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# star BUSINESS

DHAKA FRIDAY OCTOBER 19, 2012, e-mail:business@thedailystar.net

## Sabinco to shake off its losing concerns

**SAJJADUR RAHMAN**

The Saudi-Bangladesh joint venture finance company, Sabinco, has decided to sell four of its industrial units to stem further losses, officials said.

"We have wasted a lot of money in the last 20 years and now we should quit running these organisations," Sahirul Hassan, managing director of Sabinco, told The Daily Star yesterday.

Saudi-Bangla Fish Feed Ltd, Bangladesh's first fish and poultry supporting venture, is one of the four enterprises being folded up.

"We created the first feed mill in the country, now there are around 350 such mills. We are not competent enough to run this mill," said Hassan.

Sabinco has floated tenders to



**AT A GLANCE**

Set up in **1984**

Paid-up capital **\$60 million**

Net profit after tax (2011) **Tk 40.85 crore**

sell S&M Shrimp Culture Ltd in Khulna, Bangladesh Cat Fish Ltd in Mymensingh and Gazi Fish Ltd in Khulna.

Sabinco (Saudi Arabia-Bangladesh Industrial and Agricultural Investment Company) is a 50-50 partnership between the Bangladesh and Saudi governments.

The company has invested upwards of Tk 50 crore in the ventures -- but they failed to

recoup the amount.

"We are an investment company. We tried to run these enterprises by appointing operators, but they pilfered and made these losing concerns," said Hassan.

Sabinco promoted a large number of medium- and large-scale industrial projects in the manufacturing, agricultural and infrastructure sectors, some of which were first of their kind in Bangladesh.

Its current portfolio includes investment in telecom, pharmaceuticals and power sectors.

Sabinco's net profit after tax in 2011 stood at Tk 40.85 crore, up from the previous year's Tk 27.59 crore, according to its financial statement.

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## Mobile users suffer as top-up vendors go on strike



People gather at a makeshift shop of a mobile credit retailer, whose association started a four-day strike yesterday demanding a raise in their commission.

STAR/FILE

**STAR BUSINESS REPORT**

The four-day strike by mobile top-up vendors which started yesterday has put subscribers in great inconvenience.

Habibur Rahman, a small entrepreneur from Mohakhali in the city, learnt of the strike when he went to recharge

his mobile phone account yesterday -- and he has been in a panic mode since.

"I need to be in contact with my clients at all times, but with my almost zero balance I cannot. My business will be ruined in these four days," he said.

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## Sustainable banking boosts sales of small businesses: study



From left, Syed Mahbubur Rahman, managing director of BRAC Bank; Muhammad A (Rume) Ali, chairman, and David Korslund, senior adviser to the Global Alliance for Banking on Values, attend the inaugural session of a meeting of sustainable bankers of the alliance, at BRAC Centre Inn in Dhaka yesterday.

**STAR BUSINESS REPORT**

Finances from sustainable banks lead to 76 percent increase in sales and 62 percent in assets in small businesses, according to a study commissioned by a global alliance of value-based banks.

The study was presented at the opening ceremony of a meeting of sustainable bankers of the Global Alliance for Banking on Values (GABV)

at BRAC Centre Inn in Dhaka yesterday.

The study aims to work out the impact of sustainable banking on business entities.

The Impact Measurement Study conducted by independent experts of Dhaka University assessed the impact of finances on small and medium scale borrowers of BRAC Bank in Bangladesh.

Credit programme helps business owners spend more on health,

education of the children and housing, the study said.

Enterprises become more committed to environment and elimination of child labour with the influence of bank.

Sustainable banking facilitates development of significant local market with growth of supportive backward and forward businesses growth, according to the study.

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## EU to give 19m euros for poverty reduction: Barua

**STAR BUSINESS REPORT**

The European Union will give 19 million euros (around Tk 202 crore) in the next three years to reduce poverty and inequality in Bangladesh by supporting the development of the SME sector, Industries Minister Dilip Barua said yesterday.

The EU has already allocated 6.5 million euros under a project -- Integrated Support to Poverty and Inequality Reductions through Enterprise Development (Inspired).

Barua spoke at the launch of Inspired Competitive Grant Scheme and the project's website, organised by the EU in collaboration with the industries ministry, at Ruposhi Bangla Hotel in the city.

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## GP net profit slumps

**STAR BUSINESS REPORT**

Net profit of Grameenphone went down by around 43 percent in the third quarter, compared to the same period a year ago, as the operator had to pay 2G renewal and spectrum assignment fees.

The country's largest mobile phone operator made a net profit of Tk 321 crore during July-September, according to the company's quarterly financial disclosures announced yesterday.

As the net profit declines, earnings-per share (EPS) also fell in the third quarter to Tk 2.38, which was Tk 4.17 in the same period last year.

"Lower profit for this period was mainly due to higher acquisition cost, recognition of amortisation and interest cost for 2G licence fees and loss on foreign exchange," the operator said in a statement.

Grameenphone paid more than Tk 900 crore during the third quarter as renewal

and spectrum assignment fees.

In the nine months to September, the operator paid Tk 2,527 crore as renewal related fees, while another Tk 714 crore will be paid in the fourth quarter.

Tore Johnsen, chief executive officer of the operator, said Grameenphone has geared up with aggressive acquisition drives, implementing new price plans.

The financial disclosures, however, could not put any big impact on its share transaction.

On the Dhaka Stock Exchange yesterday, each Grameenphone share was traded between Tk 163.90 and Tk 158.40, before closing at Tk 161.90 with a 0.49 percent rise over the previous day.

The operator now has 4.1 crore subscribers with around 42 percent market share.

However, the first nine months' EPS increased to Tk 9.54 compared to Tk 9.18 for the same period a year ago.

READ MORE ON B3

**GP Q3 IN NUMBERS**

Revenue	Tk 2,288 crore
Net Profit	Tk 321 crore
EPS	Tk 2.38
New subscription	17 lakh
Investment	Tk 287 crore

## Govt bans shrimp import

The move aims to stop re-export to EU

**STAR BUSINESS REPORT**

The government yesterday banned shrimp imports indefinitely to check the possibility of exporting the imported shrimp to European Union (EU) where Bangladesh gets duty-free entry.

"There is a risk of exporting the imported shrimp to EU. But such exports may cost us the GSP (Generalised System of Preference) facility that we enjoy for shrimp export to the region," Kamal Krishna Bhattacharyya, additional secretary of the commerce ministry, told The Daily Star.

As per the GSP scheme conferred by the EU, Bangladesh gets zero-duty entry for shrimp export, along with other major items such as readymade garments, to the Eurozone.

But one condition from the EU over the GSP scheme is that Bangladesh has to prove that the shrimps exported were grown locally, said Bhattacharyya.

The move comes two weeks after the ministry of fisheries and livestock seized a 33,000 tonne-consignment from India which supposed to contain white fish --



but had around 13,000 tonnes of shrimp.

Following the detection, the ministry requested the commerce ministry to bar shrimp imports to not risk losing the GSP facility for the item, said the official.

Accordingly, the commerce ministry yesterday cancelled its past circular that allowed shrimp imports solely through the Mongla port.

Kazi Shahnewaz, president of the Bangladesh Frozen Foods Exporters Association, welcomed the govern-

ment decision.

"It was necessary as it will cut the risk of losing the GSP facility," he said, adding that a section of dishonest people were trying to import diseased shrimp from India and Myanmar with to re-export them.

Shrimp, which accounts for 78 percent of frozen foods' exports, is shipped mainly to the US, Europe and Japan.

Shrimp exports in the first quarter of the current fiscal year stood at \$114.28 million, according to Export Promotion Bureau.

## Alcatel confirms big job cuts

**AFP, Paris**

Telecoms equipment maker Alcatel-Lucent has informed unions that it plans to cut a total of 5,490 jobs worldwide as part of a cost-cutting drive unveiled in response to sliding profits.

The job losses, from a total workforce of 78,000, are designed to help Alcatel trim 1.25 billion euros from its annual costs by the end of 2013, and shares in the company leapt higher in Paris trading on the announcement.

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