

# BUSINESS

DHAKA MONDAY SEPTEMBER 1, 2014, e-mail:business@thecrownstar.net

## BB brings cheer to foreign investors

*Non-resident investors will now get higher returns from sales of shares in local firms as central bank relaxes rules*

### STAR BUSINESS REPORT

Foreign investors having stakes in Bangladeshi private companies will now get higher returns if they sell their shares, as the central bank has introduced globally-accepted approaches to value such firms.

Analysts say the move will encourage overseas investment in local companies.

Along with the currently practised 'net asset value approach' for determining the repatriable value of shares, Bangladesh Bank has adopted two more methods: market value approach and income approach or discounted cash flow approach.

Take an illustrative example under the three methods: If the price of a company's share stands at Tk 50 based on net asset value, it could be valued at Tk 100 in market value and Tk 200 in the income approach.

The BB will accept any of the three approaches or an average of the three in valuing the shares, depending on the nature of the company, it said in a notice yesterday.

"This is an important change which will contribute to a rise in foreign investment via the private equity channel as we have adopted global best-practised valuation methods," said Hassan Zaman, chief economist of the central bank.

It is part of the process of prudently liberalising

the foreign exchange regime and the access to equity capital will lead to companies expanding and creating jobs, he added.

Another BB official said the previous method is conservative and allows foreign investors to repatriate a small amount of their investments in Bangladeshi private companies.

Under the old system, overseas investors could not repatriate the true value of a company, he said.

Net asset value is estimated by deducting all liabilities of a company from its total assets. It is a conservative valuation, which does not take into account the future potential of a company.

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## MediaVest sets foot in Bangladesh

### MD FAZLUR RAHMAN

Starcom MediaVest Group has embarked on its journey in Bangladesh with a promise to produce quality media products, a top official of the global advertising agency said yesterday.

The subsidiary of Publicis Groupe, the world's third-largest communications group and second-largest media counsel, opened its office in the country in February. It will hold a ceremony at The Westin today to begin formal operations.

The US-based media agency is foraying into Bangladesh through a partnership with Grameenphone, the country's largest mobile phone operator, with whom it signed a deal in August.

MediaVest works with Telenor, which controls 55.8 percent of GP,

across a number of markets around the world.

"We have the same partnership coming to realisation in Bangladesh," said Ranganathan Somanathan, chief operating officer of MediaVest for Southeast Asia.

"We will work with GP to get the best solutions as media specialists. As a leader of the communication world, Starcom MediaVest is in a very good position to be a leading company in Bangladesh as well," he told The Daily Star in an interview in Dhaka yesterday.

In Bangladesh, advertising spending stands at around Tk 200 crore a year, with televisions and newspapers controlling the majority, according to Somanathan who is based in Singapore.

Many of MediaVest's multinational clients operating in Bangladesh are looking for quality



Ranganathan Somanathan

media solutions, and the US-based company plans to cater to them as well, Somanathan said. He spent a year in Dhaka to learn the ropes of the local industry.

"There are a lot of low hanging fruits in the country. There are opportunities across all clients who are not getting good media solutions," he said.

"Based on our assessment and understanding, media products in Bangladesh are not up to the mark."

Somanathan, 42, however said his company would not chase any targets in the Bangladesh market.

"The challenge for us is whether we are being able to create meaningful experiences for our clients. Our focus is always on doing a good job and delivering high-quality products and services. Then you start building your clientele."

As the number one advertising agency in the world MediaVest works with P&G, Coca-Cola and Samsung.

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## IT engineers to get global certificates

*Bangladesh signs deal with Japan-based IT professionals' examination council today*

### STAR BUSINESS REPORT

Bangladesh is set to become a member of Japan-based Information Technology Professionals Examination Council (ITPEC), paving the way for its IT professionals and graduates to get internationally recognised certificates.

Bangladesh will conduct IT engineers examination every year and award such certificates, Telecom and ICT Minister Abdul Latif Siddique said at a press conference at the office of Bangladesh Computer Council (BCC) yesterday.

BCC, the state-run institution, already started taking such examinations in April.

Japan-based Information Technology Promotion Agency, a regulatory body for evaluating IT engineers examination, will confer the ITPEC membership on Bangladesh at a function at BCC office today.

At the programme, Bangladesh will sign a memorandum of understandings with

the current ITPEC members that include the Philippines, Malaysia, Mongolia, Myanmar, Thailand and Vietnam. An agreement with the Japanese government will also be signed.

ICT Secretary Nazrul Islam Khan said IT engineers examination plays an important role in building confidence of IT engineers who opt to compete in the global job market.

The BCC has already built administrative infrastructure at its office where two examinations will be taken each year, Khan said.

The IT engineers examination was originally developed in Japan in 1969. In 1970, it was authorised as the first and only national IT engineers examination governed by Japan's international trade and industry ministry.

It is one of the most important national qualification examinations in Japan, with around six lakh applicants participating each year.

## Biman introduces two more apron buses

### STAR BUSINESS REPORT

Biman Bangladesh Airlines has introduced two more apron buses to provide better ground handling services at Hazrat Shahjalal International Airport.

With the two, Biman has now seven apron buses that are used to transport passengers to and from or within airports.

Air Marshal Jamal Uddin Ahmed (retired), chairman of Biman's board of directors, launched the buses at a function at the airport on Thursday.

The buses that can carry 70 passengers each with sufficient room for luggage were made in Germany, Biman said in a statement.

"In the coming days, we hope to add more modern equipment to our GSE (ground support equipment) so that we can provide better services to our customers."

The apron buses will carry boarding and alighting passengers of all airlines operating to and from Dhaka, the state-owned carrier said.

The airport apron buses are manufactured in accordance with the relevant standards of International Air Transport Association and US Federal Aviation Administration and have low chassis, large capacity and manual and automatic transmission, Biman said.

## Ruposhi Bangla shuts as renovation starts today

### STAR BUSINESS REPORT

Bangladesh Services Ltd (BSL), owner of Ruposhi Bangla Hotel, will transfer 500 employees to other units as the five-star hotel's extensive renovation begins today.

The hotel will keep its entire operations closed for the next 16 months for the renovation work.

Of the 500 employees, 300 will work at Bangabandhu International Conference Centre, 116 for a project of InterContinental Dhaka, 70 at Balaka Executive Lounge at Hazrat Shahjalal International Airport, and the rest will go abroad for training during the period, the hotel said in a statement.

James P McDonald, general manager of the hotel, yesterday signed an agreement with leaders of Ruposhi Bangla Hotel Shramik O Karmachari Union to ensure continued jobs, salaries, service charges and other benefits for employees in line with BSL's board rules.

The hotel will be rebranded as

InterContinental Dhaka after the renovation, which will begin in line with an agreement signed between BSL and InterContinental Hotels Group (IHG), a leading global hotel chain.

Ruposhi Bangla, formerly known as Sheraton Hotel, will have to be renovated as per IHG brand standards and the renovated InterContinental Hotel will resume operations in January 2016.

The hotel will be handed over to InterContinental for 30 years after renovation, according to a deal signed in February 2012. BSL will bear the renovation cost of around Tk 400 crore -- a portion from its own funds and the rest from bank loans.

The hotel's net profits plunged 59 percent year-on-year to Tk 19 crore in 2013 due to political troubles for much of the last year.

With renovation, the number of rooms in the hotel will drop to 226 from 272 as room sizes will be increased to 40 square metres from 26 square metres now.

## Development projects off to a slow start

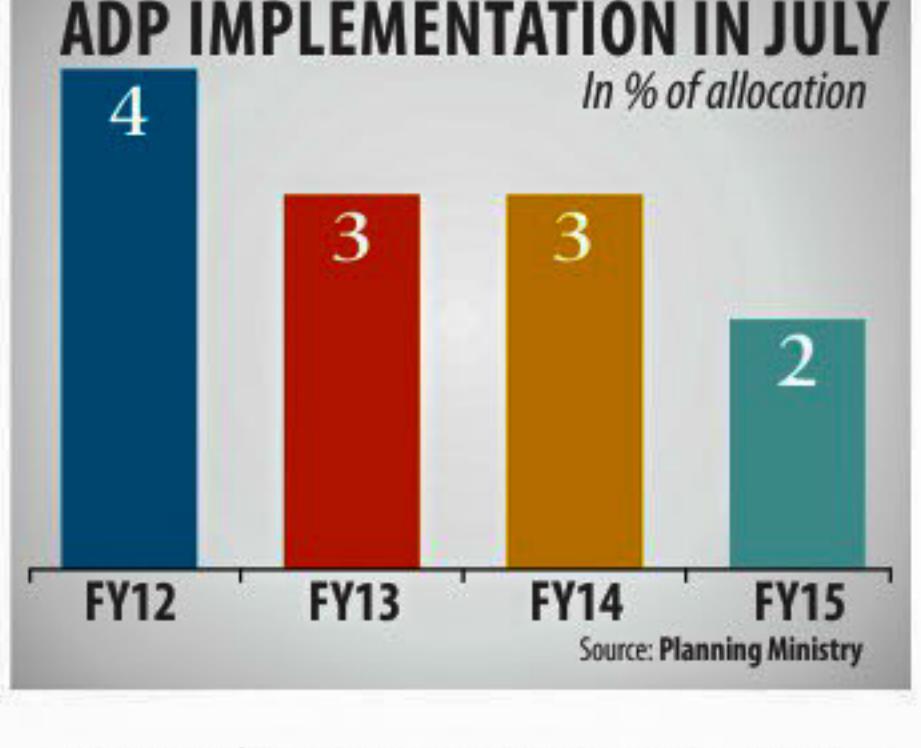
### STAR BUSINESS REPORT

ADP implementation dropped 1 percentage point year-on-year in the first month of the fiscal year owing to slow utilisation of foreign fund.

Only 2 percent, or Tk 1,847 crore, of the total allocation for Annual Development Programme (ADP) was used in the month of July -- the lowest implementation rate in four years.

Of the amount, Tk 1,458 crore came from the government's own fund and the rest from foreign funds. The rate of foreign fund utilisation dropped 23 percent year-on-year in July, but the government's own fund utilisation increased 18 percent.

Among the ten ministries and divisions with the highest allocations, the bridges division came on top in terms of implementation: it exhausted 7 percent of its allocations in July.



It was followed by the local government division, which implemented 5 percent of its funds, power division at 2 percent and health ministry 1 percent.

The performance of the other six large ministries and divisions is very poor, with some not even spending a single taka the whole months.

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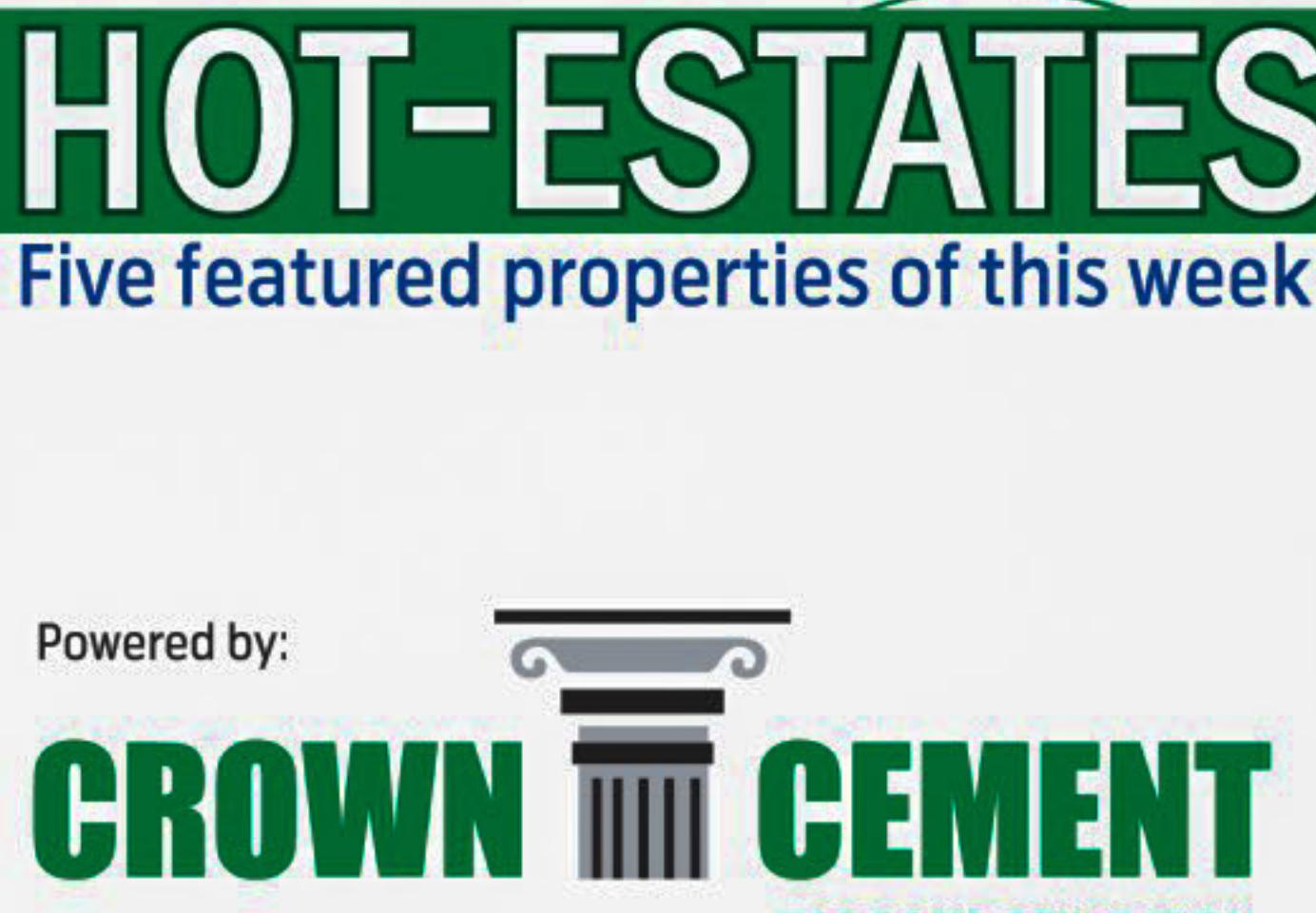
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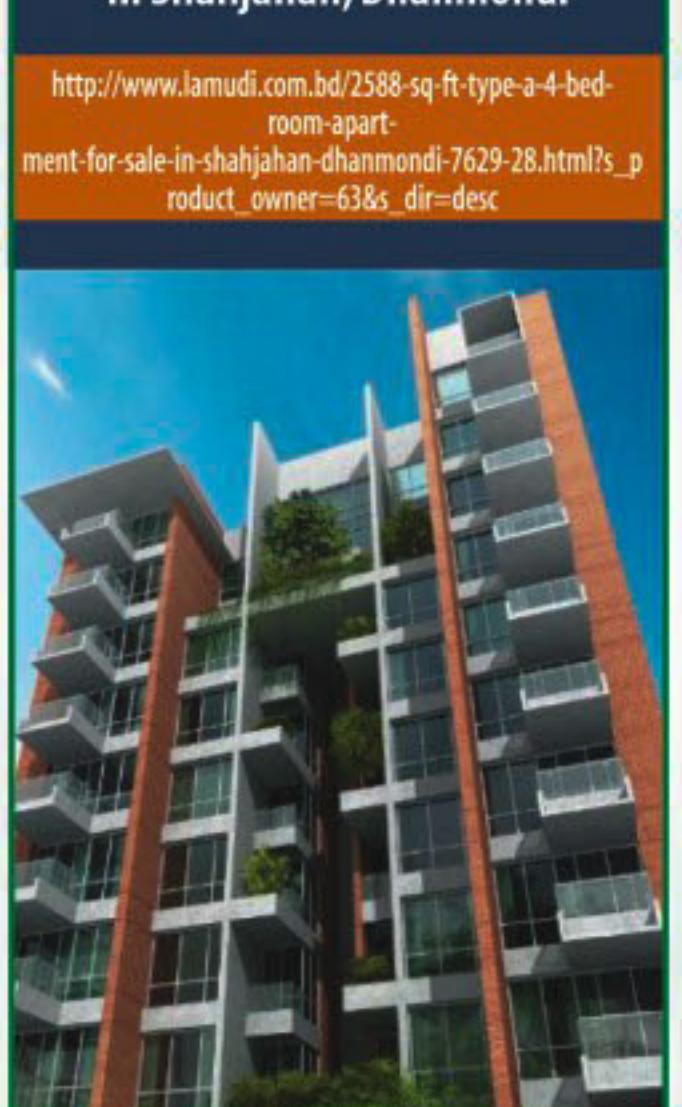
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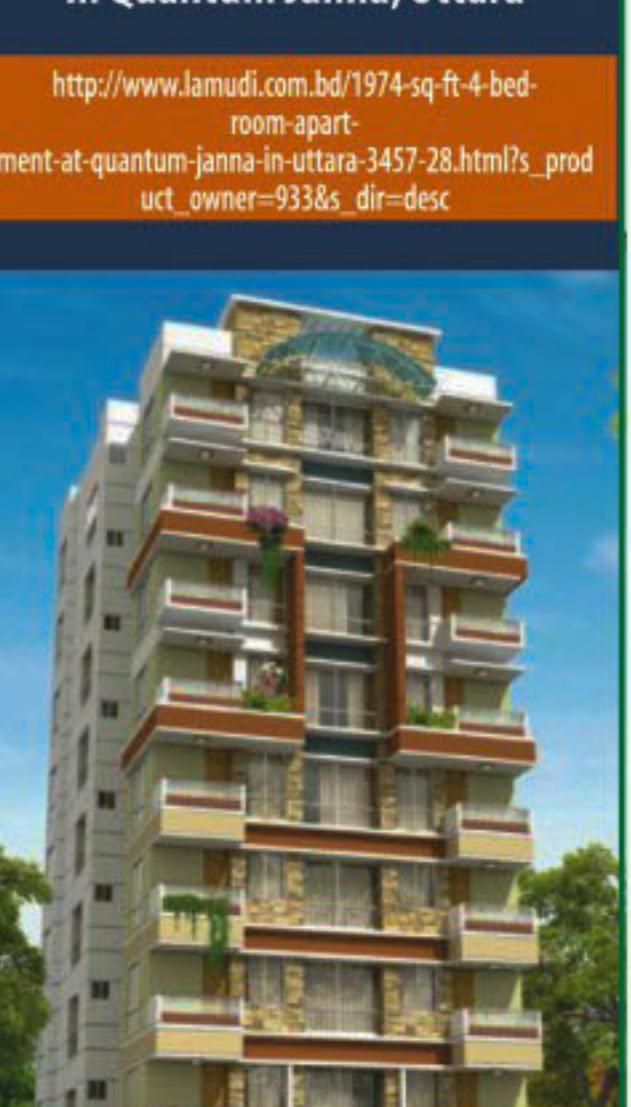
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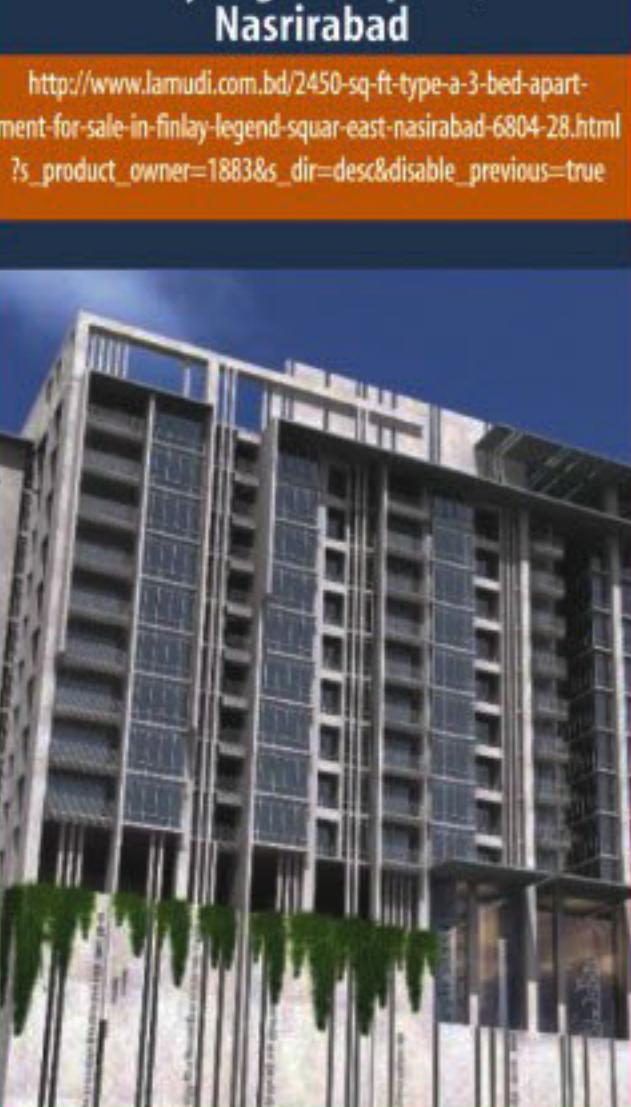
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