

PHILIPS Bluray Player

- Pure aluminum casing with touch-panel controls
- 7.1 Channel Audio Output with DTS Master Audio
- DVD Video up-scaling to Full HD 1080p
- High quality HDMI Cable - absolutely free

Now at BDT 35,500/-

TRANSKOM
DIGITAL
Your Trusted Electronics Retailer

Stocks	
DGEN	0.01% 6,107.81
CSCX	0.01% 11,556.28

Asian Markets	
MUMBAI	0.48% 16,944.63
TOKYO	0.06% 9,768.70
SINGAPORE	0.47% 2,752.60
SHANGHAI	2.40% 2,592.15

Currencies		
	Buy Tk	Sell Tk
USD	68.67	69.67
EUR	83.17	87.18
GBP	97.96	102.20
JPY	0.74	0.78

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	\$1,214.00 (per ounce)
Oil	\$74.40 (per barrel) (Midday Trade)

SOURCE: AFP

Energy fund on track

Govt likely to provide Tk 1,500cr in initial capital

REJAUL KARIM BYRON

A government committee has recommended creation of Bangladesh Energy and Power Investment Fund in an effort to fix the shortage of finance in the power and energy sector.

The government is expected to provide Tk 1,500 crore in initial capital for the project.

A company will be set up to manage the fund, technically known as an infrastructure private equity fund.

In its report submitted to the power and energy ministry last month, the committee said the government can form the fund of Tk 1,500 crore-Tk 2,500 crore under public-private partnership.

The committee put forward a draft of the terms and conditions of the proposed company.

The government will have a 51 percent share of the fund, while the private sector will own the rest.

The 12-member committee headed by Deputy Governor of Bangladesh Bank Ziaul Hassan Siddiqui was formed in October 2009.

The fund will invest in power, energy, hydro-carbon, solar and wind power, biomass and biogas, energy-efficient products, LNG (liquefied natural gas) terminal, and recycling waste into products.

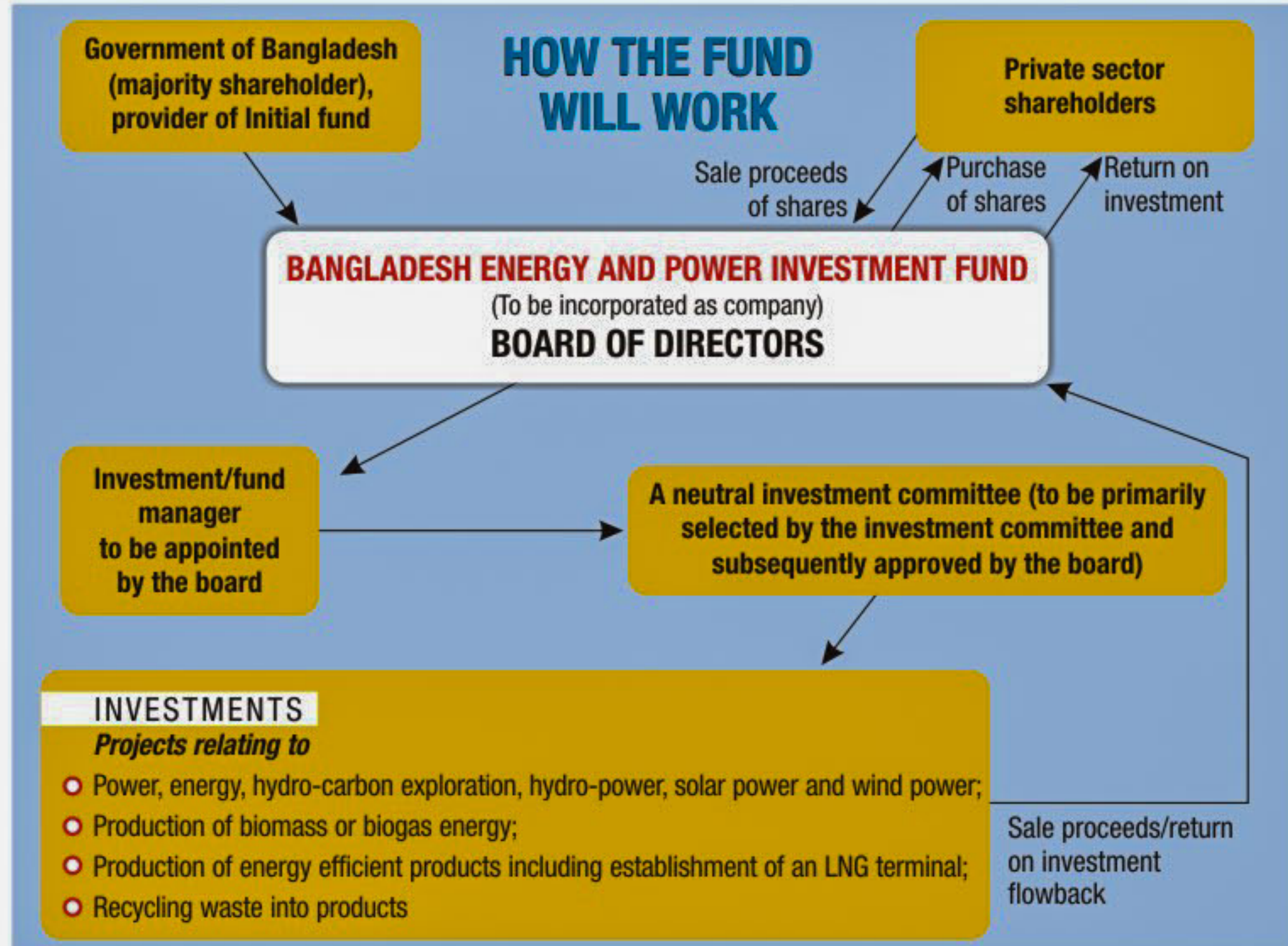
Both public and private entities can be financed under the project. This is not a subsidy fund but a commercially focused one with an appetite for long-term returns, the report says.

The government will appoint a professional fund manager from the private sector to run the fund.

An 'investment committee' composed of five members will be nominated by the fund manager.

The company to manage the fund may invest in listed or non-listed issuers or new projects with sponsors who have established operating track record and positive cash flow and projects sponsored by such type of entities.

The company will generally hold minority



positions in the equity or debt profile of an issuer.

The tenure of the company will be 12-14 years and after that it will be liquidated, according to the report. The projects to be financed by the company will be commercially viable and the profit accruing from it will return to the fund and the profit will be distributed as per stake of the shareholders.

Power and energy ministry officials said a meeting has already been held with the finance minister over the formation of the fund.

The finance minister has asked the officials concerned to work out any possible problems, they said.

The minister has also called for such funds for other sectors, the power ministry officials added. Power Division officials said initially the

government will create the fund with Tk 1,500 crore but ultimately its size would go up. Bonds may be sold to the expatriates and released in the stockmarket for raising the fund.

They said the government considers a provision for whitening black money for making investment in the company.

According to the report, the government needs investment of about Tk 66,000 crore or \$9.5 billion in the next five years for generation, transmission and distribution of power.

The government has declared its vision for power sector to free the country from load shedding beyond 2010 and make electricity available for all by 2020, the report said.

The government has set a target to generate 7,000 megawatts of electricity by 2013 and 20,000 megawatts by 2021.

Costly rebranding cuts into Robi's net profit

STAR BUSINESS REPORT

High costs of rebranding and subscriber acquisition have cut deeply into the net profits of Robi, a new name for AKTEL.

Axiata Bangladesh, the owning company of Robi, has reported a 91 percent decline in net profits to Tk 6.2 crore in the first quarter of 2010, compared to the previous quarter.

In its latest financial report released on Thursday, Robi said profit after tax was impacted by the high rebranding and subscriber acquisition costs.

"An aggressive acquisition drive did see short-term pressure on profitability in the quarter," Axiata said.

However, the profitability increased to Tk 6.2 crore in the January-March period from Tk 2.1 crore in the same period a year earlier.

Axiata has rebranded AKTEL into Robi in March. Initially a joint venture between Telekom Malaysia and the local AK Khan Group, AKTEL launched services in Bangladesh in 1997.

Later, the company was renamed Axiata (Bangladesh) Ltd after Japanese NTT DoCoMo bought AK Khan's 30 percent share in 2008.

According to the financial report, the rebranding campaign increased Axiata's operating costs by 12.3 percentage points in the first quarter.

Against its total earnings, Robi counted 61.6 percent in operating costs in the last quarter of 2009. The figure increased to 73.9 percent in January-March 2010.

The company's revenue earnings declined by 2 percent to Tk 593.6 crore in the first quarter, compared to the previous quarter.

Robi's subscriber acquisition increased to 1.32 crore at the end of March from 1.1 crore at the end of December 2009.

In the six-operator market, Robi stands third after Grameenphone, the market leader with 2.39 crore customers, and Banglalink that roped in 1.4 crore customers as of March.

Robi's monthly income from prepaid customers came down to Tk 188 at the end of March from Tk 299 in December last year. It declined due to Robi's foray into the marginal subscriber base, the report said.

The postpaid monthly ARPU declined to Tk 584 in March from Tk 654 in December 2009, mainly because of the withdrawal of call set-up charges.

Shift of tanneries: BSCIC directed to complete CETP construction

STAR BUSINESS REPORT

Industries Minister Dilip Barua yesterday directed the officials of Bangladesh Small and Cottage Industries Corporation (BSCIC) to complete construction of the Central Effluent Treatment Plant so that the tanneries in Hajaribagh are shifted to Savar.

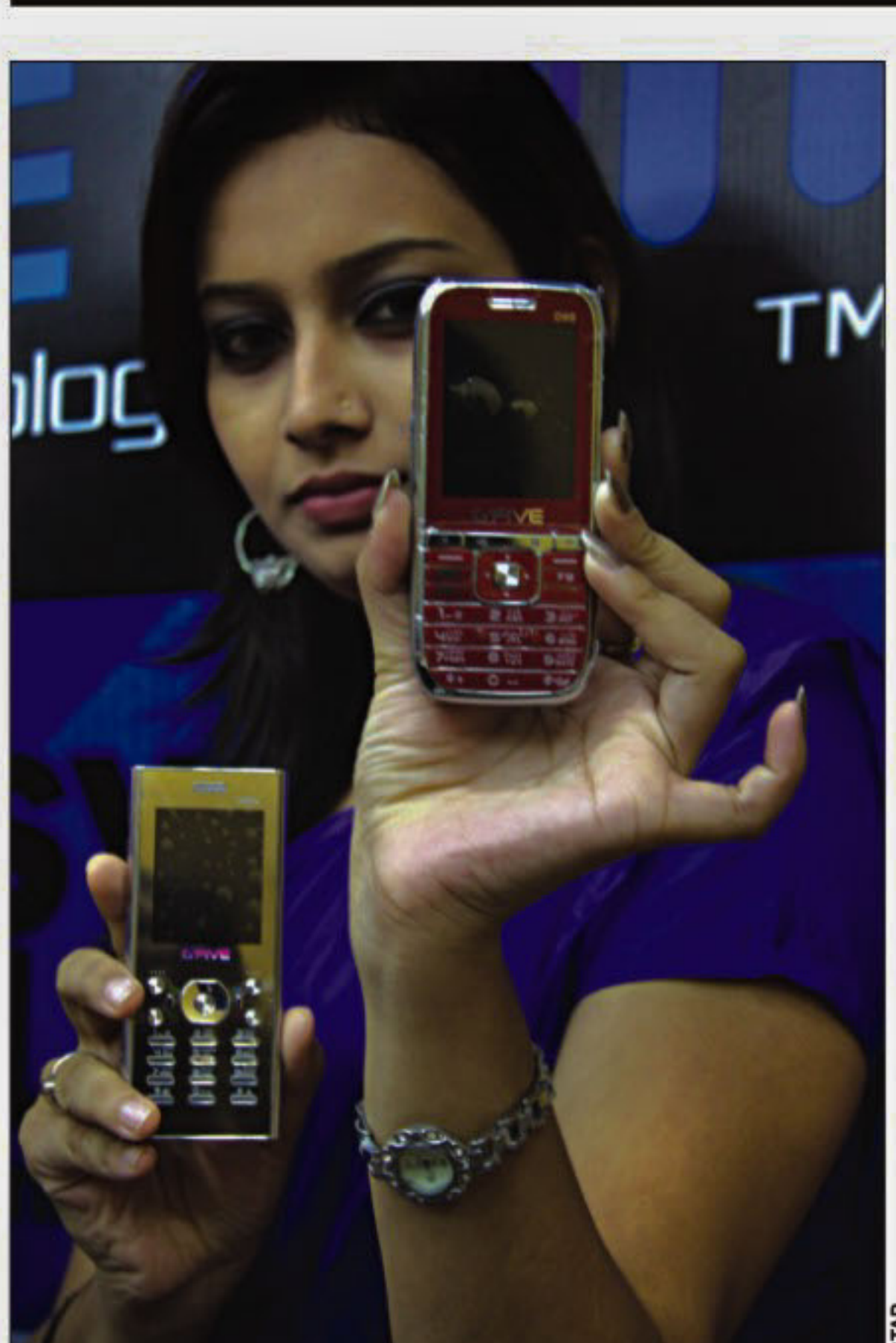
He made the directive during a meeting that reviewed implementation of the projects under annual development programme of different corporations under the Ministry of Industries.

The minister also asked the officials of Bangladesh Sugar and Food Industries Corporation to keep the sugar market stable in upcoming Ramadan.

He also urged all the officials of the ministry to be pro-active in implementation of the ADP fully.

The meeting was told that 98 percent of the ADP under the ministry was implemented in the last fiscal.

The industries ministry has targeted 100 percent implementation this fiscal.



A model poses with G'FIVE mobiles at the launch of the handsets at Bangabandhu International Conference Centre in Dhaka yesterday. (Story on B3)

Lower lending rate likely for SMEs

SAYEDA AKTER

The banks' lending rate for small and medium enterprises (SMEs) is likely to come down to a single digit soon, as the central bank is ready to hand over a fund to the SME Foundation for financing such enterprises.

A senior official of Bangladesh Bank (BB) says the Tk 210 crore fund, received from the Asian Development Bank (ADB) in 2004, will be provided to the foundation to start a pre-financing programme in a month or two.

Under this programme, banks and non-bank financial institutions (NBFIs) will get funds at 3-4 percent interest from the foundation, while the entrepreneurs are entitled to loans at 8-9 percent interest from those.

The present lending rates of 13-16 percent that banks charge on the amount borrowed by the SMEs are considered an impediment to the sector's growth.

"We've already received clearance from the finance ministry to

hand over the fund to the SME Foundation," said Sukamal Sinha Chowdhury, general manager of SME and Special Programme Department of BB.

"Now the fund awaits a few formalities. We're hopeful of handing over the fund by June-end," he added.

Of the \$50 million (Tk 350 crore) ADB grant, \$30 million (Tk 210 crore) has been sanctioned as SME loans and \$5 million (Tk 35 crore) for entrepreneur training programmes.

The grant -- Small Enterprise Fund -- was usually preserved with the central bank earlier. In March, the government decided to hand it over to the SME Foundation.

Of the total amount of loans, 10 percent will go exclusively to women entrepreneurs, 80 percent to small entrepreneurs and 10 percent will be reserved for utilising it in general.

Syed Rezwanul Kabir, managing director of SME Foundation, said the body will disburse the fund among banks and NBFIs, once it

gets the grant from the central bank.

"We're going to disburse the fund among banks and NBFIs at 3-4 percent interest, but the main condition is that those will have to lend to an entrepreneur at an interest not over 8-9 percent," Kabir said.

"We expect that the spread between lending and borrowing will not exceed five percent."

"A lowered lending rate will not only help SMEs but also help the national economy eventually."

"We mainly want to boost the manufacturing sector, instead of the trading sector. For that, we would request banks and non-banks to consider this while disbursing loans," he said.

In addition, the foundation has started disbursing funds to banks and non-banks under the credit-wholesaling programme that began last year.

"We've launched this programme with the interest we received from our endowment fund we received at the time of establish-

ing the foundation," the foundation MD said.

It provides collateral-free loans at a rate of 4 percent, while an entrepreneur is entitled to a 9 percent lending rate, the lowest in the country, to help promote SMEs.

Initially, it provided funds to the Micro Industries Development Assistance and Service (Midas), and Shakti Foundation, a local NGO.

"Simultaneously, we will soon provide funds to Mutual Trust Bank Ltd to enhance its SME lending process. We signed an agreement recently in this regard," said Kabir.

The credit-wholesaling programme was initiated in 2009 on a pilot basis.

Under the pilot programme, the foundation has disbursed Tk 2 crore to Midas Financing Ltd and Shakti Foundation in 2008.

SME Foundation was established in 2007 with an endowment of Tk 205 crore from the central bank. sayeda@thedailystar.net

World trade growth slows

REUTERS, Geneva

Global trade volumes in the first three months of this year were 5.3 percent higher than in the previous quarter, representing slightly slower growth than in recent months but still a healthy rebound from the crisis, data from the Dutch CPB institute showed on Monday.

The CPB, whose data are used by the European Commission and World Bank, said world trade in the three months ended February had grown by 5.8 percent over the previous three months and grown 6.0 percent in the last quarter of 2009.

Pleasure of Seniority!

MTB SENIOR
a savings account for senior citizens

www.mutualtrustbank.com

MTB Consumer Banking

Contact: +88 0173008631-2

মুতাল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
your quest built on us

STEP INTO YOUR WORLD OF PRIVILEGES

At our newly opened Dhanmondi Priority Center

Priority banking

Eastern Bank Ltd.

Dhanmondi: 8142659, Gulshan: 9890609, Bashundhara: 8845391-2, Banani: 9891820, Uttara: 7911128, OR Nizam Road: 031 2858620