



PHILIPS
42" LCD TV
at BDT 105,000/-

Take home a Philips LCD TV at Tk. 4,167/- per month* through Standard Chartered InstaBuy scheme. (Installment payment available at 0% interest.)

TRANSCOM
DIGITAL
think electronic, think DIGITAL

Stocks

DGEN ▼ 0.97%
6,342.76

CSCX ▲ 2.34%
12,182.81
(Week-on-week)

Asian Markets

MUMBAI ▼ 0.69%
17,868.29

TOKYO ▲ 1.64%
9,537.30

SINGAPORE ▼ 0.33%
2,987.70

SHANGHAI ▼ 0.40%
2,637.50
(Friday closings)

Commodities

Gold ▼
\$1,169.00
(per ounce)

Oil ▲
\$78.95
(per barrel)
(As of Friday)

SOURCE: AFP

Reliance, Universal near deal

REUTERS, Singapore

Indian billionaire Anil Ambani's entertainment group is close to signing an agreement with Universal Studios to build a \$1.5 billion film-themed amusement park.

Executives from Universal, a unit of General Electric Co's NBC Universal, traveled to Mumbai to meet Ambani's Reliance Big Entertainment and the two groups are in exclusive talks to create India's first film-themed amusement park.

Trade unions divided over RMG wage

REFAYET ULLAH MIRDHA

Leading trade unions are divided over the issue of minimum wage as some have accepted Tk 3,000, while others still demand Tk 5,000 as the monthly salary for the garment workers.

But, most of the trade unions demanded implementation of the announced wage structure from August 1 instead of proposed November 1.

Nazma Akter, president of Sammito Garment Sramik Federation, a platform of 40,000 garment workers, welcomed the announced minimum wage at Tk 3,000 for the entry-level workers.

"I want the implementation from August 1 as there are two Eid festivals before November 1," she said.

Mushrefa Mishu, president of Garment Sramik Oikya Forum, another platform of the workers, did not accept the salary structure and demanded Tk 5,000 as minimum wage.

She said the ongoing unrest is normal and spontaneous reaction of the workers.

Mishu said: "The owners should implement the wage hike from August 1 as there are two Eid festivals before November 1."

She proposed talks between the government representatives, owners and trade union leaders to



A security guard walks past damaged vehicles at a garment factory in Dhaka on Friday. Workers vandalised factories and vehicles in and around the capital in the last two days to protest a new wage structure, which they say is still far too low.

end the ongoing unrest.

"The minimum wage at Tk 5,000 per month is still our demand. But, the amount may be brought down through discussion," she said.

Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association, said the entrepreneurs are losing confidence because of vandalism in the garment sector.

"The government should control the situation with an iron hand," he said, adding that he will sit with the Ashulia-based garment owners soon.

In Bangladesh there are

28 registered trade unions and more than 30 unregistered ones in the garment sector.

Meanwhile, over a hundred workers, including 20 police personnel, were injured yesterday when they clashed with police at several points on EPZ-Abdullahpur road in Savar, demanding cancellation of the newly announced pay scale.

They put barricade on roads and vandalised police vehicles and garment factories in Savar and Narayanganj.

They demanded Tk 5,000 as the minimum wage and its implementation from

August 1.

On Friday thousands of workers went on a rampage in Dhaka, burning cars and pelting stones.

Earlier, Labour and Employment Minister Khandaker Mosharraf Hossain announced the new pay structure for around 3.5 million garment workers on Thursday.

The minimum salary at the entry level has been fixed at Tk 3,000; Tk 2,000 in basic pay, Tk 800 in house rent and Tk 200 in medical allowance. The apprentice level wage was fixed at Tk 2,500, up from Tk 1,200 now.

reefat@thedailystar.net

Biman re-branding is a stillbirth

SOHEL PARVEZ

Biman has shelved re-branding activities as the cabinet decided that the original logo and livery will stay put.

With its re-branding efforts ending in vain, Biman is counting Tk 35.75 lakh in wasted funds, according to its officials.

However, analysts say the biggest loss is to the national flag carrier's image that will be tough to recuperate.

"We (Biman) had an image crisis in the air travel industry. But the decision against the new logo and livery has dented Biman's image further," a senior official of Biman said, requesting anonymity.

The 38-year-old carrier was forced to get back to its original logo and livery after Prime Minister Sheikh Hasina inaugurated the new one at a programme at Shahjalal International Airport in February this year.

Insiders said Hasina initially agreed to the change, but public pressure made the government quietly switch to the original.

Late painter Quamrul Hassan designed Biman's logo, Balaka, after the independence of Bangladesh.

Following the cabinet decision, the civil aviation and tourism ministry issued a letter to Biman.

The insiders said the reasons behind the decision were not communicated to Biman and neither was the entity allowed to choose its own course, a move that undermines the authority of the board of directors of the airline. As per the articles of association, the board enjoys the power to decide a plan of action.

"It (the cabinet decision) is not in line with the spirit of turning Biman into a public limited company," said Kazi Wahidul Alam, editor of aviation and tourism fortnightly The Bangladesh Monitor.

"The carrier was turned into a PLC to

infuse dynamism into its activities by giving power to the board to decide Biman's course. The board should be given scope to perform."

The officials claimed that Biman was not required to bear the cost of painting four aircraft, as it is usually included in lease agreements.

"We spent \$10,000 to prepare the engineering designs for the leased airbus," claimed Muhammad Zakiul Islam, managing director and chief executive of Biman.

The airline undertook the re-branding programme after signing a 10-aircraft purchase deal with Boeing in 2008, in bids to regain market confidence.

The officials also claimed that Biman did not have to pay the designer for new logo and livery. Boeing covered the costs as per the purchase deal, said Islam.

But the carrier arranged the launch of the new logo and livery at about Tk 29 lakh.

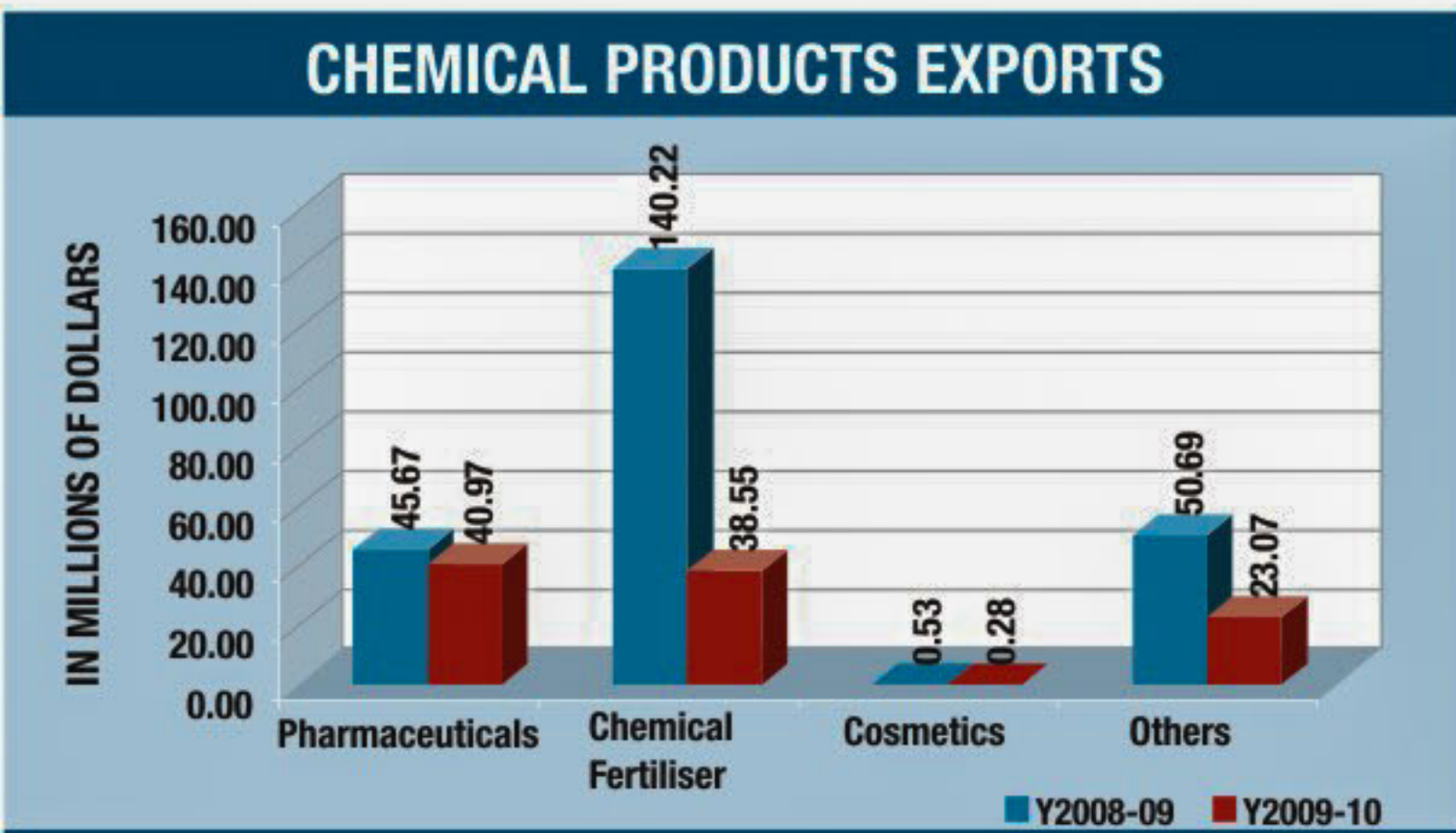
The files, letterheads and stationery were printed in Biman's press. To trim the losses, the airline now uses these stationery internally, instead of trashing those.

"It (re-branding) is a global phenomenon. It is carried out to reinvigorate companies and carriers. But the retreat brings Biman back to square one," the editor of The Bangladesh Monitor said.

An official linked to the branding scheme said, "We worked on introducing a traditional in-flight cuisine and new uniforms for cabin crew and staff. We put in a lot of efforts to make re-branding a reality. But all the activities have stopped now."

The Biman managing director, however, said the airline did not discard the branding programme. "Branding activities have somewhat slowed. It will pick up after getting delivery of new aircraft next year."

Gas cuts choke off chemical exports



SAYEDA AKTER

The export of chemical products nose-dived in 2009-10 to less than half the dollar amount of the prior fiscal year, mainly due to inadequate gas supplies that slashed production of chemical fertilisers.

The country received \$103 million in foreign exchange from the exports of chemical items in the last fiscal year, down nearly 57 percent from a year ago.

Exports stood at \$237.11 million from the sector in 2008-09, according to data published by the Export Promotion Bureau.

That means that \$135 million (Tk 9,450 crore) less was earned by chemical products exports, mainly by Karnaphuli Fertiliser Company (Kafco) Ltd.

During this period, the exports of chemical fertiliser declined nearly 73 percent.

Salahuddin Ahmed, chief executive officer of Kafco, the country's lone chemical fertiliser exporter, said the

exports of his company dropped by 59 percent (not 73 percent) in the August-July period.

He blamed the insufficient gas supply: "We had to suspend our production for a month, as the government stopped supplying gas to all fertiliser companies."

"In addition, we suspended our production for a month that we do in every two years for maintenance. This closure of two months slowed down our production capacity, and so too the export."

The company exported 1.35 lakh tonnes of chemical fertiliser, mainly urea, in its last fiscal year, a drop from 2.28 lakh tonnes in the previous year.

However, Ahmed found fault with the EPB data, saying: "Although our production and export declined sharply, yet it is not as steep as the EPB data shows."

The demand for chemical fertiliser stands at 28-30 lakh tonnes a year. Of this, Bangladesh Chemical Industries Corporation (BCIC) supplies 12 lakh tonnes.

In its last fiscal year, Kafco sold four lakh tonnes of urea fertiliser to the BCIC at a price of \$250 for each tonnes. Kafco exports fertiliser to Australia, Thailand, Vietnam, Pakistan and India.

Earnings from pharmaceutical exports also shrank by around 10.3 percent in the last fiscal year. Industry executives blamed the global financial meltdown for the decline.

PHARMA EXPORTS

In fiscal 2009-10, pharmaceutical exports stood at \$40.97 million, which had shrunk from \$45.67 million in the previous fiscal year.

Ashfaqur Rahman, managing director of Novartis Bangladesh Ltd, the biggest pharmaceutical products exporter of the country, said the export of his company declined by more than 9 percent in 2009.

Rahman blamed "a minor decrease in consumption in government spending on health care in countries affected by the global recession" and new competition.

"In addition, countries to which we export are starting to develop their own pharmaceutical sector increasingly, another big reason for declining export," he said.

Novartis exported medicine worth Tk 85 crore (\$12.14 million) in 2008. But Rahman is optimistic about the sales this year, hoping to export eight percent more.

Exports of cosmetics slumped by more than 47 percent. The country earned \$28 million in 2009-10, drop from \$530,000 the previous fiscal year.

Other chemical products, including resins, also declined nearly 55 percent, earned \$23 million during this period.

sayeda@thedailystar.net

US growth slows

AFP, Washington

US economic growth slowed dramatically in the second quarter, the government said Friday, stoking fears that the recovery is losing steam and fueling a fierce political debate over how to respond.

Gross domestic product (GDP) growth fell back sharply to 2.4 percent in the second quarter, the Commerce Department said, slamming the brakes on an already tepid rebound and painting a bleak picture of the road ahead.



MTB Booth
Hazarat Shahjalal Int'l Airport, Dhaka

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

Contact: 017 1250 0262
www.mutualtrustbank.com

- Purchase and sale of foreign currencies
- Remittance services
- Account opening facilities
- Internet Banking



Exclusive services available for a **SELECT** few

HSBC Select pays one-on-one, immediate attention to your banking needs, affording you greater flexibility in personal and financial front.

Enjoy unprecedented benefits and rewards from HSBC Select - an array of exclusive services available to a Select few. Here's a few of the exciting benefits that comes to you along with the privileges of HSBC Select.

- **Travel:** Complimentary* Dhaka-Kuala Lumpur return ticket on Malaysia Airlines; 10% discount on Economy Class and 12% discount on Business Class to any destination with Etihad Airways.
- **Leisure:** Complimentary* dinner coupon for two at The Westin Dhaka on your wedding anniversary; discount on selected room types at The Westin Dhaka and Hotel Sheraton Dhaka; free access* to Sheraton VIP lounge at the international airport in Dhaka.
- **More:** 20% discount on all pathological tests at United Hospital Dhaka; fabulous discounts* and reward offers* at high end outlets in Dhaka, Chittagong and Sylhet.

For more information about HSBC Select, please call 880 1713 060581
*Conditions apply

HSBC Select

HSBC The world's local bank

Issued by The Hongkong and Shanghai Banking Corporation Limited in Bangladesh