

# Kabab Factory opens second outlet in town

STAR BUSINESS REPORT

Kabab Factory, a culinary concern of garment maker Chaity Group, opened its second outlet at Gulshan in the town on Wednesday. "We opened the outlet to meet the increased demand for traditional and authentic Kebab items that we make," said Fahmida Shabnam Chaity, managing director of Kabab Factory. With live sea-fish as an added feature, the new outlet would serve authentic traditional kebab and biryani items along with Belgian coffee, Swiss Movenpick ice-cream and fresh fruit juice, she said. "I am sure business here

would be great with some Thai cuisines and chefs," said Madurapochna Ittarong, ambassador of Thailand in Dhaka, who attended opening ceremony. Restaurant business is thriving fast in Bangladesh, Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry, said at the programme as the chief guest. Kabab Factory started its journey in Uttara in 2010. Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, and Md Emdadul Islam, chief engineer of Rajdhani Unnayan Kartripakkha, were also present.

# EU ministers challenge Britain's victory claim on huge bill

AFP, Brussels

Britain declared victory after the EU agreed Friday to extend a deadline for a huge 2.1-billion-euro bill, but walked straight into a new row as other countries rejected its claims to have reduced the amount.

Prime Minister David Cameron had refused to pay the top-up, warning that it could push Britain towards the EU exit in a referendum that he has promised to hold in 2017, so long as he wins in a general election next May.

After tense talks in Brussels, finance minister George Osborne said the bill had been "halved", and that instead of a December 1 cut-off, Britain would now pay the rest in two instalments before September 2015.

But other European ministers insisted Britain would still have to pay the full sum, while Cameron's eurosceptic political opponents accused him of using "smoke and mirrors" to hide the truth.

"Instead of footing the bill, we have halved the bill, we have delayed the bill, we will pay no interest on the bill," Osborne told reporters. "This is far beyond what anyone expected us to achieve, and it's a result for Britain."

The bill infuriated Cameron after he said he was ambushed with it at a European summit in October, and he quickly used Friday's deal to defend

himself against growing pressure from the eurosceptic UK Independence Party.

"I said we wouldn't pay £1.7bn on December 1st. We've now halved the bill and will pay nothing until next July. We're delivering for Britain," he wrote on Twitter.

The original bill was based on a recalculation of EU nations' budgets dating back more than a decade, and Cameron had refused to pay either the full amount or meet the December deadline.

Osborne said Britain would only pay half the original bill, giving Brussels a total of £850 million in two instalments in July and September next year.

The rest would be offset against a full upfront payment of the £3 billion annual rebate negotiated by British premier Margaret Thatcher in the 1980s, he said.

But other EU ministers challenged the British claims. "My understanding is that the UK will have to pay the whole amount," Irish Finance Minister Michael Noonan said. Asked about Osborne's figure, he said: "I don't know what the basis of that calculation is."

The Netherlands' finance minister Jeroen Dijsselbloem -- whose own country faces a 642-million-euro bill from the EU -- also disputed Osborne's claims.

"He didn't get a discount for the British today," said Dijsselbloem, who is also head of the Eurogroup nations which use the single currency. "The UK has had the right for a rebate for a very long time." =



M Zakir Hossain, president of the Institute of Management Consultants Bangladesh, speaks at the 14th annual general meeting of the institute, at The Daily Star Centre in Dhaka yesterday. Sitting from right, ASM Shaykhul Islam, treasurer, and Mohd Hasanullah, member of the executive council, are also seen.

# BSRM Group teams up with VSOB

STAR BUSINESS DESK

BSRM Group yesterday partnered with Volunteer Service Oversees Bangladesh (VSOB) to initiate crab cultivation projects in Bagerhat, Khulna.

The aim of the partnership is to reach those who live in the middle of saline water, where plantation of vegetables and fish farming are not possible, VSOB said in a statement.

"This project will help create income-generating opportunities, empower the under-privileged women farmers, increase their access to environment-friendly technologies, training and help them approach local

government service providing agencies."

The project will particularly deal with primary health, fisheries, water sanitation and local government, according to the statement.

In its duration of five years, 358 farmers will be gradually brought under the project, covering five villages of Mongla upazila under Bagerhat district. VSO and its NGO partner Gothon will manage project activities and will be responsible for the implementation, supervision and successful operation.

BSRM Group Chairman Alihussain Akberali and Volunteer Service Oversees Country Director Shahana Hayat attend the event at BSRM corporate office in Dhaka.



Bank Asia Chairman A Rouf Chowdhury, former chairman Anisur Rahman Sinha, Executive Vice Chairperson of Rangs Group Zakia Rouf Chowdhury and President and Managing Director Md Mehmood Husain attend the opening of Bank Asia Bhaban, the regional head office of the bank, at Agrabad in Chittagong yesterday.

BANK ASIA



BSRM Group Chairman Alihussain Akberali and Volunteer Service Oversees Country Director Shahana Hayat attend a programme at BSRM corporate office in Dhaka yesterday, when BSRM Group signed a deal with Volunteer Service to initiate crab cultivation projects in Bagerhat, Khulna.

# Historic shift as Abu Dhabi looks to Asia for oil concession

AFP, Abu Dhabi

Gulf emirate Abu Dhabi seems likely to choose Asian firms when it renews a decades-old major oil concession, sources and analysts told AFP, in a historic shift for the global energy market.

Powerful Western companies have dominated the Middle East oil industry for nearly a century but are facing increasing competition from energy-hungry Asia.

Now Asia appears set to win its first major concession in the Middle East after the expiry of a World War II-era contract to exploit Abu Dhabi's main onshore oil fields.

"The Far East is 'the' market for Gulf oil and energy-based products like chemicals," Jean-Francois Seznec, a Georgetown University professor and oil expert, told AFP.

Experts believe it is inevitable that, after seeing huge boosts in oil exports to Asia, Middle East producers like the United Arab Emirates will seek to attract Asian companies as production partners as well.

This will "help the UAE secure a market share in the Far East at this time of ample supplies and relatively weak demand," Seznec said.

Industry sources tell AFP that global giant China National Petroleum Corporation (CNPC) is the top contender for the Abu Dhabi bid, along with firms from South Korea and Japan.

The 75-year-old concession ran out in January and state-owned Abu Dhabi National Oil Company (ADNOC) is reviewing bids from nine international majors to award new long-term production-sharing agreements.

The ultimate decision will be taken by the Abu Dhabi Supreme Petroleum Council, the emirate's highest decision-making body on energy issues. An industry source said a decision is expected by the end of the year or early 2015, barring any last-minute hurdles.

# Fall in oil prices costs Iraq 27pc of expected revenues

AFP, Baghdad

The sharp decline in global oil prices has "greatly affected" Iraq, costing the country 27 percent of its projected revenues for the year, the oil ministry said on Saturday. "The Iraqi economy and the federal budget were greatly affected by the projected decline in revenues, and more than 27 percent of its projected revenues for this year were lost," the ministry said.

Oil prices have declined sharply since June, hitting the state coffers of

energy-dependent countries.

Iraq is heavily reliant on oil exports, and the government is seeking to dramatically ramp up sales to fund the reconstruction of its battered infrastructure.

Though the ministry referred to the Iraqi budget, one was never approved by parliament for 2014 amid a row between Baghdad and the country's autonomous Kurdish region over natural resources and funds.

Baghdad considers the three-province northern region's independ-

ent export of crude to be illegal, while Kurdistan says the federal government has failed to distribute required funding to the region.

On Friday, Kurdistan's natural resources ministry announced the region had exported \$2.87 billion in oil since the beginning of the year.

The ministry said it is treating the proceeds as part of the 17 percent of the federal budget to which the region is entitled, "which has been suspended by the federal government since January 2014".

# GP aims for rural internet

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The operator plans to sign in five crore internet users in the next five years in line with Telenor's global campaign of "Internet for All".

Not many mobile operators in the world achieved as many as 5 crore subscribers, he said.

Now it has become an obligation for GP to provide the large subscriber base with quality services, he said.

In the years to come, GP will invest more than it did in the last 2-3 years, Sood said.

The operator invested Tk 1,270 crore in 2013 and Tk 929 crore in the last nine months to September to roll out 3G and boost 2G capacity and efficiency, according to its financial report.

Since its inception in 1997, the operator has so far invested over Tk 25,000 crore in Bangladesh.

In the last nine months to September, Grameenphone earned Tk 7,674 crore in revenue, according to the report.

"We aim to earn Tk 10,000 crore in

revenue in 2014," Sood said.

Among the local telecom operators, Grameenphone provides the best quality voice and data services in Bangladesh, according to an independent survey of Telenor, which is the majority shareholder of GP.

Since the launch of 3G services in Bangladesh, the telecom operators are still struggling with the high prices of handsets, which may cost above \$50 apiece, he said.

He hoped the prices of such handsets to drop to \$40 next year.

In September, GP and local vendor Symphony Mobile jointly launched 3G-enabled handsets operated by Firefox, each at Tk 4,650.

Bangladesh Telecommunication Regulatory Commission (BTRC) plans to release 700 megahertz spectrum band through auction next year, but it did not discuss the issue with the operators yet.

Sood, further, said participation in the auction will depend on how the government designs the auction or

charges for the spectrum and whether it makes sense for business.

Most of the operators in the world provide 4G services through 1,800 MHz spectrum, as mobile handsets and equipment with ability to provide such services in the spectrum are available there, he said.

If the government allows, Grameenphone can provide 4G services in the shortest possible time, as it also has 1800 MHz spectrum, which it now uses for 2G or voice services, Sood said.

"There is always hunger for more data speed; but it is very difficult for us to invest in any new technology unless we have the regulatory clarity. We have not seen the spectrum roadmap the government has."

He said the operators want the 16-year-old telecom policy and some clauses of the Telecommunication Regulatory Act 2001 to be reviewed.

The government has never published any rules under the law, which is necessary for regulatory clarity, he said.

# China trade surplus expands to \$45.41b in October

AFP, Beijing

China recorded a better-than-expected trade surplus of \$45.41 billion in October, customs said Saturday, but weaker export and import growth could be a worrisome sign for the world's second largest economy.

October's trade surplus expanded 46.3 percent from the same month last year, exceeding market expectations for a \$42.3 billion surplus, according to a survey of 11 economists polled by The Wall Street Journal.

The surplus also widened from the \$31.0 billion recorded in September, though it was off the record \$49.8 billion for August, previous figures showed.

Exports jumped 11.6 percent year-on-year to \$206.87 billion in October, while imports rose 4.6 percent to \$161.46 billion, customs said.

"The trade surplus was driven by the contraction in growth of imports... and export growth was not very strong. So the quality of the surplus was not very high," Liu Xuezhai, a Shanghai-based analyst at Bank of Communications, told AFP.

Growth in exports -- a key engine of China's economy -- slowed in October from a 15.3 percent year-on-year rise in September. Import growth remained weak in October, slowing from a 7.0 gain in September.

"Domestic demand is weak," Liu said. "De-stocking this year has led to consumption of cement, coal, iron ore and other raw materials to decline, making demand for imports weak."

China's economy has faltered this year, hit by a deflating property bubble as well as a government crackdown on corruption and weak external demand from Europe.

The Chinese economy grew an annual 7.3 percent in the third quarter, the slowest in more than five years since the depths of the global financial crisis, dipping below the government's target of around 7.5 percent for all of this year.

Beijing has so far clung to "targeted" measures to spur growth, cutting reserve requirements -- the amount of funds banks must put aside -- for some banks and loosening monetary policy by injecting cash into the banking system.

# Foreign investors bet big on Bangladesh

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This means they have faith in the currency and they were buying it completely unhedged," Jim McCabe, chief executive officer of SCB, said in an interview with The Daily Star on August 28.

Kazi Saidur Rahman, a general manager of BB, said Bangladesh has a record amount of reserves that stood at more than \$22 billion last week, while the exchange rate is stable. "For these reasons, the foreign investors are interested to invest here," he said.

A finance ministry official said Bangladesh's track record is very good in repaying loans.

IMF's recent debt sustainability analysis found that Bangladesh would remain strong in the face of most extreme shocks related to debt conditions (particularly external debt) over a long-term horizon.

Bangladesh is highly unlikely to face any major debt-related stress within the next 20 year, according to the report.

"There could not be a greater endorsement. This greatly increased foreign investors' confidence," the official added.

# Exporters demand smooth way for incentives

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For example, Hatem of BKMEA said, some of the knitwear makers are not getting the money for not having knitting machines in their own factories, although they used local yarn. "But in the notices, it was not mentioned that the garment products should be manufactured in the exporters' own factories," Hatem said. "We have to face similar hassles everyday."

In another example, he said the government did not mention any timeframe for small and medium exporters for getting the incentives, although the exporters were asked to apply for incentives within 180 days of receiving payments from buyers.

"Actually we receive 4 percent incentive, although the government has been saying

that it pays 5 percent incentive on total exports," said Hatem, also the managing director of Narayanganj-based MB Knit Fashions. "We held meetings with different levels of the government, but that did not work," he said.

The government also introduced cash incentives for the garment exporters in 2009 to offset the fallout of the global financial crisis.

However, Hedayetullah Al-Mamoon, senior secretary to the commerce ministry, said: "Sometimes it takes time to scrutinise the entire process. It is not for bureaucracy. We have to examine the claims."

"Sometimes exporters do not follow rules, but they seek the incentives," Mamoon said.



Education Secretary NI Khan, Grameenphone CEO Vivek Sood and Chief Human Resources Officer Quazi Mohammad Shahed pose with the winners of Bangladesh chapter of a global youth contest -- Telenor Youth Summit 2014 -- at Radisson hotel in Dhaka recently.