

United Power gets go-ahead for IPO

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday gave final consent to United Power Generation and Distribution Company to raise Tk 237.60 crore through initial public offering using the book-building mechanism.

The power generation company will float 3.3 crore ordinary shares of Tk 10 each at an offer price of Tk 72, which was set through institutional bidding in May this year.

Forty percent or 1.32 crore of the shares will be kept for institutional investors who participated in the bidding.

Of the rest 60 percent or 1.98 crore shares, 49.50 lakh have been kept for general investors, 33 lakh for non-resident Bangladeshis, 49.50 lakh for mutual funds and 66 lakh for the affected retail investors who lost money during the market downswings in 2011.

The proceeds will be used to repay the company's long-term debt and meet the demand for working capital, the stockmarket regulator said in a statement.

On February 4, BSEC primarily okayed United Power's call to go for an IPO, which is being managed by LankaBangla Investments.

The earnings-per share of the power generation company was Tk 5.98 as of December 2013, while the net asset value per share stood at Tk 23.64.

The book-building is a process through which an issuer attempts to determine the price to offer for its security based on demand from institutional investors.

The price of an IPO share is determined through automated bidding participated by different financial institutions. The shares are then opened for the IPO participants at the bidding cut-off price.

The method was suspended and then revised by the regulator following the 2011 market crash.

At yesterday's meeting, the BSEC allowed Southeast Bank to raise Tk 300 crore through issuing subordinated floating rate bond, the fund of which will be used for fulfilling the requirements of Basel-II.

In another move, the regulator fined SR Capital Tk 5 lakh on charges of short-selling of shares, which is a violation of securities rules.

The BSEC also rejected rights offer of Bangladesh Building Systems, Central Pharmaceuticals, Mozaffar Hossain Spinning Mills and JMI Syringes as they did not comply with rules.

Four new Toshiba products hit market

STAR BUSINESS REPORT

Toshiba Singapore, a subsidiary of Japanese Toshiba Corporation, yesterday unveiled four new products in Dhaka in association with its Bangladeshi partner International Office Machines (IOM).

The products—an eco-friendly multifunctional peripheral (MFP), a multi interactive system, a barcode printer and a point-of-sale system—were showcased at the event "game changer", at The Westin hotel.

A digital multifunction copier, the MFP is the world's first eco-friendly system that can erase text and images printed on conventional paper, said Rezaul Karim, director of IOM, a leading business automation solution provider. "It helps companies reuse papers up to five times and cut carbon emissions by up to 57 percent."

The system is also capable of capturing documents and electronically store it in different locations before erasing the text from the paper, he said.

The price of the system is Tk 8.50 lakh with one year warranty, he said.

The multi interactive system with a 70-inch touch display is specially designed for meetings, trainings, education programmes and advertising, as it integrates the benefits of a whiteboard and a digital television, said Ahamad Ikram, product management

manager of Toshiba Singapore.

The system allows the user to collect information from various sources and simultaneously store them, which can be accessed or shared or can be sent to any network printer, Ikram said.

The interactive system with one year warranty is priced at Tk 8.30 lakh, he said.

The point-of-sales system along with IOM Retail POS software, the first venture of IOM into software business, is designed for the local retail market, said Iqbal Mahmood, business unit manager of IOM.

The system gives users a complete solution for sales, payment, reporting and inventory management, he said. "It can analyse multi data."

The barcode printer is an easy to use and cost-effective solution, he said.

Compared with the currently available Toshiba B-EV4 series, the latest barcode printer—B-FV4—is 13 percent faster for label printing and 8 percent faster for batch printing, he said. "Its lightweight design makes it easy to carry."

Toshiba Singapore is involved in sales and marketing of visual and household consumer products, personal computers, electronic imaging products and hard disk drives.

The firm was founded in 1974 and has 210 employees with an annual sales turnover of \$545 million.

Ansar-VDP Unnayan Bank gets new chief

STAR BUSINESS DESK

Mohammad Shams-ul Islam has recently been promoted to managing director of Ansar-VDP Unnayan Bank, the bank said in a statement yesterday.

Prior to the promotion, Islam has been serving Agrani Bank as deputy managing director. A master degree holder in accounting from Dhaka University, Islam began his banking career in 1984.

He also served Agrani Exchange, Singapore as chief executive, which is the flagship remittance company of Agrani Bank. He is a diplomaed associate of the Institute of Bankers Bangladesh.



New MD for House Building Finance

STAR BUSINESS DESK

Shaikh Aminuddin Ahmed yesterday joined Bangladesh House Building Finance Corporation as chairman, the corporation said in a statement.

Ahmed has 43 years of experience in banking and has worked with State Bank of Pakistan, Dhaka; Janata Bank, Sonali Bank, Bangladesh Commerce Bank, and Uttara Bank.

A lifetime member of the Institute of Bankers, Bangladesh, he also served Bangladesh Institute of Bank Management as a faculty member.



Ishtiaque Ahmed Chowdhury, managing director of Trust Bank, hands an ambulance for Siddhirganj Medical Centre as donation to Safina Rahman, governor of Rotary District-3281, at a programme in Siddhirganj recently.



Ahmed Shafi Choudhury, director of Pubali Bank, attends the managers' conference organised by the bank at a local hotel in Rajshahi recently. Helal Ahmed Chowdhury, managing director, was also present.

Biman may resume domestic flights in January

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These aircraft will be used for flights to Chittagong, Sylhet, Cox's Bazar, Jessore, Rajshahi, Saidpur and Barisal, Ahmed said.

Due to a shortage of aircraft, Biman authorities suspended flight operations on four out of seven domestic routes in 2007. The last route -- Dhaka-Cox's Bazar -- was closed in June 2012.

The flag carrier currently takes passengers to and from Sylhet and Chittagong via its international flights. It runs 18 international routes through 10 aircraft at present, according to its website.

Biman added two Boeing 777-300ERs in the first quarter of 2014, phasing out its DC-10 fleet.

As part of its fleet expansion plan, the airline will take delivery of two new Boeing 737-800s in 2015 to replace its ageing A310 fleet. Biman is set to re-launch domestic operations at a time when the aviation market is heating up with a number of new players.

A new private carrier, US-Bangla Airlines, has already launched domestic flights; another new player, Epic Airways Ltd, aims to begin flights on domestic routes by the end of 2014. Currently, four private local airlines -- United, Regent, Novoair and US-Bangla -- fly mainly on four domestic routes from Dhaka to Chittagong, Cox's Bazar, Sylhet and Jessore.

The Dhaka-Chittagong route draws the highest volume of traffic followed by Dhaka-Jessore.

At present, 40,000-50,000 passengers fly on the domestic routes a month, with Dhaka-Chittagong accounting for 70 percent.

In 2013, some 648,019 people travelled nationally by air, up 10 percent year-on-year, according to data from Civil Aviation Authority, Bangladesh (CAAB).

Biman will also use the Dash 8-Q400s aircraft to operate on two regional routes -- one to Yangon and the other to Kolkata, Ahmed said.

Currently, 26 foreign and five local airlines operate flights in Bangladesh.

The total number of passengers in the country will hit 10.2 million and the volume of air cargo 3.6 lakh tonnes in 2020, up 76 percent and 56.5 percent respectively from current levels, according to a projection by CAAB.

The annual aviation market size is worth around \$440 million now, involving 5.8 million passengers and 2.3 lakh tonnes of cargo, industry insiders said.

Bangladesh should fight for GSP: Mozena

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"Good thing is that this transformation is happening in some places," he said, adding that the government, buyers, brands, ILO, development partners and workers' unions have joined hands to bring about this transformation.

Mozena, who frequently travels to the country's remote areas, spoke on a wide array of issues, from power and infrastructure constraints to export tariff to the US market, education and export potential other than garments. He advised power-starved Bangladesh to strongly explore hydropower options, a cost-effective method, to meet its demands.

The zone involving Bhutan, Nepal, India's seven north-eastern states, is a fertile area for hydropower.

"Bangladesh is located in a region blessed with energy potentials," he said, citing Bhutan's generation

capacity of 30,000 megawatt and Nepal's 80,000 MW.

He also recommended exploring both on-shore and off-shore options for gas to meet the growing demand of businesses. Many factory owners cannot expand their business for want of gas, he added.

On the infrastructure constraint, the US envoy said he is surprised to see that the expansion of the Dhaka-Chittagong highway and the Chittagong Port are not finished yet. There should be an expressway between Dhaka and Chittagong, which will cut costs and make Bangladesh competitive.

The ambassador said Bangladesh has enormous potential to become the next Asian tiger and the world's largest exporter of apparel products.

The country can also be a major player in generic pharmaceuticals, shoes, finished leather goods, small

freighters, software development, semi-conductor production, frozen shrimp and fish, bone china, silk and many more.

Bangladesh would be a welcoming home for foreign and domestic investment if the rule of law is improved, red tape is reduced, corruption is reined in and threats of political instability are minimised, he said.

He also urged Bangladesh to give priority to improving the quality of education to take the country to a new height.

Replying to a query on the delay of the US-based ConocoPhillips for hydrocarbon exploration in two deep sea blocks in the Bay of Bengal, the ambassador said: "If you sign a contract quoting a certain price, you should stick to that." ERF President Sultan Mahmud and General Secretary Sajjadur Rahman also spoke.

Solution in sight to RMG workers' housing woes

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Finance Minister AMA Muhith, who was present at the signing ceremony, said that steps will be taken to ensure that the fund faces no capital shortage.

BGMEA President Atiul Islam termed the new initiative a noble one.

The BGMEA has applied to the Prime Minister's Office and the land ministry for five acres of land in the industrial belt of Ashulia at a nominal price to set up the hostels.

"We will start setting up the dormitories once we get the land," he said, adding that there are many government-owned lands sitting idle in various industrial belts.

The lands could be handed over to garment sector entrepreneurs strictly to build hostels for workers, Islam added.

Moazzem of CPD welcomed the government move, saying that it

would pave the way for a solution to the workers' housing problem.

However, the initiative should not be symbolic and needs to be extended to all garment workers in the country, as they are living in "inhumane" conditions.

Often, four or five workers are found living in a single, dilapidated room. As for workers who have families, each family lives in a single room as well, with facilities such as kitchens and bathrooms shared with other similar units.

Every time there had been a wage hike in the sector, it was accompanied by an instant rise in housing costs, Moazzem said. "So, there would be no tangible improvement in the workers' quality of life after the wage rise."

"These workers are part of a global chain that produces world-class prod-

ucts. They don't deserve such appalling conditions," Moazzem added.

In 1998, the government led by current Prime Minister Sheikh Hasina rolled out the housing fund to solve the housing problem of the poor.

The central bank manages the fund, and the non-government and microfinance organisations have been included in the fund as stakeholders.

As of September this year, the central bank has provided Tk 175 crore to 512 MFIs in 450 upazilas. So far, 60,000 houses have been built with support from the fund, according to M Mahfuzur Rahman, an executive director of BB and an adviser of the housing fund.

The government has contributed Tk 161 crore to the revolving fund, with the size of the fund now standing at Tk 327 crore, said the governor.

Denim expo kicks off amid high hopes

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"The expo is sending out a positive sign to the world that Bangladesh is not a place for tragic incidents, but a good source of garment items," said Jong.

Recently, at the first review meeting of the Sustainability Compact in the Belgian capital of Brussels, everybody widely recognised the progress that Bangladesh made in workplace safety after the Rana Plaza building collapse in April last year, he said.

Jong was one of the participants in the review meeting. After

the Rana Plaza building collapse, Bangladesh signed the Sustainability Compact with the EU involving International Labour Organisation (ILO) in Geneva on July 8 last year. Bangladesh made promises to improve workplace safety, labour rights and present responsible business behaviour.

"Much progress has been made in fire and building safety in the country in the last one year," he said.

Such an expo is a message to people worldwide that Bangladesh is a place for garment

business, said Atiul Islam, president of Bangladesh Garment Manufacturers and Exporters Association.

"The Rana Plaza incident does not reflect the entire industry. Bangladesh has done a good job in showcasing the country's strengths in the sector," he said.

"It is a big day for me as we can host such a major international event here. It is a non-profit expo and I believe, it will boost the country's image," said Mostafiz Uddin, managing director of Denim Expert Ltd.

With growing global demand, local entrepreneurs are investing heavily in denim, as at least six new factories are coming into operation by the year end, industry insiders said.

Bangladesh has 25 denim factories that produce around 20 million yards of denim fabric a month. Total investment in the sub-sector stands at Tk 6,500 crore.

The country's share in the \$60-billion global market is still insignificant at around \$600 million a year.

Bangladeshi denim fabric makers meet 40 percent of the

local demand by exporters; imports account for the rest.

Companies from Germany, the US, Italy, the Netherlands, Turkey, Japan, India, Pakistan, Sri Lanka, Brazil and Thailand are participating in the show.

Bangladeshi entrepreneurs supply denim to major retailers and brands, including H&M, Uniqlo, Levis, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark, JC Penney, C&A, Tommy Hilfiger, Inditex, Walmart, M&S, Calvin Klein, Diesel, Gap, Channel, Dior and G-Star.

Summit wins deal to develop part of hi-tech park

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SIMCL-Infinity will now develop two of the five blocks of the industrial park, one spanning over 65 acres and the other 29 acres. It will invest \$114.56 million for the bigger of the two blocks and \$93.03 million for the other. The infrastructure will take 10 years to be fully developed, said a source closely linked with the project.

SIMCL (Summit Industrial & Mercantile Corporation Pvt Ltd)-Infinity will pay various charges and fees to the hi-tech park authority from its income: 42.25 percent for the bigger block and 41 percent for the other, as rent for built-up spaces, lease money for the land and utility and other charges.

Pharma leaders to grow 16pc this quarter: study

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On the export front, the demand for the country's generic drugs is growing in Asia, Africa and Europe, so higher export earnings are expected.

But the sector's vast potential can be unlocked by addressing regulatory constraints through policy reforms and process simplification in government agencies including Bangladesh Bank and Directorate General of Drug Administration, the study said. Export earnings stood at Tk 553 crore last fiscal year, and as of December last year, the sector's annual turnover stood at Tk 11,461 crore.

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