

Focus on venture capital firms

BD Venture teams up with DEFTA Partners to finance young entrepreneurs

STAR BUSINESS REPORT

DEFTA Partners, an US based venture capital firm, aims to foster the young entrepreneurs in Bangladesh by providing seed capital to start-up companies.

"Bangladesh has immense potential to set up new ventures thanks to its high population base and export market opportunities," said George Hara, group chairman of DEFTA Partners.

"We want to seek out promising ventures here and assist them on their path to success."

DEFTA Partners yesterday inked an agreement with BD Venture (BDV) at the latter's office in the capital to co-finance different business ventures in Bangladesh.

In addition to capital funding, the US firm will also offer financial and operational guidance as well as access to a powerful network of strategic alliances for the success of the companies, Hara said.

"We want to bring proven technology here."

A host of innovative young entrepreneurs fail to start their projects due to financial problem, said Aftab ul Islam, chairman of BDV.

The collaboration with the two will create a new opportunity to develop entrepreneurs in the country, Islam said.

As per the agreement, BD Venture will assist the US firm to select the projects here for joint investment, said Shawkat Hossain, managing director of the Bangladeshi firm.

"Our experts will assess the project idea



George Hara, group chairman of DEFTA Partners of USA, and Shawkat Hossain, managing director of BD Venture Ltd, sign a deal to co-finance different business ventures in Bangladesh, on the premises of BD Venture in Dhaka yesterday.

and will become a partner in the business by investing capital," he said.

The two firms are mainly looking to invest in: information technology, agriculture and agro-based industries, food processing, renewable energy, health service, education, tourism and light engineering.

The two will also be involved in governance of the companies and assist them in building entrepreneurial and management capacity, said Mamun Rashid, vice president of BDV.

After reaching maturity, venture capital

firms generally sell the shares of the companies it invested in back to the entrepreneurs or to a third party via the capital market.

In 1984, Hara founded DEFTA Partners and went on to become one of the most prominent Silicon Valley venture capitalists in telecommunications and technology in the 1980s and 90s.

Competing with Microsoft, Hara has led more than 20 companies, including Borland, PictureTel, SCO, Tradex, and Unify, to dominate the software industry.

Since 2000, Hara has served on the board

or helped to manage a number of successful US and European companies, such as Oplus Technologies, which merged with Intel in 2005, Broadware, which merged with Cisco in 2007, and Fortinet, which floated its IPO through NASDAQ in 2009.

DEFTA Partners prefers to invest \$0.5 million to \$3 million in companies based in the United States, United Kingdom, Japan and emerging countries in Africa, Asia, and Latin America.

The firm is based in San Francisco, California with additional offices in Japan, Israel and United Kingdom.

In 2005, it also invested in BracNet, a leading ISP-internet service provider in Bangladesh.

Mutual Trust Bank, National Bank, Green Delta Insurance, Bangladesh General Insurance, LankaBangla Finance, DataEdge, Asia Pacific General Insurance, MIDAS Financing and IPE Capital hold a combined 80 percent stake in BDV.

The remaining 20 percent is owned by renowned professionals, bankers and businessmen.

The country has tremendous potential for venture capital firms as it has so far one such firm, whereas the number is around 22,000 in India and nearly 2,000 in Sri Lanka, said Md Sabur Khan, president of Dhaka Chamber of Commerce and Industry.

The government should enact the necessary rules and regulations for venture capital firms, as no such rule is now present in Bangladesh, Khan said.



Alihussain Akberali, chairman of BSRM, and Hasibur Rahman, executive director of the Management and Resources Development Initiative (MRDI), attend a programme yesterday where MRDI signed a deal with BSRM to build a skills training centre for poor women of Bahadurpur in Jessore. Atiur Rahman, governor of Bangladesh Bank, was also present.

Skills centre for Jessore's marginalised women

STAR BUSINESS DESK

The marginalised women of Bahadurpur village near Benapole border in Jessore will now get a skills training opportunity thanks to an initiative by the Management and Resources Development Initiative (MRDI) with funds from BSRM.

Alternative Development Organisation for Raising Entrepreneurship and local daily Gramer Kagoj will jointly implement the initiative under MRDI's supervision, as per the deal signed yesterday.

The project is a part of joint effort of MRDI and Manusher Jonno Foundation to use CSR funds as an alternative social development support, MRDI said in a statement.

The poverty hit women of the area are often victims of violence and trafficking, and the MRDI's training centre is expected to benefit 10,000 people of the village.

Atiur Rahman, governor of Bangladesh Bank; Alihussain Akberali, chairman of BSRM, and Hasibur Rahman, executive director of MRDI, were present at the signing ceremony.

The central bank chief highly appreciated the initiative and said the business sector can play an important role to make use of CSR funds connecting business and development.

"These programmes are well recognised in terms of contribution to development."

He termed it as an important step towards building partnership between corporate and civil society organisations for optimum utilisation of CSR funds in development.

BSRM wants to focus and engage in a few interventions related to education, health care, livelihood, and renewable energy to reach and affect the lives of many under its CSR programme, Akberali said.

The Jessore project would give the young vulnerable girls of the border area an opportunity to acquire skills to make a livelihood and save themselves from the dirty hands of human traffickers, he said.

The volume of fund that BSRM is providing for the initiative will encourage development organisations to seek funds from the corporate sector to take up poverty reduction programmes, Hasibur Rahman said.

Customers' nightmare at banks

FROM PAGE B1

She shuttled between the bank branch and its head office over the next three months. Still, she could not find out where and how her funds vanished off to.

At her wits' end, Hasna contacted the BB customer service department, who got her money back.

Mohsin and Hasna are not alone to have suffered harassment in the hands of commercial banks last fiscal year. There were about 2,200 in the same boat as them.

In fiscal 2012-13, the financial integrity and customer services department of BB received a total of 4,296 complaints from public, up 70 percent year-on-year.

Of them, 51.47 percent were general banking services, ranging from loans and

advances and remittance to mobile banking and bank cards.

Nonpayment of accepted bills brought in next most complaints.

The department managed to solve 2,941, or 68.45 percent, of the complaints received last fiscal year.

To safeguard the interests of customers, BB earlier in March 2011 introduced a help desk, which was renamed to Customers' Interests Protection Centre in September of that year.

To meet the rising number of complaints, the central bank on July 25, 2012 transformed the centre into an independent department known as the financial integrity and customer services department.

Bangladesh seeks to get its name off high-risk list

GAZI TOWHID AHMED

The cost of foreign transactions for businesses is likely to fall as Bangladesh looks to get its name off Financial Action Task Force's list of high-risk countries.

Founded in 1989 on the initiative of the then G7, the FATF develops policies to combat money laundering and terror financing. Bangladesh found itself on the high-risk list in 2010, after poor reports from the Asian wing of the intergovernmental organisation.

Due to the country's name on the list, businessmen have to pay an additional 1 percent risk premium for letter of credit confirmation charge, which ranges from 0.25 percent to 0.5 percent.

"We are hopeful that Bangladesh will no longer be termed a high-risk country from next February," a senior official of Bangladesh Bank (BB) told The Daily Star, adding that the country would present its case to the FATF plenary in Paris next month.

The body will then dispatch an on-sight team to Dhaka in November, feedback from which will determine the fate of Bangladesh's delisting, he added.

"The on-sight report would be presented in FATF's plenary in February -- we are expecting Bangladesh would be delisted from the high-risk countries then."

The Asian wing of FATF expressed satisfaction over the recent efforts Bangladesh has taken to counter terrorism and money laundering. Abu Hena Mohammad Razee Hassan, deputy governor of BB, said.

Over the last 3 years, the country has enacted a number of laws to curb terror financing and anti-money laundering and in July 2013 became a member of the Egmont Group, an association of Financial Intelligence Units from around the world, he said.

"International cooperation is paramount and it is very good to see that Bangladesh wants to play an important role against terror financing and money laundering," said Emile van der Does de Willebois, senior financial sector specialist of World Bank.

"The impending Anti-Terrorism Act will make sure that terrorists do not have the funds to operate dangerous activities," he added, while calling for cooperation from all stakeholders for the law's efficacy.

Workers' demand justified

FROM PAGE B1

MM Akash, a professor of economics at Dhaka University, said the garment owners would have to sacrifice 25 percent of their profits to provide the workers a decent wage.

"If they raise the wage in line with the workers' demand, the competitiveness of the industry will not erode," he said, while citing the case when the minimum wage was last raised.

The minimum wage was most recently increased in November 2010 from Tk 1,662.5 to Tk 3,000.

CPD, however, recommended that the minimum wage be raised to Tk 6,560, this time.

ZM Kamrul Anam, coordinator of IndustriALL Bangladesh Council, said the CPD's recommendation has validated the workers' demand. "Now the owners need to provide proof to support their recommendation for a Tk 600 hike."

Awami League Lawmaker Apu Ukil said: "Garment owners only talk about how the workers' lives got a lift because of their hiring -- they never mention how their own lives have enhanced because of the toils of these workers."

Israfil Alam, chairman of parliamentary standing committee on the labour and employment ministry, said the sector could no longer get away by providing low salaries to the workers.

He urged the wage board to make their recommendations as early as possible, in order to appease the unruly workers.

Mustafizur Rahman, executive director of CPD, said the two parties would have to compromise. "The workers have to have their just rights. On the other hand, we also have to be careful so that the industry survives and our exports go up."

"We need a wage structure that at least gives the workers a decent living condition," he added.

Sultan Ahmed, assistant secretary general of BILS, said if the owners agree to the demand of the workers it would only give them more claws to bargain for higher prices with the international buyers.

However, Khondaker Golam Moazzem, additional research director of CPD, who presented the recommendations, said the upward adjustment of wages could be implemented if the retailers are prepared to provide better cutting and making charges.

Low-cap stock prices skyrocket

FROM PAGE B1

The company has reported net profit after tax of Tk 47.4 lakh with earnings per share of Tk 0.26 during January-March.

Mizanur Rahman Zaved, the company's chief financial officer, said, "We have no price sensitive information."

The sponsors of the company hold 50 percent of the total shares and they are not selling any share despite the high prices, he added.

JMI Syringes and Medical Devices Ltd, which has a paid-up capital of Tk 11 crore, advanced 244.82 percent during July 31-September 17, according to the DSE website.

The company has reported net profit after tax at Tk 98.5 lakh with earnings per share of Tk 0.90 during March-June.

"Our business is going on as usual, and right now we have no plans for further expansion," said Muhammad Tarek Hossain Khan, the company secretary.

The company informed Bangladesh Securities and Exchange Commission and the DSE that it has no price sensitive information, he said.

The regulator formed an investigation committee on September 15 to look into the recent hike in share prices of the 13 companies, including JMI Syringes and Medical Devices Ltd, CVO Petrochemical Refinery Ltd, Tallu Spinning Mills Ltd, Bangas, and Mithun Knitting.

The two-member committee was asked to submit its report within 15 working days.

BSEC Executive Director Saifur Rahman said: "We have brought the low-cap companies under scanner. We are looking into how they generated such an abnormal gain." Even after the formation of the inquiry committee, the prices of these companies have not stopped rising, which may cause the investors to incur massive losses, Rahman said.

The regulator found some unusual activities in the share trading of JMI Syringes and Medical Devices, another BSEC official said, asking not to be named. The regulator's enforcement department will take action against the company soon, he said.

The DSE also served a show-case notice on 16 low-cap companies on September 16.

The companies also informed the premier bourse that they have no price sensitive information.

Ahsanul Islam Titu, president of the Dhaka bourse, said: "We are looking into the matter." Investors should be careful about the unusual price hike of the low-cap companies, he added.

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Shrimp exporters shine as disease hurts competitors

FROM PAGE B1

"The production of farmed shrimp in Asia, dominated by vannamei, remains lower than last year as a result of the EMS disease outbreak in Southeast Asia," the UN agency said in a report on seafood markets.

However shrimp prices inched up in international trade although there has been no real boost in demand in the traditional markets, it added.

It said shrimp production in Thailand is down by half the volume produced last year as it was seriously affected by the disease late last year.

EMS was first detected in Chinese farms in 2009, and gradually spread to Malaysia, Vietnam and Thailand, said Thai newspaper Bangkok Post early this month.

Since the EMS epidemic, China has been importing shrimp from India and Ecuador just to satisfy huge domestic demand. Vietnam has also been importing shrimp to keep its processing industry going.

"Prices of our black tiger shrimp have gone up unexpectedly, which we did not see in the last decade," said Khan Habibur Rahman, deputy managing director of Lockpur Group, a leading seafood exporter.

Prices of shrimp or black tiger of 16-20 grades now stand at \$9 a pound. Last year, the price of the same hovered around \$5 a pound, he said.

"Farmers will feel encouraged to cultivate more due to the price spike," he said. But exports in volume have not increased in line with the price spiral because of limited local production.

Bangladesh usually ships 50,000-55,000 tonnes of shrimp a year, mainly to Europe and the US, according to the Department of Fisheries.

Syed Mahmudul Karim, executive director of Bangladesh Shrimp and Fish Foundation (BSFF), said a shortage of global production has opened a bright future for the local shrimp industry.

"Bangladesh should take full advantage of this opportunity."

সোনালী ব্যাংক লিমিটেড	
কর্মচারী কল্যাণ ও যানবাহন বিভাগ (যানবাহন দপ্তর) প্রধান কার্যালয় ঢাকা।	
স্টাফ বাস ভাড়ার দরপত্র বিজ্ঞপ্তি	
দরপত্রের নাম	বাস ভাড়া গ্রহণ।
তহবিলের উৎস	ব্যাংকের নিজস্ব তহবিল।
উভার সূত্র নম্বর	স্টাফ বাস ভাড়া-০৭/১৩, তারিখ: ২২-০৯-২০১৩।
ঠিকাদারের যোগ্যতা	সরকারি নিয়ম মোতাবেক রাস্তায় চলাচলের উপযোগী এবং মতিঝিল হতে ব্যাংকের কর্মচারী/কর্মচারী পরিবহনে উপযুক্ত উন্নতমানের ৫২ আসন বিশিষ্ট ২০০২ সালের বা তৎপরবর্তী মডেলের বাস। চুক্তি সম্পাদনের তারিখ হতে পরবর্তী ০২ (দুই) বৎসরের জন্য মেয়াদে ভাড়া প্রদানে অগ্রাহ্য প্রকৃত মালিক/সরবরাহকারী প্রতিষ্ঠান।
রুটের বিবরণ	(১) রুট নং-০৮-বাসারো। (২) রুট নং-১৯-দক্ষিণখান।
দরপত্র সিডিউলের মূল্য	৫০০.০০ টাকা (অফেরতযোগ্য) মাত্র।
জামানত	২০,০০০.০০ (বিশ হাজার) টাকা মাত্র যাহা সোনালী ব্যাংক লিমিটেড, প্রধান কার্যালয়, ঢাকা-এর অনুকূলে যেকোন তফসিলী ব্যাংকের ইস্যুকৃত পে-অর্ডারের মাধ্যমে দরপত্রের সহিত দাখিল করতে হবে যাহা পরবর্তীতে কৃতকার্য দরদাতাদের আর্কেটম্যানি হিসাবে জমা রাখা হবে এবং অব্যবহৃত দরদাতাদের ফেরত প্রদান করা হবে।
দরপত্র সিডিউল বিক্রয় ও দাখিলের অফিস ঠিকানা	সোনালী ব্যাংক লিমিটেড, কর্মচারী কল্যাণ ও যানবাহন বিভাগ (যানবাহন দপ্তর), ৭ম তলা প্রধান কার্যালয়, ঢাকা।
দরপত্র সিডিউল বিক্রয়ের সর্বশেষ তারিখ ও সময়	২১-১০-২০১৩ তারিখ পর্যন্ত (কর্মদিবসে)।
দরপত্র দাখিলের সর্বশেষ তারিখ ও সময়	২২-১০-২০১৩ তারিখ বেলা ২-৩০ ঘটিকার মধ্যে।
দরপত্র খোলার তারিখ, সময় ও ঠিকানা	২২-১০-২০১৩ তারিখ বেলা ৩-০০ ঘটিকা। সোনালী ব্যাংক লিমিটেড, কর্মচারী কল্যাণ ও যানবাহন বিভাগ (যানবাহন দপ্তর), ৭ম তলা, প্রধান কার্যালয়, ঢাকা।
অন্যান্য শর্তাবলী	(ক) দরপত্র খোলার সময় দরদাতা বা তার প্রতিনিধি উপস্থিত থাকতে পারবেন। (খ) সিএনজি চালিত বাস অগ্রাধিকার দেওয়া হবে। (গ) ব্যাংক কর্তৃপক্ষ কোন কারণ দর্শানো ব্যতিরেকে যেকোন দরপত্র গ্রহণ বা সকল দরপত্র বাতিল করার ক্ষমতা সংরক্ষণ করেন। (ঘ) সোনালী ব্যাংক লিমিটেড-এর "দি প্রকিউরমেন্ট/পারফেজ ম্যানুয়েল"-এ বর্ণিত বিধিবিধান অনুসারে বাস ভাড়া প্রক্রিয়া সম্পাদন করা হবে।
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(হোশালউদ্দিন আহমেদ) ডেপুটি জেনারেল ম্যানেজার ফোন: ৯৫৫১৫২৬	