

**NCC Bank Ltd.**  
Where Credit and Commerce Integrates  
www.nccb.com.bd



Workers stand in line to enter Shahjalal International Airport in Dhaka yesterday, before flying to Malaysia for jobs. Ninety workers left for Kuala Lumpur under a government-to-government agreement. Related story on Page 3.

## Govt, BGMEA seek to be part of factory inspection team

REFAYET ULLAH MIRDHA

The government and garment exporters have expressed disappointment as IndustriALL -- a global trade union -- has excluded them from a core committee that will inspect Bangladesh factories under an accord signed by 85 global retailers and brands.

The Bangladesh sides were barred from the panel as IndustriALL fears they could influence the inspection, an official of the trade union said.

Also, the 85 retailers and brands will pay \$12.5 million each in the next five years for the inspection and as compensation to workers, but the Bangladesh government and the garment manufacturers will have no such contribution, the official said.

READ MORE ON B3

## Grameenphone secures \$345m to widen rural network

IFC leads a consortium of lenders to raise funds

STAR BUSINESS REPORT

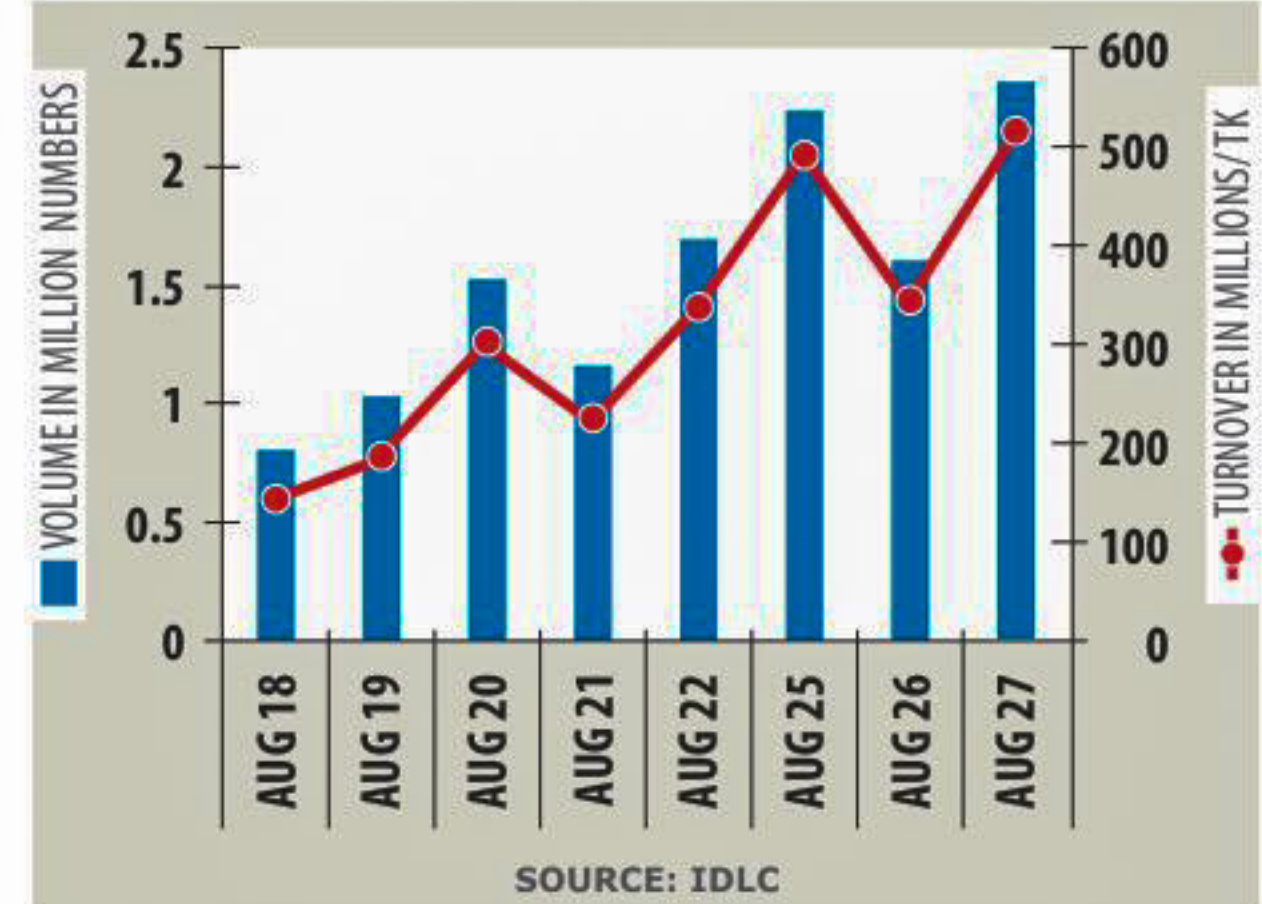
Grameenphone is set to receive \$345 million funds from the International Finance Corporation (IFC), the private sector arm of the World Bank Group, to expand its coverage in rural areas.

"Improved access to mobile telephony and data services is critical for economic growth and poverty reduction. Bangladesh's teledensity remains low by global standards," IFC said in a statement on its website.

"Experience from rural Bangladesh shows that livelihood opportunities improve as a result of information and transactions facilitated through mobile phones," said Kyle F. Kelhofer, IFC country manager for Bangladesh.

Said to be one of the largest private sector financing packages in Bangladesh, it is touted to increase access to telecom services for both voice and data, help smaller businesses create employment and support both public and private sectors to better deliver education, health and other basic services using mobile technology.

### GP'S TURNOVER AND VOLUME ON 8 TRADING DAYS



IFC's own investment in the package is \$150 million, while the remainder came from a consortium of lenders that include Standard Chartered Bank.

"The potential to expand telecom services in Bangladesh is huge and IFC's financing will be crucial in helping us improve connectivity and coverage in rural areas, boosting digital inclusion," said Vivek Sood, chief executive officer of Grameenphone, the country's leading telecom operator.

Nabhash Chandra Mandal, executive member of Board of Investment, said the financing will help improve the quality of connectivity infrastructure, boost the 'Digital Bangladesh' initiative and contribute to the socio-economic growth of the country.

READ MORE ON B3

## BOTULISM SCARE

# Port runs lab tests on dairy imports

REFAYET ULLAH MIRDHA

The Chittagong customs sent the samples of imported Fonterra-branded powdered milk to laboratories for chemical tests.

Earlier the Chittagong customs had stopped releasing around 600 tonnes of milk, imported mainly from New Zealand-based Fonterra over the last two months, in the wake of a botulism scare globally.

"We sent the samples of 30 consignments to different laboratories in Chittagong this week. We will have to see the nitrite level in the milk," Mahmudul Hassan, a joint commissioner at Chittagong customs, said by phone yesterday.

The commerce ministry has already sent a letter to the National Board of Revenue, asking it not to release any powdered milk from Chittagong port without testing the nitrite level as a bacteria was found in some of the Fonterra products that could cause botulism.

Commerce Secretary Mahbub Ahmed said the government has not imposed any restriction on the dairy products.

"Those will be released after tests." Five local companies imported the milk. In the year to June, Bangladesh imported 20,741 tonnes of milk powder, mainly from Fonterra.

The botulism scare, stemmed from

Fonterra powdered milk, sparked global recalls and restriction on imports by countries, including China, early this month.

Botulism is an infection caused by bacteria that can lead to paralysis and death.

Fonterra is a big supplier of wholesale dairy products to multinational food and beverage companies. It also markets its own consumer brands, including Anchor milk in New Zealand and Anlene and Annum maternal milk formula.

After the deadly bacteria was found in China on August 3, Fonterra said it had supplied contaminated milk to its customers, including Coca-Cola, Danone SA and China's Wahaha, in nine countries.

The world's biggest cooperative, Fonterra said it had sold contaminated whey protein concentrate to eight customers for use in a range of products, including infant milk powder.

Sri Lanka last week ended a ban on the sale of Fonterra milk products that had been ordered after food safety authorities said they found the toxic farm chemical dicyandiamide (DCD) in two batches of milk powder, according to Reuters.

The term nitrates is often used interchangeably with nitrites, which occur naturally in water, soil and food and can be used as fertilisers and preservatives. Excessively high levels can be toxic.

## Firms barred from giving out dividends through asset revaluation

GAZI TOWHID AHMED

Bangladesh Securities and Exchange Commission (BSEC) has barred listed companies from issuing dividends through asset revaluation, in a bid to instil greater financial discipline into the markets.

The move comes as a host of companies in recent times have handed out dividends by showing a surplus in their balance sheets through asset revaluation.

The stockmarket regulator put in place a tighter asset revaluation guideline on August 18.

Now, a listed company will have to present a good reason for embarking on the revaluation process and the asset class, too, has to be stated.

BSEC also barred the auditing companies from entering into agreements where the fee is linked to the outcome of the report. The auditor also cannot accept data or analysis from the company without a critical review.

The new guideline bars upward revaluation of leased property, second-hand and lower economic life machinery, tin-roofed buildings, vehicles, furniture and loose tools.

It also stipulates that the time difference for valuation of the same class of asset cannot be less than three years and no upward revaluation of any asset can be done within two years of acquisition.

The valuation report should include the financial statement of the company and the auditor must verify that all relevant laws and accounting standards were followed during preparation of the statement.

The auditor also has to certify that the provisioning of tax and other liabilities have been considered during the valuation, it said.

gazitowhid@gmail.com

## Stockbroker fined Tk 5 lakh

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday fined a stockbroker Tk 5 lakh on charges of short-selling shares, which is a violation of securities rules.

The stockmarket regulator imposed the financial penalty on Salta Capital at a meeting chaired by the commission's chief M. Khairul Hossain.

One lakh Eastern Bank shares were traded from Salta Capital everyday between April 8 and April 10 through short-selling, which is the sale of a stock that an investor or a brokerage or a dealer does not own.

The punishment came after an investigation detected short-selling by Salta Capital, the regulator said in a statement.

At yesterday's meeting, BSEC also formed a two-member panel to investigate an abnormal rise in prices of some listed companies' shares.

READ MORE ON B3

## Time to decide on coal extraction method

# Muhith speaks on National Energy Security Day

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday said the country fast needs to decide on the coal extraction method to be used, given the soaring demand for electricity.

"Time has come. We have to take a final decision without any delay about the mode of coal extraction," he said at a seminar at Petrobangla to mark National Energy Security Day.

The comments from the minister came as speakers at the event called for exploration of renewable energy sources and use of coal to meet the growing need for electricity instead of relying on expensive oil amid drying-up of gas reserves.

Bangladesh now produces more than 70 percent of its electricity from gas, while about 25 percent is generated from the costly imported petroleum oil. The rest comes from coal and hydropower.

Muhith said the government has taken steps to diversify energy sources, as relying on only two sources is not right.

He admitted that the extraction of coal might affect the densely populated area, its environment and aquifer. "So still there is scope for discussion, and we will have to do that."

The minister went on to defend the government's decision to go with imported oil to produce electricity, saying the heavy subsidies for the power and energy sector are "totally logical".

"We will also have to take into account the economic impact of greater electricity than just the heavy subsidies. We have not done it illogically."

READ MORE ON B3

**Grameenphone STAR PROGRAM**

## HAPPY LANDINGS JUST GOT HAPPIER

Fly Bangkok Airways to 15 international destinations at 10% less on Base Fare.

<b>Thailand</b>	: Bangkok, Koh-Samui, Phuket, Chiang Mai, Krabi, Trat, Lampang, Utapao
<b>Laos</b>	: Luang Prabang, Vientiane
<b>Cambodia</b>	: Phnompenh, Siemreap
<b>Myanmar</b>	: Yangon
<b>Maldives</b>	: Male
<b>India</b>	: Mumbai

**10% discount**

> Discount is applicable for GP STAR Customers (Adult/Child) only. Discount not applicable on Embarkation Fees, Bangladesh Government Excise Duty & Fuel Surcharges > Tickets can be purchased from Bangkok Airways Dhaka (Taj Cassilina, 25 Gulshan Ave (5th Flr). Tel: 9854526-27) & Chittagong (Ayub Center, 1269/B, Sk. Mujib Road (1st Flr), Agrabad, Tel: 2516537-38) offices only > For details, visit <http://www.grameenphone.com/Star-Subscriber>

