

Stocks

DGEN ▲ 0.52%
3,364.26

CSCX ▲ 0.38%
7,293.49

Asian Markets

MUMBAI ▼ 1.42%
16,052.72

TOKYO ▼ 1.83%
9,891.10

SINGAPORE ▼ 0.63%
2,632.31

SHANGHAI ▼ 2.34%
2,960.47

Currencies

Buy Tk Sell Tk

USD 68.60 69.60

EUR 99.07 104.34

GBP 110.41 115.87

JPY 0.74 0.80

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼

\$1,031.75 (per ounce)

Oil ▼

\$77.27 (per barrel)

(Midday Trade)

SOURCE: AFP

Contact Us

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

Parliamentary body stresses expansion of labour markets

STAR BUSINESS REPORT

A parliamentary body yesterday asked the foreign ministry to take steps to protect and expand Bangladesh's overseas labour markets.

The parliamentary standing committee on foreign ministry discussed in detail the measures that may be taken against the recruiting agents involved in sending manpower abroad illegally and to bring back the workers staying on irregular status abroad.

The committee chairman, Abul Hasan Mahmud Ali, presided over the meeting attended by its members: Foreign Minister Dipu Moni, Muhammad Imaz Uddin, Mostafa Faruq Mohammad, AM Mahub Uddin Khokon and Nazma Akhter.

The meeting was told that the quality of services in Bangladesh missions abroad has improved and that the foreign ministry was trying to enhance the skills of the officers posted to the missions.

The standards of the services in the missions have improved, the meeting was told.

Complaint boxes have been set up in all missions abroad where people can submit their allegations, which will help the authorities to take action against those responsible for sending workers bypassing legal channels.

The chiefs of the missions monthly send reports to the ministries of home and expatriates' welfare and overseas employment, the meeting was informed.

Besides, the government has started the process of setting up a separate subdivision at the foreign ministry to strengthen the capacity of the consular and welfare wings of the foreign ministry.

Foreign Secretary Mohamed Mijarul Quayes and other officials were present at the meeting.

IMF warns of double-digit inflation

GDP growth projected at 5 percent for FY10

STAR BUSINESS REPORT

The International Monetary Fund (IMF) yesterday warned Bangladesh that excess liquidity and resurgent international commodity and food prices might push inflation to double-digit levels by year-end.

"Food and commodity prices are showing a rising trend. If global recovery takes place strongly, the price may go up further," Masato Miyazaki, adviser for Asia and Pacific Department of IMF, told reporters in a news briefing at the central bank.

A four-member IMF mission led by Miyazaki visited Bangladesh from October 26-29 to conduct the annual Article IV consultation discussions with Bangladesh authorities. The mission also issued a statement at the conclusion of its work yesterday.

The Article IV of IMF Mission provides fielding of an economic mission in member countries annually to discuss economic development progress and constraints.

Besides sluggish demand for investment, the mission chief said inflows of huge remittances also resulted in a rise in liquidity in Bangladesh.

The IMF also suggested Bangladesh Bank reduce the risk of excess liquidity.

"We believe BB should reduce the risk by mopping up excess liquidity from the market," the IMF adviser said. Investment in the private sector may jump on a quick recovery of recession, he said.

The IMF statement said BB should start issuing a sufficiently large amount of BB bills so that excess liquidity is taken out even if



Masato Miyazaki

the government starts drawing on its deposits with BB.

Declining international food and commodity prices had helped the country with a low inflationary pressure for the past one year.

The rate fell to 2.2 percent in June from a double-digit mark a year ago. The rate however rose to 4.7 percent in August, clearly show-

ing a rising trend in commodity prices.

However, Finance Minister AMA Muhiht told the IMF mission that the government would be able to manage inflationary pressure.

The IMF team projects the country's economic growth at 5 percent in fiscal 2009-10, down from nearly

6 percent in fiscal 2008-09 on weak economic activity.

"Economic activity is likely to be held back by weak imports, particularly of capital machinery, sluggish exports and private sector credit and an ongoing slowdown in the hiring of Bangladeshi workers by employers abroad," the statement said.

The IMF however forecasts medium-term growth at 6 percent based on global exports and trade recovery. On the other hand, it said a prolonged global slump could weigh on exports and remittances.

The global watchdog on financial systems said the energy crisis may impede Bangladesh's development prospects although it suggests an upward adjustment of energy prices.

"If you don't have an enough energy supply, what will be the benefit of increasing its prices," said Miyazaki. "But the government can't cover the loss forever."

The team leader of the visiting IMF mission also talked on the appointment of directors in state-owned banks, poor implementation of annual development programme, the possibility of capital flight, financial support plan of IMF and rumour to squeeze its from Bangladesh.

Miyazaki said Bangladesh does not need financial support at the moment.

The IMF team also discussed the appointment of directors in state-owned banks with the government and expressed its uncertainty whether they (directors) would be able to help strengthen the banks.

GP posts 63pc profit rise

STAR BUSINESS REPORT

Grameenphone's net profit increased by 63 percent in September from the same period last year, backed by increased mobile use among customers.

The company's net profit increased to Tk 1.8 billion in the ninth month of the year, compared to Tk 1.1 billion in the same period in 2008.

Although GP witnessed a slight declining trend in revenue since December 2008, the company's rigid marketing strategy not to bear the Tk 800 tax per connection led them to steady growth in net profit.

GP's average revenue per user (ARPU) a month increased by 6 percent to Tk 266 at the end of September, which was Tk 230 in September 2008.

"A rising ARPU is a good indicator for the industry and a sign of slow economic recovery," said Oddvar Hesjedal, chief executive officer of GP, at a press meet in Dhaka yesterday at the company headquarters.

According to the company's financial report released by Telenor, the major shareholding company of GP, non-mobile revenue also increased significantly in the first nine months of the current year to Norwegian Kroner (NOK) 33 million, which was only NOK 5 million in September 2008. [1 NOK = BDT 12.1329]

The non-mobile revenue mainly increased because of good responses to GP's internet service and the newly introduced GP handset, company officials said.

The operator's total revenues went up to NOK 1,458 million in September this year, which was NOK 1,175 million at the end of September 2008.

GP is a joint venture, 62 percent owned by Telenor and 38 percent by local Grameen Telecom. Telenor provides voice, data, content and other communication services in 13 countries across Europe and Asia.

GP is the first mobile company in the six-operator market that is now at the final stages of being listed in the country's capital market.

As per the financial report, GP's revenue increased by 10 percent to Tk 16.5 billion from Tk 15 billion from the same period last year.

GP's customer base stood at 21.98 million at the end of the third quarter (July-September). The company holds the market's largest share (44 percent) in terms of subscriber base in the 50 million-customer market.

The operator's EBITDA (earnings before interest, taxes, depreciation and amortisation) increased to NOK 830 million at the end of the third quarter, compared to NOK 571 million in the third quarter of 2008.

GP's IPO is expected to debut in November.



A visitor takes a close look at a solar panel on display at the Renewable Energy Conclave, a four-day fair that kicked off at Bangabandhu International Conference Centre in Dhaka yesterday.

AMRAN HOSSAIN

Entrepreneurs seek alternative energy policy

Seventy companies showcase solar products at four-day fair in Dhaka

STAR BUSINESS REPORT

Entrepreneurs yesterday suggested the government make right policy and pricing for renewable energy, as investment is pouring into the sector to meet demand for power.

The potential of renewable energy might not be harnessed if the government and the private sector do not make proper policy and pricing for renewable energy products and spare parts, they said.

The suggestions were made at a roundtable on 'Sustainable Energy for All' on the sidelines of a four-day fair on renewable energy and its technology at Bangabandhu International Conference Centre in Dhaka.

The government should consider alternative sources of energy, such as renewable energy, as an insufficient supply of energy is one of the major obstacles to boosting the economic growth of Bangladesh, said Feroz Rahim, managing director of Rahimafrooz Renewable Energy Ltd.

"We have a severe shortage of energy in the country and that even sometimes forces entrepreneurs to suspend their industrial production. It is high time the government found alternate sources of

energy to strengthen the economy."

"Along with government initiatives, local entrepreneurs should join hands to boost alternate energy sources, including renewable energy. The government should also support them," he added.

Infrastructure Development Company Ltd (IDCOL) Executive Director and CEO Islam Sharif moderated the discussion.

He stressed the need to immediately go for renewable energy production to address the energy crisis in the commercial production units.

"The fair is expected to be a knowledge sharing experience for local producers and consumers, as it would bring all industry professionals under a single roof to exchange information and discover new products and services."

Professor Mohammad Ibrahim of Dhaka University said a renewable energy policy has an immense potential to provide power to the nation.

"We need to conduct adaptive research and development activity on the use of renewable energy, so that people are not misled," he said.

He said the government and private sector entrepreneurs should think about the costs and benefits if solar systems are introduced to all govern-

ment offices, including the Prime Minister's Office.

Dipal C Barua, managing director of Grameen Shakti, a leading organisation in installing solar systems in off-grid areas, said renewable energy should be distributed in a "small business approach".

"An NGO approach may not work," he said, adding that at present Grameen Shakti installs 14,000 solar panels a month, which was only 228 a year in 1997.

Grameen Shakti installed 2.83 lakh solar panels across Bangladesh.

Rezwan Ahmed, a discussant, said the government should provide finance to help produce solar panels locally, as import prices are high.

The government can supply electricity to a large segment of population with the import cost of the solar panels, he said.

Dr Saiful Haque said the government should fix the tariff for renewable energy and attract private sector investors to install the solar home system under public-private partnership.

"We also need to explore the possibilities of foreign investment in this sector," he said.

Ruhul Quddus, executive director of Rural Services Foundation (RSF), said they

Product Name	Use
Solar panel-1	Produces electricity for home use
Solar panel-2	Heats water for industrial use
Rice parboiling machine	Produces electricity by using rice husk
Solar cooker	Helps saves traditional fossil fuel, including coal and wood use in cooking in rural areas
Biomass plant	Produces power for home and limited industrial use from cow dung and poultry waste
Windmill	Produces electricity in offshore, hilly and haor areas
Hydropower plant	One of the oldest electricity producing systems that can be widely used for industrial use

GE to debut outsourcing in Bangladesh

STAR BUSINESS REPORT

US industrial giant General Electric (GE) plans to outsource jobs to Bangladesh for the first time, presenting a huge opportunity in the outsourcing business.

GE, which employs around 40,000 people in India alone -- mainly in the outsourcing sector -- will initially provide jobs to a company founded by Bangladeshi expatriates in the US.

Mi3 Inc, based in the US, will invest around \$300 million in Bangladesh initially to set up facilities to receive work orders from GE, said company officials at a function in Dhaka on Wednesday.

"Initially we will employ about 2,000 people in our outsourcing office," said Marfia Zakir, Mi3 country director for Bangladesh.

Zakir said her company wants to invest over \$2 billion to develop the high-tech park at Kaliakoir in Gazipur under public private partnership, if they get the green light from the government.

Speaking as chief guest, State Minister for Science and ICT Yeafesh Osman said the government is developing infrastructure for the IT sector.

Timothy Norton, an official of Vendor Management Organisation of GE, said GE is open to all the countries and its arrival could bring the same result for Bangladesh as for India.

The 11-hour time difference between Bangladesh and the US can be a strong opportunity for the former to receive outsourcing business orders, said Duck Diction, chief executive officer of Mi3 USA.

Brac University Vice Chancellor Prof Jamilur Reza Choudhury, Aftabul Islam, president of American Chamber of Commerce, also spoke at the function.