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Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	90.29	94.97
GBP	95.41	100.30
JPY	0.71	0.74

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲ \$932.10 (per ounce)

Oil ▼ \$48.79 (per barrel)

SOURCE: AFP

(Midday Trade)

More News

Barua rejects EC claim on quality standard law

Industries Minister Dilip Barua yesterday rejected the allegation of the Delegation of the European Commission to Bangladesh that the existing rules and regulations of the country are not enough to maintain global quality standards for its export products.

International

Lights on for some Kabul residents



For the first time in perhaps 20 years, Kabul resident Abdul Karim can turn his lights on every single night. It makes getting up to pray before dawn so much easier, said the 67-year-old, standing outside his small house on a dirt street in the centre of the Afghan capital.

Japan eyes \$15b jobs plan

Japan may spend more than 15 billion dollars to protect jobs and help the unemployed amid its steepest economic downturn in decades, Labour Minister Yoichi Masuzoe said Thursday. The plan could cover vocational training for job-seekers, subsidies to help companies save jobs, and payments to help laid-off migrant workers or help them return to their home countries, said reports quoting unnamed officials.

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

Five-star hotels may offload shares

STAR BUSINESS REPORT

The government plans to offload shares of Pan Pacific Sonargaon and Dhaka Sheraton hotels on the stock market to incorporate common people in these two five-star hotels, Civil Aviation and Tourism Minister GM Quader said yesterday.

"The legal aspects are being examined. If the existing law does not allow listing of Sonargaon and Sheraton hotels on the stock exchanges, we will initiate a move to bring amendments to the law," Quader said in his address to the opening function of a three-day fair on share market.

Dhaka Sheraton is organising the exhibition titled "Share Bazar Mela" on its premises.

Hotels International Limited, a public limited company, fully owned by the government, is the owning company of Sonargaon Hotel.

The five-star hotel had been built under a loan sanctioned from Overseas Economic Cooperation Fund, now Japan Bank of International Cooperation of the Japanese government and the government of Bangladesh.

Sheraton, 99.68 percent owned by Bangladesh Services Limited, a public limited company of the government, is another five-star hotel in a prime location of the city. The Board of Directors consists of 11 members who are nominated by the government. The civil aviation & tourism secretary is the chairman of the board.



The swimming pool of Pan Pacific Sonargaon Hotel (left) and a bird's eye view of Dhaka Sheraton in the capital. The government mulls offloading shares of the five-star hotels on the stock market, according to the tourism minister.



"The hotels have no credit crunch. Bank loans have been taken for the hotels' expansion and modernisation, and the loans are being repaid timely," said GM Quader.

"We are also interested to list other hotels and motels, which are under the tourism ministry."

Quader said a huge fund is needed for national flag carrier Biman Bangladesh Airlines' restructure and expansion.

"We want to raise the fund from stock market instead of borrowing from banking sector. Capital raised from stock market is more cost-effective than that from banks," he said.

He said the ordinance, under which Biman was made a public limited company, is waiting to be a law and after enactment of the law, there will be no

barrier to offloading Biman shares. The minister however said Biman's share offloading process might be delayed because of some pre-conditions set by the Securities and Exchange Commission (SEC).

As per the conditions, an issuer company will have to make steady profits for a few consecutive years for being listed. "But Biman made profit only last year. If

the SEC offers flexibility, the share offloading process will be accelerated," the minister added.

Acting SEC Chairman Mansur Alam, Dhaka Stock Exchange President Rakibur Rahman, Chittagong Stock Exchange Vice President Al Maruf Khan and Dhaka Sheraton General Manager Trevor McDonald also spoke at the function.

BTCL teams up with Korean firm on high-speed internet

STAR BUSINESS REPORT

The Bangladesh Telecommunications Company Limited (BTCL) yesterday signed a Tk 280 crore deal with South Korea's KT Corporation to install the latest internet backbone in a bid to provide high-speed broadband services.

The deal was designed to implement a project titled "Internet Information Network Expansion" for BTCL, which will jointly be financed by the Bangladesh and Korean governments.

Under the deal, KT Corporation will install the internet protocol (IP)-based network for BTCL in six divisions, along with 17 other district towns, in 18 months.

The new backbone primarily will work with BTCL's existing TDM (time-division multiplexing) network. BTCL now has 40,000 internet connections, run mainly by dial-up connections.

"The project will provide high-speed internet access to the mass," said Telecommunications Minister Rajiuddin Ahmed Raju at the deal signing ceremony in Dhaka.

He said the initiative is one of many to materialise the present government's election pledge of a Digital Bangladesh.

The South Korean government is providing Tk 170 crore in loans, of the total Tk 280 crore project, while the remaining will be organised by the Bangladesh government.

SM Khabiruzzaman, managing director of BTCL, and Meang Soo Ho, vice president of KT Corporation, signed the deal on behalf of respective organisations.

Under the project, a total of 17 IP POP (post office protocol) will be set up in

different places, connected by an optical fibre network.

BTCL officials said home users can enjoy speeds of up to 256kbps when the network is installed. On the other hand, corporations or business organisations can enjoy speeds of up to 10gb per second.

The Internet Information Network Expansion was taken up by the former BTCL in July 2006, with an execution deadline of June 2009. But a long bidding process delayed execution.

BTCL officials claimed that after commissioning the IP network, the company would be owner of the first ever IP backbone network.

"Gradually, the IP network would be utilised to introduce WiMax," said a high official of the company. BTCL is planning to adopt WiMax technology to provide wireless broadband services to remote areas, where installation of the optical fibre network would be expensive, he added.

Bangladesh's broadband market is yet to flourish. Only a million customers are enjoying internet facilities that are mainly provided by local internet service providers and mobile operators.

However mobile operators claimed that they have connected more than four million customers by EDGE technology for internet services.

The state-run Bangladesh Telegraph and Telephone Board (BTB) was made into a company in July 2008 in a bid to gradually bring the organisation under private management. The present government has already recognised BTCL's activities in principle, by approving the company's organogram.

Banglalink revenues soar 50pc

STAR BUSINESS REPORT

Banglalink's revenues shot up by about 50 percent in December 2008 to \$288 million, from \$193 million in December 2007.

In 2008, the company enjoyed 46 percent growth in new subscriber acquisition, taking the total number of subscribers to 10.34 million in December 2008, from 7.08 million in 2007.

"Revenue growth was driven by an increase in the subscriber base, improved network quality and usage enhancement initiatives," Banglalink's owning company Orascom Holding said in a statement on Wednesday.

Banglalink achieved positive earnings before interest, taxes, depreciation, and amortisation (EBITDA) of \$42 million in December 2007.

Banglalink ranks second in the six-operator mobile market, in terms of customer base.

Shady business shadows promising elevator market



Workers carry water containers by elevator to a building. Over 100 companies are in elevator business, with only half a dozen complying with safety measures.

SAJJADUR RAHMAN

The sprouting of mass housing projects and rapid urbanisation have given rise to numerous parties trading in low-cost, high-risk elevators.

According to industry insiders, over 100 companies are in elevator business, of which only half a dozen comply with security and safety measures. The rest fall far below the standards.

"There is neither a system to monitor the activities of such scrupulous traders nor any standard set by the government regarding the sale and use of elevators," said Ashok Kumar Kundu, deputy general manager of Aziz and Co, a premier elevator supplier in the country.

"Many suppliers do not follow international safety codes for the sale and maintenance of elevators," said Habibur Rahman, chairman of Maan Bangladesh Ltd, now dominates the market.

The elevator business is directly related to real estate. The trends and moves of the construction industry will have an impact on the sale of elevators. The sale of elevators would rise if the construction industry performs well.

Elevator sales plummeted in the first half of 2007 because of a change in the political

scenario. Industry insiders said the market revived in the second half of 2007 and later flourished in 2008.

Around 1,000 elevators, valued at over Tk 200 crore, were sold in Bangladesh in 2008 alone.

To exploit market potential, laymen have started this business without sufficient engineers and technicians, thus playing havoc with people's lives.

Some companies import a motor and speed controller from China and build the remaining parts here. Some other companies build a complete elevator in Bangladesh, without standard quality parts and neglecting international safety codes.

"It is risky to use those elevators," Habibur Rahman said.

Kundu, who has been in the industry for two decades, said accidents take place frequently but those were never reported.

Globally, four western companies -- OEMs, Otis, Schindler, Thyssen and Kone, dominates the market for elevators. Next come the Asian giants -- Mitsubishi, Hitachi, Toshiba and Fujitec. Local companies tie up with these global manufacturers to market the product in Bangladesh.

The major market rollers for elevator sales and services are: Maan Bangladesh Private Limited (Otis), Aziz and Co, Creative (Schindler), Rahman and Co and Laboni.

Of the total sales in 2008, Maan dominated the scene with at least 60 percent of sales, according to market data. But the company's chairman claimed they alone sold at least 80 percent of the total sales.

Aziz and Co and Creative sold 125 and 95 sets respectively in 2008, officials of the companies said.

Owing to massive urbanisation, the sale of elevators has rocketed, with the demand concentrating on residential complexes rather than commercial projects.

"Residential houses consume 60 percent of the total market demand for elevators and the remaining 40 percent goes to commercial buildings," said the Maan Bangladesh top official.

Habibur Rahman forecasts the market for elevators to grow further in the coming years, as several big housing projects are to be implemented in and around the capital.

Besides the capital, the demand for elevators is rising in other big cities, like Chittagong, Sylhet, Khulna and Bogra.

"So far, we sold 300 units of elevators to buyers from Chittagong," the Maan Bangladesh chief said.

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Hefty licence fee weighs on captive power plants

REFAYET ULLAH MIRDHA

The unilateral decision by Bangladesh Energy Regulatory Commission (BERC) of fixing Tk5 lakh as yearly licence fee for running captive power plants has fuelled anger among businessmen amid frequent outages in their industrial units as production cost will shoot up in such a situation.

The BERC has recently issued letters to the industry owners and trade bodies asking them to collect application forms for licences from the BERC office and take the licences within April 30.

A Matin Chowdhury, managing director of Malek Spinning Mills Ltd, said fixing such an annual fee in the time of recession and scanty power and gas supply to the industrial plants would deal yet another blow to the industries in the country.

"In a recent meeting, the BERC chairman assured the industry people of readjusting the fee as the amount is too high," Chowdhury said.

Many industry people are running their businesses just for survival as the profit margin has gone down significantly on high production cost, demand decline and frequent power



A captive power plant at an industrial unit to cope with frequent outages.

outage, he said, adding that such a licence fee would be a double burden on them.

"We don't get electricity even for six hours a day, which is now a major concern for the industries," Chowdhury said.

Abdul Hafiz Chowdhury, the president of Metropolitan Chamber of Commerce and Industry (MCCI), said the fee is unjustified as the govern-

ment cannot supply adequate electricity and gas to the industrial units.

He said the industry people invested a lot in their businesses and for setting up captive power plants from their own fund and bank loans. "The decision of fixing Tk5 lakh as annual fee for licence by the BERC is unjustified and it should be waived immediately," he said.

Meanwhile an MCCI delegation on Wednesday raised the issue at a meeting with Prime Minister Sheikh Hasina and sought her intervention.

Abdul Hai Sarker, president of Bangladesh Textile Mills Association, said many small and medium industrialists have not enough fund even to run their factories as the cost of doing business has gone up.

The BERC in the letter said a non-refundable application fee of Tk5,000 for per megawatt electricity or part thereof for electricity generation is to be paid while filing application in favour of BERC through pay order or demand draft.

In absence of BERC Chairman Ghulam Rahman, The Daily Star talked to Khalilur Rahman, a member of the commission, who declined to comment on the issue. refaia@thedailystar.net

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