

Stocks

DGEN	▲ 0.69%	2,671.39
CSCX	▲ 1.00%	5,327.78

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	86.84	91.49
GBP	94.07	98.94
JPY	0.69	0.73

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▲	\$930.04	(per ounce)
Oil	▲	\$47.44	(per barrel)

SOURCE: AFP

(As of Friday)

More News

Energy supply listed as top priority

The government has listed energy supply as its top priority to ensure economic growth, said Tawfiq-e-Elahi Chowdhury, adviser to the prime minister for power, energy and mineral resources yesterday. "We have taken short-, medium- and long-term measures to address the issue," Chowdhury told a meeting of the Foreign Investors' Chamber of Commerce and Industry (Ficci) at a city hotel.

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International

G20 bridges differences



Before a key summit on tackling the economic crisis, rich and emerging nations have agreed common ground on hiking IMF funds and stricter market regulation but remain split on stimulus measures.

Kuwait expat workforce in first fall since 1990 invasion

The expatriate workforce of the oil-rich emirate of Kuwait decreased last year for the first time since the Iraqi invasion of 1990, official figures showed on Sunday. The number of foreign workers dropped to 1.75 million at the end of 2008 from 1.77 million a year earlier, a decline of 0.85 percent, as the global economic slowdown and a sharp fall in world crude prices bit, the figures showed.

Fed to stay aggressive in pushing recovery

The US Federal Reserve is likely to signal its intent next week to act even more aggressively in opening up credit markets to spark recovery from recession, analysts say. At a two-day policy meeting opening Tuesday, the Federal Open Market Committee (FOMC) is expected to leave unchanged its base lending rates at zero to 0.25 percent as it mulls further moves to tackle the credit crunch and economic slump.

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

Tk 300cr logistics yard set for launch



A view of the inland container depot of KDS Group in Sitakundo.

REFAYET ULLAH MIRDHA

KDS Group, a leading apparel and accessories maker, is set to launch a Tk 300 crore logistics yard in Chittagong to provide off-dock services, Khalilur Rahman, chairman of the group, said yesterday.

KDS Logistics Ltd that claims to be the biggest inland container depot (off-dock), located in Sitakundo, will come on stream on March 21.

The latest arrival will take the number of private off-dock operators to 14 in a Tk 1,000 crore sector.

KDS expects Tk 80 crore in annual turnover from logistic business.

"If everything goes according to plan, we expect to break even in five years," MA Quiyum, executive director of KDS Logistics, told The Daily Star.

KDS Logistic started trial operations with empty containers on June 18, 2008.

"Our vision is to be a leading global logistics enterprise, distinguished by the quality of its services," Quiyum said.

The off-dock facility is spread over 14, 65,600 square feet and designed to handle both empty and laden containers.

Quiyum said the inland container facility has a laden container yard area of 2,22,400 square feet, empty container yard space of 6,52,600 square feet, warehouse space of 1,60,000 square feet, jute shed and import space of 14,000 square feet, office buildings space of 36,000 square feet, workshop space of 12,500 square feet and truck parking area of 52,500 square feet.

The facility has a capacity to stack laden containers of 3,420 TEUs (twenty equivalent

units). It can also stack empty containers at a capacity of up to 21,168 TEUs, he said.

According to an estimate, the facility can store 10,000 TEUs in off-dock capacity on any given day.

KDS Logistics aspires to provide an assortment of storage programmes and services to customers and to offer a one-stop solution for storage, repair, transportation or handling of chassis.

KDS Logistics is located on a 40-acre site and paved, fenced and lighted to Chittagong Custom specifications, computerised inbound/outbound, provides activity reports and daily site inventory, gate interchanges and damage assessment.

Quiyum said it is equipped with high-speed internet to provide real-time cargo information.

The inland container depot (ICD) is equipped with modern fire fighting equipment, CCTV, standby power generation (650KV) and other necessary cargo and container handling equipment.

He said the company is facilitated to know the real time tracking system for truck unloading/loading, container stuffing/un-stuffing and web access to check client cargo position check, as per requirements.

Bangladesh handles 25,000 TEUs a month in export business. In import business, the private off-dock operators handle 10,000 TEUs out of the total 50,000 TEUs a month.

Shipping Minister Afsarul Amin is scheduled to inaugurate the state-of-the-art off-dock yard. Other ministers and elected MPs are also expected to be present.

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BTCL formation questioned

MD HASAN

The existence of state-run Bangladesh Telecommunications Company Ltd (BTCL), formed as a public limited company in July last year, has been questioned, as a parliamentary standing committee on telecommunication doubted the transparency in transforming BTCL into BTCL.

The doubt surfaced as the telecom ministry and BTCL officials failed to table details of accounts of the transformation process before the parliamentary standing committee on Wednesday.

Officials said the committee now seeks the prime minister's intervention whether BTCL should run as a company or go back under the ministry.

The last caretaker government made two companies by abolishing Bangladesh Telegraph and Telephone Board (BTTB), aiming to transform these entities into public limited companies gradually.

The companies made are BTCL and Bangladesh Submarine Cable Company Ltd (BSCCL). BTCL is responsible for running landline operation, while BSCCL for handling the country's lone undersea cable.

To June 2008, BTTB's yearly revenue was Tk1,560 crore. BTTB handled the

undersea cable and ran land phone business as well. After abolishing BTTB, revenue of BTCL stood at Tk 800 crore in six months to December 2008, while BSCCL revenue was Tk30 crore during the first six months after commencement.

Hasanul Haq Inu, chairman of the standing committee, said a good number of workers' interests are involved in making the decision.

"The final decision will come after the prime minister's intervention," Inu said, adding that the committee discussed whether the BTCL should run as a company or go back to its earlier organogram.

Talking to The Daily Star yesterday, Sunil Kanti Bose, secretary to the telecom ministry, said the parliamentary standing committee has sought explanations from BTCL Board about the process of transforming BTTB into BTCL.

He said the issue would be discussed again today at the standing committee meeting.

The idea of turning BTTB to a public limited company came to discussion in mid '90s. Donor agencies were prescribing transformation of BTTB into a company.

The political governments year after year faced donors' pressure to make BTTB a company. But as the BTTB was 'highly politicised' and a group of

unions was always active against the move, it did not happen.

Along with other priority reform works, the last caretaker government made BTTB a company but the new company failed to reset the high officials of BTTB, especially around 600 employees of telecom cadre.

So BTCL's operation remained as a question.

The telecom cadres of BTCL also met the telecom minister last week and sought his intervention to take the company to its old organogram.

The usual political practices are feared to come back to BTCL if it goes back to its old shape, said experts.

BTCL is run by an eight-member board consisting of some members from business community and renowned personalities.

One of the board members said: "It's up to the government how the landline company should run. But if the decision is made to take back BTCL to its earlier form, it would be nothing but a political interference."

The member suggested review of the existing company memorandum of article.

BTCL has 8 lakh landline customers. So far BTCL is the largest landline operator among the 12 companies in the market.

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Junk companies under scanner

STAR BUSINESS REPORT

The Dhaka Stock Exchange will investigate how ill-performing or 'junk' companies have declared dividends.

The DSE will also analyse the legal aspect of how some of those companies have upgraded their status by declaring dividends less than 5 percent.

The premier bourse took the twin decisions at a meeting yesterday, following allegations that the laggard companies had declared dividends to boost their share prices.

After the meeting, DSE President Rakibur Rahman said the dividend declaration resulted in an "unusual" price hike in the shares of the companies.

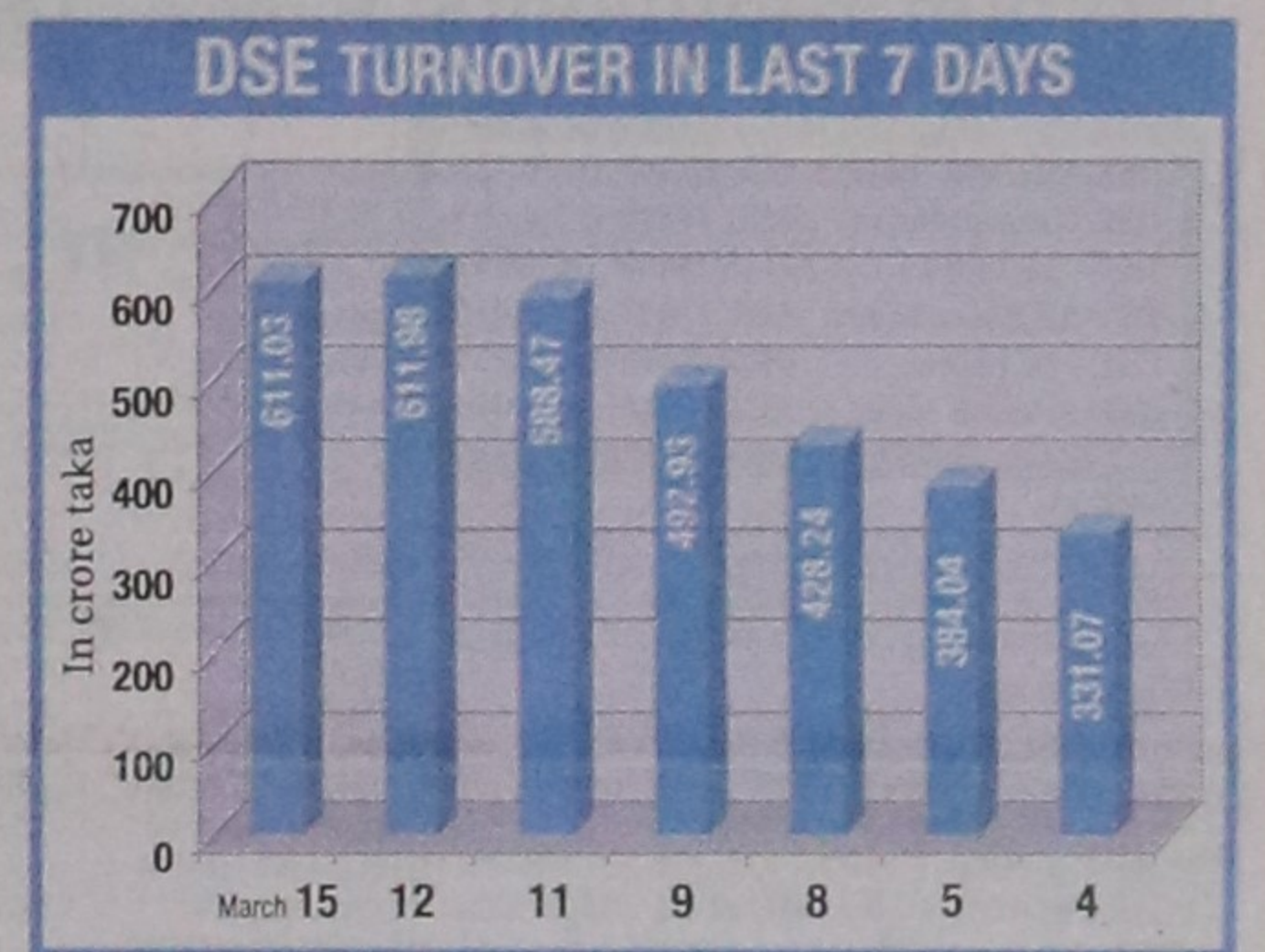
Dhaka Fisheries, which declared 2 percent cash dividends for the year 2008, and was placed in B category from Z category, posted a net loss of Tk 2.99 million in 2008. But the company did not declare dividends in 2007, despite profit it made at the time.

In line with the Companies Act, any loss-making company cannot give dividends to shareholders.

"We will investigate the practice of declaring dividends by loss-making companies," the DSE president said. "We will also suggest that the market regulator take action against those companies."

Alltex Industries that posted a net profit of Tk 6.05 million in 2008 declared 2.5 percent dividends for 2008. But the company did not declare dividends in 2007, although it made a higher net profit of Tk 10.77 million in 2007.

Gulf Foods, which declared 4 percent cash dividends, recorded a net profit of Tk 0.52 million in 2008. But the company did not give any dividend in 2007 despite making a higher profit of Tk 0.94 million a year earlier.



Turnover on the Dhaka Stock Exchange hit the second highest at Tk 611.08 crore yesterday.

The market maintained the momentum after it recorded the highest turnover on Thursday, Equity Partners Ltd, an investment bank, said in an analysis.

The DSE General Index rose 18.27 points, or 0.68 percent, to 2,671.38. The DSE All Share Price Index also gained 15.82 points, or 0.71 percent to 2,222.01.

Chittagong stocks also marked a rise. The CSE Selective Categories Index gained 53.03 points, or 1 percent to 5,327.77. The CSE All Share Price Index increased 82.46 points, or 1 percent to 8,255.17.

United Airways turnover to zoom this year

Says airline official

SOHEL PARVEZ

Private carrier United Airways aims to triple turnover in 2009 as it plans to expand global operations by acquiring a 170-seater MD-83 aircraft for \$9 million (Tk 62 crore).

"We target a turnover of Tk 140 crore this year. It's a realistic figure because we will have new routes with a strengthened fleet," said Jilane FR Chowdhury, marketing and sales director of United Airways.

The carrier recorded turnover of about Tk 41 crore in 2008 and expects to generate about Tk 80 crore from its planned expansion to three new destinations, including the Gulf aviation hub of Dubai, Kuala Lumpur and Kathmandu by mid-2009.

"All three flights will equally be our priority. But we foresee Dubai to be our first flight," he said. The carrier also plans to increase the number of flights to Kolkata in April.

United Airways tags its revenue target and expansion drive at a time when the airlines industry grapples with falling travel demand as recession dries up businesses and consumers' travel budgets.

In 2008, the global airline industry lost up to \$8 billion, according to International Air Transport Association. It forecasts a 3 percent fall in passenger traffic this year.

The Bangladesh aviation industry suffered a fall of about 16 percent in air travel ticketing, to reach about 27.5 lakh in 2008 from about 33 lakh in the previous year, said Association of Travel Agents of Bangladesh (ATAB) President MA Muhaimin Saleh.

Traditionally, local airlines rely on migrant workers to the Middle East and Southeast Asian economies that employs majority of Bangladesh's five million plus migrant workers.

But as the recession deepens and oil



prices slide, the outflow of migrant workers records a gradual decline while many are on the return, flying existing carriers such as Biman, Emirates, Malaysia Airlines and GMG Airlines.

United Airways, which entered the domestic aviation market in July 2007, however said it would not be hurt significantly because of operating a limited number of flights with limited capacity.

"Passenger travel will be reduced, but not shut," said Chowdhury. "We may receive limited passengers for a certain period of time. But when the time comes, we will be ahead of others."

Chowdhury believed that the expansion plan would give the carrier an upper hand as new flights will be based on its own aircraft. It does not have to bear the burden of paying lease money other carriers.

"Our operations are not financed by borrowings. Our investors provided the funds to go for procurement. This has given us room to play," he said.

The 3-fleet carrier, consisting of the previously purchased two Dash 8-100 at a cost of about \$8.5 million (Tk 57 crore), said it would operate three flights a week to Dubai and allocate the rest of the week to fly on the two remaining planned routes.

"It's a reasonable expansion. Three flights a week is safe and it is a planned step," said the official of United Airways that now makes 20 departures daily for its domestic and Kolkata destinations. The carrier aims to break even by 2010.

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AIG to pay \$450m in bonuses despite bailout

AFP, Washington

AIG plans to pay 450 million dollars in bonuses to finance executives who led the US insurance giant to a 99.3-billion dollar loss last year, US media reported Sunday.

The payments have dismayed the US government as AIG has received 170 billion dollars in federal aid.

The bonuses are for staff at the London subsidiary AIG Financial Products, which helped trigger the collapse and then the nationalization of the former world number one insurer, The Wall Street Journal reported.

American International Group CEO Edward Liddy told Treasury Secretary Timothy Geithner bonuses could not be cancelled due to a risk of lawsuits for breaching employment contracts, The Washington Post said.

In a letter to Geithner, Liddy also indicated a refusal to pay bonuses worth tens of millions of dollars would prompt an exodus of senior employees.

"We cannot attract and retain the best and brightest talent to lead and staff the AIG businesses -- which are now being operated principally on behalf of the American taxpayers -- if employees believe that their compensation is subject to continued and arbitrary adjustment by the US treasury," Liddy wrote, according to the Post.

BANGLADESH

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March 17, 2009, Marble Room Dhaka Sheraton Hotel 9:00 am to 3:00 pm

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