

Stocks	
DGEN	0.98%
CSCX	1.07%
	8,524.57

Asian Markets	
MUMBAI	0.24%
	17,401.56
TOKYO	0.04%
	10,638.06
SINGAPORE	0.49%
	2,869.76
SHANGHAI	0.72%
	3,211.76

Currencies	
Buy Tk	Sell Tk
USD	68.65 69.65
EUR	97.20 101.41
GBP	108.43 112.83
JPY	0.73 0.78

SOURCE: STANDARD CHARTERED BANK

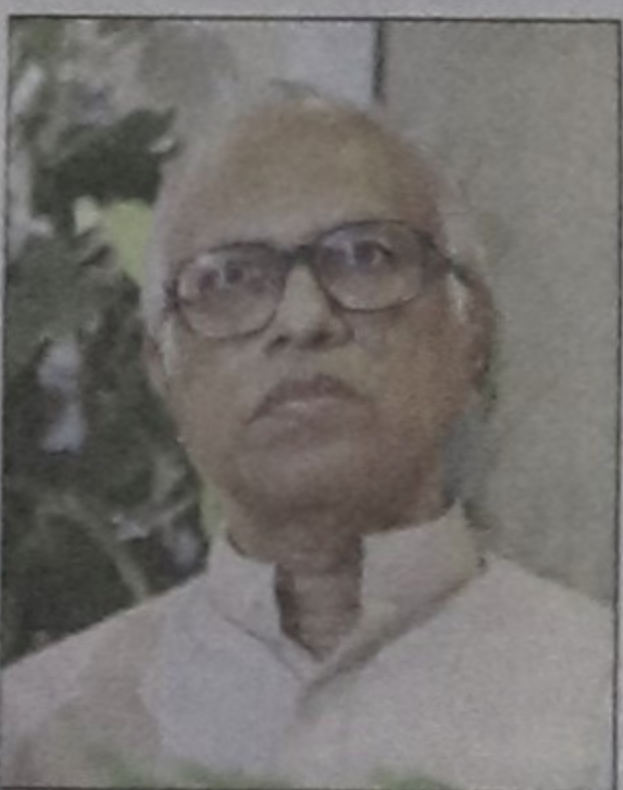
Commodities

Gold	
	\$1,103.88s (per ounce)
Oil	
	\$78.69 (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



Prof. Wahiduddin Mahmud

New chair of SANEI steering committee

STAR BUSINESS DESK

Prof. Wahiduddin Mahmud of Dhaka University has been elected the chair of the steering committee of the South Asia Network of Economic Research Institutes (SANEI).

The committee members agreed at a meeting on Saturday to strengthen networking among economic research institutions in the region to generate knowledge for development.

Established in June 1998, SANEI aims to develop networking among research institutions and experts in South Asia and beyond.

SANEI, a regional partner of the Global Development Network, has 48 research institutes from the region as its members.

The SANEI Secretariat is located at Bangladesh Institute of Development Studies with its Director General Mustafa K. Mujeri as the coordinator.

The meeting was joined by Dr. Mustafa K. Mujeri, director general of BIDS and coordinator of SANEI, Dr. Ishrat Husain, dean and director of Institute of Business Administration, Pakistan, Dr. M. Govinda Rao, director of National Institute of Public Finance and Policy, India, Dr. Rajiv Kumar, director and chief executive officer of Indian Council for Research on International Economic Relations and Dr. Shanker Krishna Malla, executive director of Institute for Integrated Development Studies.



A record amount of rice produced in Bangladesh in 2009 helped the country to be nearly self-sufficient and import less than last year.

Hope for rice self-sufficiency

SOHEL PARVEZ

It was the homegrown rice that Bangladeshis mostly relied on in 2009. And the country imported less than before.

Rice production hit a record at more than three crore tonnes this year, three times higher than in 1971.

This has helped Bangladesh head towards self-sufficiency, bringing down rice imports this year.

"It's a major achievement. We were free from import dependency in 2001 and 1991," said Mahabub Hossain, an analyst on agriculture and rural economy and executive director of nongovernmental organisation Brac.

Encouraged by high price last year, farmers brought Boro rice output to a historic high of 1.781 crore tonnes in the immediate past season in mid-2009.

This enabled Bangladesh to remain relatively safe from the rebound of prices of rice on the global market in the second half of 2009.

A cut in fertiliser and diesel prices and a favourable weather provided much of the impetus to yield a record Boro crop.

But the failure to receive a better price dismayed many farmers, the reflection of which was seen in the fall in Aus output later this year.

"It's a lesson for us. The farmers care more about their profits and losses now," said Hossain.

Cultivation of Aman, the second biggest crop, suffered from drought, late arrival of monsoon and pest attacks, and now emanates a fear of production shortfall.

However, the government has dispelled the speculation about a decline in Aman output claiming that acreage exceeded target and some new areas came under cultivation.

A free irrigation facility in transplantation phase also helped redeem Aman output. Prices of paddy are on the rebound.

Aman harvest is yet to be complete, while preparation for next Boro to attain a target of 1.90 crore tonnes is on.

Many farmers are likely to go for late transplantation of Boro after planting potato. A section of farmers may switch to maize to reap profits.

Despite a low yield than that of another high yielding variety BR-29, some farmers show interests in BR-28 as it allows them to grow another crop such as potato before entering Boro plantation.

Sales of hybrid rice seeds, which give around one tonne higher yield each hectare than the high yielding varieties, also remained slack.

It means hybrid rice cultivation is likely to drop, which will ultimately hurt the goal of getting 1.90 crore tonnes of rice.

Also a lack of water recharge in aquifer, the source of deep tube well- and shallow tube well-based irrigation under which Boro plantation in the upland depends much, adds to the fear.

Experts said underground water-based irrigation covers more than 75 percent of total Boro cultivation area.

Already the farmers in some areas in the Barind

tract under Rajshahi, Naogaon and Chapainawabganj districts have started to suffer as irrigation machines cannot pump up water properly due to a drop in the underground water level.

"It's a critical factor. Lack of water recharge in aquifer may affect irrigation," Hossain said.

"The government should go for faster expansion of water-saving technology," he said, referring to Alternate Wetting and Drying, which helps save more than 20 percent water for irrigation.

Even after all the downside risks for the next Boro season, Bangladesh's agriculture and farmers have a lot to celebrate -- timely reduction in fertiliser and diesel prices, increased availability of fertiliser, agricultural input cards and enhanced finance from banks.

One of the major achievements is the formation of a Tk 500 crore fund to provide collateral-free credit to sharecroppers.

This is for the first time the sharecroppers were given access to finance from banks.

"This is a landmark move," says Uttam Deb, head of research at Centre for Policy Dialogue, an independent research organisation.

Other initiatives such as agricultural input cards to be given to 1.82 crore farmers from early next year will bring transparency and efficiency in distribution of inputs, he said.

But one of the limitations was inadequate storage capacity in government warehouses, which in turn, forced many farmers, mainly small and marginal ones, to sell Boro paddy to traders below the government-fixed price.

"In terms of price, we didn't give proper attention to the farmers this year," said Hossain of Brac.

"For 2010, the government should take steps to ensure a fair price of agricultural produce," sohel@thedailystar.net



THE YEAR IN REVIEW

Call centres on the rebound

MD HASAN

Call centres have emerged as a new foreign currency earning sector, generating more than 30,000 jobs since its boom in mid-2009.

With around 1,500 seats in 47 such centres currently in operation, experts say, this sector has every potential to flourish, bagging high-end work contracts from global markets.

Successes are many. So are the industry insiders encouraged for expansion of business that now enjoys 60 percent growth.

"It is quite encouraging to see what call centres have accomplished in a short span of time," said Habibullah N. Karim, president of Bangladesh Association of Software and Information Services (BASIS).

Bangladesh Telecommunication Regulatory Commission (BTRC) allowed setting up of call centres in April 2008. However, such business started springing up this year.

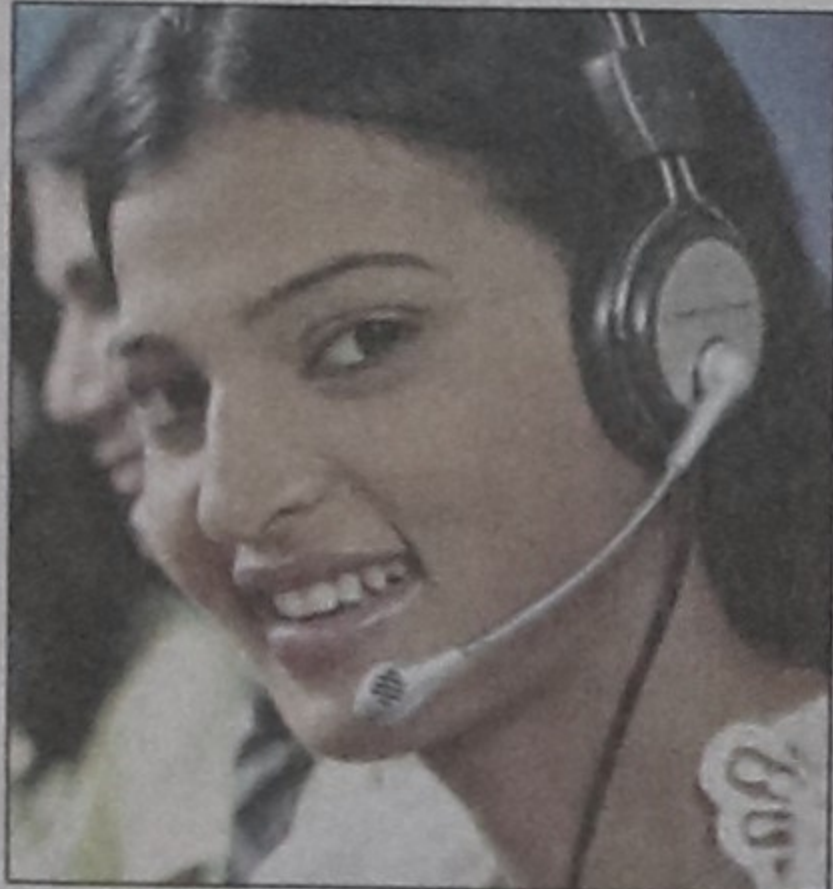
A call centre is an office where a company's inbound calls are received, or outbound calls are made.

The industry here mainly works for different companies based in the US, UK, Canada and Australia. Its job responsibilities include selling products, verifying international credit cards, campaign for new product sales, booking hotel rooms and even selling laptops.

In addition to outsourcing different services globally, the industry now eyes grabbing Tk 500 crore a year from the local market, although a dearth of skilled agents haunts call centre business.

"A learning phase we're now passing. We have success stories as well. More than 60 percent call centres are now in break-even," says Reazuddin Mosharaf, secretary general of Bangladesh Association of Call Centre and Outsourcing (Bacco).

An amount of at least Tk 1 crore is required to set up a centre having 25 seats.



Initially, entrepreneurs deemed global recession a threat to their business, which eventually proved to be wrong as the financial firestorm had left some openings. The foreign companies using the call centres for promoting products and services have opted for working with Bangladesh's novice call centres.

Now the industry presents a base to brighten its future prospects, even though its turnover in terms of forex earning is not that impressive.

"Some expertise now we've earned. We've ideas as to how a call centre should work," the Bacco executive pointed out.

Many a company have centralised their customer support functions at call centres, which contributed a lot to make this business popular.

However, efficient agents remain scarce, a main obstacle to the sectoral development. In the coming years, around 1,50,000 agents will be required to cope with the growing demand for call centres.

Mainly students from English medium schools and private universities work with such centres.

Rumana Hossain, an agent of ATN call centre, thinks the profession is not bad at all. "Our working environment is nice. So we do not feel bad during day or night time."

From a social perspective, the second year student of BRAC University said, it is a new idea in Bangladesh. She also pointed to the fact that she faced a volley of questions from fellow students.

"But when someone gets to know responsibilities of the job, they also become interested."

Mosharaf, who is also managing director of Windmill Advertising Ltd, said the local market is worth about Tk 500 crore.

Usually telecoms, medical institutions, insurance companies and banks provide different services through the domestic call centres.

Masrur Alam, director of Computer Source, demanded that the regulator allow providing domestic and international call centres services at the same premises with the same set up.

"We are busy with our international clients mainly at night because of the difference in time. But in the day time, our call centre becomes lazy as we have no work then," he pointed out.

In this context he cited the example of India where both domestic and international operations are allowed from the same premises, which makes room for flourishing within a very short time.

The BASIS president brushes aside such a dearth. "I believe, one or two lakh agents are available in the market. Let them know that it is an opportunity."

Zia Ahmed, chairman of BTRC, believes that the call centre industry is a promising sector to earn foreign currency.

"The plan to set up a call centre village is under consideration by the telecom ministry," he told The Daily Star. hasan@thedailystar.net

FDI goes down

STAR BUSINESS REPORT

Net foreign direct investment (FDI) decreased by 48 percent in the first four months of the current fiscal year, largely due to a sluggish trend in investment worldwide.

According to Bangladesh Bank statistics on the balance of payments, the amount of net FDI was \$207 million in the July to October period, which was \$402 million in the same period a year ago.

Besides, portfolio investment dropped by \$29 million in the first four months of the current fiscal year, despite a bullish trend on the local stock market. In the same period of last fiscal year, portfolio investment fell by \$7 million.

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Bharti Airtel, Warid move closer to deal

MD HASAN

Bharti Airtel's bid to buy a 70 percent stake in Warid is taking shape as the high officials of Abu Dhabi Group, the owning company of the local mobile operator, and the Indian telecom giant are in Dhaka to brainstorm a consensus.

Earlier Bharti Airtel and Abu Dhabi Group had sought the telecom regulator's nod for signing a deal. In a recent letter to Bangladesh Telecommunication Regulatory Commission (BTRC), Airtel showed interest to buy the stake in Warid Telecom.

An official at Warid Telecom said: "A memorandum of understanding (MoU) could be signed between the companies during the visit."

The MoU is the primary step before signing the final deal between the companies to share confidential business strategies.

BTRC has asked for some documents from the companies before signing the deal. The documents include Airtel's investment plan in Bangladesh, and board of director's approval from both the companies regarding the deal.

The BTRC also directed the companies to inform it how the Warid liabilities (including banks loans) would be paid after buying the stake.

"The BTRC has asked the companies to submit these documents before signing the deal," said BTRC Chairman Zia Ahmed while talking to The Daily Star last week.

Chairman and Group Chief Executive Officer of Bharti Enterprises Sunil Bharti Mittal called on Telecom Minister Rajiuddin Ahmed Raju at his office yesterday.

Sunil Kanti Bosh, secretary of telecommunication ministry, said Airtel is going to invest in Bangladesh.

The company wants to work for developing Bangladesh's voice market, he said, adding that it also looks for providing telecom services between India and Bangladesh at affordable cost.

Bharti Airtel has placed a \$300 million initial investment plan to BTRC, which will be implemented after signing the deal.

The issues over the sale of Warid stake were discussed much in the last few months in the industry, as the fourth largest operator is not performing in line with its expectations. Talks over the sale hot up as another Indian telecom operator, Essar Group, acquired the majority share in Warid's operations in Africa.

Essar Group acquired the operations in Uganda and Congo at \$318 million.

Warid made its Bangladesh debut as the sixth mobile operator in May 2007 and has hoped in 2.79 million subscribers until October. Partnership is crucial to Warid as its investment cost is higher than other operators' because of 'discrimination' in frequency allocations, said the officials of the company.

Several companies, such as SingTel, Vodafone and Etisalat, had also approached Warid to form a partnership in Bangladesh.

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