



**Roadside vendors sit on burnt-out remains of clothes after Hefajat-e-Islam activists ransacked and set fire to shops around the Baitul Mukarram complex in Dhaka on Sunday. As many as 525 small businesses in the area bore the brunt of vandalism.**

# Big shock for small shops

**SAJJADUR RAHMAN**

Abul Bashar, 45, a retailer of crockery and toys, was sifting through the ashes on the west side of the Baitul Mukarram national mosque. He saw he could save just some half-burnt steel items; the plastic toys disappeared.

Curious onlookers were passing by, but Bashar was staring at the remains of his shop. He was dumbstruck losing goods worth around Tk 3 lakh overnight.

He was not alone in his misery. Many small businesses, estimated to be around 525, have lost

their goods -- from shoes to readymade garments, toys, books, watches and stationeries - owing to vandalism and arson by Hefajat-e-Islam and Jamaat-e-Islami activists on Sunday.

Mohammad Dulal, 40, has been running a shop on the footpaths of Baitul Mukarram for 22 years. He has seen a lot of political demonstrations in the area in his time -- but nothing like the one he saw on Sunday.

Two of Dulal's shops that were selling imported Chinese shoes were completely burnt. Hefajat atrocities made him count a loss

of Tk 10 lakh. He is now worried as he owes Tk 4 lakh to his suppliers.

Liton, 32, another shoe seller in the area, was also anxious about being able to pay back his bank loan. He sees no hope.

Hundreds of small business owners around the Baitul Mukarram mosque have become bankrupt overnight.

With a bleak future ahead, they rushed to journalists on the scene to share their harrowing experiences.

"If we could have predicted the extent of vandalism, we would have taken our goods away from

the shops," said Nabir Hossain, who has been selling children's wear on the footpath for the last 15 years.

They knew that Hefajat would only lay siege to six entry points into the capital and do nothing inside the city. But they saw thousands of activists take to the city streets by 11am and start vandalising public and private properties in the Paltan area. At one point around 11am, nearly 600 footpath shop owners around Baitul Mukarram mosque had to flee the area, leaving behind their goods.

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## Poor maintenance drags BTCL internet down

**ABDULLAH MAMUN**

Bangladesh Telecommunications Company Ltd offers internet services at affordable prices but the state-run firm has failed to attract the expected number of customers due to poor maintenance.

The BTCL has optical fibre cable connectivity across 40 districts with backhaul facilities, said SOM Kolimullah, managing director of the company.

The company has recently reduced its internet prices by 40 percent to Tk 4,800 for 1 megabit per second of dedicated data, which was Tk 8,000 before; the rate is the same across the country.

Educational institutions will receive a 25 percent discount, while government and autonomous entities will get internet services at reduced rates, Kolimullah added.

He said the company has around 14,000 internet subscribers with a capacity of around 50,000 connections.

However, some people related to IT business say they do not subscribe to the state-run company due to poor maintenance and as a result, the number of its subscribers has been stuck at a certain level for the last few years.

The BTCL provides three types of services -- shared bandwidth internet service at personal level, dedicated internet service at personal or bulk level and optical fibre cable connectivity.

A director of the company said they are currently working to fix the service-related problems. The state-run entity is moving ahead with a project to better its internet services and connectivity, the director said, asking not to be named.

Analysts say the country faces setbacks in internet services for backhaul connectivity, which is the fibre that transports data from one area to another.

Backhaul connectivity is still an expensive service in Bangladesh; for example, 1 megabit may cost around Tk 30,000-Tk 40,000 for a Dhaka-Khulna connection.

The BTCL provides the same service at a far lower rate, its managing director said.

Aktaruzzaman Manju, president of Internet Service Providers Association of Bangladesh, said the BTCL's main problem is that it lacks competent or skilled manpower. Its quality of service is dropping, he added.

"The BTCL lacks troubleshooters too. If a line is disrupted on a Thursday, BTCL officials will not begin work before Sunday. But internet services require uninterrupted connectivity round the clock."

He suggested the BTCL appoint competent professionals or privatise its data services.

A few years ago, the company outsourced its sales and marketing operations to a private company, which saw good results.

Sumon Ahmed Sabir, an IT expert, said BTCL's rate is the lowest but people do not have confidence in it.

The BTCL has only one person to receive complaints on internet disruption, which is not enough for maintenance.

Almas Kabir, chief executive of Metronet, an ISP, said he has been taking BTCL data services for the last six months in 15 to 20 districts, and he is happy with the services.

Metronet connects corporate houses and banks, and operates in a total of 63 districts, taking services from other entities as well.

He said 39 internet gateways are giving services from Dhaka but the government should scatter them across the country to give better services at district levels.

The government has leased a 4,000-kilometre fibre line -- owned by Power Grid Company of Bangladesh Ltd -- to two nationwide telecommunication Transmission Network (NTN) companies for backhaul connectivity.

These two companies will have to set up equipment over the cable and develop an additional 7,000 kilometres of cable to connect the rural areas, which will take a couple of years, said Sabir, also an adviser to Fiber@Home, an NTN.

## Dhaka bourse to appoint consultant to make plan for demutualisation

**GAZI TOWHID AHMED**

The Dhaka Stock Exchange will soon appoint a consultant to prepare a demutualisation scheme and a business plan, which the bourse will submit to the stockmarket regulator.

As per the demutualisation act, which got passage in parliament on April 29, the DSE will have to submit the scheme and business plan to the regulator within 90 days after a gazette notification.

The act has paved the way for separating the bourses' management from ownership to ensure transparency and accountability in the stockmarket.

"I hope the DSE management will be able to submit demutualisation scheme and business plan within the stipulated time as the bourse is quite active in preparing it," DSE Senior Vice President Ahmed Rashid Lali said.

The exchanges will be demutualised within six months of the gazette notification, he added.

Ahmed said the consultant firm will be appointed through bidding and it may be local or foreign.

The scheme includes a list of proposed directors of the DSE, structures of committees for demutualisation with their roles in details and three years' business plan along with policy on dividends.

The scheme will cover probable capital expenditure and source of funds, revaluation of exchanges' assets and liabilities by a registered merchant bank.

The merchant bank will also decide on the number of shares with a face value of Tk 10 based on asset revaluation of the bourses.

The scheme will describe the form and amount of authorised and paid-up capital considering the number of issuable shares and governance structure.

After receiving the demutualisation scheme from the bourses, Bangladesh Securities and Exchange Commission, the regulator, will approve it within 60 days.

According to the law, the demutualised stock exchanges will have to hold the first board meeting within 90 days after electing a chairman from among independent directors.

Most of the directors of the demutualised stock exchanges will be independent.

## Brands hit by troubles in garment industry

**AP, Mumbai**

Global clothing brands involved in Bangladesh's troubled garment industry responded in starkly different ways to the building collapse that killed more than 600 people. Some quickly acknowledged their links to the tragedy and promised compensation. Others denied they authorised work at factories in the building even when their labels were found in the rubble.

The first approach seems to deserve plaudits for honesty and compassion. The second seems calculated to minimise damage to a brand by maximising distance from the disaster.

Communications professionals say both are public relations strategies and neither may be enough to protect companies from the stain

of doing business in Bangladesh.

Such experts say that with several deadly disasters and fires in Bangladesh's \$20 billion garment industry in the past six months, possibly the only way retailers and clothing brands can protect their reputations is to visibly and genuinely work to overhaul safety in Bangladesh's garment factories. A factory fire killed 112 workers in November and a January blaze killed seven.

"Just public relations are not going to do it," said Caroline Sapriel, managing director of CS&A, a firm that specialises in reputation management in crisis situations.

Over the past decade, major players in the fashion industry have flocked to Bangladesh, where a minimum wage of about \$38 a month has helped boost profits in a global business worth \$1 trillion a year. Clothing

and textiles now make up 80 percent of Bangladesh's exports and employ several million people.

Yet the country's worker safety record has become so notorious that the reputational risks of doing business there may have become too great even for retailers and brands that didn't work with factories in the collapsed Rana Plaza building or the Tazreen Fashions factory that burned late last year.

"I don't think it's enough anymore to say 'We're not involved in these particular factories,'" Sapriel said.

Many clothing brands were quick to distance themselves from the five factories that were housed in Rana Plaza. The building, which was not designed for industrial use and had three illegally added levels, collapsed April 24.

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## Regulator defers 3G auction to July 31

**ABDULLAH MAMUN**

The telecom regulator deferred the 3G auction date to July 31 from June 24, as the operators refused to take part in the auction until the disputes over VAT on spectrum charges and SIM tax are not resolved.

Bangladesh Telecommunication Regulatory Commission also needs more time, as it did not yet find any competent international bidder to hold the auction, BTRC Chairman Sunil Kanti Bose told The Daily Star yesterday.

The disputes will be solved soon, as Finance Minister AMA Muhith has recently agreed to reduce the VAT on 3G auction prices to 7.5 percent from 15 percent in the next national budget, Bose said.

In a meeting with the operators, the minister also made commitments to reduce the SIM tax, which is Tk 600 now, he said.

The government will declare the budget for the next fiscal year by June, which will put an end to the disputes, Bose said.

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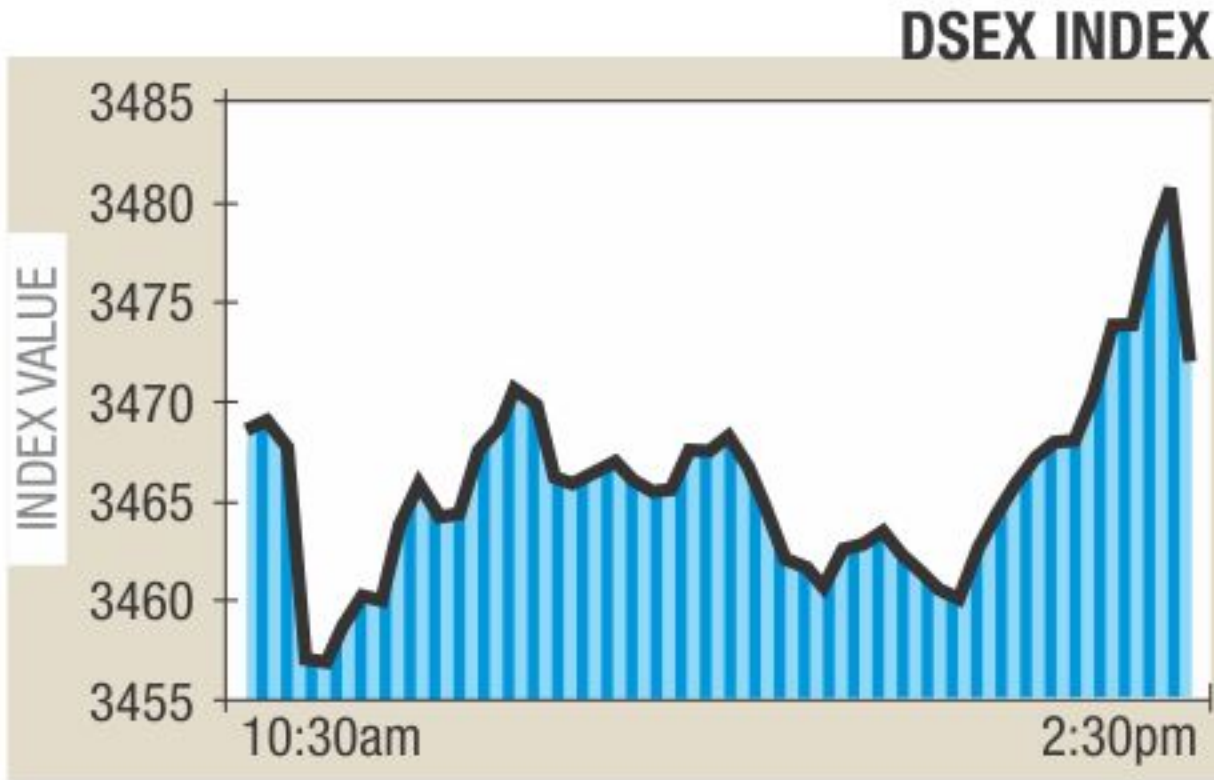
## Stocks wilt in Hefajat heat

**STAR BUSINESS REPORT**

Stocks ended flat for the second day yesterday with the lowest turnover in 69 sessions, as investors were reluctant to make fresh investment amid the ongoing political uncertainty.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 3,472.17 points, after going up by 3.6 points or 0.10 percent.

After Sunday's blockades and subsequent clashes



and rampages by Hefajat-e-Islam activists in the capital, investors were largely pessimistic amid heightened tension in the political arena, said IDLC Investments in its regular market analysis.

"As volatility continues, investors hardly had the reason to invest more, resulting in a flat session."

Over the depressive investment scenario, turnover plummeted 23.23 percent to Tk 108 crore from the previous day, the investment banker said.

The slide in turnover indicates confusion about the market direction amid the current political trends, LankaBangla Securities said in its daily market update.

In this market of apathy, only foreign investors are taking long-term positions betting on the country's growth prospect, the stockbroker said.

A total of 0.42 lakh trades were executed with 2.90 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 265 issues that traded on the DSE, 89 advanced, 137 declined and 39 remained unchanged.

Among the major sectors, banks gained 0.69 percent and pharma 0.11 percent.

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