

Stocks score high points

STAR BUSINESS REPORT

Dhaka stocks carried last week's momentum into yesterday's trade, with banking and energy securities leading the rally.

The benchmark index of Dhaka Stock Exchange -- DSE General Index -- gained 78.53 points, or 1.36 percent, to 5,825.88.

After gaining more than 6 percent last week, the banking sector advanced 3.67 percent yesterday, as investors are still expecting an announcement of denomination of share face value by more banks.

Around 10 banks have so far proposed or decided to convert the face value of their shares from Tk 100 to Tk 10.

"Changing face value will only leave a psychological impact on share prices, as there will be no difference in the

companies' fundamentals or financials," said a stockbroker.

Al-Arafah Islami Bank, which jumped 14.76 percent, and Pubali Bank, which went up 12.35 percent, finished as the two top gainers on the DSE yesterday, while other eight banks gained more than 5 percent.

The energy sector followed banks. After gaining more than 6 percent last week, the sector gained 3.21 percent yesterday.

The big gainers were Padma Oil with an 8.15 percent rise, Jamuna Oil with 6.79 percent, Titas Gas with 4.81 percent, BOC with 3.46 percent, Power Grid with 2.59 percent and Desco with 2.25 percent.

The miscellaneous sector also contributed to the overall market's rise. The movement of this sector was mainly due to a 14.82 percent price

increase in Berger Paint's shares. Beximco was the second contributor to the sector with a 5.15 percent increase in its share price.

Advancers beat losers 157 to 83 with three securities remaining unchanged on the premier bourse.

Turnover stood at Tk 1,892.14 crore on a transaction of 4,87,42,785 shares and mutual fund units.

Chittagong stocks also gained with the CSE Selective Categories Index increasing 153.34 points, or 1.41 percent, to 11,016.65.

A total of 51,18,184 shares and mutual fund units worth Tk 122.01 crore changed hands on Chittagong Stock Exchange.

Of the traded issues, 119 advanced, 56 declined and three remained unchanged on the port city bourse.



Rokia Afzal Rahman, president of Bangladesh Employers' Federation (BEF), speaks at a workshop on "Occupational Safety and Health", organised by BEF and International Labour Organisation, at BEF's conference hall in Dhaka yesterday.



Arshad Huq, chief executive officer of Transcom Electronics, Habibur Rahman Mollah, chief operating officer of Bangladesh Electrical Industries Ltd and Bangladesh Lamps Ltd, and Abdus Salam, head of business unit (electronics and appliance distribution) of Transcom Electronics, launch a consumer promotion campaign for the upcoming FIFA 2010 World Cup, at the Transcom Electronics head office, in Dhaka recently. Under the offer, customers will receive scratch cards upon the purchase of Transtec-brand appliances and get the chance to win attractive prizes.

Demand for recasting RMG wage board

STAR BUSINESS REPORT

A section of trade union leaders in garment sector yesterday demanded immediate recast of the 'minimum wage board' as no workers' representative was appointed in the board for recommending minimum wage for the workers.

Baharane Sultan Bahar, a trade union leader, at a press conference complained that the government appointed General Secretary of Mohila Sramik League Shamsunnahar Bhuiyan as a member of the wage board from the workers' representatives violating labour laws.

He urged the government to exclude Shamsunnahar from the board, as she is not a leader of the garment sector's trade unions.

"We will go on strike if the government does not exclude Shamsunnahar from the board within the next seven days," he said.

Bahar, representing 21 trade unions in garment sector, said he would submit memoranda to the labour and employment ministry and other offices demanding her removal.

"Bangladesh's labour law does not support this kind of appointment," he said.

According to the law, the government will appoint workers' representative in the wage board from the workers.

ICCB backs coal for power

STAR BUSINESS DESK

The International Chamber of Commerce-Bangladesh (ICCB) yesterday stressed the need to diversify sources of power generation and rely on local coal as a solution to the energy crisis.

In the editorial of its news bulletin, ICCB said Bangladesh should move away from gas, now the major source of power.

The country should also look at imported coal and LNG as long-term solutions, according to ICCB.

"There is a strong correlation between energy use and GDP at the early stages of economic growth. For Bangladesh to grow at rates of about 8 percent, the availability of power must increase at a much greater rate."

Currently, per capita power consumption in Bangladesh is the lowest in the region -- only 183 kWh compared to 325 kWh in Sri Lanka, 408 kWh in Pakistan and 665 kWh in India.

Only about 47 percent people in Bangladesh have access to electricity, but even that is irregular in supply. Most of the power generation is mainly based on natural gas, on the assumption of its plentiful reserve, ICCB said.

"Now, it is found that the existing gas supplies may last little over a decade more. The demand for gas increased exponentially, with the growth of the manufacturing sector, leaving the power plants with less gas than is required."

"The outcome is what Bangladesh is facing now -- massive load shedding sometimes to the extent of about 1,800MW," it said.

The two major inputs are available domestically for power generation -- gas and coal. The gas supply is currently just under 2,000mmcf, against demand for over 2,200mmcf.

The existing gas fields have limited ability to supply gas. It is believed that there are extensive reserves of unexplored gas, which will be discovered with "exploration". However, the cost of exploration has increased in the recent past, while capital has become scarce, ICCB said.

As the quality of coal is excellent that has

an estimated reserve of about 3,300 million tonnes where 884 million tonnes are proven reserves, there is strong justification for its use in power generation.

"Countries that have coal use it for power generation. In India, 64 percent of power comes from coal, whereas in China it is 81 percent and in Australia it is 76 percent," it said.

Forty-nine percent power comes from coal in the US whereas it is 94 percent in South Africa.

Bangladesh is a rare example in this case that does not use its coal in such significant quantities for power, ICCB said.

ICCB said the government's plan to add more than 9,276 MW additional electricity to the national grid by 2015 is an ambitious one considering the country's annual break-up of additional generation.

The chamber also said if this plan is translated into concrete action, it would help overcome the current power shortage.

The sector needs colossal investment for power generation, transmission and distribution along with hydrocarbon exploration and exploitation, it said.

In all these areas, ICCB suggests, the government must not only be innovative, but also bold and decisive, the chamber said by adding that the country should adopt a policy of "zero tolerance" to any obstruction to this policy.

It also said Bangladesh could learn from the experience of the Philippines in overcoming its power shortage in less than two years and the success story of the West Bengal.

The current climate for project finance is uncertain, as global economy recovers from the recession. Yet, given Bangladesh's foreign currency reserves and the latest credit rating, the task of finding finance should not be insurmountable.

ICCB said it is vital that the private sector be allowed to participate in establishing power plants with their own sources of finance, within a framework that is realistic.

VoIP to open up in months

Says telecom minister

STAR BUSINESS REPORT

Any operator can handle international calls through voice over internet protocol (VoIP) technology within three months under a licensing regime, Telecom Minister Rajiuddin Ahmed Raju said yesterday.

"We have already made an announcement to open up the technology. It will open up finally after the Telecom Regulatory Act 2010 gets the parliament's nod," he said, adding that the act is expected to get through parliament during the budget session.

"Anyone can terminate calls through the technology under a licensing regime. We are working on it so that we can open the technology as soon as possible," said the minister.

He was speaking at a press meet at National Press Club in Dhaka to announce the programmes of World Telecommunication Day to be observed today.

Around 60 million minutes of international calls are made to and from Bangladesh a day. Industry people say

more than 35 percent of the total calls are still routing by the illegal VoIP operators.

VoIP has become a lucrative business as the technology offers international calls at charges much lower than that of the legal calls. Hundreds of people have been engaged in this business.

The minister also reiterated the government's plan to launch Bangladesh's own satellite within the next three years.

"We have already started talks with different countries, including the US, to help us launch our own satellite," he said. In line with the government plan, the satellite project will be under public-private partnership.

"Money will not be a problem as we have already received a good response from the donors," he said, adding that the cost would be \$300 million to \$400 million.

The satellite will serve commercial purposes and improve telecom services. Telecom operators will be able to subscribe to satellite services on a commercial basis, the minister said.

Replying to the journalists' query

about the recent move to take decision-making authority off the regulator, he said: "We will just examine the decisions that will be finalised by the BTRC."

A group of experts will examine the decisions of Bangladesh Telecommunication Regulatory Commission (BTRC). But the minister did not say who the experts are to scrutinise such technical decisions.

The cabinet approved amendments to Bangladesh Telecommunication Regulatory (Amendment) Act 2010 and International Long Distance Telecommunications Services (ILDTS) Policy 2010 recently.

Telecom ministry officials said if the amendments get through parliament, the ministry will have the authority to issue and renew licences, approve services and fix the telecom operators' proposed tariff for the market.

The move to give the ministry more clout comes at a time when the country is poised for a leap in the booming information and communication technology sector.



Jim McCabe, extreme left, chief executive officer (CEO) of Standard Chartered Bank for Bangladesh, receives a cheque for \$68,000 for its local project, Seeing is Believing, from Carolyn Ann Millington and Elisabeth Knudsen, two golfers of Annual Ladies' Golf Tournament in Qatar, at a programme in Dhaka recently. David Godwin, extreme right, the bank's CEO for Qatar operation, is also seen. Standard Chartered Qatar donated the fund.

NCC Bank to add 100 ATMs

STAR BUSINESS REPORT

National Credit and Commerce Bank plans to open 100 ATM booths in Dhaka by June 2011 to ensure round-the-clock money withdrawal for clients.

Nurul Amin, managing director of the bank, made the announcement yesterday at a press conference organised at the bank's head office to celebrate its 17th founding anniversary.

NCC Bank Chairman Yakub Ali Montu and Vice Chairman Md Harunur Rashid responded to queries made by reporters.

In addition to their own ATMs, clients can use the ATMs of some other banks through syndication, Amin said. However clients will have to pay a fee of Tk 10 to use the ATMs of other banks, he

said. At present, the bank has 67 ATM booths.

"We will be able to prompt clients through SMS regarding any urgent matters and they can also update their account related information," he added.

"We will be able to provide various reports and promptly remind the clients through SMS issues that call for immediate attention for account related information," the MD said.

"As a result of these services, our clients will be able to make all sorts of financial transactions through the internet, from any location."

At the press meet, the MD projected the bank's performance in different areas. He said in the first quarter of the

current fiscal year, they recorded profits of Tk 78.64 crore, which is 32 percent greater than the same period of the last year.

He also said the bank began operations with paid-up capital of Tk 19.5 crore in 1993. At the end of March 2010, its paid-up capital stood at Tk 228.49 crore.

Amin said overall economic development of the country without adequate power is difficult. "We provided loans of Tk 323 crore to set up three power plants, which are generating 69 megawatts of power." NCC Bank is also participating in bank loan syndicates that are financing power projects.

NCC Bank is playing a pioneering role in bringing in remittance. "We have taken special measures to bring remittance from Japan."



Berger Paints Bangladesh Managing Director Rupali Chowdhury and HSBC Chief Executive Officer Sanjay Prakash exchange documents after signing a deal in Dhaka recently. The bank will promote Berger products and home décor services to its home loan customers and offer reduced interest rate for home and personal loans to home décor customers of Berger Paints.

Internet down for hours

STAR BUSINESS REPORT

Internet and overseas telecom services were disrupted for around two and a half hours yesterday, as the optical fibre line of Bangladesh Telecommunications Company Ltd (BTCL) snapped at Chiringa near Cox's Bazar.

The connection was restored at around 3pm with the alternative fibre optic connection of Power Grid Company of Bangladesh (PGCB).

The BTCL optical fibre line connects Dhaka to the Cox's Bazar submarine cable's landing station and takes the nation to the information superhighway. It serves as the backbone of international communication, while satellite services act as a backup with limited bandwidth.

Monwar Hossain, managing director of Bangladesh Submarine Cable Company, said, "The internet-based services will not suffer anymore as we have taken a backup already."

Singapore Airlines to run new aircraft from Dhaka

STAR BUSINESS DESK

Singapore Airlines will introduce its new Airbus A330-300 aircraft on its Singapore-Dhaka route from July 1, the airline said in a statement.

The twin-engine wide-bodied aircraft features the brand new incline lie-flat business class seat, laid out six abreast in a forward-facing 2-2-2 configuration, the statement added.

"The introduction of the aircraft on Singapore-Dhaka

route heralds a new era of travel experience for Bangladesh. With it, our customers here will be offered yet another new level of product and service that is synonymous with the hospitality and service standards of Singapore Airlines," said Malcolm Leong, general manager for Bangladesh of Singapore Airlines.

The airline's economy class passengers can also look forward to its latest economy class seats that are

available at its B777-300ER and A380 aircraft.

The passengers will also enjoy the new KrisWorld facility, its award-winning in-flight entertainment system that let people enjoy more than a thousand on-demand audio and video options, on board the new aircraft. The facility will also let passengers use iPod, iPhone and USB port.

The airline flies daily in and out of Dhaka.