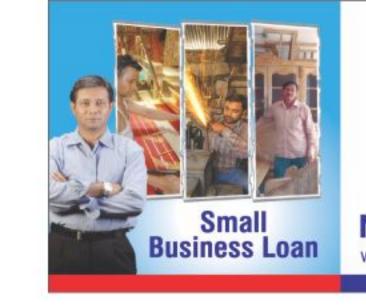
SINGAPORE SHANGHAI

ASIAN MARKETS





DHAKA MONDAY SEPTEMBER 30, 2013, e-mail:business@thedailystar.net

COMMODITIES

Worker leaders demand hike in textile wages

STOCKS

CSCX

DSEX

STAR BUSINESS REPORT

...... Worker leaders yesterday protested against the recent police attacks on garment workers in Dhaka and Chittagong and demanded an immediate hike in the textile sector wages.

They asked for an increase in the minimum wage to Tk 8,000 at the entry level, in the backdrop of the rising prices of essentials and skyrocketing house rents. They also demanded their salaries and bonuses be paid before Eid-ul-Azha.

The government and owners should take proper steps to stop the ongoing unrest, said Sukkur Mahmud, president of Jatiya Sramik League, the workers' wing of the ruling Awami League.

He spoke at a press conference on the causes and solutions to the labour unrest, organised by Sramik Karmachari Oikya Parishad (SKOP), a labour organisation, at its office on Topkhana Road in the city.

The owners' proposal to hike the garment workers' wages by only Tk 600 has fuelled the unrest, he said.

The minimum wage is Tk 10,000 in Pakistan's garment industry, so the amount should be at least Tk 8,000 in Bangladesh, Mahmud said.

Wajedul Islam Khan, general secretary of Bangladesh Trade Union Kendra, another platform, termed the workers' demonstration for a wage hike logical.

READ MORE ON B3

NBR's e-cash register project flounders

SOHEL PARVEZ

The electronic cash register (ECR) machine was just there on the sales counter of the eating joint, but the cashier seemed least bothered about providing sales receipts.

At one point, though, one of the custom-

.......

self all worked up. "I'm sorry, there is a problem with the machine," he said, while instructing one of his aides to fix the cable of the ECR. In the meantime, he served more customers; and neither he nor the customers were bothered with the receipt from the ECR. The

use of such cash registers has been made mandatory for stores and eating joints more than five years ago to ensure that the valueadded tax goes to the national coffer. After fiddling with the cable for a good 20

minutes, the ECR, apparently, was still not up and running, so the customer had to leave -- without the receipt. This, however, is not an isolated case.

Rarely do the businesses comply with the rule of providing electronic sales receipts to customers, spurred to a great extent by the absence of monitoring by the National Board of Revenue.

The massive drive that accompanied the

onset of the rule in 2008 to motivate the businesses, too, faded over time.

CURRENCIES

STANDARD CHARTERED BANK

SUSD €EUR €GBP #JPY

So far, 3,100 ECRs or point-of-sale machines have been installed against its target of 9,000, said a senior official of NBR on condition of anonymity.

"The rate of installation of ECR or POS ers did ask for one and the cashier got him- has been very slow. And the ones that have been installed are gathering dust—the level of compliance is just embarrassing. We are embarrassed with the whole ECR fiasco.' The official went on to condemn the

> store operators' lack of honesty for the failure of the ECR. "Is it possible for us to assign inspectors at every store to check compli-Some revenue officials, however, pointed to the unholy alliance among businesses

and VAT inspectors or revenue officials, as ECR-based transactions hurt the interests of both: electronic transaction records bar taxmen from demanding bribes from store operators to cover their VAT evasion. But this issue is simply swept under the carpet; officials are more interested in,

unfairly, blaming the consumers for their lack of awareness. "Customers do not force sellers to pro-

vide electronic sales receipts. READ MORE ON B3

Tax return deadline to be extended

STAR BUSINESS REPORT

The National Board of Revenue plans to extend the deadline for submission of income tax returns following a strong demand from leading business chambers.

However, officials of the tax authority could not say immediately what the new deadline would be as the current one ends today.

No decision was taken in this regard until yesterday, NBR officials said.

Leading chambers, including the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), demanded the extension by a month.

Extending the deadline for filing tax returns is not new. The governments have extended the deadline almost every year in recent past.



From right, Telenor President and Chief Executive Officer Jon Fredrik Baksaas, Telecom Minister Shahara Khatun and Grameenphone Chief Executive Vivek Sood jointly launch Grameenphone's 3G services at the GP office in Dhaka yesterday for the residential neighbourhood of Bashundhara.

GP test-launches 3G in Bashundhara

Commercial launch early next month

STAR BUSINESS REPORT

Mobile operator Grameenphone yesterday launched its 3G services or wireless internet broadband on a test basis for the customers of Bashundhara residential area in the capital.

Grameenphone has initially offered the services to its employees and a select group of customers to receive feedback from them ahead of the commercial launch, the operator said in a statement.

"As announced previosly, Grameenphone plans to launch commercial 3G services by early October for selected areas of Dhaka and Chittagong."

All divisional cities will be covered by December, while the 64

network by the end of the first quarter of 2014. Telecom Minister Shahara Khatun,

district towns will come under the

Telenor President and Chief Executive

Officer Jon Fredrik Baksaas and

Grameenphone CEO Vivek Sood jointly launched the services at the operator's head office in Bashundhara. The minister made a video call to Chief Corporate Affairs Officer

Mahmud Hossain to experience the services. Shahara said, "I hope Grameenphone will reach 3G services to the

masses the way it had taken mobile telephony to the people of the country."

She also called upon the operator to provide 3G services at affordable prices in the rural areas.

the development of Bangladesh through its 16 years of operation. With 3G, Grameenphone is taking an important step in its mission to help the country move ahead by providing the opportunities of internet access for all Bangladeshis."

Baksaas said, "Grameenphone

has been a long-term contributor to

Baksaas also thanked the government, saying the 3G spectrum auction was conducted in a transparent way.

Grameenphone, the largest operator with 4.47 crore users, bought 10 MHz of spectrum in the auction on September 8.

In the statement, the operator also said it will roll out the nationwide 3G network, which will actually have the capacity of 3.9G technologies.

Supplier decries Tesco's threat to cancel orders

STAR BUSINESS REPORT

Liberty Fashion Wears Ltd yesterday demanded justice after British retailer Tesco threatened to cancel its work orders.

The apparel exporter claimed the threat was based on a "flawed" inspection report that largely contradicted the assessment by local authorities and experts.

"We are a victim of a plot. There are no ethics in the business," Mozammel Huq, chairman and managing director of Liberty Fashion, told reporters at a briefing at the National Press Club in

Dhaka. His company organised the press conference to protest Tesco's decision to cancel an order worth \$2 crore from the Savar-based factory, which has been making products for the world's third largest retailer for 14 years.

The factory is eager to resume production in one of its buildings, which has remained closed following an inspection report from Medway Consultancy Services (MCS), a British surveyor appointed by Tesco that called for immediate closure of the unit for safety reasons.

Surveyors of MCS visited the

factory in May to check the structural design. In its report, MCS marked building 2 "Red", while indicating that the factory can continue production in 11 of its other buildings, said Huq.

Tesco's surveyor team recommended immediate evacuation of the building due to the precarious state of its columns, beams and slabs.

The MCS inspectors forced the company to close the building, said

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) found Tesco's withdrawal from Liberty

Fashion rather heavy-handed.

An expert panel, comprising professionals from Bangladesh University of Engineering and Technology and Rajuk, has also inspected the factory and cleared Liberty Fashion's building of any immediate risk, a direct contradiction to the findings of MCS.

"The factory owner does not need to evacuate the building immediately. However, he must conduct a comprehensive test analysis to find out if there are any big risks for the future," said the expert panel.

READ MORE ON B3

Siemens to axe 15,000 jobs

Germany's Siemens is to cut up to 15,000 jobs as part of a cost-cutting programme. It will cut about 4 percent of its 370,000-strong workforce but aims to avoid

compulsory redundancies. -- BBC News



Energypac awaits indicative prices for IPO

STAR BUSINESS REPORT

Energypac Power Generation will obtain indicative prices for its shares tomorrow, as the company completed its roadshow on Saturday as part of an initial public offering to raise funds for business expansion.

The roadshow was mandatory, as the power company is using the book-building method for its IPO.

The company presented key factors such as nature of the business, financial performance, future growth and plans and information about the owners before the institutional investors, who will now set shares.

will float 4.54 crore ordinary shares of Tk 10 each. Of the shares, 1.81 crore have been kept for eligible

institutional investors, 68.10 lakh for mutual funds, 45.40 lakh for non-resident Bangladeshis and 1.59 crore for the general public.

The company will use the IPO proceedings to set up an LPG bottling and distribution plant, establish condensate fractionate plant and repay bank loans, said Rezwanul Kabeer, director of Energypac. He presented the company's profile and prospects at the roadshow.

He said a mere 60 percent of the population has access to electricity and the per capita electricity consumption in Bangladesh is only 292 kwh, which is one of the lowest the indicative price and bid for among other developing countries.

"So demand for electricity is Energypac Power Generation expected to increase along with economic growth," he said, adding that new electricity generation plants with a capacity of about

KEY FACTS SHARES TO BE ISSUED

4.54crore

EARNINGS PER SHARE Tk 5.48

NET ASSET VALUE

Tk27.89

LONG TERM CREDIT RATING

SHORT TERM CREDIT RATING

ST-3

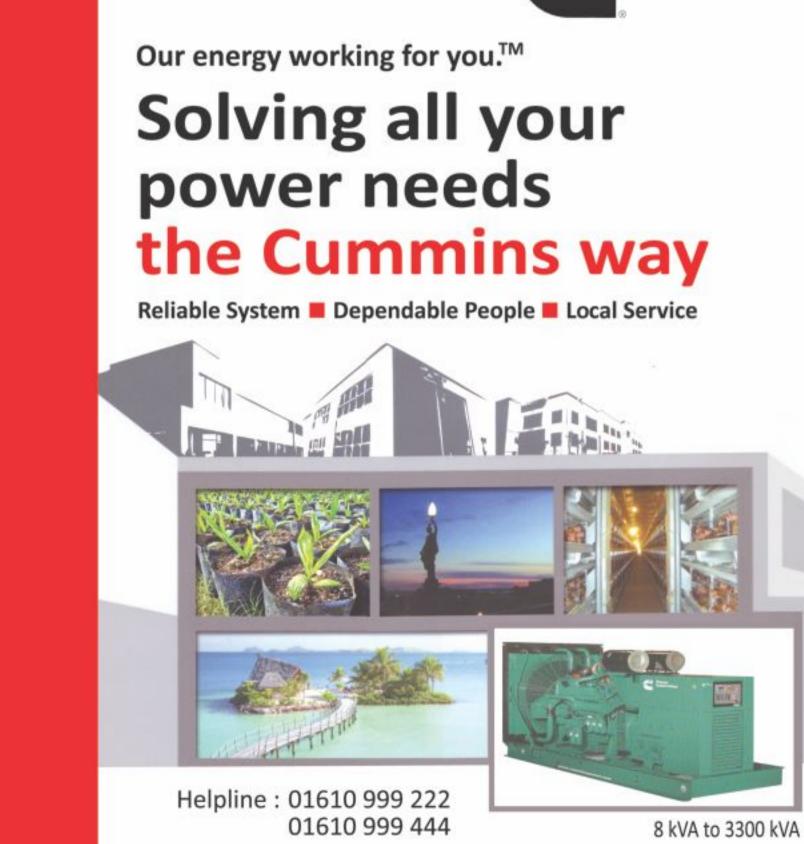
9,500 MW will be installed in between 2013 and 2016.

As of June, the company's paidup capital was Tk 115.33 crore, earnings per share were Tk 5.48 and net asset value per share was Tk 27.89.

Founded in 1995, Energypac is a leading power engineering company in Bangladesh and is engaged in several diversified businesses including supplying standby and base-load generators, JAC brand automobiles and construction machinery.

The company is also engaged in installing power plants under Engineering, Procurement and Construction (EPC) contracts, operating and installing CNG refuelling stations and conversion kits, and installing and maintaining power plants.

IDLC Investments is the issue manager for Energypac IPO.



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