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(Friday closings)

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Gold ▼
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(per ounce)

Oil ▼
\$75.15
(per barrel)
(As of Friday)

SOURCE: AFP

News in Brief

Garment workers demand minimum pay hike to Tk 5,000

STAR BUSINESS REPORT

Bangladesh Garment Workers Unity Council yesterday announced a 90-day programme to press a series of demands, including a raise in minimum wage to Tk 5,000 from the existing Tk 1,662.50 per month.

The two other major demands by the platform of garment workers are amendments to Bangladesh labour law and reversing the move to introduce industrial police.

At a press conference at Dhaka Reporters Unity, Towhidur Rahman, president of Bangladesh Poshak Shilpa Samikha Federation, said workers can hardly purchase enough food with the salary they get now.

"So, it is our demand to increase the minimum pay to Tk 5,000 a month."

Meanwhile, Ikteder Ahmed, chairman of Minimum Wages Board, convenes its first meeting today to review minimum pay for garment workers.

"I have already informed all the members of the board to attend the meeting," he told The Daily Star. The Minimum Wages Board for garment workers was formed in 2006.

Nazma Akter, a member of the board, said the prices of basic commodities almost doubled from 2006.

"So, it is a must to review the minimum wages of garment workers for their survival."

Global financial stability watchdog eyes Obama reform

AFP, Geneva

The international Financial Stability Board said Saturday that it was considering banking reforms like those planned by the Obama administration to cut the risks posed by big bank failures.

The FSB, a reinforced body set up by the G20 group of leading economies last year to coordinate regulatory reform in the wake of the financial crisis, said it would publish its full recommendations in October 2010.

In a statement, the body chaired by Italian central bank chief Mario Draghi welcomed the US plans announced on Thursday and criticised by analysts who believe they could damage US finance and global investment.

"The proposals announced by the US are amongst the range of options and approaches under consideration by the Financial Stability Board (FSB) in its work to address the moral hazard risks posed by too-big-to-fail institutions," it said.

RMG trade shows in India in April

REFAYET ULLAH MIRDHA

Bangladesh is going to hold single country trade fairs of readymade garment (RMG) and textile products for the first time in four Indian big cities in April, which businesspeople see as an icebreaking initiative to increase bilateral trade volume.

"Mumbai, Delhi, Bangalore and Hyderabad are the cities where such fairs will be organised," said Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association.

This trade body of Bangladesh and Indian state-run Apparel Export Promotion Council (AEPCC) agreed to organise such a big exposition, following the recent visit of Prime Minister Sheikh Hasina to Delhi. Her entourage included a high profile business delegation, which had BGMEA representation.

Business between the two countries among other things came up for discussion during Hasina's January 10-14 official visit to the next door neighbour.

BGMEA chief further said, "In connection with organising the fairs, an AEPCC team is scheduled to

arrive in Dhaka in the first week of February."

In another development, India agreed to augment the imports of apparels to 14 million pieces from 8 million pieces now with a zero tariff benefit every year. Dhaka is entitled to such duty-free benefit from Delhi under a pact for free trade, or Safta (South Asian Free Trade Agreement).

During AEPCC team's stay in Bangladesh's capital city, it will also visit the BGMEA Institute of Fashion and Technology (BIFT). It, as per an understanding during Dhaka's business team's Delhi visit, may reach an agreement with BIFT to extend technical support in developing innovative fashion and design in Bangladesh's garment items, Murshedy said.

Bangladesh will mainly showcase woven (pants and basic shirts) sweater and knit items in the fairs.

"I am hopeful that this time apparel business will pick up with India as it has \$27 billion domestic clothing market with 18 percent annual growth rate. India needs to outsource garment items from its neighbouring country," BGMEA chief said. reefat@thedailystar.net



(In the background, from left to right) Sanjeev Chadha, regional CEO of PepsiCo, Khurshid Irfan Chowdhury, general manager of Transcom Beverages Ltd (TBL), Katrina Kaif, an Indian film actress, Latifur Rahman, chairman and managing director of TBL, Arshad Waliur Rahman, director of TBL, and Praveen Someshwar, chief operating officer, and Deepak Iyer, executive director, North & East, PepsiCo, pose for photographs at an award giving ceremony in Thailand recently. (Front, from left to right) Golam Quddus Chowdhury, executive director and CEO of TBL, and Tejinder Khurana, country manager of PepsiCo, are also seen.

Paint makers continue double-digit growth

Competition is expected to intensify as RAK Group plans to enter market

SAJJADUR RAHMAN

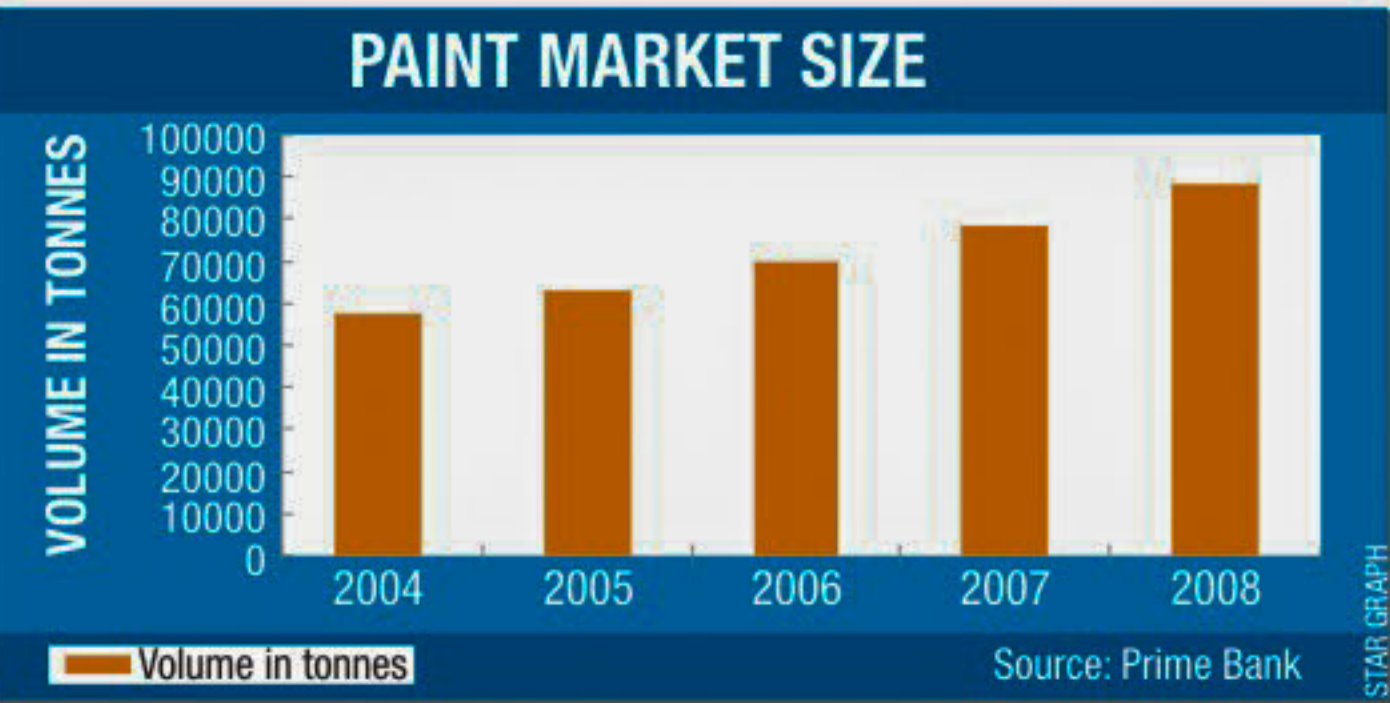
Bangladesh's paint industry has been growing at a double-digit rate for the past several years riding on the increasing demand from the construction sector, market players said.

A recent study reveals its market size based on demand is estimated at Tk 1,000 crore and domestic production capacity Tk 920 crore. Leading private commercial bank Prime Bank conducted the study.

The demand-supply gap, according to the study, is Tk 80 crore.

"We believe there is still good prospect for paint industry here. It is growing constantly," said Sangam Lal, chief financial officer of RAK Group, a UAE-based conglomerate that has been working on setting up a paint factory in Bangladesh.

The Tk 50-55 crore factory is



likely to go for commercial production by the year-end.

Only a few players Berger, Asian, Roxy, Pailac, Aqua and Elite etc are operating in the market with over 90 percent market share.

The Prime Bank study shows Berger alone holds 48 percent market share, followed by Asian Paints 12 percent, Roxy 10 percent, Pailac and Aqua each 7 percent and Elite Paints 5 per-

cent. Uzala and Navana paints are also in the market.

Market leader Berger grew by 25 percent in 2008 and Asian Paints that entered the market in 2002, whooping 50 percent.

The local housing industry, which grew 20 percent last year, may do well this year, despite internal and external obstacles.

Shipbuilding and automobile industries also consumed a good amount of paints, market opera-

tors said, without giving a specific percentage.

Key products that hold the major market shares are: plastic emulsion, distemper, outer coat (weather proof), synthetic enamel etc.

Plastic emulsion and distemper are close substitute of each other. Emulsion is basically used in high-end residence all over the country and distempers are economy class products having a demand in semi-urban and rural markets. Weather coat is growing very fast and presently hold 20 percent market share.

Touhidul Alam Khan, executive vice president (corporate banking) of Prime Bank, sees a good business prospect for new comers, as there is a gap in demand and supply.

Khan identified several reasons for the growth, which include growth in real estate sector, gradual increase in awareness of pres-

ervation of houses, widening urbanisation, availability of house loans and shift from semi-permanent to permanent housing structure, growth in shipbuilding industry and consistent growth of the economy at around 6 percent for the past five years.

Rupali Chowdhury, chief executive of Berger Paints Bangladesh, however, believes the market is already crowded and there is little business opportunity for the new entrants.

She said Berger has 50-55 percent market share in Bangladesh.

"Maintaining quality has helped the company to hold the market leadership," she told The Daily Star.

However, Sangam Lal of RAK Group, said they are confident about grabbing a market share in the paint industry in Bangladesh. sajjad@thedailystar.net

Transcom Beverages wins PepsiCo award

STAR BUSINESS DESK

Transcom Beverages Ltd (TBL), the franchisee of PepsiCo International, has won the "Bottler of the Year Award" for 2009 in PepsiCo International Annual Conference in recognition of its outstanding business results.

Latifur Rahman, chairman and managing director of TBL, received the award from Sanjeev Chadha, regional CEO of PepsiCo, and Katrina Kaif, an Indian film actress, at a function in Thailand recently, said a statement.

Transcom Beverages, which won the award for the third time, bottles, distributes and markets all PepsiCo brands such as Pepsi, 7up, Mirinda, Mountain Dew, Slice, Diet Pepsi and 7up Light in Bangladesh.

Present on the occasion from TBL were Arshad Waliur Rahman, director, Golam Quddus Chowdhury, executive director and CEO, and Khurshid Irfan Chowdhury, general manager.

Tejinder Khurana, country manager of PepsiCo International, and Goutam Bhattacharjee, territory development manager of TBL, were also awarded with "Ring of Honour" for their performances in 2009.



A family takes a tour of Dhaka International Trade Fair 2010. The fair, which stepped into its last week yesterday, is receiving a warm response from urban shoppers.

NBR plans e-pay for income tax

SAYEDA AKTER

The National Board of Revenue (NBR) is set to introduce an e-pay system for income tax payers in July to reduce government revenue losses and taxpayers' hassles.

The board sent a letter to Bangladesh Bank (BB) in this regard, requesting amendments to treasury rules. The treasury rules need to be revised to be able to accept e-payment, along with cash and cheques.

"If we can initiate the e-payment system, it will help people pay tax without hassles," said Nasiruddin Ahmed, chairman of the board.

"This will help us resolve procedural complexities and rescue large sums of revenue that the government losses every year."

"We will introduce the system in phases. Initially, we will start by bringing large and corporate taxpayers under the system. All stakeholders have agreed to cooperate to introduce the on-line tax payment system," he said.

The NBR introduced the online tax filing system this month, which can work effectively once authorities launch online tax payment. NBR will be able to verify daily tax payment statistics for individuals and companies in its tax circles after the system is introduced.

NBR will be able to make faster moves and revise policy measures after examining the trends in tax payment, as the system will bring transparency to tax administration.

Currently, the NBR obtains data from its different zone offices to see the tax payment status and review trends, which is time-consuming. Additionally, taxpayers often complain about harassment by tax officials.

Bangladesh's tax GDP ratio is one of the lowest in the world and even in the South Asian region, mainly due to complicated tax laws and anomalies in the board's operations.

However, the government has taken several moves to simplify the system and increase revenue collection.

Meanwhile, the NBR recorded 14 percent growth in revenue collection in the July-November period of the current fiscal year, compared to the same period last year due to improved taxation.

Total revenue for the period stood at around Tk 21,309 crore, of which, around Tk 4,272 crore came from income tax, Tk 7,649 crore from VAT and Tk 8,816 crore from customs duty, according to NBR. sayeda@thedailystar.net

Bharti Airtel posts small profit rise

OUR CORRESPONDENT, New Delhi

India's largest mobile phone operator Bharti Airtel recorded a small rise in quarterly revenue and profit as a fierce price war in the explosively growing cellular market cut into the company's revenues.

Bharti, which has acquired a 70 percent controlling stake in Wariid Telecom, reported net profit of \$478.4 million under American accounting standards in the fiscal third quarter to December as revenue rose to \$2.1 billion.

While net profit rose by 2 percent for the quarter from a year earlier, revenue increased by 1 percent.

"Bharti Airtel continues to ensure a robust market share despite the hyper competition," said the company's Chairman Sunil Bharti Mittal in a statement.

India has a total of 14 cellphone operators compared with just two state-owned a decade ago.

India's mobile phone market in urban areas have reached almost a saturation point but the vast rural market is waiting to be tapped which is a lucrative area for new entrants, telecom industry analysts say.

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