

# BUSINESS

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## Muhith seeks advice from experts as pressure mounts

REJAUL KARIM BYRON

Finance Minister AMA Muhith is going to face an uphill task while implementing the current fiscal year's budget and preparing the next.

Spiralling prices of essentials, excessive subsidy demand, exchange rate pressure, volatile stockmarket and slow implementation of the annual development programme are other challenges up his sleeve.

In a bid to tackle all these, the minister sits with politicians, economists, policymakers at state guesthouse Padma tonight, seeking advice on how to move forward.

Finance ministry officials said invitation letters have been sent to the attendees, which mentioned that the government is going to face a big challenge implementing the budget.

The chairmen of parliamentary standing committees, Bangladesh Bank governor, finance secretary and chairman of the National Board of Revenue are expected to join the meeting.

One of the election pledges of the ruling alliance was to contain prices of essentials, which was also a focus of this fiscal year's budget. Although the government kept the prices of commodities in check in its first year in office, the prices of rice, edible oil and sugar are on the rise in the second year.

The price of petroleum is shooting up on the world market and food production has also decreased in some countries. Economists fear there will be no immediate let-up in fuel prices on the interna-

tional market.

The exchange rate is facing upward pressure and remittance growth has also slowed. The balance of payments will also feel the heat.

In the first five months of the current fiscal year, the overall balance ran a \$584 million deficit, but it was in a \$2.15 billion surplus in the same period a year ago.

Despite an ambitious ADP target, implementation is lagging behind compared to the same period of the last year. The overall investment climate has not yet seen any visible improvement.

Bangladesh Institute of Development Studies Research Director Zaid Bakht said the government's target for 6.7 percent GDP growth may be achieved, but the government must increase investment to expedite the pace of growth.

"I don't see anything to be optimistic about power, infrastructure and ADP expenditure," he said.

Bakht said the finance minister faces a big challenge to maintain stability in the macro-economics also.

"The capital market is currently volatile and inflation is on the rise. There is no possibility of easing commodity prices on the international market," added Bakht.

Bangladesh has already adjusted prices of energy, which is likely to be adjusted again only to leave a negative impact on inflation.

Bakht said it will be a difficult task for the government to provide relief to the poor who will bear most of the burden of inflation.

## Telenor crosses 100m mark in Asia

STAR BUSINESS REPORT

Norway's Telenor Group now boasts over 100 million subscribers in Asia, achieving a milestone in business advancement in the region, said the world's front ranking mobile operator yesterday.

Sigve Brekke, executive vice president of Telenor Group and head of its Asian Operations, made the announcement at GSMA World Congress 2011 in Barcelona.

Telenor entered Asia in 1996 and has since emerged as a leading regional mobile operator.

At the end of 2010, the group's five Asian operations generated 39 percent of the group's total revenues and obtained an

### By the numbers

Telenor crosses 100 million subscribers in Asia

Group adds more than 23 million subscribers in Asia in 2010

39 percent of total revenues are generated by five Asian operations

operating cash flow above NOK 10 billion or Tk 12,260 crore.

The group added more than 23 million subscribers in Asia in 2010.

The telecom company controls mobile operations in five Asian markets with Grameenphone in Bangladesh, Uninor in India, DTAC in Thailand,

DiGi in Malaysia and Telenor in Pakistan.

"Demand for basic services will continue to be high, as penetration in some of our markets is still low, but the next big growth area in Asia will involve mobile data and access to internet services."

He said the countries should establish investment friendly regulatory framework, secure a level playing field and stimulate continued development for a speedy adaptation of the internet services.

The Telenor brand is currently the sixth largest mobile phone operator in the world with more than 203 million subscribers with operators in 11 countries.

SAJJADUR RAHMAN

Plush hotels gear up to log hefty sales from the arrivals of foreign spectators, cricketers and journalists ahead of the ICC Cricket World Cup tournament that kicks off tomorrow with a big match between rivals Bangladesh and India.

The new-look luxury hotels have already been packed with foreign guests for the opening ceremony inaugurated by Prime Minister Sheikh Hasina yesterday. Security has been beefed up at these hotels and special desks serve the foreign tourists.

The hotels will be booked up during the Bangladesh matches against India, South Africa and England, according to officials of Dhaka hotels.

To cash in on the demand, some hotels have hiked their charges by 10-20 percent. Incomes from foods and beverages will also go up, they said.

"We have renovated the hotel and tried to highlight Bangladesh's cultural traditions and foods to the foreigners," said MA Awal, director (sales) of Sonargaon Hotel.

The ICC has booked Sheraton,

The hotel has built real-looking cricket pitches inside the lobby as well as outside the hotel to spice up the festivity, said Awal. To add to the excitement, the hotel is serving foods and snacks on cricket bats instead of plates and trays, he added.

Bangladesh is co-hosting the ICC World Cup tournament along with India and Sri Lanka for the first time in the country's history. Bangladesh will host eight matches including two quarter finals.

The 277-room Sonargaon Hotel is sold out for the opening match.

"We hope our revenue will rise by at least 20 percent this month," said Awal. Besides foreigners, many local customers are coming to see the foods and festivities, he said.

Other hotels such as Sheraton, Radisson, The Westin, Purbani, Best Western La Vinci, Regency and Sarina are almost booked by the ICC (International Cricket Council), journalists and foreign spectators, particularly from England, South Africa, India and West Indies for their respective matches.

"Also, we have got reservations from the foreigners for the tournament," said Hassan.

which has 272 guest rooms and five types of suites. The cricketers and ICC officials will crowd the hotel during the World Cup.

"There is no room left for others," said Shahidus Sadeque, manager of public relations of the hotel.

Sadeque said: "All the 272 rooms were renovated and modified to facilitate smooth accommodation of the guests."

The 200-room Radisson Water Garden Hotel near the airport has also accommodated some ICC officials and will remain packed during the tournament, said Razeen Avhi Mustafiz, the hotel's assistant manager of public relations.

"We are full," said Arifa Afroz, assistant manager, public relations, of Regency Hotel. The hotel has 214 rooms including a president suite. The hotel has both ICC officials and spectators, said Afroz.

Purbani Hotel, close to the Bangabandhu National Stadium, has got guests for the opening ceremony, said Mahmud Hassan, sales manager of the hotel.

"Also, we have got reservations from the foreigners for the tournament," said Hassan.

People involved with the tournament have booked most of the 51 rooms of LaVinci Hotel.

These hotels cannot segregate the ICC officials, cricketers, journalists and spectators. So they have no idea about how many foreigners will be coming to Bangladesh.

However, the country's tourism industry, which expected a portion of the foreigners to visit the world's largest mangrove forest, the Sundarbans, and the longest sea beach, Cox's Bazar, is a bit upset with the response.

"We are yet to get any significant response," said Hassan Mansur, former president of Tour Operators' Association of Bangladesh.

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### NOTICE

As the stockmarket was closed yesterday due to the opening ceremony of ICC Cricket World Cup 2011, Star Business is trimmed down to four pages today from its regular eight.



SONARGAON HOTEL

Waiters and managers of Sonargaon Hotel in Dhaka pose with cricket-bat-shaped platters as part of the hotel's special arrangement for the guests of ICC Cricket World Cup. Most hotels are now packed with visitors who came to join the biggest event of cricket.

## Luxury hotels eye brisk World Cup sales

## India lifts onion export ban

PALLAB BHATTACHARYA, New Delhi

India yesterday decided to lift a ban on onion exports after the product's prices crashed and triggered protests.

Empowered Group of Ministers on Food headed by Indian Finance Minister Pranab Mukherjee took the decision.

The Indian government had banned onion exports on December 20 last year. Onion prices had touched Rs 70-80 a kg then. India will allow shipments of onions at a minimum export price

## Soap exports to India stall at Agartala port

SOHEL PARVEZ

Beauty soap exports to India through Agartala land port have been on hold for months after the neighbour imposed a ban on the entry of soaps through this particular point based on a decade-old rule.

Exporters said India imposed the restriction on the ground that the item falls in the cosmetics category, which is not allowed an entry through any port other than those specified in India's Drugs and Cosmetics Rules 1945.

The rule only allows entry of cosmetics through the points of Chennai, Kolkata, Mumbai, Sheva Nhava, Cochin, Kandia, Delhi, Ahmedabad, Hyderabad, Ferozpur Cantonment, Amritsar, Ranaghat, Bangaon and Akhaura-Agartala.

Mohishashon.

Agartala does not fall under the points of entry for cosmetics.

The fresh enforcement of the rule has caused losses in export earnings since mid-last year, said the local exporters.

It is discouraging. The restriction was imposed when our soap exports to Tripura started growing," said Khurshid Ahmad Farhad, head of exports of Square Toiletries Ltd.

Square Toiletries, a concern of leading conglomerate Square Group, had been exporting beauty soap to India since 1998.

According to the official, the company had exported its Meril brand beauty soap to India through various land ports including Benapole-Hardiaspur and Akhaura-Agartala.

The north eastern state of Tripura, separated by Bangladesh from mainland India, emerged as a key market for the company.

"It was a major market. Some 75 percent of our soap exports used to pass through Agartala land port," he said.

The shipments faced the halt after India on March 26 last year asked the customs stations to deny entry of cosmetics except through the ports specified in the rule.

But Farhad claimed that soaps cannot be called 'cosmetics'. "It's a toiletry item, not cosmetic. We have informed India about the matter citing reference of the US Food and Drug Administration," he said, adding that they sent an email to the Indian

finance minister in this regard last month.

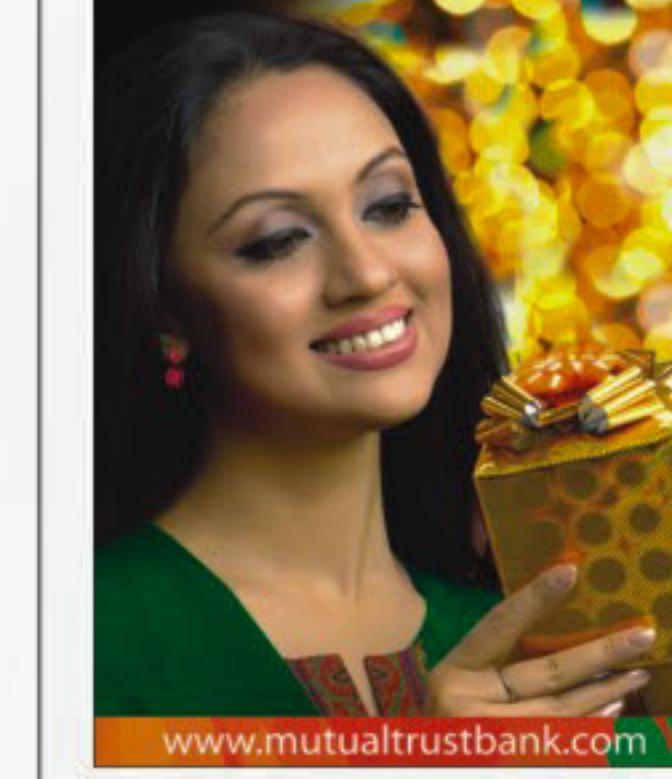
"We did not receive any response," he said.

The restoration of the British rule by the Indian government came at a time when nearly 18 land ports are active between Bangladesh and India with both countries looking to enhance bilateral trade.

ABM Golam Mostafa Munshi, head of sales of Keya Cosmetics Ltd, said Tripura was a good market for its Keya brand soap too.

"Our Tripura market is almost closed due to the new import rule through Agartala border. If we use other ports, our transportation costs go up and products become uncompetitive also," he said.

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