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Firms shift to 'fruit drinks' as BSTI tightens rules

SOHEL PARVEZ

Only one company has applied for a licence to market juice after Bangladesh Standards and Testing Institution increased the fruit pulp requirement level by tightening rules, an official said yesterday.

Earlier this year, BSTI raised the fruit pulp requirement to a minimum of 88 percent from 25 percent previously for companies that want to market products as juice in the home market.

Companies that previously marketed drinks under the name of juice have not come forward to acquire licences under the new rules that came into force in June

Now, most local firms that previously marketed their juices, mainly mango, are rebranding their products as fruit drinks as the minimum requirement for them is only 10 percent fruit pulp.

"Only a Dutch company has applied for the licence to make pineapple juice after we revised the standard for pulp requirement," said BSTI Director (Certification Mark) Kamal Prashad Das.

BSTI has already given a nod to the firm BanglaDutch Developments Ltd, a foreign direct investment, he said. The company started marketing its pineapple juice in local markets in February.

"It means that there is no BSTI-certified mango juice in the home market by local companies."

The standardisation agency has fixed the new standards to award licences for juice in the face of rising popularity of fruit flavoured drinks among people, as many are led to believe that there is a high content of pulp.

Most local firms like Pran, Akij Food and Beverage Ltd, Abul Khair Group and Sajeeb Corporation had earlier marketed mango drinks as juice, based on former BSTI standards.

Companies that previously marketed drinks under the name of juice have not come forward to acquire licences under the new rules that came into force in June.

Asked, Pran's Director for Marketing Kamruzzaman Kamal said the company, which makes Frooto, is now marketing it with 'fruit drink' written on the label.

"We did not apply for a licence to market juice after the hike in pulp requirement. The reason for not taking the licence is purely because of the purchasing capacity of the mass consumers in our country. But we have plans to come up with 100 percent juice for the consumers who can afford it."

"Calling it a drink doesn't mean the quality or the formulation has changed. This is a government decision and we are

Govt aims for 24,000MW power generation capacity by 2021

STAR BUSINESS REPORT

The government yesterday unveiled its plan to boost electricity generation capacity by 141 percent by 2021 mainly on the back of fuel diversity and harnessing of renewable energy resources.

"We are very hopeful," Finance Minister AMA Muhith said at a programme titled "Power system master plan - strategy towards 24,000MW power generation", organised by Bangladesh Power Development Board (BPDB) at its headquarters.

Muhith said the government initially set out to achieve 20,000 megawatt power generation capacity by 2021, but revised it upwards to 24,000MW following achievement of 10,000MW generation capacity recently.

Securing a sustainable supply of primary fuel, private sector participation, demand side management, energy efficiency improvement program and regional cooperation on cross-border power trade would also help in generation of 24,000MW of power by 2021, Mizanur Rahman, director of BPDB, said.

Rahman, who prepared a strategic paper for the achievement of the power generation target, also called for turning to imports for primary fuel supply options as indigenous resources are "inadequate".

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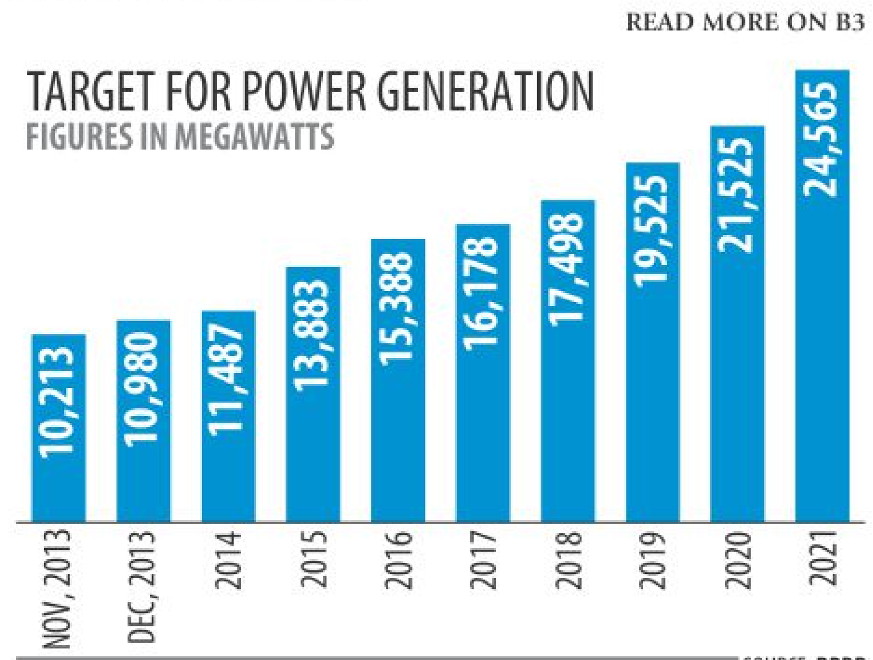


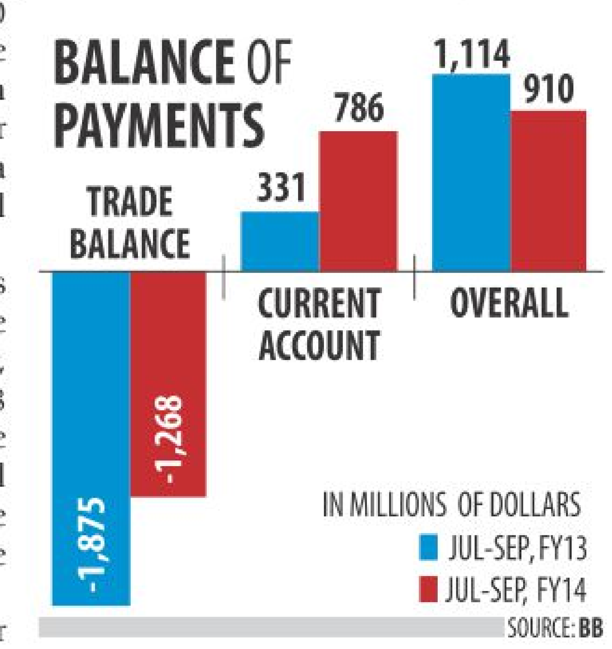
External balance drops 18pc in Q1

Falling remittance and foreign aid are to blame

REJAUL KARIM BYRON

The country's external balance dropped 18.34 percent year-on-year in the first quarter of the fiscal year due to declining inward remittances and foreign aid.

Between July and September, the overall balance stood at $910 million in the surplus, down from $1,114 million a year ago, according to data from the central bank.



The country's second biggest source of foreign currency, remittance dropped 8 percent from the same period of fiscal 2012-13, much to the concern of finance ministry.

Another reason for the eroding balance of payments surplus is the drop in foreign aid. In the first quarter of fiscal 2013-14, medium- and long-term foreign loans fell 23 percent, while loan repayment shot up 72 percent.

The slow utilisation of Annual Development Programme has been pinned as the reason for the decline in foreign aid.

Subsequently, the planning ministry and the Economic Relations Division were asked to speed up implementation of foreign-aided projects at the fiscal coordination council meeting last week, said a finance ministry official.

About the slow remittance inflow, the concerned ministries were instructed at the meeting to find out the reason behind the fall in manpower export to Saudi Arabia and other existing markets and take necessary actions, he said.

But the appreciation of the taka against the dollar could be a reason for the drop in remittances, as expatriate Bangladeshis turn to unofficial channels to get a better cut for their families back home, he added. The difference between the US dollar rate in the curb market and official rate widened much in recent times.

Meanwhile, a recent World Bank report said it would require intensive economic diplomacy with labour-importing countries to revive the export momentum.

The report said current instability in the Middle East and North Africa may have negative consequence for Bangladeshis living and working in those regions, hampering their ability to earn and remit money home.

Taking stock of the observations, the finance division recommended revising down the remittance growth target for the fiscal year to 5 percent from 15 percent.

Court rule against regulator on Ollo licence

HC did not halt licensing process

ABDULLAH MAMUN

The High Court has asked the telecom regulator to explain why issuing Ollo's broadband wireless access (BWA) licence will not be declared illegal.

The court issued the rule on Sunday following a writ petition, but it did not halt the licensing process.

According to the petition, the broadband wireless access (BWA) licence was issued in a non-transparent way to Bangladesh Internet Exchange Ltd (BIEL) that operates broadband wireless services with Ollo as its brand name. This has caused the government exchequer to lose revenue.

Barrister Aneek R Haque, a lawyer for writ petitioner Omar Farouq, who is also a lawyer, said the petition was filed on Saturday as a public interest litigation seeking a court directive to restrict Bangladesh Telecommunication Regulatory Commission from allocating the licence and frequency.

BTRC will have to respond to the rule within 15 days, according to a decision by Justice Mirza Hussain Haider and Justice Muhammad Khurshid Alam Sarkar.

In September, the telecom ministry approved a BWA licence for BIEL to operate long term evolution (LTE), an advanced technology of two types of wireless technologies—WiMax and mobile.

The same type of licence was issued by the regulator in 2008 when two local operators Banglalion and Qubee purchased spectrum at a cost of Tk 215 crore each, after an open auction.

BIEL was also a participant in the auction and stood as the fifth lowest bidder and denied to receive the licence although the regulator offered it to the company.

The regulator was supposed to offer four licences but only two—Banglalion and Qubee—received it. In April this year, the company (BIEL) again applied to the government to get the same licence by paying the same amount of money.

Barrister Haque said BWA licences will have to be issued after informing the interested people through newspaper advertisements.

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Trade growth prospects dismal for Asia-Pacific

ESCAP launches trade and investment report

REFAYET ULLAH MIRDHA, *from Bangkok*

Export growth will stay below its historical rates of just over 5 percent in 2013 and 6 percent next year, due to overdependence on large countries outside and inside the Asia-Pacific region, the latest Asia Pacific Trade and Investment Report revealed yesterday.

Since 2011, trade growth has been continuously slowing down, with the import growth lingering around 1 percent per annum, the report said.

The Asia-Pacific region continues to face the risks and uncertainties associated with sluggish economic recovery in developed countries and rebalancing in China and other large emerging economies, according to the report.

Jobless growth and worsened inequalities may lead to increased vulnerabilities of the poor and heightened social instabilities, the report said.

"So, we need re-shaping the export-led growth model to inclusive economic growth model to reduce rising inequalities in income among the Asia-Pacific nations," said Ravi Ratnayake, director of the trade and investment division of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), at the launch of the report in Bangkok.

Two economic powerhouses—China and India—have benefited greatly from the export-led growth model, while other countries of the region faced inequalities as it was not "inclusive of them", he said.

Ratnayake went on to urge the countries to identify trade policies that will create more jobs for them. "We need a sustainable growth model for the region."

He said the intra-regional cost is higher in the Asia-Pacific region than in other regions.

"We need a more liberalised trade policy for this region to boost trade ties among the nations of this trade bloc," the ESCAP director said.

The report emphasised that the answer is not to abandon trade-and investment-led growth, but to base it on principles of inclusive trade and investment.

"We are trying to escape from one recipe for all," said Mia Mikic, chief of trade policy and analysis section of ESCAP.

Three key driving forces—access to education, access to information labour forces—are focused for inclusive economic growth, she said. The third trade and investment week will continue until November 22.

ESCAP

Ravi Ratnayake, director of trade and investment division at ESCAP, and Mia Mikic, chief of trade policy and analysis section at ESCAP, launch the Asia Pacific Trade and Investment Report in Bangkok yesterday.

Robi set for tech upgrade

SARWAR A CHOWDHURY, *back from Kuala Lumpur*

Mobile operator Robi Axiata is set to launch new technology in the first half of next year to automate its customer experience to real time, a system that its parent company has introduced for its Malaysian operator.

The system, Axiata Intelligence Unit (AIU), will look into parameters as deep as what type of handset a customer is using to judge the experience, said officials of Axiata Group, the owning company of Robi Axiata.

There are many handsets that may not provide the customer with the best experience, even in optimum network conditions, said Lee Khai Wee, planning and engineering manager of AIU, which employs 40 people, including eight from Bangladesh.

Wee described the key features of the $60 million AIU at Axiata Group office in Kuala Lumpur in Malaysia on November 6 to a group of visiting journalists.

In addition to the device, he said, there are six other parameters, such as service, location, subscriber segment, mobility, profiling or demographic and technology that allow an engineer at the AIU to identify where and in which segment performance is weak or the worst.

For example, if a subscriber is using a low-quality device, the parameters will identify it as the reason for poor service performance. In addition, at peak hours when many people are online or the subscriber is at a location is weak, the operator will know the reasons drawback.

In response, the AIU engineers report back with recommendations to the management to improve services in that particular area, he added.

Supun Weerasinghe, chief strategy officer of Axiata Group and who is going to be the chief executive officer of Robi Axiata from January next year, said the AIU in Bangladesh will be similar to the AIU in Malaysia.

"Implementation of the AIU in Bangladesh is now going on. We are planning to go live by the first half of next year."

Consistent services and experience is very important, he said. "If customers get 1mbps speed now, and then 100kbps, they will be disappointed." When the AIU will be in operation, it will ensure the best services to the customers, he added.

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Wal-Mart finds safety issues at Bangladesh factories

REUTERS

Wal-Mart Stores Inc said it has found safety problems at some of the factories in Bangladesh with which it does business, and that most of those factories have since made improvements.

The US retail group tested the safety of more than 200 factories, a company spokesman said Sunday.

"Of these, 32 had failures in their initial inspections, but all but two have since addressed those issues."

Wal-Mart has posted on its website the inspection reports of 75 factories, and will post the remainder as they are completed, the spokesman said.

Of the 75 factories, two failed safety inspections because remediation was not possible, the spokesman said. A third factory ceased producing goods for Wal-Mart because it failed the initial inspection; the owners are building a new factory.

A fourth factory has closed down because of labor unrest unrelated to Wal-Mart's safety inspection.

Companies are pushing for improved safety in Bangladesh after 1,129 workers were killed in the collapse of a garment plant in April, and another 112 people perished in a