

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.56%	0.70%	\$1,322.84	\$103.95	25,592.06	15,437.13	3,272.25	2,059.38	77.05	102.88	130.58	0.75
4,411.15	8,403.78	(per ounce)	(per barrel)					BUY TK	77.05	102.88	130.58
								SELL TK	78.05	106.91	134.61

**জীবনে প্রয়োজন আরো বেশি স্বাস্থ্য**

সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুসমৃদ্ধ

যে কোন প্রয়োজনে ০৯৬১২০০১১২২

ষ্টানোমী শরীআহ'র মুদাআবা নিতির ভিত্তিতে পরিচালিত



# Star BUSINESS

DHAKA MONDAY JULY 7, 2014, e-mail: business@thedailystar.net

## Malaysia to help build 8,400 flats in Uttara

**STAR BUSINESS REPORT**

The government has tied up with Malaysia to build about 8,400 flats in Uttara after local contractors failed to deliver.

The cabinet committee on economic affairs at a meeting yesterday approved a proposal to construct 100 buildings under technical and financial management of the Malaysian government on a design-build-transfer basis.

Two Malaysian firms will construct the 16-storey buildings using industrialised building system (IBS), according to the proposal of the housing and public works ministry.

In May, a six-member team from Bangladesh visited Malaysia to see buildings constructed using the IBS, which is a technique of construction where components are manufactured in a controlled environment, either at site or off site. A Malaysian team also visited the Uttara apartment project site.

Earlier in April, a memorandum of understanding was signed between the two governments.

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# New carriers to trigger battle in the air

*Analysts fear an unhealthy competition in the market*

**SUMAN SAHA**

Competition in the aviation sector is set to intensify further as two new private airlines will spread wings this year with the existing three players expanding operations on short-haul international routes.

United Airways, which launched operations in July 2007, plans to introduce flights on Dhaka-Karachi and Dhaka-Medina routes within this year. The private carrier now flies to six international destinations.

Novoair, which started its journey in January last year, plans its maiden international flight within a couple of months. US-Bangla Airlines, a new private carrier, will commence operations within a month as the carrier has already announced its flight schedule for domestic routes.

"We are now waiting for the regulator's approval," said Akhtar Ahmed, director for sales and marketing of US-Bangla Airlines.

Another new private carrier -- Epic Airways Ltd -- plans to operate flights on domestic routes with an initial fleet of two Boeing 737s by the end of 2014, according to Imran Asif, chief executive of the airline.

The country's air travel market has the potential to grow further as the existing operators cannot meet the demand, said Asif, a former chief executive of Regent Airways.

"Epic Air aims to offer a better travel experience with competitive

**US-Bangla Airlines to start journey in a month**

**Epic Air to spread wings by the yearend**

**United to introduce Dhaka-Karachi and Dhaka-Medina flights**

**Novoair launches maiden international flight in August**

*Analysts say some carriers may not survive in the long run amid an unhealthy competition in the market*

director of Novoair, also echoed the same. "An increased competition may jeopardise the sector."

He, however, ruled out the possibility of merger in the sector. "Airlines may sell their business, but won't go for merger."

Alam, the aviation analyst, suggested the government should be more pragmatic in allowing new airlines.

The Civil Aviation Authority of Bangladesh should permit new airlines based on business viability and growth rate of passengers, Alam said.

Currently, the local carriers fly mainly on four domestic routes out of Dhaka -- Chittagong, Cox's Bazar, Sylhet and Jessore -- with the Dhaka-Chittagong route having the highest traffic flow, followed by Dhaka-Jessore.

In 2013, some 648,019 people travelled nationally by air, up 10 percent year-on-year, according to data from CAAB.

Alam, also editor of the Bangladesh Monitor, a fortnightly travel and tourism magazine, urged the local carriers not to expand regional operations.

The local airlines are yet to develop the expertise needed to operate international flights, he said, adding that a lack of skilled manpower is the main challenge for the airlines now.

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## Food grains imports surge to two-year high

**SOHEL PARVEZ**

Food grains imports touched a two-year high in fiscal 2013-14 on the back of low prices of rice and wheat.

Grains imports accelerated 62 percent year-on-year to 30.64 lakh tonnes, according to data from the food ministry. Bangladesh imported 3.74 lakh tonnes of rice last fiscal year—13 times higher than a year ago. Wheat imports rose 44 percent year-on-year to 26.89 lakh tonnes.

Cereal imports by the government doubled to 9.27 tonnes in the same period, accounting for 30 percent of total overseas purchases. The government imports are mainly used for open markets sales to the low-income groups.

The country requires nearly 40 lakh tonnes of wheat to meet its annual demand, which is growing by the year for the rise in population, health consciousness and industrial use. Of the amount, 12 lakh



tonnes of wheat are grown locally and the rest is imported.

Abul Bashar Chowdhury, chairman of BSM Group, a Chittagong-based importer, said the relatively lower price of wheat flour than rice in the domestic market encouraged importers.

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## REHAB seeks steps to boost secondary real estate market

**STAR BUSINESS REPORT**

Realtors yesterday demanded cuts in registration tax on sales of used flats to inject some life into real-estate business.

Registration costs of both new and used flats are the same, although the prices of apartments vary considerably between the two.

As a result, the customers feel discouraged to purchase the used flats.

"So, we want to develop a secondary market in the country for real estate, like the secondary car sales market," said Alamgir Shamsul Alamin, president of Real Estate and Housing Association of Bangladesh, at a

meeting with Commerce Minister Tofail Ahmed at his secretariat office in Dhaka.

Alamin led a delegation of the newly elected committee of REHAB to a meeting with the minister.

Real estate is in the doldrums as the sales of apartments and plots fell around 60 percent in 2013 from the previous year, Alamin said.

Real estate developers urged the government to set up a Tk 3,000 crore fund to disburse as loans on single digit interest rates.

With the revival of real estate, backward linkage industries such as cement, rod, furniture, ceramics and paints will also get a boost, he said.

# Intertek lab aims to fast-track exports

**REFAYET ULLAH MIRDHA**

The task of obtaining product certification for exporters just became quicker, cheaper and simpler thanks to the June opening of a modern testing laboratory in Dhaka by Intertek, the world's biggest tester of consumer goods.

Before, exporters had to go through the time-consuming and expensive process of shipping their samples to Hong Kong, China or India to get the requisite third-party certification assuring quality and absence of any health hazardous elements.

But now, they can simply take the samples to Intertek's laboratory in Tejgaon, the company's biggest in Asia, and get the documentation within a couple of days -- and at a much lower cost.

"The operation of such a big lab will help the exporters acquire their test results faster and reduce their lead time to a huge extent," Rajesh Saigal, managing director of Intertek South Asia, told The Daily Star.

Set up at a cost of Tk 42 crore on more than one lakh square feet of land, the laboratory will provide one-stop service to a total of 17 industries including textile and garment, footwear, agro-processed foods, electrical goods and chemicals.

The plant will not only test fabric samples, apparel, footwear, home furnishing and electrical appliances for hazardous elements and chemicals, but will also analyse the colour fastness of fabrics and conduct fibre analysis.

The laboratory is manned by 600 technicians and experts, the majority of whom are Bangladeshi nationals. "They are efficient enough to run the



**Rajesh Saigal**

tests and certification."

Saigal is bullish about the laboratory's prospects, adding that the company is expecting at least 20 percent year-on-year business growth from it. "It might even cross 30 percent," he added.

The reasons for such high expectations, he said, were the country's steady economic growth and the growing importance of garments to the export basket.

"Despite the domestic odds, the garment business will continue to grow in Bangladesh as the country is still competitive to international retailers for lower production costs."

Many foreign companies are now relocating their businesses from China to other countries with lower production costs, which has created an immense opportunity for Bangladesh, he said.

Moreover, the laboratory will serve as the third-party testing hub for exporters from Myanmar, Madagascar and Mauritius, according to Saigal.

"Our market survey, which was conducted before we installed the lab, is very encouraging -- we have good business here. We were excited by the survey's findings, which showed Bangladesh is poised to become a major market for us."

So much that the company is now aiming to inaugurate another branch in Chittagong by the middle of next year, he said, adding that 400 more would be employed for the port city operations.

Headquartered in London, Intertek has a network of more than 1,000 laboratories across 100 countries, from where it tests products from toys to telephones and issues safety certificates and standards.

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