

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 1.88%	▲ 2.10%	\$1,571.22 (per ounce)	\$90.36 (per barrel)	▼ 1.64%	▼ 1.86%	▼ 1.10%	▼ 1.64%	BUY TK 81.30	97.27	125.36	1.01
4,201.88	8,138.34			16,877.35	8,508.32	2,982.49	2,141.40	SELL TK 82.30	101.27	129.65	1.12

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star BUSINESS

DHAKA TUESDAY JULY 24, 2012, e-mail:business@thedailystar.net

Govt hears worries of RMG buyers tomorrow

REFAYET ULLAH MIRDHA

In the wake of concern from international buyers over labour rights in Bangladesh, the labour and employment ministry have scheduled a meeting with them tomorrow to hear out their issues.

Nineteen international garment buyers met at Walmart's Gulshan office last week to draft a letter to Prime Minister Sheikh Hasina voicing their uneasiness over a number of issues.

At the forefront is the persistent labour unrest in the sector.

The murder of Aminul Islam, a local leader of Bangladesh Centre for Workers Solidarity, who disappeared only to be found dead on the sidelines of Tangail-Mymensingh highway earlier in April, was another concern.

To date, eleven rights groups from US wrote to Sheikh Hasina on April 18 demanding a swift, comprehensive and impartial investigation into Islam's death.

The Bangladesh embassy in the US, and as recently as few days ago different rights groups from the US, wrote to the commerce ministry seeking information on Islam's death.

But the commerce ministry is yet to receive a reply to letter sent in April to the home ministry regarding the murder, Additional Commerce Secretary Monoj Kumar Roy said.



Workers are busy at a garment factory in Dhaka. The recent labour unrest in the sector has worried international buyers.

Moreover, the grim picture painted by the US Congress in a hearing on Thursday on Bangladesh's human and labour rights situation, added to their worries.

In the hearing Eric R Biel, acting assistant deputy undersecretary to the Department of Labour's Bureau of International Labour Affairs, raised the issue of Islam's murder again.

In recent months, the US Ambassador to Bangladesh Dan W Mozena, too, has been expressing concern over the human and labour rights situation in the country.

"We did not receive any letter from the buyers yet, but many people are bringing up the subject of

rights violation, so we wanted to address the issue," said Mikail Shipar, the ministry's secretary, citing no orders were cancelled yet on said grounds.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA), too, did not receive any letter from buyers yet concerning Islam's murder and any rights violation, said Siddiqur Rahman, acting president of the platform.

"From the very beginning we wanted a fair and impartial probe into the death of Aminul Islam. We do not want any unnatural death," Rahman said, echoing Shipar's words regarding order cancellation.

READ MORE ON B3

No declaration needed to remit up to \$5,000

STAR BUSINESS REPORT

Expatriate Bangladeshis now can bring home \$5,000 without any declaration, according to a circular issued by the central bank on Sunday. Earlier the amount was \$2,000.

A Bangladesh Bank high official said the step has been taken to make the process of sending remittances easier. It is expected that the move will increase remittance inflow, he said.

Bangladeshi citizens engaged in service and business abroad, except workers, will have to fill in a specified form to bring the money home through banks or carry cash in person through airports.

As the workers go abroad on work permit, they do not need to make any declaration.

The official said, in the form one had to provide various personal information like how the money was earned, to whom the amount would be sent and soon.

Many send money home through various informal channels to avoid hassles, he said.

The new move will increase the use of legal means for sending money home, he said.

Regent gears up for overseas flights

SAYEDA AKTER

Regent Airways, the market leader in domestic air travel, plans to introduce international routes by the end of this year.

Given permission from the Civil Aviation Authority of Bangladesh (CAAB), the carrier initially plans to fly to Malaysia, Abu Dhabi, Dubai, Muscat, Nepal, China, Japan and Korea, and bring in at least two new aircraft to serve these routes.

"We are all set to start international operations as soon as possible. We sent a letter to CAAB yesterday for permission to start international operations," said Imran Asif, CEO of the airline.

Initially, the airline intended to fly to international routes within a year of its inception in November, 2010.

But upon application for approval to CAAB, the airline was informed that it would have to successfully run domestic flights for a year to get the permission to international routes.

The plan was further delayed due to Bangladesh's citation in the significant safety concern (SSC) list -- the 'black list' for the aviation industry -- in May 2009 when the country failed an inspection conducted by the International Civil Aviation Organisation.

CAAB was unable to give the go-ahead for international routes to any new carrier until Bangladesh was struck off from the list, which eventually happened on Saturday.

"Now that the country has been dropped from the list of countries with unsafe civil aviation systems, we have



resumed our application process [with CAAB] to fly to international routes," said Asif.

Along with issuing the 3-letter International Air Transport Association (IATA) code, a requisite for international operation, CAAB has to conduct an audit to certify that Regent has the infrastructure to support international operation.

Then the civil aviation ministry and the CAAB in conjunction will decide whether the frequency and the routes Regent wants to operate are feasible.

According to the airline's top official, Regent fulfilled every requirement and attained AOC successfully from CAAB, well before its first flight in November 2010.

Asif deems it to be a good time for international operations as the passenger flow from Bangladesh to international routes has been increasing at a 15 percent a year.

"But still local airlines can't tap the full potential due to a lack of capacity, where new airlines will certainly help the condition improve with options," said Asif.

READ MORE ON B3

BTRC invites application for VSP licences

ABDULLAH MAMUN

The telecom regulator has invited applications for voice over internet protocol service provider (VSP) licences for international call transport to stop illegal use of VoIP.

Bangladesh Telecommunication Regulatory Commission (BTRC), the industry regulator, posted the final VSP guideline and licence application notice on its website on Sunday.

The VSP licensees will bring international calls to Bangladesh through international gateways (IGW) and take them to customers via telecom providers.

The guideline, however, did not mention how many licences will be provided. Earlier, the government planned to issue around 3,000 licences.

BTRC Chairman Zia Ahmed said the telecom ministry would finalise the number of licences to be issued.

He said when the VSP licences would be provided the number of illegal call termination would come down, as they will have to carry calls through IGWs.

Ahmed added that the amount of call termination to VSP licensees would be limited.

The government is giving the licences to provide people with easy and affordable telecom services by introducing and promoting VoIP and next generation technology, according to the VSP guideline.

The regulator will receive application from September 2 to September 6 this year, according to its web posting.

The application fee for VSP has been fixed at Tk 5,000, license fee at Tk 5 lakh and annual licence fee at Tk 1 lakh. Licensees will have to share 10 percent of their total revenue with the government.

Experts said the new licensees would not make any difference in the market and illegal call termination would continue as usual.

They said VoIP call is not illegal in Bangladesh as all kinds of international calls entering the country through IGW are legal. Calls that carriers bring bypassing IGW are illegal.

The government took the initiative to issue VSP licences last year to stop illegal use of VoIP.

Bangladesh receives about 5 crore minutes calls a day from different countries and a big number of the calls enter the country through illegal channels.

Falling acreage may affect jute yield

SOHEL PARVEZ

Jute cultivation area has fallen this year as some farmers switched to other crops due to the low prices of the natural fibre last fiscal year.

Drought in some areas -- southwest and western districts -- is another reason behind the falling acreage, which has created fears of a fall in production in the current fiscal year.

Acreage under jute cultivation fell 8 percent to 7 lakh hectares in the current season from the previous season's 7.6 lakh hectares, said Md Abdul Latif, director general of the Department of Agricultural Extension.

However, production is unlikely to be affected, he said. Jute production stood at 80 lakh bales in 2011-12, according to Bangladesh Bureau of Statistics.

"Inadequate monsoon affected jute plant's growth in some areas. Later, rainfall did some recovery for the plants. Yield so far has been good."

Jute traders and millers, however, said output may drop due to a lack of monsoon during the growing stages of jute plants.

Increased water level in the fields near river banks may also affect jute production, said Mahfuzul Haque, chairman of Bangladesh Jute Association.

The concerns came as newly harvested jute started arriving in the market while best quality jutes are trading at high prices amid absence of old jute of the same quality.

Newly harvested best quality jute is traded at around Tk 1,900-2,000 a maund (40 kg), said Prabir Saha, a trader at Kanaipur in Faridpur, the main jute growing zone. Prices of old jute of the same quality stand at Tk 1,800-1,900 a maund, he said.

"Farmers are very happy," he said. "But they are uncertain whether the current prices will



Farmers harvest jute at a field in Tangail. Many farmers are switching to other crops due to the falling prices of the fibre.

sustain. It will depend on the government's purchase prices." Najmul Huq, chairman of Bangladesh Jute Mills Association, said prices may fall after the beginning of the harvesting season in full swing next month.

He said production may fall to 70 lakh bales this year because of the sluggish growth of plants.

He said the market and prices of jute would depend on exports and the volume of its carry over stocks.

In terms of volume, exports of jute goods rose. Earnings, however,

fell by 13 percent to \$967 million in 2011-12 from \$1,114 million in the previous year due to reduced prices amid declining demand in Middle East and Africa, a major market for jute goods.

"The situation in the Middle East is one of the critical factors for exports of jute goods. If the situation improves, exports may rebound," said Huq.

Shahidul Karim, secretary of Bangladesh Jute Spinners Association, also feared that output may decline in the current fiscal year.

US oil giant seeks preference in future bidding

STAR BUSINESS REPORT

US oil giant ConocoPhillips yesterday sought a preference from Bangladesh when the country invites international bidding to explore gas and oil in the sea in the future, officials said.

ConocoPhillips Vice President William Lafferrandre and its Managing Director Thomas J Earley requested for the privilege during a meeting with Finance Minister AMA Muhith at his office in the capital.

After the meeting, Muhith told reporters that ConocoPhillips wants preferential treatment in the Bangladesh's next round of international bidding to award offshore blocks.

He said the US company earlier sent a letter to the government. Its officials now came to enquire about the issue.

Muhith said Bangladesh has not split its offshore blocks yet. The government would consider their proposal when it divides the blocks.

ConocoPhillips placed the demand at a time when the government plans to float an international bidding following international courts verdict that gave Bangladesh control of an area equivalent to its size in the sea.

Muhith also said ConocoPhillips has sought permission to conduct exploration in the erstwhile disputed part of blocks 10 and 11, as Bangladesh's maritime dispute with Myanmar has settled.

The US company obtained eight blocks in the offshore gas block bidding in 2008. But the government awarded them only two -- Block 10 and 11 -- and cancelled the bidding for other six blocks because of the then dispute with India and Myanmar.

In June last year, Petrobangla signed production sharing contract with ConocoPhillips for the two blocks. But it tagged a condition that ConocoPhillips will not be able to work in 30 percent area of Block 10 and 15 percent area of Block 11 unless disputes with India and Myanmar are resolved.

Bangladesh's arbitration with India still remains pending.

Muhith said ConocoPhillips now wants to work in those areas which they were not allowed to work earlier.

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