ADN Telecom to raise Tk 13.5cr

STAR BUSINESS REPORT

ADN Telecom will raise Tk 13.5 crore through private placement to meet its capital requirement to expand its fixed broadband network.

The local telecom and information technology service provider will issue 45 lakh shares of Tk 10 each at an offer price of Tk 30, including a Tk 20 premium, mainly to institutional investors.

This was disclosed at a signing ceremony between the company and an issue manager in Dhaka on Saturday night. The programme also aimed at informing the investors.

ADN Telecom, which received regulatory permission this February, appointed City Bank Capital Resources to manage the issue.

Asif Mahmood, chairman and managing director of ADN Telecom, and Ershad Hossain, managing director of City Bank Capital Resources, signed the issue management agreement.

ADN Telecom also signed two other its shares. The two institutions that will purchase the ADN Telecom shares are SEAF

Bangladesh Ventures and Vanguard Asset Management.

Fahim Ahmed, managing director of SEAF Bangladesh Ventures, and Waqar Chowdhury, managing director of Vanguard Asset Management, signed the two deals with Mahmood.

Currently, the company is providing broadband connectivity to corporate clients through both wireless and wired line, said Abdul Matin Miazi, chief executive of ADN.

The company plans to expand the network out of Dhaka in partnership with another internet service provider, Agni Systems. Both companies will share the country's largest mobile operator Grameenphone's infrastructure for wireless services, he added.

"By driving development in the data and telecommunications sector, ADN Telecom is at the forefront of technology innovation and the national vision of Digital Bangladesh," Mahmood said.

The City Bank Capital Resources managing director said: "As one of the leading telecom and IT service providers, we look deals with two institutional investors to sell forward to assist ADN in entering the capital market and beginning a new phase of growth.



FROM PAGE B1 Policy and institutional reforms, however,

need more attention, according to WB's lead economist.

"The resilience of Bangladesh's economy is already being tested due to internal and external adversities. The test will continue in the next six to eight months."

In view of that, Hussain forecasts a GDP growth of 6.2 percent in the upcoming fiscal year.

Regarding the provision to gain amnesty for black money, the economist said the opportunity neither encouraged more people to legalise their undisclosed money nor brought in expected revenues in the past.

"I do not see any economic justification for the scope."

Johannes Zutt, the WB's country director for Bangladesh, said although the 5-6 percent of GDP expansion is a good growth figure, it is not sufficient to move Bangladesh to a middle-income status.

Bangladesh faces a number of shortand long-term challenges in the days to come, he said.

"The short-term challenges are fairly obvious. The global echoes of the euro crisis are still with us, with some of the effects of the financial crisis from 2008-09 are still being transmitted to the Bangladesh economy."

Zutt also said the country's continued dependence on the readymade garment

sector and failure to diversify Bangladesh's manufacturing base is a major challenge for the country.

"We all know no country achieves middle-income status on the basis of one or two industries in a sustainable way. And no country does it by remaining in agriculture. They have to move up to manufacturing, the path which every other country in the world has taken."

About long-term challenges, Zutt said Bangladesh could still do a lot to make itself a more attractive destination for both domestic and foreign investment.

"Currently, the investment rate in Bangladesh is well below what it should be in comparison to other countries that have accelerated growth in poverty reduction," he said, adding Bangladesh's investment-GDP ratio is about 26 percent.

He said if the government and the development partners fail to expand the transportation infrastructure and make energy cheaper, the country's businesses would continue to struggle in terms of competitiveness. "This will hold the country back."

The regulatory environment for businesses could be improved, he said. "Many aspects of doing business in Bangladesh require extensive interaction with the bureaucratic system, which is not always run in the most efficient way and do not always present a level playing field to all potential investors."



Sonia Bashir Kabir, country manager for Dell Bangladesh, and Zia Manzur, country business manager for Intel Bangladesh, attend the launch of Dell Vostro 5460 in Dhaka yesterday. The laptop costs Tk 53,500 in Bangladesh.

Asif Mahmood, chairman and managing director of ADN Telecom, and Ershad Hossain, managing director of City Bank Capital Resources, shake hands over an issue management agreement to raise Tk 13.5 crore through private placement to expand ADN's fixed broadband network, at a ceremony in Dhaka on Saturday.

Galloping growth, why it remains a fantasy

Net enrolment rate for girls is higher than boys in both primary and secondary level institutions, indicating that we are also reaching well in MDG target 3, which specifies promotion of gender equality and empowering women.

However, when taken a closer look, deeper problems can be perceived. Even though net enrolment rates are so high in primary, dropout rates stood at 40 percent in 2010, according to Bangladesh Bureau of Educational Information and Statistics. This means 40 percent of the students who were enrolled in grade I dropped out of school by the time they were in grade V.

The scenario gets worse in case of secondary education, where dropout rate is 53 percent, according to the BANBEIS. It means only 47 percent of the students enrolled in grade VI actually complete the cycle of grade VI-X.

The corollary of high dropout rates in the face of a limited education budget is huge because this translates into a massive loss of public expenditure as public money is being spent on the students.

successful instrument in increasing enrolment rates and receding dropout rates; however, the social safety net programmes in fiscal 2014 implies that funds allocated for stipend programmes have reduced by 13 percent as compared

tradexcel

to the preceding fiscal year.

More money should indubitably be allocated for stipends as they act as an incentive for the students to remain in schools and complete the education cycles.

Just like education, health is another component of the Human Development Index, but the share of health sector in the national budget has declined this fiscal year.

Political instability is another entity which makes the country's growth rate stumble. Past trends show that the country's growth rate has always performed relatively poorly in election years due to increased political chaos. In fact, growth rate already starts sliding a year prior to election years. By looking at the present political settings, this election year seems to be no exception.

On a positive note, the manufacturing sector can be expected to bring about the much needed glory to growth. The International Monetary Fund expects world output to rise in 2014 and the European Union has started to bounce back from recession.

This is welcoming news for our exports Stipends given to students have been a and we can hope that this sector will supplement to growth, even if it is unable to reach the staggering target of 7.2 percent under the current circumstances.

> The writer is the head of research at The Daily Star and can be reached at faariats@gmail.com

> > **IDLC**

financing happiness

Honouring RMG workers

FROM PAGE B4

ADN

Their work environment is not dangerous or hostile. Their sweat is valued and is helping move the next generation, their children, permanently out of poverty.

The idea of "certified" products is not entirely new or untested. This follows the well-established and tested model followed by the "fair coffee."

This strategy is also modelled after Bono and his wife's line of clothing -- Edun -launched in 2008 and marketed as apparel of highest quality that is exclusively "Made in Africa" and helps poor African women and their families graduate out of poverty. These apparels are priced above what they would otherwise be priced without the certification and the guarantee.

How will this begin? How long will this take to scale up? As Prof Yunus likes to say, start small. It is important to start modestly to find the best model through trial and error.

In the beginning, it is important that this be done on a small scale, perhaps with 10 or 20 owners and 25 factories involving 100,000 workers. Once the kinks have been worked out, the legal issues taken care of, the people and personnel in place, the customer response evaluated, the project can be scaled to first include perhaps 10 percent of all garment factories (2 years) and eventually 100 percent in another five years. If the experiment is successful, 100 percent of all 3.5 million (or perhaps 6 million at the time) will be covered by 2017.

Why should a buyer like Wal-Mart participate in the trust fund? Wal-Mart is the industry leader in good quality and inexpensive clothing at the retail.

With its enormous scale it can source its garments from anywhere in the world. It does not have to source its garments from Bangladesh or any particular country. However, Bangladeshi garment manufacturers and workers have demonstrated time and again that they can deliver high quality garments at the most competitive global prices.

Unfortunately, the "race to the bottom" of the cost pyramid has resulted in tragic accidents and has damaged not just the "made in Bangladesh" brand, but also the Wal-Mart brand. To cut and run is not an option for a great company. The challenge is to stay and help with a genuine turnaround of the garment industry in Bangladesh. Sam Walton, the founder, will not

have run from the challenge. The idea presented in this document to introduce a new line of clothing (along with the existing line) that carries a "fair labour" and "fair garment" certification is a once in a lifetime opportunity for Wal-Mart to live up to its mission of being a "socially responsible" global corporate citizen.

Just imagine if the 1,131 workers who perished in the Savar tragedy and the 2,500 who were injured had benefits such as life insurance, health insurance and pension -- although the great pain of loss of loved ones would still be there, the lives of their children and families of the unfortunate works would have been easier compared to the situation now where none of these benefits exist.

Munir Quddus is the dean of the business college at Praire View A&M University. He can be reached at munirquddus@pvamu.edu



Md Mozzammel Haque Khan, chairman of MJL Bangladesh Ltd, attends the 15th annual general meeting of the company at Bangabandhu International Conference Centre in Dhaka yesterday. MJL announced a 25 percent cash dividend for 2012. Azam J Chowdhury, managing director, was also present.

New DMD for Central Depository Bangladesh

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Shuvra Kanti Choudhury joins Central Depository Bangladesh Ltd (CDBL) as deputy managing director today.

Prior to joining CDBL, Choudhury had been serving the Dhaka Stock Exchange as chief financial officer since January 2012.

Before joining the premier bourse, he served as chief financial officer and company secretary of CDBL, the operator of



Shuvra Kanti Choudhury

central depository system for electronic share transaction. Choudhury also worked as finance director of Radisson

Water Garden Hotel, and prior to that he was an executive director of Bangladesh Securities and Exchange Commission.

DUEDAA sets annual meeting for June 21

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The reunion and annual general meeting of Dhaka University Economics Department Alumni Association will be held at 7:00pm on June 21 at Celebrity Hall of Bangabandhu International Convention Centre, DUEDAA said in a statement yesterday.

The association requested all members to join.

For registration and other details, the following persons can be contacted: Prof Fariduddin (01711537100), Shafiq (01760972112), Joyanta (01552342291), Parvin (01716161805), Fatema Johora (01713302980), Iftekhar (01841930029), Ashraf (01817146851), Mosarrof (01712985444) and Hafiz (01814652655).

Banglalink gets new CCO

STAR BUSINESS DESK

Shihab Ahmad has been appointed chief commercial officer of Banglalink, the company said in a statement yesterday.

The appointment will be effective from June 26. Shihab has previously been one of the marketing team leaders at Banglalink, fronting the price and brand initiatives of the company.

Shihab is an MBA from



Shihab Ahmad

Lahore University of Management Sciences and a graduate of Bangladesh Institute of Engineering and Technology.

NCC Bank elects chairmen of executive and audit committees

STAR BUSINESS DESK

yesterday.

SM Abu Mohsin and independent director Md Amirul Islam were elected chairman of the executive committee and chairman of the audit committee of NCC Bank Ltd, it said in a statement SM Abu Mohsin Md Amirul Islam



SM Abu Mohsin is currently serving as chairman of Food & Accommodation Co Ltd and managing director of Brothers Oxygen Ltd & Brothers Ispat Industries Ltd. He is also a sponsor director of Continental Insurance Ltd and director of Central Hospital Ltd.

Md Amirul Islam holds a MCom in management from the University of Dhaka and is also a chartered accountant and chartered secretary. He has served BSRS/BDBL for more than 27 years in different important capacities such as senior consultant, general manager and held additional charge of the managing director.





Chairman of UCB. Mr.

Chowdhury, former President

also the Managing Director of

Aramit group and the member

of Chittagong Chamber of

Commerce & Industries is

of Parliamentary Standing

Committee on Ministry of

Newly elected Chairman and EC Chairman of UCB

Distinguished industrialist & philanthropist Mr. M. A. Hashem has been unanimously elected as Chairman of United Commercial Bank Limited in an emergent board meeting held on 16 June, 2013 at the corporate head office of UCB. Former MP and one of the founder directors of UCB Mr. Hashem is also the Chairman of Partex group and Chairman of North South University Foundation.

Moreover, notable industrialist and politician Mr. Saifuzzaman Chowdhury, MP has been elected as EC

Foreign Affairs. Among others eminent business entrepreneur Mr. Sharif Zahir has been elected as Vice-Chairman and independent director Lt. Gen. (Retd.) Abu Tayeb Muhammad Zahirul Alam, rcds, psc has been elected as

Chairman, Audit Committee.

Selim RF Hussain, chief executive officer of IDLC Finance Ltd, and Rezwan Rahman, managing director of Tradexcel Auto Bricks Ltd, attend the signing of a syndicated agreement to raise Tk 39 crore term loan and working capital for an energy efficient 'tunnel kiln' brick project in Gazipur recently.

Signing of Term Sheet