

Bangladesh Building System plans IPO

STAR BUSINESS REPORT

Bangladesh Building System Ltd (BBS) plans to go public to raise working capital in an effort to meet its expanding project costs.

The pre-fabricated steel structure maker will float 2.4 crore ordinary shares of Tk 10 each using the book-building method, a modern pricing mechanism for initial public offering (IPO).

The private sector company yesterday appointed Janata Capital and Investment Limited (JCIL), merchant banking wing of state-owned Janata

Bank as the issue manager for the IPO.

Jahangir Miah, chief executive officer of JCIL, and Abu Noman Howlader, managing director of the BBS, signed a deal on behalf of their respective organisations.

"If everything goes well including receiving approval from the stockmarket regulator, the IPO will hit the market within the next few months," said Jahangir Miah.

After the public offering, the BBS's paid-up capital will stand at Tk 70 crore, he added.

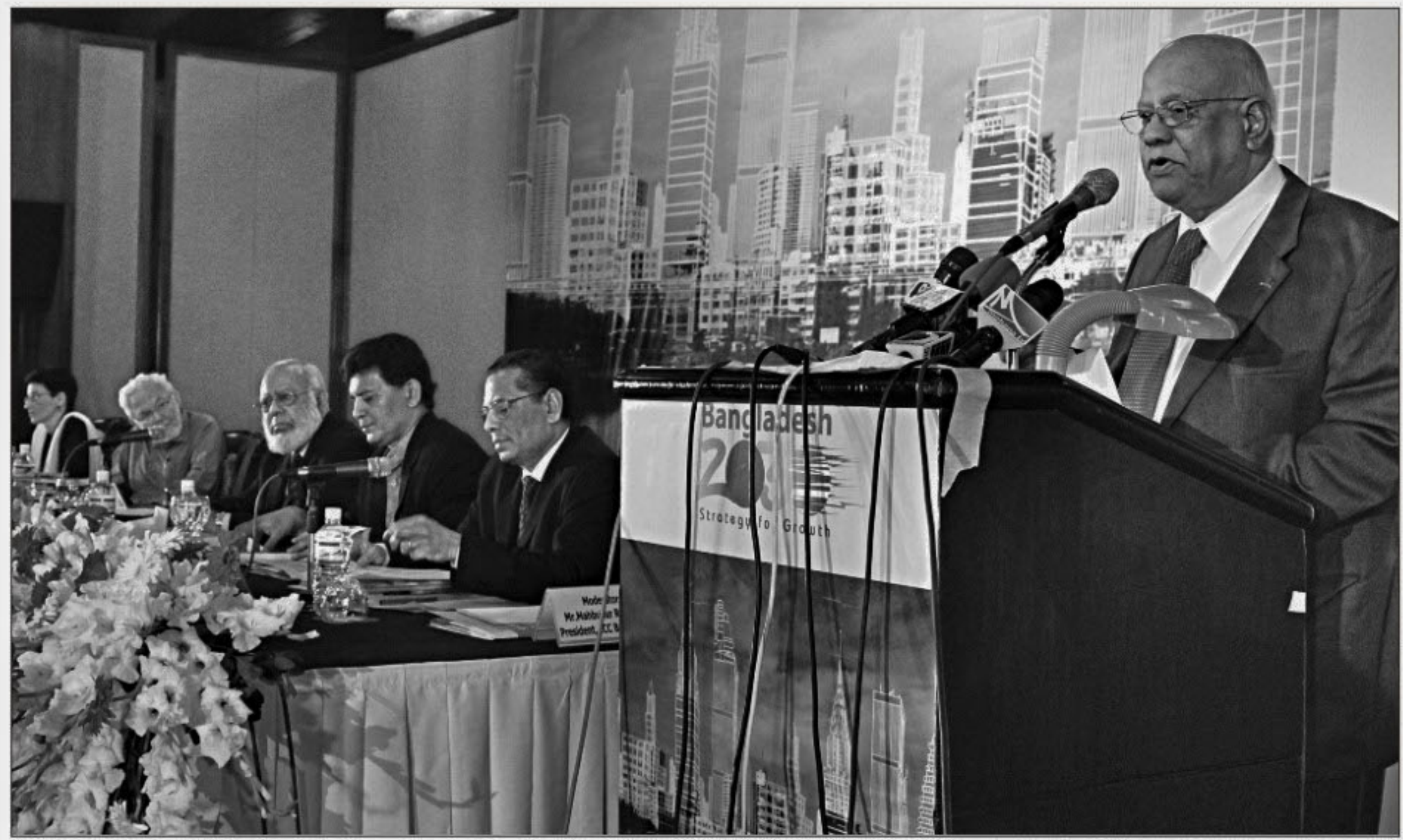
The sponsor's and pre-IPO placement portions, however, are yet to be

determined.

Janata Bank Chairman Abul Barakat, CEO Aminur Rahman, and JCIL Chairman Nazibur Rahman also attended the signing ceremony.

According to the BBS website, it launched commercial operation in 2005 and now has the capacity of producing 15,000 tonnes steel building products with an installation of 40 lakh square feet floor a year.

The BBS's factory located in Gazipur is involved in manufacturing of pre-engineered steel buildings in Bangladesh to meet growing demand, especially in the industrial sector.



Finance Minister AMA Muhith speaks at a conference, Bangladesh 2030: Strategy for Growth, at Sonargaon Hotel yesterday. Dhaka Chamber of Commerce and Industry organised the conference.

Experts put forward growth factors Moves on to set overland transit fees

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The country should search for new sectors and markets, improve skills of the labour force, and focus on improving agricultural productivity to boost its economic growth, economists said at a discussion in Dhaka yesterday.

They also stressed the need for framing strategies on urbanisation and regional connectivity to attain inclusive growth.

Dhaka Chamber of Commerce and Industry (DCCI) organised the discussion at Sonargaon Hotel as part of a daylong conference to set the vision strategies for Bangladesh's growth by 2030.

Former adviser to a caretaker government Hossain Zillur Rahman

at the discussion said Bangladesh now faces the risks of political instability, corruption and stagnancy in investment.

Emeritus Professor of Boston University Gustav F Papanek said Bangladesh, which records the entry of two million labourers every year, has the very cheap labour cost compared with other countries in Asia.

The country can bank on cheap labour to catch the potentials of exports being unfolded in the global market amid rising labour cost in China, he said.

For it, he said, Bangladesh needed to quickly eliminate bottlenecks in infrastructure and reduce corruption.

"The country that wins moves

faster," said Papanek.

Finance Minister AMA Muhith said the growth engine has to be wage employment.

Bangladesh economy will grow 5-6 percent a year due to competitiveness of its export items, despite bottlenecks in infrastructure such as power, energy and transport, according to the experts.

Steadily rising domestic consumption, supported by agriculture and services sector's urbanisation, will back the growth engine of the economy of more than 160 million people where 40 percent still live below poverty line.

But the economists said the current growth performance, being historical in nature, will not enable Bangladesh to touch a high-end

middle-income status and cut poverty faster.

They stressed the need for focusing on increasing productivity, and diversifying the economy by targeting employment generation.

Centre for Policy Dialogue Executive Director Mustafizur Rahman called for fighting corruption, developing a debate-oriented political culture, giving space to civil society for discussion and decentralising power.

"I think the role of the state will be key to accelerating growth. In the past, the role of the state has been undermined. But for inclusive growth, implementation capacities of the state will be the key," said Rahman.

DIPLOMATIC CORRESPONDENT

Foreign Minister Dipu Moni yesterday said an official exercise is in progress to set the tariff for the overland transit facilities to India under a deal signed to carry over dimensional consignments (ODC) for a power project at Palatana in Tripura through Bangladesh.

"Although the rates are fixed for the existing protocol for river transit with India, now we will have to set the amount of fees for the new deal," she said when asked if Bangladesh allowed transit to India without any fees or charge.

Talking with journalists at the foreign ministry, she said the fees for Indian ODC or overland transportation of heavy equipment through Bangladesh territory will need to be fixed considering several issues including the impact of the deal on Bangladesh's economy.

Bangladesh signed the memorandum of understanding (MoU) with India on

November 30 in Dhaka, which allowed carrying 96 consignments of Indian heavy equipment from West Bengal to Ashuganj on river route and then from Ashuganj to Akhaura overland.

The Palatana power plant will generate 726MW of electricity and will go for production in mid-2012.

"It's a huge exercise to settle the amount of fees considering everything, but the process is underway," she said. "We will have to consider both short and long term impacts on our trade and economy."

When asked whether the November 30 MoU was signed bypassing the foreign ministry and other ministries concerned, Dipu Moni said there were long discussions among the line ministries. "There is always scope to review any agreement at any time," she added.

The foreign minister said the deal on the ODC would also benefit the country, as Bangladesh is expected to get a part of electricity from the Palatana plant.

Citi boss in town



STAR BUSINESS DESK

Michael J Paulus, managing director and public sector group head for Citi Asia Pacific, is in Dhaka to attend a seminar, said a statement.

The seminar on 'E-Governance: Sharing the Best Practices and Success Stories of Digital Bangladesh' has been organised by Citi.

Paulus is currently responsible for Citi's corporate and investment bank business with Asian governments, central banks, sovereign and quasi-sovereign entities and selected state and local agencies.

He previously worked with US Treasury Department in Washington as the deputy assistant secretary for federal finance.

Software park in Janata Tower next year

MEHDI MUSHARRAF BHUIYAN

The much-talked-about Janata Tower in the capital is at last set to become the country's first-ever Software Technology Park by the end of next year following a formal government move to hand over the building to the Ministry of Science and Information Communications Technology.

The 11-storey structure, situated at Karwan Bazar, had been abandoned for a decade because of legal disputes and controversies centring the building.

However, recently the Ministry of Housing and Public Works sent a letter to the ICT ministry to take over the building.

The renovation work on Janata Tower will start soon under a Tk 40 crore government project to house the nation's leading software and hardware companies. The move came months after the Digital Bangladesh Taskforce reached a decision in a meeting in August to utilise the abandoned building for setting up such a park.

"Now, our target is to make Janata Tower ready for the use of the hi-tech companies within nine to twelve months", Mahboob Zaman, president of Bangladesh Association of Software and Information Services (BASIS), said yesterday.

According to ANM Safiqul Islam, the hi-tech park's project director, the 60,000 sq ft building will enjoy uninterrupted electricity supply, high speed internet and data infrastructure facilities to attract both foreign and local IT companies.

Official sources said of Tk 40 crore sanc-

tioned for the project, Tk10 crore has been earmarked in the current fiscal year. The rest amount is planned to be mobilised through public-private partnership.

Janata Tower is also expected to turn into a 'green building' with the latest energy conservation and power consumption facilities.

IT leaders, however, are sceptical about the building's relatively limited space, which, they say, could house a few number of companies.

They also fear a high rental cost of the new software and technology premises, which would mean that only the high-end research operation could be carried out within such capacity.

Brushing aside such anticipation, the BASIS chief said at least 60-70 companies will be able to shift to the new premises once the software park gets operational.

"Apart from that, the park will be developed following a PPP model to assure that the premises would not be so expensive", Zaman added.

Authorities in recent years have come up with an idea of setting up hi-tech parks in various parts of the country, including Mohakhali and Kaliakoir, but the process has been stalled for years because of technical problems and high density of population in the areas.

Currently, there is also a software incubator at the BSRS Bhaban in the capital, which houses some 40 software firms.

Industry insiders are however upbeat on a software hub in Janata Tower. They see it as an added advantage of being located within a bustling area of Dhaka.



Bangladesh Bank Governor Atiur Rahman attends the certificate awards ceremony of the ICC workshop on incoterms 2010 at the BGMEA office in Dhaka yesterday. ICC Bangladesh President Mahubur Rahman, BGMEA President Abdus Salam Murshedy and ICCB Standing Committee on Banking Chairman Mamun Rashid are also seen.

Kuwait keen on deeper trade ties

BSS, Dhaka

Kuwait government is keen to increase the both way trade volume with Bangladesh through exploring more avenues of economic cooperation between the two countries.

"We're keen to increase our trade relations with Bangladesh and our commerce minister will visit Bangladesh soon to identify the potential sectors," newly appointed Kuwait Ambassador to Bangladesh Ali Ahmed Ibrahim Al-Dhufairi apprised President Zillur Rahman while presenting his credentials at Bangabhaban here yesterday.

President Zillur Rahman urged the Kuwaiti entrepreneurs to invest in Bangladesh.

Dubai may delay opening of new passenger airport

AFP, Dubai

Dubai Airports said on Tuesday it may delay the scheduled March opening of a passenger terminal at a new airport as it unveiled plans to expand capacity at its old airport to 90 million passengers by 2018.

"We are currently reviewing the master plan for the new airport," the CEO of Dubai Airports, Paul Griffith, told reporters.

"With everything going on time and according to schedule, we are reviewing the opening date for the new terminal and we may push it a little just to get everything right," he said.

But the opening would still take place before the end of 2011. "We are talking just months ... It looks though that it is going to be later in the year," Griffith said.

In June, the Gulf city state opened Dubai World Central-Al Maktoum

International Airport, touted to become the world's largest when completed. It has so far been confined to cargo.

The airports chief also unveiled plans to expand the capacity of Dubai International Airport to 90 million passengers a year by 2018, from 60 million at present.

"We are about to unveil an expensive master plan for this airport," he said on the sidelines of a Middle East Business Aviation show.



Ali Reza Iftekhar, managing director and CEO of Eastern Bank, and Ian Crosby, manager of IFC Advisory Services in Bangladesh, exchange documents after signing a memorandum of understanding to work jointly on sustainable energy financing at a city hotel recently.

Correction pulls down stocks

DGEN loses 185 points

STAR BUSINESS REPORT

The benchmark index of Dhaka stocks suffered the third largest single-day fall yesterday, since its inception in 2001, as a price correction trend continued for a second session yesterday.

The key index of the Dhaka Stock Exchange -- DSE General Index (DGEN) -- went down by 185 points, or 2.11 percent, to 8,585.

The DGEN lost a total of 332 points in the last couple of days, and the correction was expected following a bull run for several weeks, said stockbrokers.

"It seems, after a long time the secondary market has entered into a

correction mood," said a stockbroker.

LankaBangla Securities in its daily market insight said the market tried to ride on the bull at the opening session, jumping by 90 points, but could not sustain the rally as the bearish mood accelerated following a regulatory directive and by price correction after consecutive rallies.

The regulator directed the stockbrokers to execute buy orders only after encashment of cheques of the investors. Earlier, the investors used to place buy orders immediately after placing cheques, but before encashment.

The stockmarket regulator, however, sees the falling trend as a natural phenomenon in the market.

"We always ask the retail investors to see whether the market is up or down to make investment decision prudently after analysing a stock's fundamental," said Ziaul Haque Khondker, chairman of the Securities and Exchange Commission.

The commission is publishing an investment guideline in the newspapers and on the trading servers on a regular basis, he added.

All the sectors suffered massive losses yesterday, with banks plummeting by 2.94 percent on an average, non-bank financial institutions 1.91 percent, general insurance 4.04 percent and life insurance by 1.82 percent.

Losers outnumbered advancers 20 to 25, with eight securities remaining unchanged on the premier bourse, which traded more than 9.06 crore shares and mutual fund units.

The single-day turnover dropped by 24 percent to Tk 2,050 crore.

Chittagong stocks also marked a sharp decline yesterday, with the CSE Selective Categories Index sliding 331 points, or 2.08 percent, to stand at 15,583.

The Chittagong Stock Exchange traded more than 1.20 crore shares and mutual fund units worth Tk 230 crore.

Losers beat gainers 169 to 23, with six securities remaining unchanged