

## Stocks

DGEN ▲ 0.36%  
2,726.27

CSCX ▲ 0.16%  
5,500.20

## Asian Markets

MUMBAI ▼ 0.42%  
9,071.36

TOKYO ▼ 4.79%  
8,413.91

SINGAPORE ▼ 0.81%  
1,761.82

SHANGHAI ▼ 1.95%  
1,863.37

## Currencies

	Buy Tk	Sell Tk
USD	68.55	69.55
EUR	89.71	94.39
GBP	99.52	104.48
JPY	0.76	0.80

SOURCE: STANDARD CHARTERED

## Commodities

**Gold** ▼ \$818.67  
(per ounce)

**Oil** ▼ \$36.82  
(per barrel)

SOURCE: AFP  
(Midday Trade)

## More News

**Strawberry flavours export dream**



The Quantum Foundation authorities in Rajshahi bought over 1,000 strawberry plants for Tk 20,000 a month ago. They spent a further Tk 13,000 cultivating a fallow eight decimal pieces of land in Shitlai Kazipur area.

B-4

## Stocks shake off losses

Dhaka stocks rose yesterday after a two-day fall, driven by gains in the companies with low-market capitalisation. The benchmark index of Dhaka Stock Exchange, DSE General Index, increased by 9.74 points, or 0.35 percent, to 2,726.27 points. The DSE All Share Price Index also rose 7.6 points, or 0.33 percent, to 2,252.15 points.

B-3

## International

**Healthy profit for India's Infosys, but still caution**

India's second-largest software exporter Infosys saw a healthy rise in profits Tuesday, beating market expectations and giving a rare boost to the country's battered IT sector.

**China's exports fall for 2nd month amid crisis**

Chinese exports extended their decline into a second month in December as the global crisis continued to impact its heavily trade-dependent economy, state media reported Tuesday.

B-4

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Govt may alter laws for business

## Commerce minister speaks at launch of Garmentech Bangladesh

### STAR BUSINESS REPORT

Commerce Minister Faruk Khan said yesterday the government is pledge-bound to amend any laws to help business activities run smoothly.

Khan said his government is ready to identify any problems to be solved to facilitate business activities, as it was committed in their manifesto.

"We are even ready to change any laws for the sake of investment, export and industrial growth," said the newly appointed minister.

"If there is a need for any change in a policy, it will be done. Let's know where the change is needed," Khan said.

He was speaking at the inaugural ceremony of a four-day fair styled 'Garmentech Bangladesh' at Bangladesh-China Friendship Conference Centre in the capital.

This is the 8th version of such exhibition where the local and foreign machinery and accessories for textile and garment sectors have been put on display.

Anisul Haq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said 2009 is a challenging year for Bangladesh and its businesspeople as the whole world is entering an apparently long-term recession stemming from financial turmoil.



A visitor takes a look at a garment machinery at the four-day fair styled 'Garmentech Bangladesh' that began at Bangladesh-China Friendship Conference Centre in the capital yesterday.

He said although China, a key player in global apparel business, is passing through a rough time, it is getting ready to retain its market share with its own strategy.

China is coming back to the global apparel business with new and innovative marketing strategies, which might be another challenge for Bangladesh in 2009,

hesaid. "We need to improve productivity right now to survive in the global market," the FBCCI president said.

Anwar-Ul-Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said: "Still we have chances to grab

more market share even in such an economic turmoil as we mainly work at the lower segment of garment business."

"This is why I see the recession as an opportunity for Bangladesh," Parvez said.

"But we have to address the issues like 25 percent manpower shortage in RMG sector, get policy

supports from the government and upgrade technology for more value addition to sustain our growth," the BGMEA president suggested.

He also stressed forming a taskforce immediately headed by the prime minister to safeguard the RMG sector from global recession fallout.

Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association, said the country has a chance to be the global leader in knitwear export within the next 10-11 years as Bangladesh is already in the third position in global knitwear business followed by China and Turkey.

"But we should take pragmatic decision to cope with the current financial meltdown," Hoque said.

Meanwhile, around 250 companies from 25 countries are participating in the exhibition, said Tipu Sultan, general manager of Zakaria Trade and Fair International.

Zakaria Trade and Fair International, Dhaka, and Zak Trade Fairs and Exhibitions Pvt Ltd, India, are jointly organising the show, which is open from 10:30am to 7pm without any entry fee.

Garment machinery sellers mainly from USA, Canada, China, Japan, Germany, Italy, India and Korea are taking part in the fair.

## BB hikes cash reserve ratio for banks

### STAR BUSINESS REPORT

Bangladesh Bank yesterday increased the rate for daily cash reserve requirement (CRR) against deposits by 50 basis points to help banks manage liquidity better than before.

In line with the past rules, all banks had maintained a monthly CRR of 5 percent on average. On a daily basis, the rate had been no less than 4 percent -- a ratio which was hiked to a minimum requirement of 4.5 percent by the central bank yesterday.

A high official with Bangladesh Bank said the banks had normally maintained 4 percent at the beginning of the month. In an attempt to maintain 5 percent on average throughout the month, bankers had often created a volatile situation in the call money market.

But the BB official would not see the latest move as a tight monetary policy.

The required reserve ratio is a bank regulation that sets the minimum reserves each bank must hold to customer deposits. The reserves are designed to satisfy withdrawal demands and would normally be in the form of fiat currency, or with a central bank.

The reserve ratio is sometimes used as a tool in monetary policy, influencing the economy, borrowing and interest rates.

# Mobile subscription grows 30pc

### STAR BUSINESS REPORT

The country's six mobile phone operators added 10.27 million customers in 2008, posting a 30 percent growth compared to a 62 percent growth recorded in 2007.

The operators blamed the subscriber downfall on economic slowdown and increased connection fees.

Bangladesh's total mobile subscribers reached 44.64 million by the end of December 2008, which was 34.37 million at the end of 2007, according to Bangladesh Telecommunication and Regulatory Commission (BTRC) statistics.

The subscriber acquisition growth was 103 percent and 62 percent in 2006 and 2007 respectively. The operators added 10.76 million customers in 2006 and 13.17

million in 2007. According to statistics, Grameenphone still holds the first position adding 4.51 million customers in 2008. The company's total subscribers were 20.99 million as of December 2008, which were 16.48 million in December 2007.

Banglalink added 3.25 million customers and AKTEL 1.8 million in 2008. Banglalink has become the second market leader with 10.33 million customers followed by AKTEL's 8.20 million by December 2008.

"This growth came primarily in the first half of the year. Due to a detailed mandatory registration process and high SIM tax leading to higher start-up fees from the operators, the number of new subscribers was marginal in the second half of 2008," said Oddvar Hesjedal, chief executive officer of

Grameenphone. "Further growth in 2009 will depend on reduction in or withdrawal of the SIM tax, but even more on the development of the Bangladeshi economy in relation to the global economic crisis," he said.

Industry insiders consider the people of 15 and 65-plus years age groups as prospective customers, with most living in untapped rural areas.

Much of the future growth will come from the financially constrained segments, and the SIM (subscriber identity module) tax is a major barrier to this growth, said the industry people.

Due to higher SIM tax operators were also reluctant to offer friendly packages targeting the rural customers. Operator's marketing strategy in 2008 was mainly concentrated on activating unused old

connection rather than offering new packages.

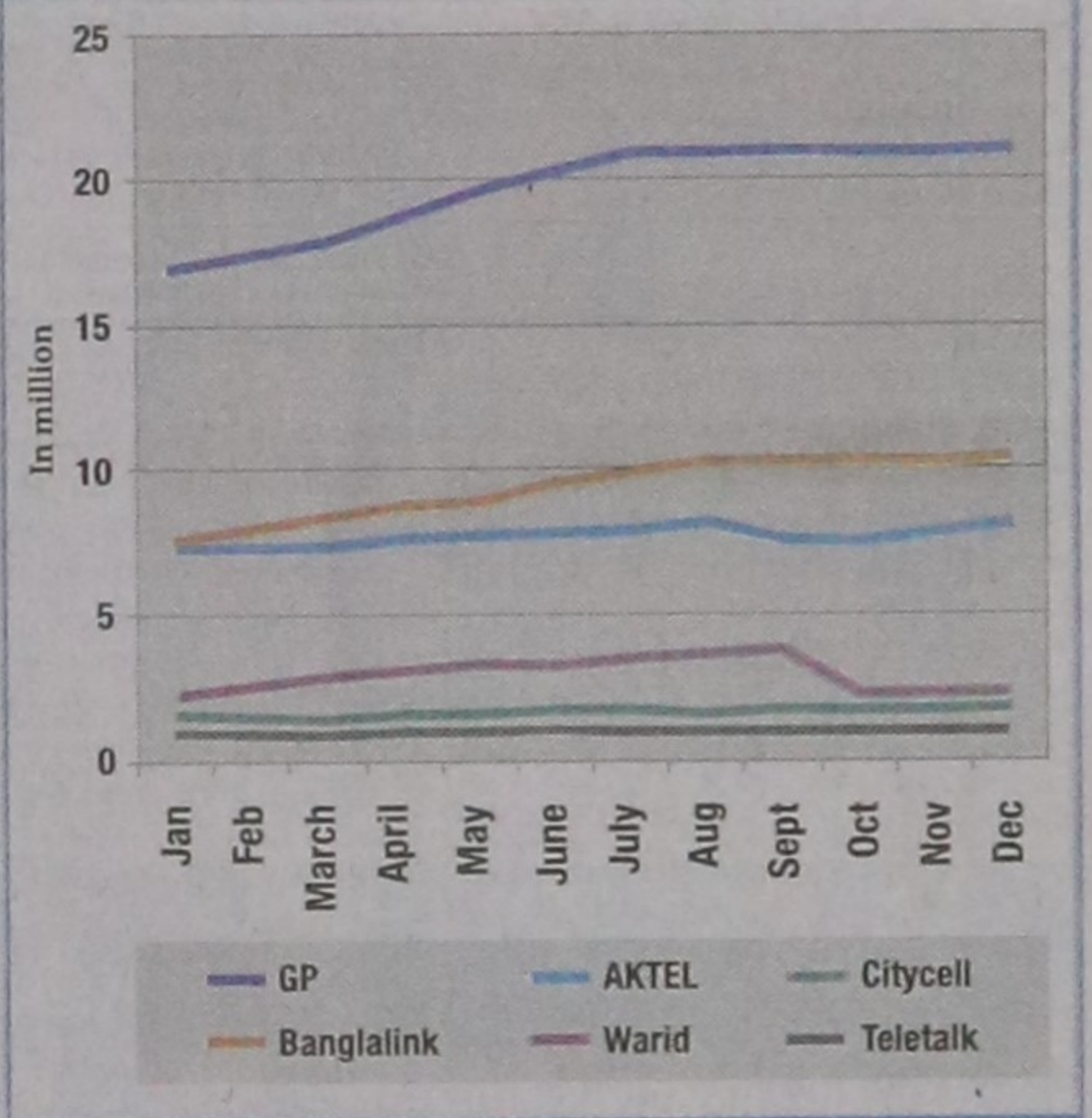
The top operators hiked prepaid SIM card prices to Tk 400 and post-paid SIM card prices to Tk 1,000 from the average price of Tk 150 in the middle of 2008.

The increased connection price reflects operators' intention of not bearing anymore the burden of Tk 800 in tax on each SIM card, which they said customers should pay.

The market's last entrance Warid Telecom placed third in terms of subscriber acquisition in 2008, adding 0.18 million customers followed by lone CDMA operator Citycell's 0.40 million and state-run TeleTalk's 0.13 million.

By the end of 2008, Warid customers reached 2.33 million, Citycell's 1.81 million and TeleTalk's 0.98 million.

## MOBILE SUBSCRIPTION GROWTH 2008



# Emirates moves to secure foothold

### STAR BUSINESS REPORT

Emirates seeks to tap the potential of attracting more travellers, profiting from the high load factors of its flights and the suspension of operations by some local and global airlines that are flying to the Middle East and Europe.

The UAE-based carrier, which now enjoys over an 85 percent load factor in flights from Dhaka, said it would add three more flights a week, taking the number from 14 to 17 flights. The airline plans to operate 21 flights a week in the near future.

The load factor is a percentage of the seats that are occupied by passengers, or the percentage of the utilised freight capacity.

"We have enjoyed above 85 percent load factor in Bangladesh. It is significantly high, and that is one of the reasons behind why we are adding more flights to Dhaka," said Emirates Area Manager in Bangladesh Hanif Zakaria at a press conference at the Pan Pacific Sonargaon Hotel.

The press meet was organised to launch holiday packages to attract Bangladesh travellers, mainly tourists, to the 'Dubai Shopping Festival 2009', which is to take place between January 15 and February 15.

Local travellers, according to Emirates, can avail the Emirates Holidays' all-inclusive packages, starting from \$1,062 per person twin sharing, at the three-star Highland Hotel and a \$2,131 package at five-star hotels, such as the Kempinski Hotel Mall of The Emirates.

Zakaria said the flights are not being increased for the festival alone; it will be the regular schedule from February 1.



Emirates, one of the 20 largest airlines with over 100 aircraft in its fleet, moves to increase the number of flights from Dhaka at a time when the International Air Transport Association (IATA) feared that the global airline industry could face \$2.5 billion in losses in 2009, due to the recession in the global economy and a fall in consumer spending in developed countries.

The IATA also predicted that passenger traffic would decline by 3 percent in 2009, following a 2 percent in 2008.

In 2008, soaring oil prices, which hit at \$147 a barrel in July, also forced a number of airlines to shut. Oil prices however eased later and now hovers around \$40 a barrel, as the financial meltdown gripped the world.

Citing the aviation industry

slump after the 9/11 attacks, Zakaria said the aviation industry is facing a similar situation. "But there is no downward trend for us. We are still growing," he said.

The suspension of flights by some local and global airlines like RAK Airways from Dhaka to UAE encouraged the carrier to add more flights. Some carriers, such as the British Airways, had earlier announced that it would suspend its Dhaka-London routes from March 28, 2009, because of a non-profitability of the route.

"A few airlines planned to leave Bangladesh and stop operations in some destinations," he said.

"I think it is time to rescue people," he said. There are a good number of people, like immigrants, students, and business people, in

addition to Bangladeshi workers to the Middle East, who travel abroad on a regular basis.

Emirates, one of the dozen carriers including the national carrier Biman, also offers onward connections to the rest of the world including Europe and North America.

"We are offering frequent means of better connections. My dream is to operate three flights a day from Dhaka," Zakaria said.

The Emirates' official also hoped that the global economic meltdown would not hurt the Dubai Shopping Festival. He feels that the world economy is bouncing back into shape.

"People who put a halt to spending in the last couple of months, will start spending again, when the economy flourishes again," he said.

# RAK Airways halts flights from Bangladesh

### SOHEL PARVEZ

UAE-based carrier RAK Airways suspended its operations from Bangladesh after its aircraft went out of order last month, officials and travel agents said yesterday.

The carrier was forced to halt its flights to four other destinations due to a shortage of aircraft and a restructuring in management, said an official with Mohammed Aviation, general sales agent of RAK Airways for Bangladesh.

"We have been doing well since we began operations here by the end of 2007. But we had to put our flights on hold as we grounded our aircraft for technical reasons in early December," the official said.

The official however hoped that the airline would resume operations from Bangladesh by the end of February or early March.

RAK Airways, the fourth national airline of the United Arab Emirates (UAE) after Emirates, Etihad Airways and Air Arabia, began flights from Bangladesh in 2007.

The airline was also operating flights to four other destinations from Ras-Al-Khaimah to India's Calicut (Kozhikode), Colombo of Sri Lanka, Beirut of Lebanon and Sofia of Bulgaria, apart from Dhaka and Chittagong.

The carrier, established in February 2006, entered Bangladesh aviation market in 2007, taking advantage of a temporary 'open sky policy' that the past caretaker government had declared in an effort to ease the pressure of Bangladeshi workers with jobs abroad.

The airliner later received official approval to fly as a designated carrier from Bangladesh and began operations from Chittagong in mid-March 2008. It had been operating three flights from Dhaka and two from Chittagong to Ras Al Khaimah, one of the emirates of the UAE, per week.

But the carrier halted its flights from Dhaka and Chittagong in early December 2008 as its aircraft Boeing-757-200 went out of order, the official said.

"We enjoyed a 90 percent load factor from Bangladesh since we had launched flights from here," the official added.

Following the suspension, the carrier refunded all tickets, the official said.

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