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|-------------|------------------------|
| Gold | \$1,153.95 (per ounce) |
| Oil | \$85.79 (per barrel) |

Ventura to invest \$8.142m in Karnaphuli EPZ

STAR BUSINESS DESK

A Bangladeshi company will set up a garment-manufacturing factory at Karnaphuli Export Processing Zone at \$8.142 million.

The 100 percent locally owned company Ventura (Bangladesh) Ltd will establish a plant to produce garment items employing over 4,000 people, including 132 foreign nationals.

Md Moyjuddin Ahmed, member (investment promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Sarwar Hossain, managing director of Ventura, signed a deal at Bepza complex yesterday.

Clouds over trade, travel

Shipments to Europe come to a halt as Icelandic volcanic ash shuts airspace

JASIM UDDIN KHAN and SOHEL PARVEZ

Businesses and travellers are left high and dry as travels to Europe have been cancelled or rescheduled, as a large part of airspace in the continent has remained shut for a fourth day.

Fears of further losses deepened in the airline industry yesterday after the towering fountain of ash from an Icelandic volcano showed no signs of let-up.

Foreign airlines operating out of Dhaka are flying with 30-40 percent of seats empty with travels to European destinations coming to a halt.

Also, the airlines have found up to 80 percent of their cargo space unoccupied, as shipments to European countries are on hold, an aviation analyst told The Daily Star.

Airlines here have suspended bookings for European travels until tomorrow. Biman Bangladesh Airlines has one flight grounded in Brussels.

To cope with the situation, Biman is rescheduling its flights to London and Rome. The state-owned carrier operates five weekly flights to London and two weekly flights to Rome.

"We're waiting for signals from Heathrow to start flights. But flight disruption will result in losses to some extent," said Muhammad Zakiul Islam, managing director and chief executive of Biman.

"There will be a huge impact on exports of perishable items," said Kazi Wahidul Alam, editor of aviation newsmagazine Bangladesh Monitor.

"Exporters will miss deadlines for shipments to Europe. This is a peak season for exports."

Shahjalal International Airport handles up to 150 tonnes of cargo, mostly garments, a day.



Goods trucks queue on their way to the cargo terminal of Shahjalal International Airport in Dhaka yesterday. Europe-bound airfreight out of Bangladesh has come to a halt as Icelandic volcano ash spreads over the continent.

David Hasanat, chairman of leading garment maker Viyellatex Group, said: "If this situation continues for long, it will impact the country's shipments."

In a short text message to The Daily Star, Hasanat, now in the German city of Frankfurt because of flight suspension, said: "I have been stuck here for the last two days. No specific news on when the authorities will allow the airport to operate."

"The outcome of the situation will be worse than 9/11."

Travel agents said they are not reserving any seat for Europe-bound travellers, as European airspace is mostly shut.

"We're in uncertainty and do not know how many days it will continue," said Aatur Rahman Khan, secretary general of Association of Travel Agents of Bangladesh (ATAB).

"But if the volcanic ash clears, reservations may start any time."

Travellers to North and South America and the Pacific have been able to fly, he said. USA and Canada-bound travellers, who have tickets via the Middle East, are able to go to their destinations.

Businessmen have also cancelled business meetings and trade gatherings, which may divert some fresh export orders away from Bangladesh.

Bangladesh Garments Manufacturers and Exporters Association (BGMEA) President Abdus Salam Murshedy said many business meetings between BGMEA members and overseas buyers have been cancelled.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) President Fazlul Hoque said exporters book airfreight as they fail to maintain lead-time because of power failures and other local problems.

In the last four months, 3,500 tonnes of apparels were exported

through airfreight. Exporters have to pay \$4 a kilogram for airfreight, while the charge is 30 cents through ship.

The International Air Transport Association's (IATA) initial and conservative estimate of the financial impact on global airlines is in excess of \$200 million a day in lost revenues. In addition to lost revenues, airlines are incurring added costs for re-routing of aircraft, care for passengers and aircraft stranded at various ports.

Logistics services providers and express parcel operators also suspended accepting freight bound for Europe and the US, worrying apparel exporters who usually resort to airfreight to meet lead-time.

George Quiah, cargo manager of Homebound, said they are not taking any airfreight for Europe and USA.

Abul Bashar, chief executive of Bangladesh Frozen Foods Exporters Association, said they would fail to send products to a fair in Brussels.

Alliance Holdings set for IPO under book building

STAR BUSINESS REPORT

Alliance Holdings Limited, a diversified holding company with a dynamic investment portfolio, is set to go public using the book building method, a modern pricing mechanism for initial public offering (IPO).

The company will float 3.5 crore ordinary shares of Tk 10 each and use the raised fund to expand its existing business and venture into new prospective areas in the infrastructure sectors -- power, telecom and shipbuilding.

It will submit its IPO application to the Securities and Exchange Commission this week, the company said in a press statement. RAK Ceramics, a UAE-Bangladesh joint venture, is the first company that uses book building for IPO.

Alliance Holdings, the paid-up capital of which is Tk 100 crore, will organise a road show on Tuesday to display the company's key facts to the institutional bidders.

Alliance Financial Services Limited is the issue manager of the IPO.

Alliance Holdings earned a consolidated net profit of Tk 77.44 crore in 2009 with diluted earnings per share of Tk 7.69.

The company has interests in a wide range of industries, including container terminals (off-dock), pre-engineered steel buildings, real estate, financial institutions, beverages and textiles.

It is involved with some of the well-recognised institutions and brands in the country. These include Summit Alliance Port Limited, a blue chip company in Bangladesh stockmarket, and Global Beverage Company Limited, the franchisee and bottler for Virgin and Zam Zam soft drinks and Shark Energy Drink.

Alliance Holdings is a sponsor shareholder of Industrial Promotion and Development Company of Bangladesh (IPDC) Limited, the first private sector financial institution in Bangladesh.

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