



BUSINESS

DHAKA FRIDAY APRIL 22, 2011, e-mail:business@thecitizenstar.net

Asian countries join forces to shield migrant workers

STAR BUSINESS REPORT

Asian countries that send migrant workers abroad yesterday agreed to work together to reduce vulnerability and insecurity of their citizens during emergencies in the employing countries.

Participants in a colloquium planned to sit at a consultation workshop in Geneva later to devise and develop a framework through their combined efforts to ensure safety and security of migrant workers during emergency situations like war at the destination countries.

"We need to deal with such situations in a coordinated manner," said Foreign Minister Dipu Moni after a session of a ministerial consultation of 11 migrant worker-sending countries of Asia at Sonargaon Hotel.

"We will sit with all stakeholders including international organisations to draw a specific guideline or handbook outlining roles of all stakeholders in times of emergency," she added.

The three-day ministerial consultation focuses on rights and security of migrant workers at a time when exporting countries and international organisations are trying to ensure a safe evacuation of migrant workers from the war-torn Libya.

Since the outbreak of war in Libya after the mass upheavals and change of governments in Egypt and Tunisia, nearly 250,000 migrant workers have been evacuated from the North African country. Of the evacuees, 35,000 were Bangladeshi nationals.

Participants said countries and the international community were not prepared to deal with the emergency situation in the Middle East and North Africa.

The 2007-08 global financial crisis and economic meltdown forced thousands of migrants, including Bangladeshis, out of jobs. Add to this the displacement of migrant workers due to negative impact of climate change.

Ports to get private duty-free shops

STAR BUSINESS REPORT

The government plans to allow private companies to set up duty-free shops at international airports, sea and land ports alongside the public sector to help customers buy products at competitive prices.

The National Board of Revenue (NBR) has recently sent a proposal to the cabinet division, urging the government to ease the way for opening portside stores, which will also create jobs and give extra revenue, said an official.

The NBR has categorically urged the cabinet division to cancel two clauses of the regulations dated back 1985 that allow only the state-run Bangladesh Parjatan Corporation (BPC) to run such shops and ban setting up bonded warehouses by private owners.

In Bangladesh, there are three international airports in Dhaka, Chittagong and Sylhet, two seaports in Mongla and Chittagong, and over a dozen land ports including Benapole, the largest.

Activities of the ports have increased over the time, thanks to a steady growth of the economy, and the number of passengers using the facilities also went up many folds.

The NBR officials said duty-free stores could primarily be set up in the country's three major airports, two seaports and, if infrastructure supports, at land ports under private management.

The state-run BPC, however, will get priority in setting up such retail outlets, which normally enjoy exemptions from local or national taxes and duties.

According to the NBR, the Bonded Warehouse Licensing Regulations, 2008 can be used as policy in setting up the shops

under private ownership.

In 1982, the cabinet division had decided to set up such shops at Chittagong and Sylhet airports, and others ports in the country. But three years later it imposed restrictions on setting up such shops by the private sector, empowering the BPC to run such commercial outlets.

In 2009, the cabinet scrapped the earlier decision and approved the private sector to help make a foray into the business. But the decision is still ineffective, as the existing regulations still only allow the BPC to open such shops and bar private parties to open bonded warehouses, the officials said.

Many private companies have already applied to obtain licences under the existing regulations. Some have even claimed that airport or land port authorities have leased places to them for setting up duty-free shops.

The NBR proposal said the number of travellers using the air and land ports has increased recently due to trade liberalisation, high foreign investment and the development of the tourism sector.

In this circumstance, duty-free shops can be set up to sell imported products to both inbound and outbound travellers in exchange of foreign currency under the bonded facility, the proposal said.

Meanwhile, three companies have been leased space in airports to set up duty-free shops, flouting the cabinet division decision taken in 1985.

The Internal Resources Division (IRD) of the finance ministry has investigated the issue and found that the Civil Aviation Authority has awarded the space for setting up shops. No bond licence has been obtained from the IRD to run the shops.



Vivek Agarwal, middle, chief executive officer (international business) of UltraTech Cement, speaks at the launch of the Indian brand in Dhaka yesterday. Dev Banerjee, left, head of the cement maker's Bangladesh operations, is also seen.

Aditya Birla rolls out cement brand

STAR BUSINESS REPORT

Indian conglomerate Aditya Birla Group yesterday launched its cement brand UltraTech in Bangladesh.

"Bangladesh is an emerging market in the world economy with immense potential, where it requires building a huge number of infrastructure facilities. And for that, the necessity of quality construction materials comes in," said Dev Banerjee, country head of Bangladesh operations of UltraTech Cement.

"Since our brand has gained reliability and trust in the regional and European markets, we hope we can make a difference," said Banerjee at the inauguration ceremony organised at the Radisson Water Garden Hotel in Dhaka.

The company's production plant is situated in Muktarpur, Munshiganj, which has a production capacity of 2,000 tonnes a day, he said.

UltraTech manages to support its own energy requirement by setting up a 10-megawatt captive power plant inside the factory. Also, the company is equipped with the latest

technologies that allow it to operate without polluting the environment.

UltraTech cement will be available on the local market from today.

Vivek Agarwal, CEO of international business of UltraTech Cement, said: "We are very optimistic about helping Bangladesh build sustainable infrastructure and thereby be a part of the fast growing economy."

Earlier, Aditya Birla Group acquired Dubai-based ETA Star Cement Company in April last year, and, by extension, the local operation of Emirates Cement in Bangladesh.

Although the cost of the acquisition was not disclosed, the enterprise value of the deal works out to around Rs 1,700 crore, according to a report published in Times of India on April 30 2010.

The report also said UltraTech has acquired more than 51 percent stake in ETA Star Cement.

At present, 35 cement manufacturers operate in Bangladesh, of which five are multinational companies. Manufacturers sell as many as 11 lakh tonnes of cement a month, said industry insiders.

Northern Power to issue Tk 175cr bonds

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday approved Northern Power Solution's proposal to issue 50 percent convertible bonds to raise capital from the market.

The SEC gave the green light to the power company at a meeting chaired by SEC Chairman Ziaul Haque Khondker.

Saifur Rahman, a spokesman for the SEC, said: "The commis-

sion has not imposed any condition on the company to go for an initial public offer during the bond period."

However, as per the Companies Act, every company must go from private to public, if it has more than Tk 50 crore in paid-up capital. The existing paid-up capital of Northern Power Solution is Tk 91 crore. The company is likely to go for IPO within a year.

The company will offer 17.5 lakh bonds at the issue price of Tk

1,000 per bond at an 18 percent interest rate to institutional investors to raise Tk 175 crore to establish a power plant in Rajshahi.

The period of the 50 percent convertible bonds is four and a half years and a grace period of six months, while the redemption rate of the company is 25 percent a year. If the company does not go for IPO within the time it will use cash for redemptions.

If the company goes public in the future, it would be able to

convert its bonds into shares at the price of IPO instead of face value. The trustee of the power company is ICB Capital Management.

The SEC also extended listing period for MJL Bangladesh and MI Cement for two more weeks as the commission found some development in the listing process.

MJL Bangladesh and MI Cement wanted to compensate the shareholders from the directors' account, said SEC officials.



Advanced Chemical Industries Limited
ACI Centre, 245 Tejgaon Industrial Area, Dhaka - 1208

Price Sensitive Information

Board of Directors of Advanced Chemical Industries Limited (ACI) in their meeting on 20 April 2011 has decided to set up a new pharmaceutical company in the name of ACI Healthcare Limited. Sufficient land for setting up the plant has already been bought. The Company will focus both local and overseas Pharmaceutical market.

By Order of the Board

Sheema Abed Rahman
Company Secretary

Dated : 20 April 2011

Nokia profit down

AFP, Helsinki

Mobile phone maker Nokia's first quarter net profit fell 1.4 percent to 344 million euros (\$503 million), beating expectations of analysts, the company said yesterday.

Correction

In yesterday's report headlined "Transit raises hope for robust earnings", we inadvertently mentioned that BIDS Senior Research Fellow Mohammad Yunus supported transport expert M Rahmatullah in conducting a study on transit. Actually, Rahmatullah and Yunus co-authored



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