

CURRENCIES

USD

77.10

EUR

105.18

GBP

128.54

JPY

0.74

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78.10

SELL TK

109.18

132.52

0.78

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BUSINESS

DHAKA TUESDAY APRIL 29, 2014, e-mail:business@thedailystar.net

# Banglalink sells \$300m bonds

STAR BUSINESS REPORT

Banglalink sold \$300 million five-year notes—the first dollar-denominated bonds from Bangladesh—as the mobile operator plans to boost its business and refinance existing debt.

A bond is a debt instrument that enables the issuing company to raise funds by promising to repay a lender in line with terms of a contract.

Banglalink's bonds will have a re-offer price of 99.008 percent with a yield to maturity of 8.875 percent, it said in a statement. The transaction is expected to close on May 6.

BANGLALINK BONDS

Maturity period 5 years

Re-offer price 99.008%

Yield to maturity 8.875%

Transaction to close on May 6

"The transaction is a major milestone for Banglalink and further diversifies our sources of funding into international capital markets. We are very pleased with the support of so many high quality global investors for this inaugural offering," Banglalink CEO Ziad Shatara said.

Banglalink, the nation's second largest mobile operator after Grameenphone, is rated B1 by Moody's and B+ by Standard & Poor's—both with a stable outlook. The bonds will be due in May 2019.

Banglalink plans to use the proceeds from the offering to repay debt and finance capital expenditures.

The 144A bond, which started marketing a week before it priced, faced some technical challenges when it came to gauging the fair value of the offering due to the fact that there were limited direct comparables and few high-yield telecom companies in Asia, reports FinanceAsia.

The bond issuance comes amid Banglalink's expansionary phase, when Russian parent company VimpelCom plans to invest around \$350 million during the next two years to build the 3G network of the local mobile operator. VimpelCom is a joint venture between Norwegian telecom giant Telenor and Russian banking group Alfa.

Banglalink, which purchased 5 megahertz of spectrum last year at \$21 million to offload 3G services, has 2.93 crore subscribers till March, according to Bangladesh Telecommunication Regulatory Commission.



From left, Dan Mozena, US ambassador; Michael Delaney, US assistant trade representative, and Mahub Ahmed, commerce secretary, attend a press briefing after the first meeting of Ticfa, at Sonargaon Hotel in Dhaka yesterday. Related story on page 1

## Duty on safety equipment import to see deep cuts

Commerce secretary briefs media after Ticfa talks

STAR BUSINESS REPORT

The government is set to drastically cut duties on safety equipment imports to make them more affordable to garment makers, as they are under pressure to improve workplace standards following Tazreen Fire and Rana Plaza disasters.

The National Board of Revenue (NBR) is now in the final stages of cutting the duties on the safety equipment, Commerce

Secretary Mahub Ahmed said.

The duty on imports of the safety equipment was one of the key issues the US raised at the inaugural meeting of the Trade and Investment Cooperation Forum Agreement (Ticfa) that concluded yesterday.

"We have decided to reduce the duties. Different forums inside the country have also made similar requests," Ahmed said at a press briefing after the daylong meeting.

An NBR official said an order on the issue

might be sent out this week.

At present, Bangladesh on an average imposes 154 percent duties on the imports of fire equipment such as fire doors, emergency lights and sprinklers. It will be brought down to 15 percent, the official said. The 15 percent duties will be in the form of value-added tax.

Finance Minister AMA Muhith has already consented to the decision, and the law ministry is now vetting the issue.

READ MORE ON B3



Garment workers join a sit-in programme to protest the shutdown of Tunic Fashions Ltd and Natural Wool Wear Ltd, in front of the National Press Club in Dhaka yesterday. The closures left about 2,000 workers jobless.

## PHILANTHROPY

# IDB aims to build 180 schools, cyclone shelters in a year

STAR BUSINESS REPORT

Islamic Development Bank plans to build 180 school-cum-cyclone shelters in coastal areas within a year, IDB President Ahmad Mohamed Ali said yesterday.

The Jeddah-based bank has already constructed 24 buildings under a \$130 million project to build such shelters in 40 upazilas of 13 districts.

Ali, a former deputy education minister of Saudi Arabia, opened two school-cum-cyclone shelters at Koyra in Khulna and Sharankhola in Bagerhat on Sunday.

Around 2,000 people and 500 cattle will be able to take shelter at each of the centres with an expected life span of 100 years and resistance of wind speed up to 260 kilometres per hour, the IDB chief said.

Ali, who came to Dhaka on Sunday

on a two-day visit, spoke at a press conference at IDB Bhaban in the capital yesterday.

An anonymous philanthropist has donated the fund to the IDB for providing assistance to the victims of cyclone Sidr that devastated southern Bangladesh in 2007.

Of the total fund, \$110 million is being used for the construction of the shelters and \$20 million for urgent relief in the form of agro inputs.

The IDB chief said his bank has already disbursed \$20 million to four nongovernmental organisations for the rehabilitation and livelihood programme for the victims.

The NGOs—Islamic Bank Foundation, Muslim Aid, Voluntary Organisation for Social Development, and Brac—have devised an innovative microcredit programme, Quard Hassan (interest free loans), for the

beneficiaries.

The government and IDB signed an agreement in May 2008 for implementing the programme.

At a meeting with Prime Minister Sheikh Hasina on Sunday, Ali said the IDB Group will continue to focus on key development initiatives of Bangladesh in energy, urban, agricultural and education sectors, according to a statement.

The Group has so far committed about \$3.2 billion for the period of 2013-2016 under "Member Country Partnership Strategy" jointly prepared by Bangladesh government and the IDB. Ali also said IDB plans to open its group gateway office in Bangladesh in the next few months.

Since inception in 1975, IDB provided development assistance to Bangladesh amounting to more than \$15 billion.

## US leaders call for improving workers' conditions

DIPLOMATIC CORRESPONDENT

US Congressmen Sander Martin Levin and George Miller have urged the government to improve the conditions of workers in Bangladesh, and said there has been insufficient progress in many areas, including freedom of trade unions.

Levin, ranking member at the committee on ways and means workforce, and Miller, senior democratic member at the committee on education and workforce, sent a letter to Prime Minister Sheikh Hasina on April 23 outlining specific labour issues that have yet to be addressed by the government.

"We believe it's critical for the government of Bangladesh to take stronger steps to fully implement the Bangladesh Action Plan that was issued as a roadmap for reinstating trade benefits," the letter read.

They said there has been insufficient progress in issues related to union registration and protection, labour law reform and export processing zones.

The US leaders urged the government to reopen the investigation on labour leader Aminul Islam murder case and ensure that a transparent and independent investigator is appointed.

READ MORE ON B3

# Singer profits struck by turmoil

GAZI TOWHID AHMED

Singer Bangladesh's net profits last year slid 22.07 percent to Tk 38 crore due to political turmoil in the last quarter, which dragged down the whole year results.

"Truly, we did business in 2013 for nine months instead of 12," Mahub Jamil, chairman of Singer Bangladesh, said at the unveiling of the company's 2013 annual report.

Going by the strong performance in the first three quarters, 2013 was set to be a good year for the consumer durables company until political turbulence materialised, he said.

The unrest on the domestic front hit procurement, production and sales, due to which "growth was slowed down unexpectedly".

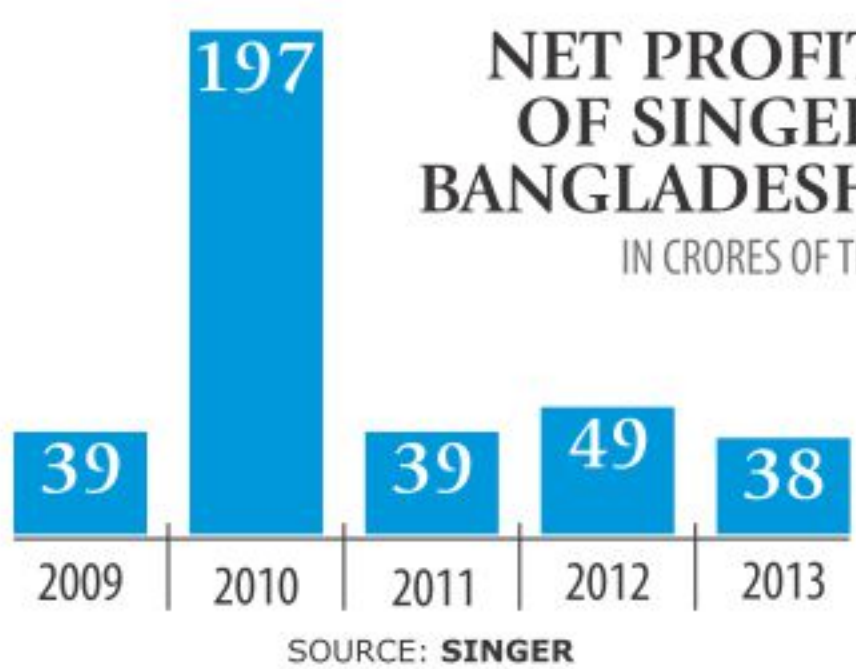
The hike in electricity charges last year also affected the business, AM Hamim Rahmatullah, managing director of Singer Bangladesh, said.

## Viyellatex cuts carbon emissions by 25pc

STAR BUSINESS REPORT

Viyellatex Group, one of the leading garment exporters, reduced carbon emissions by more than 25 percent over the five years since 2009, Systain, a Germany-based environmental consulting firm, said in a report.

"Viyellatex is highly committed to sustainable textile production. The management has put major focus on improv-



Refrigerator was the company's star performer last year, registering a 3.51 percent year-on-year rise in revenue, he said.

The company's total revenues in 2013 stood at Tk 660 crore, down 1.47 percent year-on-year. Its earnings per share for the year were Tk 7.79 as opposed to Tk 9.99.

Singer decided to close the production plant of its motorcycle and electric cable manufacturing units, as some local brands

ing energy efficiency and reducing carbon emissions. Viyellatex was one of the first textile producers to publish a carbon footprint at all," the Systain report said.

Awareness raising, strict maintenance, application of advanced technologies, purchase of energy-efficient equipment, research and investment to reduce energy use are well established at Viyellatex, Systain said in the report published on April 10.

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