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Currencies		
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USD	68.65	69.65
EUR	96.62	100.85
GBP	109.03	113.45
JPY	0.72	0.77

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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

Facebooking on stocks warned

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday said it will take actions against those who will be found responsible for spreading rumour about stock market and price influencing opinions by using such social network services as Facebook.

The decision was taken as the surveillance team of the regulatory body found that a section of people were advising investors through Facebook to buy and sell shares of certain companies.

"Such activities go against the rules of the SEC. The SEC has been empowered to take punitive actions against the persons who will be found influencing the investors," said SEC Executive Director Farhad Ahmed at a press briefing yesterday.

He said if anybody wants to give opinion about share price in any public domain or wants to be a consultant, he or she must have licence for this purpose, which is recognised worldwide.

Ahmed said the SEC is continuing awareness campaigns for the investors for not buying or selling shares being influenced by distorted information or rumour.

"But, still some people are influencing the market price through spreading rumour, and so the regulatory body has decided to go for punitive actions," he said.

The SEC official said they have already shut down some sites and warned some individuals who have hosted sites that are harmful for the market.

He said the SEC has the power to impose unlimited financial penalty and if such penalty does not work, it (SEC) will take help from different government agencies.

The SEC will seek help from the Facebook authorities to track down the wrongdoers.

Bharti Airtel gets green light to buy Warid stake

MD HASAN

The telecom regulator yesterday gave a go-ahead to Bharti Airtel's \$300 million initial investment proposal to buy a 70 percent stake in Warid, the fourth largest mobile company in Bangladesh.

"We have approved Bharti Airtel's plan to buy the Warid stake," BTRC Chairman Zia Ahmed told The Daily Star.

The boss of Bangladesh Telecommunication Regulatory Commission (BTRC) said the Indian telecom giant will take over a 70 percent stake in Warid by creating new shares, possibly at a nominal price.

Abu Dhabi Group has so far invested \$600 million for Warid operations in Bangladesh, said an official of the operator. However, BTRC officials said half of the amount came as foreign direct investment.

"We hope Airtel investment would cross \$1 billion within the next few years," Ahmed said, hinting at his talks with Sunil Bharti Mittal, chairman and group chief executive officer of Bharti Enterprises, who recently visited Dhaka.

Ahmed also ruled out the debate that BTRC will not get 5.5 percent as revenue of the total amount of a possible deal. "Whatever price Airtel is going to pay for Warid stake, as per law, 5.5 percent of the deal amount must go to BTRC."

Bharti Airtel is one of the Asia's leading providers of telecommunication services with presence in all the 22 licensed jurisdictions in India, and in Sri Lanka. It served an aggregate of 113,439,670 customers as of September 30, according to the company website.

The company also deploys, owns and manages passive infrastructure of telecom operations under its subsidiary Bharti Infratel Ltd.

Bharti Airtel at first expressed interest to invest in Bangladesh's mobile phone market in October 2008 during a meeting with BTRC officials at South Asian Telecommunication Regulators' Council in New Delhi.

With the BTRC approval, Bharti Airtel would be the first Indian telecom operator to enter Bangladesh's mobile market to compete with Bangladesh-Norway joint venture Grameenphone, Egypt-based Banglalink, Malaysia-Japan joint venture AKTEL, Bangladesh-Singapore joint venture Citycell and state-run Teletalk.

The BTRC chairman said the commission welcomes the Indian telecom giant, as Airtel has a dynamic background in telecom sector with operations in different countries.

New partnership was crucial as Abu Dhabi Group, the parent company of Waird, has been unwilling to invest for a long time. Warid officials had earlier said the company was on the lookout for a partner to raise fresh capital for investment in its next phase of operations in Bangladesh.

Warid made its Bangladesh debut as the sixth operator in May 2007 and has roped in 2.92 million subscribers until November last year.

Grameenphone is the market leader in the 50.55-million mobile market with 22.75 million customers followed by Bangalink's 12.99 million and AKTEL's 8.87 million.

Pacific Bangladesh Telecom Ltd launched the first mobile service in Bangladesh in 1993 with CDMA (code division multiple access) technology. The costly mobile service later came to the mass with the introduction of comparatively cheap GSM (global system for mobile communications) technology.

The market has become tough for bottom three operators since 2005 as top three operators in the meantime grabbed more than 90 percent market shares waging a stiff price war.

However, market insiders term the Bangladesh's six-operator mobile market as a 'crowd'.

State-run Teletalk could be the next operator to go for partnership



The headquarters of Warid in Dhaka. Indian telecom giant Bharti Airtel has got a go-ahead from the telecom regulator to buy a 70 percent stake in Bangladesh's fourth largest mobile operator.

as it is in talks to sell majority stake to a Vietnamese company.

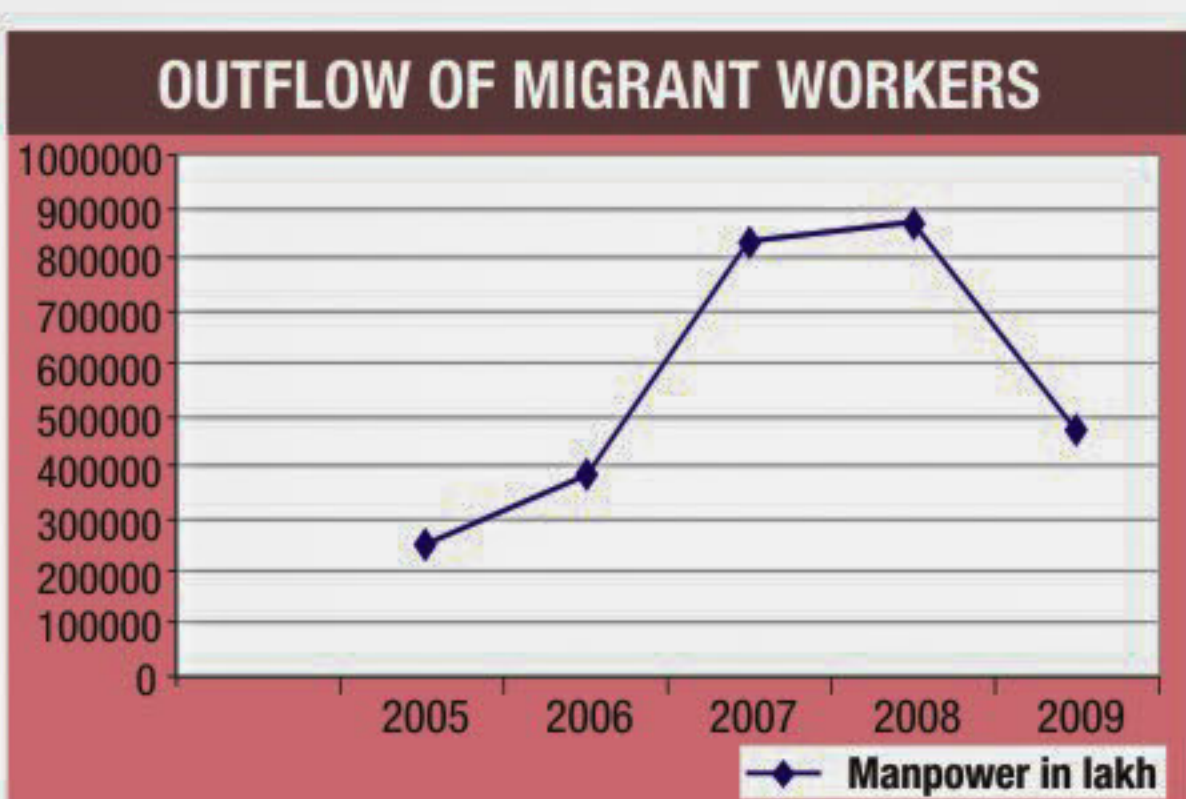
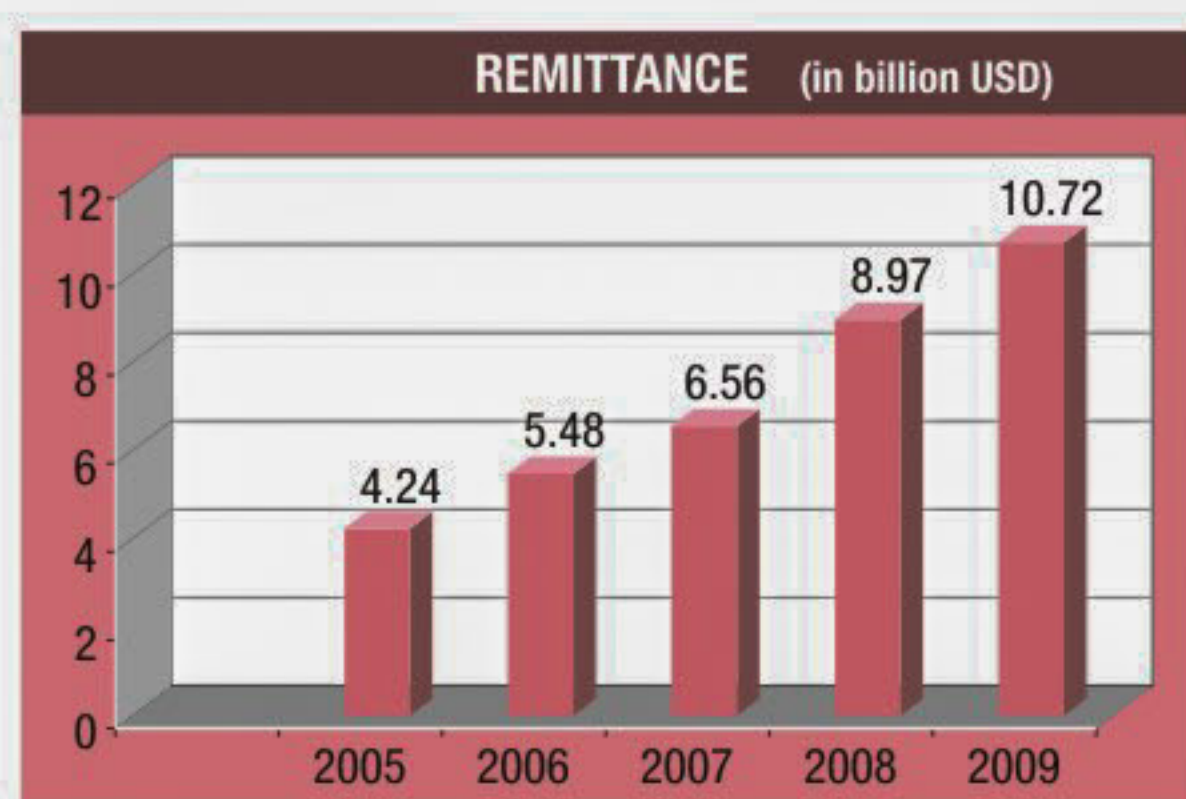
Meanwhile, Warid officials have expressed concern fearing a big job cut after Airtel's taking over of majority stake in the operator.

"We are worried as Warid is already overstuffed," said a mid-level official at Warid Telecom, requesting anonymity.

However, they also expect that a new management might provide them with more benefits.

"We have expectations as well. The new management will give something new," the Warid official said. Presently, there are around 700 employees at Warid. hasan@thedailystar.net

2009 remittance sets new benchmark



REJAUL KARIM BYRON

Remittance crossed \$10 billion mark for the first time in Bangladesh history in the year 2009 because migrants, a main driver of the country's economic progress, sent more money home despite all odds during global recession.

With 20 percent growth, remittance inflow reached \$10.72 billion last year, although the year marked a fall in manpower exports. In 2008, the remittance was \$8.97 billion.

The overseas employment ministry data shows that the number of migrant workers declined 46 percent to 475,278 persons in January-December of 2009. In 2008, the number was 875,055.

The monthly average number of the workers going abroad with jobs almost halved last year from around 80,000 persons in 2008.

Still, the remittance inflow grew 20 percent, turning down World Bank forecast of 12-15 percent such growth for 2009. The international lender in a recent report expressed its fear about low growth on the basis of the declining trend of manpower exports.

Economists and bankers think the financial crisis worldwide has opened up the scope for Bangladesh expatriates to send more money home, as they lost confidence in depositing hard-earned money with foreign banks during their stay in middle eastern and other countries.

Baharul Islam, chairman of Sonali Bank, the second

highest remittance earner among banks, gave all credit to the expatriates who sent money home after passing through many hurdles for the record remittance flow. "Expatriates are great contributors to our economy," he said.

Mustafizur Rahman, executive director of the Centre for Policy Dialogue (CPD), said, "The main cause of more remittance inflow in 2009 is the worry among expatriates about depositing money with foreign banks against the backdrop of global meltdown."

He also pointed to the fact that migrant workers now increasingly tend to send their money to their relatives through official channels, instead of informal ones like 'hundi.' The institutional service providers are also contributing a lot to reach out the remitted amount to the recipients in rural areas, which Mustafiz thinks another reason behind the enhanced reliance on official channels.

Cost of sending money has also reduced significantly in recent times, which also helped raise remittance inflow, the CPD top official pointed out.

Meanwhile, uncertainty has loomed over future manpower export, as big manpower markets Saudi Arabia, Kuwait and Malaysia stopped hiring workers from Bangladesh. However, some new markets have emerged, which include Iraq and Libya.

The government is continuing dialogue with these countries but any positive signal is yet to come.

Bangladesh-India free trade deal takes shape

BSS, New Delhi

Bangladesh and India are planning to sign a free trade agreement as early as 2011.

Trade between the two countries is likely to grow fourfold in five years once the pact is in place, said Kolkata-based The Telegraph yesterday.

The paper said the drill for the FTA is expected to gain momentum after the visit of Prime Minister Sheikh Hasina to Delhi.

Her visit is expected to speed up the FTA process that will open up duty-free export of garments, leather, jute and ceramic products from Bangladesh.

"We are targeting a free trade pact by 2011. We have received positive response from studies that we have carried out on the possibility of a pact," Commerce Minister Faruk Khan told The Telegraph by phone.

SEC moves to correct flawed indexing

REFAYET ULLAH MIRDHA

The Securities and Exchange Commission (SEC) has moved to change the index counting method for a debutant company on Dhaka Stock Exchange to fall in line with international standards, said the SEC chairman yesterday.

From now, the DSE will have to start counting index points from the second day of a company's trade, as the debut day does not reflect the real picture.

The first day of a company's trade on stockmarket does not provide a benchmark from where the points could be counted for the next day, SEC Chairman Ziaul Haque Khandker told The Daily Star.

Trading points will now be counted in a new method for a new company that will start trading on the DSE. It means the points will be counted from the second day of trade.

"I have already asked the DSE authorities to follow the new method in counting the index points for a debutant company," Khandker said.

"The new method falls in line with the international standards of index counting."

The SEC chief said that if the bourses count a company's debut trading with the previous day's average benchmark points, the index rises "very high", which is a wrong calculation.

The result is, the investors -- especially the new comers -- feel tempted to invest, influenced by the higher position of the index.

On the debut day of Grameenphone, the DSE counted in the face value of Tk 10 instead of Tk 70 per share. As a result, the index point increased manifold.

DSE General Index (DGEN), the benchmark index, skyrocketed by more than 764 points, or more than 22 percent on Grameenphone's debut. The lone telecom company on stockmarket added more than 700 points alone.

With the landmark jump in the key indices, the DGEN crossed the 4,000-mark for the first time and finally closed at 4,148.11 points.

On the other hand, Chittagong Stock Exchange (CSE) did not count the index points of GP on the first day of trading, which helped investors get a correct picture.

He said the SEC would sit in meetings with the DSE authorities soon to decide on how to correct the indices that had been counted in a wrong method.

Yawer Sayeed, managing director and CEO of asset management company AIMS of Bangladesh, said any mistake on the stock market should be corrected soon, before international market players assume that Bangladesh is unaware of the best practices.

"The DSE should take the average index of any year. It may be 2005 or 2006 as a base-year for correcting the index of the DSE," he said.

Earlier in 2002, the DSE changed its indices, he said. "Changing the indices is not a difficult task, but the benefit is immense." reefat@thedailystar.net

Light engineering fair starts Thursday

STAR BUSINESS DESK

A four-day international light engineering products and technology fair begins in Dhaka on Thursday.

Bangladesh Engineering Industry Owners' Association (BEIOA) will organise the fair in collaboration with ASK Trade and Exhibitions at Bangabandhu International Conference Centre.

The goal of BIET 2010 is to make the light engineering entrepreneurs aware of technology and facilitate technology transfer between local and international companies, the organisers said at a news conference at the National Press Club.

Around 100 companies, including 25 from India, China, Singapore, the UK, will occupy the 148 stalls.

Happy New Year!

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