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2,620.16

CSCX ▼ 2.11%  
5,453.21

## Asian Markets

MUMBAI ▼ 0.74%  
10,898.11

TOKYO ▼ 2.39%  
8,711.33

SINGAPORE ▲ 0.66%  
1,887.25

SHANGHAI ▼ 0.85%  
2,535.83

## Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	86.82	91.52
GBP	97.84	103.05
JPY	0.68	0.75

SOURCE: STANDARD CHARTERED BANK

## Commodities

**Gold** ▲  
\$888.57  
(per ounce)

**Oil** ▼  
\$45.91  
(per barrel)

SOURCE: AFP

(Midday Trade)

## More News

### A ray of hope for workers



BKMEA's Rangpur Training Institute has trained Ferdousi Begum well. She now works in a factory, Southern Knitwear Ltd in Gazipur, as a quality controller. Upon completion of a month-long training session from the institute at the Begum Rokeya Smriti Kendra, Payrabond in Mithapukur, Rangpur, Ferdousi got her first job as an entry-level operator with a salary of Tk 2,000.

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## International

### Tesco rings up record results despite recession

Britain's leading retailer, supermarket giant Tesco, on Tuesday announced record-breaking annual profits and sales despite a spreading global recession and deepening losses at its US division. Tesco said in a results statement that pre-tax profits jumped 14.9 percent to a record 3.21 billion pounds (3.60 billion euros, 4.65 billion dollars) in the 12 months to February 28.

### Thai economy counts toll of political unrest

Thai Prime Minister Abhisit Vejjajiva admitted Tuesday that the economy could shrink by as much as five percent as the kingdom counted the cost of its latest bout of political unrest. With a state of emergency in the capital ongoing after violent street protests that laid bare the kingdom's deep social

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## 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)

# Realtors face slack sales

MD HASAN

Apartment sales have marked a 35 percent drop in the first three months of 2009, which developers think is a consequence of fears about fallout from the global financial firestorm, now gripping prospective buyers.

The areas such as Dhanmondi, Gulshan, Banani, Uttara and Baridhara, in particular, are witnessing slack sales.

Pointing to the customers' wait-and-see attitude behind this demand-drop, Tanveerul Haque Probal, president of Real Estate and Housing Association of Bangladesh (REHAB), said: "The drop in flat sales widened to 35 percent in March from 20 percent in January this year."

As many as 500 developers construct 7000 flats every year on an average. When the monthly sales hover around 600, the March sales came down to 180, according to the sectoral trade body.

"Customers tend to deposit money in view of the possible impact of global recession on their businesses, which might prompted them to be hesitant in buying flats," Probal said.

Although sales go slack, apartment prices are yet to come down. The present prices range from Tk 8,000 to Tk 15,000 per square foot in posh areas, while the rates are between Tk 4,000 and Tk 5,000 in other areas.

"Our economy is yet to be badly impacted by the global meltdown. So, there is no impact on flat pricing here, as reflected in housing in the



Sales of flats have declined in the first three months of 2009, as the global financial firestorm sparked fears in real estate.

US and Europe," the REHAB chief explained.

Businessmen, non-resident Bangladeshis are major buyers in

the Bangladesh housing sector.

On the recent slump in flat sales, Probal said no reflections was found in the sales trend

despite a huge remittance in the last few months, which further proves customers' thinking about what will happen due to the global crisis.

Developers also experienced a sales-drop of over 40 percent during the rule of caretaker government (CG), because the CG's anti-corruption drives bound buyers to show their income sources at the time of booking flats.

Talking to The Daily Star, Rowshon Uzzaman, senior executive (sales) of Navana Real Estate Ltd, now having projects under construction in almost all the posh areas in the capital, pointed to the fact that sales shot up after the political government assumed power.

"But in recent time, it looks a bit gloomy," he admits, pointing to the customers' behavioural pattern.

"Customers now observe the global economic meltdown and prefer not to go for huge expenses," Zaman added.

SM Anwar Hossain, chairman of Advanced Development Technologies, who now develops apartments in midtown, echoed Zaman's view.

Hossain said a worry now grips the country's economy, stemming from the global crisis.

"Apartment sales in the midtown also look steady. There has been no upward trend in the last three months," he said, adding that their buyers mainly come from the middle class segment of the society, who may fear a recession-impact on the day-to-day life.

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# Private banks cap deposit rate at 10pc

SAJJADUR RAHMAN

Private commercial banks (PCBs) have capped the interest rate for fixed deposit at 10 percent following the central bank's order to fix the lending rate at a maximum 13 percent, bankers said.

"Punitive actions will be taken if any bank offers more than 10 percent against a fixed deposit scheme," said a top office bearer of Association of Bankers Bangladesh (ABB), a platform of PCBs' chief executive officers.

Actions include no transaction in call money market and keeping no deposit in those banks, he said.

Officials said ABB took the decision at a meeting on April 15, but did not disclose it on Bangladesh Bank's delay in issuing the lending rate cut circular. The BB issued the circular on Sunday.

Currently PCBs offer up to 13.50 percent for fixed deposits. A bank offered even 14 percent, the highest ever in the country, in May last year and fuelled an uneven competition among the banks.

In an interview with The Daily Star last week, Kaiser A Chowdhury, president and managing director of AB Bank, blamed the third generation banks for a spike in deposit rates.

"We set the highest rate for our three-month fixed deposit scheme at 10 percent yesterday," said Shahjahan Bhuiyan, managing director of United Commercial Bank. The previous rate was 13 percent, he added.

The rate would be 9.75 percent for six-month scheme and 9.50 percent for one year and above, Bhuiyan, also the vice president of ABB, said.

Helal Ahmed Chowdhury, managing director of Pubali Bank, also admitted the cap of the fixed deposit rate at 10 percent.

Chowdhury however hailed the BB for allowing commercial banks to change the lending and deposit rates more than once in a month. Earlier banks could change the rates once in a month.

The government and the BB had long been asking the private banks to reduce the spread by cutting the lending rate, which was at least 14.75 percent depending on the banks. Finally the central bank forced these banks to charge a maximum 13 percent for lending to help private sector offset the impacts of global recession.

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# BTRC may scrap call centre permits

RIZANUZZAMAN LASKAR

Over 250 call-centre licensees may lose their permits as they failed to start operations within six months into the receipt of licences at only Tk 5,000 each.

According to officials at the Bangladesh Telecommunication Regulatory Commission (BTRC), most of the licensees have failed to start operations within the stipulated time, which is a breach of contract with the commission.

"If they fail to show us that they have the interest or capability to operate call centres, their licences may be scrapped," said a top BTRC official, seeking anonymity.

From October 2008 to March 2009, the deadline expired for around 200 licensees, while another 50 or more will face the same within the next month, officials said.

They said the BTRC gave call centre licences to 251 applicants. Of these, 69 were provided with hosted call centre licences, while 53 got hosted call centre service provider licences.

However, only around 29 of the licensees have reportedly managed to establish their operations since the commission started dishing out call centre licences in April last year at an exiguous fee.

The call centre licence guidelines specify that a licensee would have to start operations within six months after getting the licence.

"The licensee shall commence operation within 6 months from issuance of the licence. Extension may be considered upon the receipt of any application from the licensee stating reasons thereof, otherwise it may be cancelled," the guideline says.

The BTRC officials said they have served notices to the call centre licensees to report their current status of activities to the commission. However

many of the licensees could not be contacted due to 'confusion' over their contact information provided to the BTRC.

In the latest attempt, the telecom watchdog recently published a notice in newspapers asking organisations that are uninterested or incapable of running call centres to surrender their licences to the commission by May 16.

A grace period of one month has been given to the errant licensees to surrender their licences voluntarily, otherwise their licences will be revoked.

"After the grace period is over, a meeting will be convened to decide the future of the inoperative licensees. Some might be given additional time to start operations under special circumstances. Others may lose licences," said a BTRC official.

The move has generated mixed reactions from different call centre licensees.

"Call centre is perhaps one of the most difficult business to start and manage. It takes time, a lot of resources and a bit of luck to successfully start a [call centre] business," said Mahmud Hossain at AN Telecom, a licensee whose deadline has already expired.

Robin Ahsan, a supervisor at Mexcall, a call centre operator and training institute in Gulshan, has other views.

"Most of the people have no idea about call centre. They do not have the experiences or resources to start or operate a call centre," he said. "So if you cannot contribute to the industry, just leave it."

Industry experts said Bangladesh might be one of the biggest beneficiaries of the mass transfer of call centre jobs from Europe and North America thanks to its convenient time zone and cheap labour.

"However the industry would not go anywhere



Agents work at a call centre in Dhaka. Call centres licensees may lose their permits as they have failed to start operations within six months into the receipt of licences.

with a bunch of people with little knowledge about call centres only flashing their licenses around," said a BTRC official.

"Most of the licensees do not even know what a call centre is. They do not have resources and expertise to run a call centre," he said.

Allegedly the BTRC was so 'generous' with the licences that even owners of phone service centres and cybercafé are now the proud licensees in exchange of a fee of Tk 5,000.

However BTRC has decided to make the licence acquisition rules more stringent.

## India's central bank cuts key rates to spur demand

AFP, Mumbai

India's central bank on Tuesday cut two key short-term interest rates by 25 basis points each, in a bid to kickstart the Asian giant's sluggish economy.

The Reserve Bank of India (RBI) lowered the repo -- the rate at which it lends to commercial banks -- to a record low of 4.75 percent, from a peak of 9.0 percent last year.

It also reduced the reverse repo -- the rate at which it borrows from banks -- to 3.25 percent.

"The major challenge at this stage is to support drivers for demand, to enable the economy to return to a high growth path," RBI governor D. Subbarao said in the annual policy statement for the year to March 2010.

The RBI has now slashed rates six times since October, with the repo being cut by 425 basis points.

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