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Stocks

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Asian Markets

MUMBAI	▼ 1.18%	16,163.44
TOKYO	▲ 1.63%	10,371.09
SINGAPORE	▼ 0.56%	2,720.87
SHANGHAI	▼ 0.23%	2,934.18

Currencies

	Buy Tk	Sell Tk
USD	68.65	69.65
EUR	94.00	98.16
GBP	107.97	112.36
JPY	0.74	0.79

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▲	\$1,109.00 (per ounce)
Oil	▲	\$73.35 (per barrel) (Midday Trade)

SOURCE: AFP

News in Brief

Western Marine links deal with Dutch firm

STAR BUSINESS REPORT

Leading shipbuilder Western Marine Shipyard has signed a deal with Dutch company Winteb VOF to import equipment to build eight multipurpose cargo vessels for a German company.

Under the deal, Western Marine will import 'Air-Vent Heads' from Winteb to build ships having capacity of 5,200 dead weight tonnage (DWT).

All the ships are expected to be delivered to the buyer by March 2011, an official said.

Albert Vander Velde, managing director of Winteb, and Md Shakhawat Hossain, managing director of Western Marine, signed the deal.

"This deal will enable us to deepen bilateral co-operation between the two countries," said Hossain.

"We hope to hand over six ships in 2010 and the remaining two by March next year."

The deal was signed during the visit of a 10-member Dutch delegation led by Harry Th Pronk, export manager of Dagin Marine Technology at the shipyard in Potia, Chittagong.

Doris Voorbraak, acting Dutch ambassador to Bangladesh, and representatives of various Dutch companies were in the team.

"Western Marine as a world class company will lead Bangladesh in the global shipbuilding sector," Harry Th Pronk said during the visit.

Voorbraak said the Netherlands would take necessary steps to improve Bangladesh's shipbuilding industry.

Abdul Mobin, director (shipyard) of Western Marine Services, delivered vote of thanks at the programme.

Western Marine Shipyard Ltd started its operation in 1994 under Western Marine Group.

GP, Banglalink team up for low-cost rural links

MD HASAN

Mobile operators Grameenphone and Banglalink have joined forces to share network infrastructure to take services at low costs to the untapped rural market.

The partnership will help Banglalink expand its outreach via GP's infrastructure.

Network-sharing between the two big players that occupy a combined 70 percent share of the six-operator market will help both minimise infrastructure costs by utilising resources together.

The announcement came at a time when Indian giant Bharti Airtel is set to debut in Bangladesh with the fourth largest operator Warid Telecom, targeting untapped rural customers as well.

"The deal is part of an aggressive strategy to roll out networks together in the rural market," said an official. Grameenphone and Banglalink together serve 37.13 million customers out of the 52.43 million mobile subscriber market.

According to a posting by Grameenphone to the Dhaka Stock Exchange (DSE) website yesterday, "Grameenphone Ltd (GP) and Orascom Telecom Bangladesh Ltd (Banglalink) signed an agreement on February 1 to share GP's telecom infrastructure to expand Banglalink's network across the county."

This initiative will mutually benefit both operators in terms of providing faster and cost effective services to subscribers. It is believed that infrastructure sharing agreements such as this will ensure sustainable utilisation of national resources, according to the announcement.

Grameenphone shares increased 2.64 percent to Tk 286.80 on DSE yesterday.

"We are happy to share our infrastructure with Banglalink, in line with BTRC's infrastructure guidelines. We also thank BTRC for taking a lead and advocating such sharing among operators," said Oddvar Hesjedal, Grameenphone chief executive officer.

"I strongly believe that this is a partnership that will benefit the industry as a whole and also enable Banglalink to roll out its network faster and cost effectively. More importantly, such kind of infrastructure sharing optimises utilisation of a scarce national resource," said Hesjedal.

Banglalink, which traditionally practises an aggressive marketing strategy, has recently announced a plan to raise Tk 425 crore through bonds to update its network to firm up a foothold in the future data market.

"To ensure the best interests of customers, the country's two largest telecom operators have joined hands, which will utilise the best possible resources. Customers of both the companies will enjoy better services in terms of network," said Ahmed Abou Doma, managing director and CEO of Banglalink.

Bangladesh's mobile penetration rate is only 34 percent, which mainly remains an urban-dominated market. The operators are unwilling to roll out their rural networks due to poor business returns.

Each operator will have to spend a minimum of Tk 40,000 to a maximum of Tk 80,000 a month to run a single base transceiver station (BTS), which can handle around 3,000 calls at a time.

Infrastructure to be shared includes BTS, spectrum, antenna, feeder cable, radio access network, microwave radio equipment, billing platform, switching centres, router, base station controller, optical fibre access and backbone transmission network and database.

hasan@thedailystar.net



Models walk the ramp at a fashion show at the seventh Dhaka International Textile and Garments Machinery Exhibition 2010, a four-day annual fair that kicked off at Bangabandhu International Conference Centre in Dhaka yesterday.

Machinery suppliers see better prospect for Bangladesh apparel

STAR BUSINESS REPORT

A brighter future for Bangladesh in global apparel business is ahead, as international textile machinery suppliers observed yesterday.

Pointing to the significant decline in demand for high-end garment products amid financial crisis worldwide, Denise Lee, vice-president of Flying Tiger, a Taiwan-based knit machinery supplying company and a participant, told the inaugural of an international fair: "Bangladesh can supply garment items at a low price due to some advantages like cheap and available labour besides the capacity of

making basic items."

The annual seventh Dhaka International Textile and Garments Machinery Exhibition 2010 will continue for four days at Bangabandhu International Conference Centre.

Like Lee, many a participant points to the fact that countries like China, Turkey, India and Pakistan are losing competitiveness for higher wages to workers and shifting of production to the high-end garment items.

Pointing her finger at the exhibition, Lee also said such a mega event is also a reflection on how Bangladesh's garment makers are progressing.

The speakers, particularly

representatives from the firms participating, said Bangladesh, being the third largest supplier of garment products, followed by China and Turkey, has a chance to be second in near future if the potentials could be properly tapped.

But, the government should create an investment-friendly environment and build infrastructures for smooth running of business, they added.

Chan Chao International Company Ltd, a Taiwan based event management company, organised the fair where 570 companies from 30 countries are showcasing their machineries in 750 stalls.

In his inaugural speech,

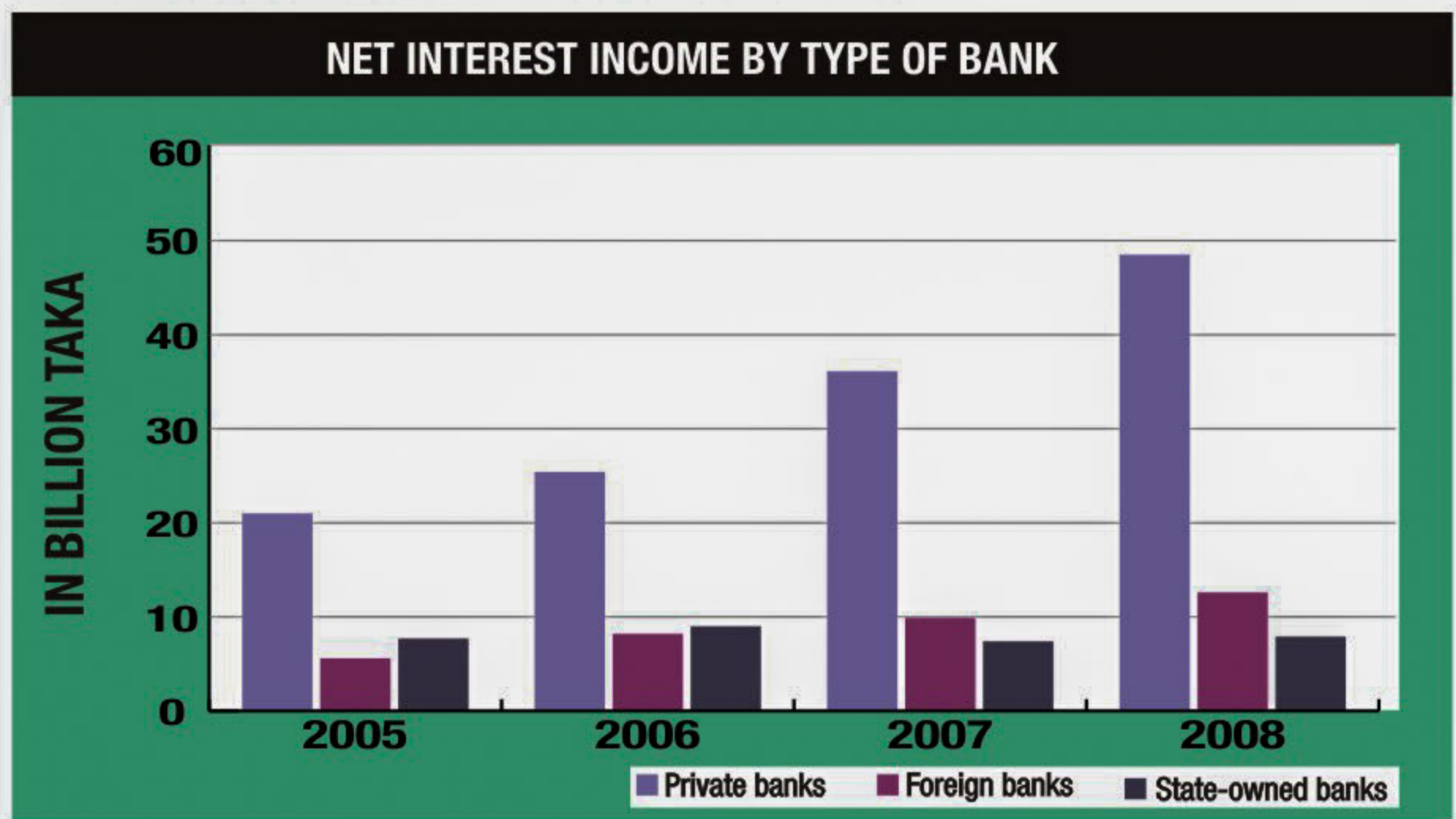
Abdul Latif Siddique, textiles and jute minister, asked the apparel manufacturers to shift their focus to production of value added items from the basic items to create more profit and more employment.

Dilip Barua, industries minister, said a wider scope for more investment has been enshrined in the upcoming industrial policy.

Abdul Hai Sarker, president of Bangladesh Textile Mills Association, also the co-organiser of the fair, said the industrial sector is now hit hard by the low pressure of gas.

"As a result, we could not exploit the potentials of the sector," Sarker added.

Banks experience high growth on interest income



SAJJADUR RAHMAN

The banking industry has been witnessing an incredible growth in net interest income (NII) since 2005 mainly because of the high interest private and foreign banks charge on loans.

Such income in a period stretching from 2005 and 2008 has more than doubled. The figure stood at Tk 7,090 crore at the end of 2008.

A senior official of Bangladesh Bank assumed the amount might cross Tk 8,000 crore on the final calculation of the NII last year.

NII is a difference between the interest payable to any bank for borrowing and the rate of interest any bank has to pay its client for depositing money.

The central bank pointed out in its recently-released annual report for 2008-09: "NII trends indicate that private and foreign banks charge

high interest on loans compared to the rate those pay to depositors."

In 2008, private banks' net income from interests against lending rose to Tk 4,850 crore from Tk 2,100 crore in 2005. The amount of NII the foreign banks earned in the year stood at Tk 1,260 crore, while it was Tk 560 crore in 2005.

Of the 48 scheduled banks in Bangladesh, 30 are private commercial banks, nine foreign banks, nine state-run banks -- four commercial and five specialised.

These banks, particularly private and foreign ones, are blamed for charging high lending rates by different quarters, including the country's central bank.

BB annual report shows that advances constitute 63.6 percent of the aggregate assets of banks, while

deposits account for 77.3 percent of their liabilities.

Meanwhile, spread (gap between lending and deposit rates) still remains over five percentage points, despite BB's mounting pressure for a cut.

An economist and researcher's view on the issue is almost similar to the one expressed by Bangladesh Bank.

The situation arises, Zaid Bakht thinks, as a result of the public sector banks' failure to provide quality services their private sector counterparts offer to the customers.

"Although there are many banks, a few dominates the industry," said Bakht, the research director of Bangladesh Institute of Development Studies. sajjad@thedailystar.net

Hoteliers cheered by SA Games

SAYEDA AKTER

Hoteliers are experiencing brisk sales because of the ongoing South Asian Games, hosting more than 2,500 guests.

Local five-star and three-star hotels are likely to earn nearly Tk 50 crore from room revenue and sales of food and beverages. At the same time, earnings for plush guesthouses in Bangladesh will also be impressive, said industry insiders.

The 11th South Asian Games, one of the largest sporting events in Bangladesh, kicked off on January 29 at Bangabandhu National Stadium. A total of 1,793 players from member countries of the South Asian Association for Regional Cooperation are competing in 23 categories.

Accommodation for the players, officials and journalists has been scheduled on the basis of proximity to the venues, such as athletics, wrestling and table tennis teams are residing in hotels near the Bangabandhu National Stadium.

In addition to staying at hotels in Dhaka when needed, the football and cricket teams will also be residing in hotels in Rajshahi and Chittagong, while the cycling teams have checked into hotels in Khulna.

While five-star hotels could manage accommodation for less than 40 percent of total guests, the rest have checked into guesthouses in Dhaka, Chittagong, Rajshahi, Sylhet and Khulna.

"The SA games benefits most hotels in the city, including all five-star hotels and high-end guesthouses. Being one of the country's oldest five star hotels, we

received impressive bookings surrounding this event," said MA Awal, sales director of Sonargaon Hotel.

Sonargaon Hotel is hosting a total of 76 people, including all cricket teams and officials for 14 days, which is likely to increase the hotel's monthly sales revenue by 30 percent.

Meanwhile, Dhaka Sheraton is entertaining majority guests, a total of 256 people, and expects to earn more than Tk 3.5 crore in 14 days, said Shahidus Sadique, marketing and communications manager of Sheraton.

Sheraton is carrying all the football and weightlifting teams of the participating nations.

Business is also satisfactory for The Westin Dhaka and Dhaka Regency, as they are entertaining the shooting and hockey teams respectively.

Westin Dhaka's monthly revenue is likely to increase by 20 percent, said hotel management.

With accommodation charges lower than the five-star hotels, three star hotels -- Sarina, Purbani and The Castle -- are also jolly over increased earnings from room revenue and food.

Simultaneously, higher occupancy is benefiting plush and mid-end hotels and guesthouses that expect satisfactory sales.

Around 17 mid-end hotels and guesthouses in and around the country are likely to get revenue worth nearly Tk 10-12 crore by this time, estimate industry insiders.

sayeda@thedailystar.net

Kuwait adopts \$100b plan

AFP, Kuwait City

Kuwait's parliament on Tuesday passed an economic development plan that authorises the government to spend 30 billion dinars (104 billion dollars) on mega projects over the next four years.

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