

# 10 firms win awards for production standards

STAR BUSINESS REPORT

The industries ministry yesterday awarded 10 companies for their superlative production standards that set inspiring examples for others to emulate.

The award, National Productivity and Quality Excellence Award 2012, has 10 categories—six for small and nationalised companies, and one each for micro, medium, large and cottage industries.

Industries Minister Dilip Barua presented the awards to the recipients at a programme organised by the National Productivity Organisation at the CIRDAP auditorium in Dhaka.

“Entrepreneurs are the developers of economic foundations. They are working to create new jobs,” Barua said.

They are also working to produce environment-friendly products for the consumers, he said.

He advised entrepreneurs to motivate other companies to produce environment-friendly products to serve consumers.

The political parties should not to impose strikes by going against the interest of entrepreneurs, said Kazi

## LIST OF AWARD WINNERS

CATEGORIES	NAMES
Small	1.Prince Chemical Company 2.Hifs Agro Food Industries 3.Rony Agro Engineering
Nationalised	1.Carew and Company 2.Ashuganj Fertilizer and Chemical 3.Bangladesh Blade Factory
Large	BRB Cables Industries
Medium	Bengal Windsor Thermoplastics
Micro	Rong Handicrafts
Cottage	Spadix Limited

Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry. Strikes hurt growth of business, he said.



GTCL

Hussain Monsur, chairman of Gas Transmission Co Ltd, presides over the 20th annual general meeting of the company at Ruposhi Bangla hotel in Dhaka on Wednesday. Mohammad Enamul Haq, state minister for power, energy and mineral resources, was also present.

# Nokia: a lesson in how high-tech flyers can fall fast

AFP, Helsinki

In just five years Nokia fell from dominating the mobile phone industry to abandoning the handset business, a swift fall from grace with lessons for market leaders.

The story of Nokia, now at the toughest stage of the restructuring cycle, is a particularly salutary business case about the fast-moving, high-risk, high-reward, tech sector for hip consumer goods.

The rapid decline, which is ending with the 5.44 billion euro (\$7.5 billion) sale of the mobile phone division to Microsoft, owed much to Nokia growing too big, too fast and its management getting drunk on their own success, analysts say.

Looking back after years of Apple iPhone dominance, some may have difficulty in recalling that Nokia, in its heyday in 2007 took more than 50 percent of the world market for early smartphones.

"They had become arrogant at Nokia and as a result they were too slow to react to changes in the world around them," Petri Rouvinen, a researcher at the economic think tank ETLA, told AFP.

The technology of the iPhone upended the mobile handset business. It also highlighted the critical importance in any business, but particularly in the high-tech sector, of getting the timing right.

Not only did the iPhone, with its touch screen, become a hot fashion item worldwide, but also the operating system with paid-for applications invented a new revenue stream for Apple.

When Google's Android took off in 2009, it became clear that handset manufacturers had lost dominance to the operating systems which generated revenue from applications sold to users.

Commenting on the business lessons, Rouvinen said: "Since 2007 it's no longer possible to consider telecommunications, consumer electronics and computers as separate sectors. Now there's just one

industry and it's digital."

That is where Apple had an all-important lead: it brought the right hardware and software together at just the right time.

"If Apple had shut down its heavily loss-making PC business in 2000, it would never have been able to launch iPod, iTunes, iPad etc," said Kuittinen.

Nokia's management was aware that a digital revolution was underway but in a recent book it's former chief executive Jorma Ollila said the company peaked too soon -- investing heavily in smart phone technology before operators were ready to offer services.

Analysts said another lesson is to have the appropriate expertise on the board. They said that Nokia had suffered from a culture of sycophancy towards Ollila -- at the helm for 14 years until 2006.

High-tech sector 'turmoil will continue' "During times of transition, the board must have real industry experts -- not random executives," said Tero Kuittinen at Alekstra consultancy. He held that Ollila had been surrounded by "sycophants who had no competence to address software challenges."

Nokia kept developing its Symbian operating system but was slow to introduce touchscreen capability.

In 2010 it made a partnership with Intel to develop a different operating system, but abandoned this after a year and turned to Microsoft's new mobile Windows platform.

Nokia is just one example of the high stakes in high-tech consumer goods.

Telecommunications equipment manufacturers Ericsson and Motorola suffered a similar fate and sold their handset businesses after being overtaken by innovation.

Canadian firm BlackBerry is the latest example of a market leader fallen by the wayside.

Sony, which picked up Ericsson's handset business, has also had difficulty making money out of mobile despite its consumer electronics pedigree.

# Regent cuts airfares by half

STAR BUSINESS DESK

Regent Airways is offering a 50 percent mega discount on all domestic and international routes to mark the third anniversary of the aviation company on November 10.

Customers can purchase tickets from November 10 to December 10 and travel throughout the next year.

Customers can purchase Dhaka-Bangkok-Dhaka tickets at Tk 12,999, Dhaka-Kuala Lumpur-Dhaka tickets at Tk 14,999, Dhaka-Calcutta-Dhaka tickets at Tk 6,999, Chittagong-Calcutta-Chittagong tickets at Tk 7,999, and Dhaka-Singapore-Dhaka tickets at Tk 21,999, including all taxes.

Travellers can also purchase Dhaka-Chittagong-Dhaka return tickets at Tk 4,998, Dhaka-Cox's Bazar-Dhaka tickets at Tk 5,998, Dhaka-Sylhet-Dhaka tickets at Tk 3,998 and Dhaka-Jessore-Dhaka tickets at Tk 3,998, including all taxes.

Regent began with two Bombardier Dash-8-Q300 aircraft reaching domestic destinations of Chittagong, Cox's Bazar, Sylhet and Jessore. Regent then acquired two Boeing 737-700 Next Generation aircraft for its international operations.

Regent operates five flights to Chittagong, two flights to Jessore and one each to Cox's Bazar and Sylhet every day.



BANK ASIA

Aminul Islam, deputy managing director of Bank Asia, poses with participants of a training on general banking to implement GAP analysis of Stelar-Core banking system at the bank's training institute in Dhaka on Saturday. Barun Kanti Saha, head of recovery, was also present.

# Index erodes points as investors sell shares

STAR BUSINESS REPORT

Stocks returned to the black yesterday, breaking a seven-day gaining streak, as investors sold shares and mutual fund units to bag profits.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,198.51 points, after falling 46.19 points or 1.09 percent.

The market was under pressure in the presence of sellers with profit-booking behaviour which outpaced cautious buyers throughout the trading session, LankaBangla Securities said in its daily market analysis.

After a weeklong rally, the market showed some natural correction, creating some scope for traders to pour some fresh funds and reposition their investment, the stockbroker said.

After crossing 4,300 points in the initial

hours, a natural correction occurred and DSEX faced a downturn after gaining about 300 points in the past 7 sessions, IDLC Investments said.

The banking sector slipped 3.84 percent as investors decided to book some profit generated from the recent rally, the investment banker said.

Turnover, the most important indicator of the market, advanced 1.20 percent to Tk 504 crore, the highest in one and a half months.

A total of 1.49 lakh trades were executed with 19.10 crore shares and mutual fund units changing hands on the DSE. Of the 292 issues that traded on the DSE floor, 148 advanced, 124 declined and 20 remained unchanged.

Among the major sectors: pharma gained 0.28 percent and power 0.18 percent, while non-bank financial institutions lost 0.81 percent.

# Donors agencies impressed with development activities

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He applauded the development partners, while seeking their continued contribution.

"Over the last five years, Bangladesh made huge development in various sectors including the macroeconomy amid the global financial crisis," he said, adding that there was no discussion on the ongoing political situation and the next election.

Meanwhile, at the meeting, Arastoo Khan, additional secretary to Economic Relations Division, made a brief presentation on "Maintaining momentum in development cooperation", while Bhuiyan Shafiqul Islam, secretary to Planning

Division, made a presentation on "Updates on streamlining of TPP/DPP process."

Earlier, the finance minister formally inaugurated the principal office of Probashi Kallyan Bank (PKB) and a help desk in the specialised bank.

The help desk, which was set up in association with International Organisation of Migration (IOM), will provide various services and information to the expatriates.

The services include information on bank account, e-banking, banking services, account opening and closing, and remittance. The desk will also help expatriates solve their personal problems and provide



CITYCELL

Taslim Ahmed, head of corporate communications and public relations of Citycell, presents a prize to one of the winners of the company's 'Eid Moments' photo contest at the mobile operator's head office in Dhaka on Saturday.

## New RMG wage scale by Nov 21

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The garment makers agreed to Tk 4,500 a month as the minimum salary, while workers are demanding Tk 8,114.

At the meeting, owners said they will agree to pay Tk 5,300 as the minimum salary if the government withdraws the 0.8 percent tax at source and reinstate privileges on exports as the garment business has become more competitive now, Shipar said.

"I will send my notes to the finance ministry to meet the demands of the owners," he said. However, he declined to mention a definite amount that the board might fix.

"The wage board will announce the minimum wage on November 21, whether the finance ministry fulfils their demand or not. We cannot damage the garment industry anymore."

After the meeting, BGMEA President Atiqul Islam said they want a win-win wage structure where both the owners and workers benefit equally. "I hope the board will announce the minimum wage on November 21."

## Machinery imports rise despite sluggish business climate

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Meanwhile, Nazneen Sultana, deputy governor of BB, told The Daily Star that the central bank has directed the concerned department to inspect whether there is any irregularity involved in the recent capital machinery imports.

The central bank has also taken initiatives to stop the siphoning off of money from the country through over-invoicing and under-invoicing, she said.

An automated monitoring system connecting all the branches of the banks with the central bank has been introduced, due to which all the transactions pertaining to exports and imports can be seen right away by BB. The central bank is also working to connect the NBR with the monitoring system, Sultana added.

However, there is no mechanism in place to detect transfer pricing, a channel through which over-invoicing can still take place. As things work, the shipment charges and the prices at which the goods are purchased are lumped together, meaning the customs officials at Chittagong Port are powerless to detect any wrongdoing.

She said the central bank is working to come up with a robust mechanism against these forms of fraudulence.

## Cabinet approves draft law for rural savers' bank

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The managing director can be appointed from the board or from outside, with Bangladesh Bank having the final say. He/she would be allowed to serve in the position until 65 years of age, in contrast to the maximum age of 60 for the Grameen Bank MD.

The activities of the specialised bank, in many aspects, would also resemble those of Grameen Bank. Like Grameen Bank, it will collect deposits and lend to its members.

The bank will provide small loans with the aim to alleviate poverty and get the rural poor into the habit of saving.

But Palli Sanchay Bank will differ from Grameen Bank in that it would also conduct general banking activities for its members.

The "One House, One Farm" is a project under the Annual Development Programme, the first phase of which started in 1997. The second phase of the project

## Will a minimum wage destroy German jobs?

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In theory, the minimum wage would boost overall purchasing power, going some way to address the international criticism. But Hans-Werner Sinn, head of the IFO Institute for Economic Research in Munich, argues that it would merely push up the price of German goods and make them less competitive, without leading to a significant increase in consumption of imports. "There will be a bitter sobering up," he warns.

For their part, advocates of the minimum wage argue that similarly dire gloom-and-doom scenario predicted in Britain back in 1998, when the government of Tony Blair introduced one, have failed to materialise. The British minimum wage is the equivalent of \$10 per hour, below the planned German level. However, the British one is scaled so that apprentices and those under 21 receive substantially lower amounts.

The final package of policy measures to be adopted by the new German coalition is still under discussion. The Social Democrats are trying to reduce the statutory retirement age of 67 for some categories of workers, and there are ongoing talks about how to use a \$40 billion surplus in the nation's state-run retirement fund. The Social Democrats and some members of Merkel's own party are arguing that it should be spent, while others say the compulsory levy on wages that is used to finance the fund should be reduced.

Merkel herself has said she won't agree to policies that would jeopardise jobs. Still, whatever the eventual outcome, it's already clear that Germany's economic policy is in for some important changes. The US Treasury and Germany's other detractors should take note.

Peter Gumbel is an award winning journalist and author who has lived in Paris since 2002. He spent 16 years at The Wall Street Journal in a number of international assignments including Moscow and Berlin, and has also worked as a senior writer for



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SM Abdul Hamid, deputy managing director and chief financial officer of IFIC Bank, inaugurates the 109th branch of the bank at Shadhonar More in Bagerhat recently. AKM Mozharul Hoque, company secretary, was also present.



UCB

Muhammed Ali, managing director of United Commercial Bank, poses with participants of a management trainee induction programme at the bank's corporate head office in Dhaka recently. M Shahidul Islam, additional managing director, was also present.