

Stocks

DGEN	▲ 0.31%	2,588.72
CSCX	▲ 0.56%	5,647.40

Asian Markets



MUMBAI	▲ 1.32%	14,296.01
TOKYO	▲ 0.13%	9,451.39
SINGAPORE	▼ 0.57%	2,292.97
SHANGHAI	Closed	

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	92.72	98.08
GBP	106.99	112.62
JPY	0.70	0.78

SOURCE: STANDARD CHARTERED BANK

Commodities

	Gold	▲	\$950.58
		(per ounce)	
	Oil	▲	\$63.55
		(per barrel)	

SOURCE: AFP

(Midday Trade)

More News

NBR probe digs out rod import scam
An inquiry committee formed to probe the allegation of assessment of imported rods before the ship's berthing in the country's territorial waters blamed the automated assessor for the tax fraud. M Mominul Kabir recently submitted the inquiry report to the National Board of Revenue (NBR).

B-4

International

South Asia shows glimmer of hope



Many believe that economic integration in South Asia is a myth. How can we expect greater regional integration when we are yet to increase the intra-regional trade, which is less than 5 percent, compared to 24 percent in ASEAN (Association of South East Asian Nation) or 48 percent in NAFTA (North Atlantic Free Trade Agreement), let alone 66 percent in European Union?

GM talks with Europe break down in anger

Talks over the sale of General Motors' European operations acrimoniously collapsed Thursday throwing up a new obstacle to the US auto giant's efforts to avoid bankruptcy. A New York court was also to hold new hearings Thursday on Chrysler's bankruptcy application to lay on a rescue operation by Fiat of Italy as the world auto industry remained deep in torment.

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

ICT seeks to be on the front burner

RUN-UP TO BUDGET

MD HASAN

Information and communication technology (ICT) stakeholders have demanded a 5 percent share of the Tk 30,500 crore annual development programme in the upcoming 2009-10 budget, arguing that such an initial allotment is a must to implement the government's pledge to create a Digital Bangladesh.

Of the proposed allocation, ICT leaders recommended that a 50 percent chunk should be earmarked for software and IT-enabled services.

The fiscal 2008-09 budget allocated Tk 150 crore for the science and ICT ministry.

In a proposal, the Bangladesh Association of Software and Information Services (BASIS) said 2 percent of the revenue budget should be allocated for operations and maintenance of ICT-based citizen service delivery systems so that ordinary people can benefit from the technology.

In addition to insisting on a Tk 1,525 crore budgetary allocation, the ICT leaders urged the government to value local company inventions by awarding them to local public and private organisations.

The ICT sector is expected to receive extra care and attention in the upcoming budget, as the government is committed to create a Digital Bangladesh by 2021.

However, a lack of ICT infrastructure and delayed policy execution could prove to be a challenge in realising the goal, observed ICT industry people.

"Besides a monetary allocation, the government should ensure the use of inventions made by local companies in public and private institutes. The domestic market could be the base for the local companies and the sector can then go for ventures overseas," said Habibullah N Karim, president of BASIS.

He explained that if local companies get a chance to work in the domestic market first, the experience would then help them to bag businesses in the global market.

Echoing the BASIS president, Mustafa Jabbar, president of Bangladesh Computer Samity (BCS), said there is no alternative to ensuring that local entrepreneurs dominate the domestic market.

In Bangladesh, yearly turnover of the local ICT market is around Tk 500 crore but local ICT service makers are yet to gain the confidence of both private and public institutions. It means foreign IT firms are bagging a majority of the large-scale projects in the country.



The picture shows participants in a programming competition in Dhaka. ICT stakeholders demand a larger share in the upcoming 2009-10 budget.

STAR

Bangladesh's IT industry has been growing on the sly, driven by about 20,000 professionals. But the sector has felt the absence of infrastructure, such as an IT-Park or Hi-Tech Park.

The idea of establishing such infrastructure is not new. The government allocated land to develop a Software Technology Park (STP) at Mohakhali and Hi-Tech Park at Kaliakair, a few years back. But the government's short sightedness has limited project execution to land allocation alone.

The BASIS budget proposal suggested that there should be an allocation of Tk 300 crore for the development of the Mohakhali Software Technology Park (STP) and Tk 700 crore for the Hi-Tech Park at Kaliakair in the forthcoming ADP.

Currently, as many as 500 software firms are now shipping products and services to the global market. Software makers exported products worth \$25million

in the fiscal 2007-08 and are expected to export products worth \$30million in the current fiscal year.

The ICT industry boomed after the country's link up with information superhighways or undersea submarine cable in 2006.

But ICT stakeholders have raised demands for another submarine cable link-up in the last few years, as there have been more than two-dozen rounds of disruptions in the on-land fibre optic line, for which they incurred huge financial losses.

In its budget proposal, BCS urged the government to allocate funds to link the country with the existing submarine cable by extending the fibre optic backbone network.

At present, the single SMW-4 cable has a capacity to handle a 120Gb bandwidth, of which, Bangladesh currently subscribes to 24Gb. Of the total capacity, the country is able to utilise only 23 percent so far.

"If the government truly wants to shape up a Digital Bangladesh, the mass should be connected to the internet," said Jabbar.

Along with other demands, BCS also proposed to waive the existing 3 percent duty on computer imports. Presently, around 1.5 lakh computers are being imported each year.

Both the associations stressed policy execution. "Right policy formulation and execution traditionally becomes an obstacle to development of the ICT sector," said the BASIS president.

Stressing executing the ICT policy as soon as possible, Karim also said, "The government's dream to create a Digital Bangladesh is possible even before the said timeframe of 2021. But for that, policies should be formulated cautiously."

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PRE-BUDGET QUIPS

The government will show zero tolerance to corruption and take action against graft, says FM.

The government has no other alternative. The major impediment is now out of the way.

Frequent power cuts provide an excellent opportunity for raising additional tax revenue. How?

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MMI

Money couriers eye strong foothold

STAR BUSINESS REPORT

International money transfer companies have set sights on Bangladesh to tap the growing business potential of remittance.

US-based international companies such as MoneyGram and Western Union have been taking different measures, including expanding their networks and a number of agents and cost cuts to encourage remitters to channel money through them.

"We will be working very hard to spread our network in Bangladesh and to make it convenient for our customers to find a MG service outlet close to their homes or place of work," Nick Cunnew, senior regional director (Asia Pacific and South Asia) of MoneyGram, told The Daily Star in a recent interview.

The World Bank estimates that global



Nick Cunnew

remittances totalled \$397 billion in 2008. Bangladesh received nearly \$9 billion in remittance in 2008, equivalent to over 10 percent of its GDP.

"The trend shows that this year Bangladesh will receive over \$10 billion from the migrant workers and that is why we are here to expand our network," said Harsh Lambah, regional director (South Asia) of MoneyGram.

MoneyGram has an agreement with 12 commercial banks and Western Union works with the same number of banks.

NCC Bank, an agent of MoneyGram, has recently appointed TMSS that has a countrywide network as its sub-agent to offer the services to the remittance receivers living in remote places.



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