communication system in different non-traditional tourist spots such as Dinajpur, Comilla and Chittagong Hill Tracts.

He also said more public and private investments are needed to accelerate the growth of the tourism industry.

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Nina ventures into Tk 150cr project

SARWAR A CHOWDHURY

Nina Holdings Ltd, a sister concern of export-oriented Epyllion Group that has been engaged in manufacturing and exporting of knit fabrics and apparels since 1994, is set to go for a new venture eyeing a diversification of its business, according to the company officials.

With its planned construction of the 14-storey commercial building in Tejgaon Industrial Area in Dhaka at an estimated cost of around Tk 150 crore, Nina enters the commercial building sector.

Of the total cost, Tk 47.2 crore will be financing by five local banks.

To this end, the real estate company sealed a syndicated term loan agreement on January 4 with Bank Asia, the lead arranger, and four other banks.

These banks are AB Bank, IFIC Bank, Premier Bank and United Commercial Bank.

Around 25-30 percent space of the commercial building will be dedicated for Epyllion and its subsidiary companies, while the rest space will be rented to other corporate or business houses.

"Before the new project, Nina Holdings was constructing factories and office buildings only for Epyllion Group and its subsidiaries," said M Aminul Islam, the group's general manager (human resource, administration and compliance).

Islam said the ground floor of the building will be rented to a commercial bank, as the space is dedicated for the banking sector.

He said the new commercial building would have some modern features such as state-of-the-art security system, energy efficient, attractive architectural view and a fit shape for facilitating maximum natural lightings.

"There will be three basements for car parking where at least 200 cars can be accommodated at a time," he said.

Islam also said the building is being constructed on an area of 21,000 square foot land, while each floor will have 14,000 square foot space.

Epyllion has 10 subsidiaries comprising six garment units, two textile units and two garment accessory units.

The group, which exported goods worth US\$ 7 crore in 2007-08 fiscal mainly to the European and US markets, targets \$11 crore exports this fiscal.

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Local firms zoom in on bank software



A Southeast Bank official at work.

AMRAN HOSSAIN

KAWSAR KHAN

Domestic software developers are slowly making a niche in the local banking software market.

Presently, the banking software used for a particular branch is mostly made by local information technology (IT) firms. Also, at least six local private commercial banks (PCBs) with online banking services use locally developed online real-time software, according to sector people.

Thanks to the flourishing IT industry, the market for real-time banking software, once totally captured by foreign companies, is now being grabbed by the local firms. However, the industry has been catering to the domestic needs for branch banking solutions since the 1990s.

Branch banking software is used for a branch of a bank, while a single real-time banking software is used for keeping, processing and updating information and data of all branches of a bank.

"We have been working for a long time with real time software for banks and we have so far supplied the product to four private banks," said SM Waesh, senior vice president of Flora Systems, a local software and data entry company.

Four PCBs such as Trust Bank Ltd, NCC Bank Ltd, Jamuna Bank and Mutual Trust Bank now use 'Flora Bank', a centralised banking software, said Flora Systems officials.

According to software developers, said the cost of such a locally developed varies between Tk 1 crore and Tk 3 crore, while a foreign software costs between Tk 30 crore and Tk 40 crore.

"Apart from such cost-effectiveness, this local centralised banking software saves our hard-earned foreign currency and creates job opportunities for many," Waesh added.

Flora and five or six local software developers, including Beximco Computers Ltd, a concern of Beximco Group, Leads, are the local players who are working to build online and branch banking software.

In addition, some banks have developed their own banking software for their own use.

After building the software for its own use, Bank Asia now markets it for other banks.

Pubali Bank Limited, Islami Bank Bangladesh Ltd and Uttara Bank Limited have also developed their branch banking and online banking software by their own to meet their needs.

Bank Asia has developed its centralised software through ERA-InfoTech Ltd, a joint venture company. Bank Asia Ltd, Ranks IT Ltd and a Dubai based IT firm are funding this project.

"We are using the software successfully and also supplied it to the locally owned Standard Bank," Irfan Uddin Ahmed, deputy managing director of Bank Asia, said, adding that the software would be exhibited in an international fair in Dubai soon to attract foreign customers.

Officials with Beximco Computers Ltd, a concern of Beximco Group, said the company supplies branch banking solutions, but it is now thinking of developing a

centralised banking solution to meet the market demand.

Now over 300 branches of 15 major banks of the country use the company's software, according to the official website of Beximco Group.

Talking to The Daily Star, Shaikh Abdul Aziz, chief executive officer and managing director of LEADS Corporation Limited, a software company, said his company has developed both branch and centralised banking software including PcBANK2000 and BankUltimus. As many as 21 banks and financial institutions are using the products, he added.

Sector people attributed the competitive price and extensive after-sales-service to the increased use of local software. They said foreign solutions are dearer.

"Generally the annual service and maintenance fees account for 10-20 per cent of the total cost of a software. As the cost of local software is low, its service charge is also low," said Subodh Kumar Bhowmik, chief technical officer of Flora Systems.

He said it takes two-three years to fully customise a foreign made software because these software are made for different use in different countries. But local software are developed targeting the local market, he added.

But local customers sometimes undermine the local solutions thinking that it would not serve company purposes, Bhowmik lamented.

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Chief of fraud-hit Indian IT firm lands in prison

AFP, Mumbai

The disgraced former chairman of top Indian outsourcing firm Satyam was sent to prison Saturday, days after admitting to a one-billion dollar fraud which has shaken the country's business community.

B Ramalinga Raju was arrested overnight after he surrendered to the police and was jailed on remand until January 23 by a judge in the southern city of Hyderabad, where Satyam is headquartered, court officials said.

The fallen chairman's brother, Rama Raju, who is a former Satyam director, was also jailed pending a full trial, they added.

Raju's lawyers said they would seek bail for the disgraced software tycoon whose admission to wrongdoing prompted a near collapse of Satyam, which boasts high-profile clients in 65 countries.

Raju has been charged with fraud following his admission that his firm's accounts and assets had been falsified over a period of several years, with profits inflated to the tune of more than one billion

dollars.

Indian market regulator the Securities and Exchange Board of India (SEBI) is also seeking to question Raju, one of the pioneers of India's outsourcing boom and once the darling of international investment funds.

Satyam shares have gone into freefall, closing at 23.85 rupees on Friday compared to a value of around 180 rupees before the scandal erupted.

India's government has also stepped in, and on Friday booted out Satyam's directors' board saying it will name representatives to manage the affairs of the company.

Before being dismissed, the interim Satyam board had pledged to try and keep the company running and rectify the mistakes.

It had also insisted it was unaware of the scam, which has prompted comparisons with the collapse of US energy giant Enron and generated fears over the impact on foreign investment in Indian business and on corporate governance standards.

At least two US shareholder lawsuits have been filed against Satyam earlier this week.

The law firm of Izard Nobel filed a suit seeking a class action in New York on behalf of people who purchased the American Depository Receipts of Satyam Computer between January 6, 2004 and January 6, 2009.

Another lawsuit was filed in New York by the firm Vianale and Vianale, based in Florida, a statement from the law firm said.

Indian market regulator Sebi meanwhile announced unprecedented steps to "boost investor confidence".

Independent auditors will now scrutinise the last quarterly results and audited annual financial statements of companies which are listed on exchanges and form part of India's key benchmark indices, the 30-share Sensex and 50-share Nifty, the regulator said.

"This exercise will be undertaken after the third quarter results and is expected to be completed by end of February this year," an official statement said.



Indian police escort founder and former Chairman of Satyam Computers B Ramalinga Raju (front seat-R) after he was sent to prison in Hyderabad yesterday.