

# Russian company wins contract for satellite slot

STAR BUSINESS REPORT

A Russian company yesterday won a contract to sell an orbital slot to Bangladesh for its first satellite.

The cabinet committee on economic affairs approved three proposals involving Tk 2,003 crore; and the proposal for the satellite slot was one of them.

The government will procure the orbital slot from Russia's Intersputnik to launch the Bangabandhu satellite, according to a decision by the committee, led by Finance Minister AMA Muhith.

The government will have to pay around \$36 million, equivalent to Tk 281.52 crore, for the slot.

The post and telecoms division has informed the committee that the figure may be lower as negotiations with the Russian company are still underway.

As per the Bangabandhu satellite project outline, \$28 million has been assigned for the purpose, but the vendor, Intersputnik, is firm on its asking price of \$36 million.

The division said the slot was rated as the best option for the satellite by the project's consultant, Space Partnership International, a US company.

There is scope to launch three satellites

in a row from the slot and it will be possible to provide many planned quality services to Bangladesh and other countries in the region through it.

At present, the country's demand for a satellite is met by renting bandwidth from different satellite operators, which costs around \$14 million a year, with the amount increasing progressively, the official said.

Once the satellite is launched, the foreign currency will remain in the country, the division added.

The Executive Committee of the National Economic Council sanctioned Tk 2,967 crore for the satellite project.

The economic affairs committee approved another proposal to set up a 225-megawatt power plant in Khulna at the site of a 60MW plant that closed earlier.

A total of \$215.75 million or Tk 1,700 crore will be required to set up the dual-fuel power plant, which will be implemented through bidder financing. Production cost will be Tk 2.86 per unit if the plant generates power from gas, compared to Tk 15.21 if diesel is used.

The committee also gave a nod to implement a project to remove water stagnation in the Kapotakkha river at a cost of Tk 21.6 crore.

# CSE chief calls for more products to attract investors

STAR BUSINESS REPORT

The stockmarket needs more products, such as derivatives and commodities, to attract more investors, Wali-ul-Marooof Matin, managing director of Chittagong Stock Exchange, said yesterday.

A derivative is a financial contract between two parties whose value is based on the performance of underlying assets such as stocks, bonds, commodities, interest rates, and exchange rates. "We will work to make gold as a product for investment," Matin told reporters at his office in Dhaka. "We are giving priority to approaching investors to resolve their pending complaints."

"Investors face different types of problems, solutions to which are not mentioned in rules and books. That's why it's our responsibility to approach investors to hear their problems," he said. The stock exchanges should address investors' problems for the sake of finding solutions, he said. "We are fixing the strategies on how investors can be approached," Matin said.

On a lack of investor confidence, he said: "A crisis in investor confidence is a big problem for the market. Investors should remember that investment based on justified information becomes potential. But investment based on unjustified information becomes risky."

Matin has stressed the need for more tools to identify market manipulations.

He also suggested wider participation of institutional investors to quote indicative prices under the book building method, for the sake of proper pricing of the companies that are willing to go public.



Agreement Signing Ceremony  
Collection of Bills  
December 8, 2014  
MIDLAND BANK  
Khodoker Nayeemul Kabir, deputy managing director of Midland Bank, and ARM Harisur Rahman, director of finance at Rural Electrification Board (REB), attend the signing of a bill collection agreement at REB's head office in Dhaka on Thursday.

# Alliance applauds Bangladesh's work safety progress

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But Tauscher, who is also a former member of the House of Representatives in the United States, said Bangladesh has to work every day, every week to sustain the efforts made by all stakeholders in the last one year.

She said the Alliance has accomplished its first-year goals by inspecting all its targeted 580 factories. It has also trained over one million workers and managers in its sourcing factories on fire safety procedures.

Replying to a query on Bangladesh's target to export \$50 billion of garments by 2012, Tauscher said it is not achievable without adequate infrastructure, low cost

energy, ports, roads and proper education.

"You need to have sustainable energy and a better educated workforce (who match the jobs)," she said.

Above all, there must be investment in the sector, she said.

Ali Ahmed Khan, director general of Fire Service and Civil Defence, said the government is working together with all stakeholders to reduce fire incidents in the country. As a result, he said fire accidents are decreasing by the day.

Khan also said they have suggested the government set up more fire stations to make the service capable of a quicker response to accidents.



Shareq Fahim Haque, managing director of Millennium SsangYong Motors Ltd, opens the company's showroom in Tejgaon, Dhaka on Saturday. Bimal Kumar Dey, manager of sales, was also present.



Inaugural Ceremony of 11th International NAPSIPAG 'Asian Governance: Paradoxes of Development' December 5, 2014  
Chief Guest: Shri Biren Sikder, M.P., Hon'ble State Minister Ministry of Education, Government of West Bengal  
Special Guest: Md. Nazim Uddin Palak, M.P., Hon'ble State Minister Ministry of Education, Government of Bangladesh  
Guest of Honor: Prof. Dr. A. S. Arefin Siddique, Vice-Chancellor, University of Dhaka  
Muhammed Ali, managing director of United Commercial Bank, receives an award for his contribution to banking from Shri Biren Sikder, state minister of youth and sports, at the 11th International NAPSIPAG Conference at Nabab Nawab Ali Chowdhury Senate Bhawan in Dhaka on Friday. Zunaid Ahmed Palak, state minister for science and information and communication technology, and AAMS Arefin Siddique, vice chancellor of the University of Dhaka, was also present.

# Garment exporters plead for lower interest rates

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A comprehensive plan of action has been drafted to take the garment sector forward, he said. "I know there are problems, but I hope within next three years almost all the garment factories will be compliant."

"At the same time, our entrepreneurs will have to look into the wellbeing of their factory workers by ensuring fire, electrical and building safety."

Ahmed went on to urge international retailers to place more orders with Bangladeshi manufacturers and raise the prices of the garment items.

In an instant SMS poll during the session, 56.9 percent of the participants identified infrastructure deficit as the key barrier for the garment sector.

Workers' skills development came in at second place with 22.41 percent of the votes. The remaining problems, in descending order, are: land, new market, banks' interest rate and politics.

Ellen O'Kane Tauscher, chair of the board of directors of the Alliance for Bangladesh Worker Safety, the platform of mainly North American retailers, said a number of things have to be done to restore the brand of Bangladesh, which was terribly damaged by the twin disasters of Tazreen fire and Rana Plaza collapse.

"No one should risk their lives while working in the sector -- and there should be a certainty and credibility about this."

The Alliance and others finish their stipulated programmes in the country in three and a half years' time and after that, the government should take it forward, she said.

She said they are working with the government to reassure the world community that Bangladesh is a country where people can go and work safely, where the infrastructure investment by the government has been made, and where people get a living wage.

Tauscher said all garment factories should be inspected for building integrity and fire safety. Besides, both workers and management have to be trained.

Wajed-ul Islam Khan, general secretary of the Bangladesh Trade Union Centre, said the roles of workers and trade unions in achieving the \$50 billion garment export target have to be spelled out.

Workers would have to work responsibly to help the country achieve the \$50 billion garment export target, he said, while urging the employers not to consider workers as enemies.

Rick Darling, executive director of government and public affairs division at Li & Fung (Trading) Ltd, said what is happening in China is the biggest opportunity for Bangladesh.

The world's second largest economy has decided to graduate from being the world's factory to the world's consumer.

"The opportunity is glaring at Bangladesh. This is a huge labour market -- the market is incredibly competitive and productive and I am sure it will be even more productive."

He said Bangladesh will have to "compete tough" as Cambodia, Vietnam and Myanmar are seriously looking to make a move in grabbing China's market share.

"So, safety, fire, electrical, building and labour improvement would be critical if Bangladesh wants to reach the apparel export target set for 2021," he said, adding that the country will have to continue the progress it has made in the last 18 months.

Kihak Sung, founder chairman and chief executive officer of Youngone Corporation, however said the garment exporters should also target how to ensure better business outcome and provide better livelihood for the workers.

The manufacturers can improve the efficiency of their factories by 10 percent a year, according to Sung. "This is possible -- I have increased the efficiency by 200 percent in the last few years."

The existing infrastructure can support export of \$16 billion -- and not \$24 billion that the country is currently exporting. "We have to make big effort when it comes to improving infrastructure."

Sung, also the chairman of Korea Federation of Textile Industries, urged the government to preannounce the timing of power cuts so that resources are not wasted.

"In Vietnam, the government power agency informs us about the timing of the power cuts. But in Bangladesh, we don't know when the power will go. You can do it with very little investment."

Francois de Maricourt, CEO of HSBC Bangladesh, urged the government to work on brand Bangladesh, as the image and perception about the country are not that good outside of its borders.

Syed Ferhat Anwar, professor of the Institute of Business Administration at the University of Dhaka, said enhancing productivity, reducing interest rates and fixing infrastructure bottlenecks are the challenges that can be sorted out with serious effort.

He also said Bangladesh should set its strategies to grab the businesses leaving China, and it should not be restricted to just the lower segment of the market.

Kyle Kelhofer, country manager of the International Finance Corporation for Bangladesh, Nepal and Bhutan, said they are helping the country's garment and textile factories with funds to make their factory energy-efficient.

# Road to apparel export excellence

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Garment exports will have to grow by 10 percent a year from now to fetch \$50 billion, said Zaidi Sattar, chairman of Policy Research Institute (PRI).

"It is feasible but infrastructure will be the binding constraint."

Citing a World Bank study on infrastructure requirements in South Asian states, Zahid Hussain, lead economist of World Bank Bangladesh, said the countries need to improve six key areas of infrastructure -- transportation, electricity, water supply and sanitation, solid waste management, telecoms and irrigation.

To improve these areas, Bangladesh will need a minimum of \$74 billion to a maximum of \$100 billion in ten years. "It means we have to invest 7.4 percent to 10 percent of GDP in the next ten years."

"Currently, we are spending about 2-3 percent of GDP for infrastructure development; financing and implementation are the constraints."

Hussain said the government should first maintain existing infrastructure, moving away from a tendency of neglect.

"Our tendency is to build, neglect and rehabilitate. That is really a big problem."

Abdul Moyeen Khan, member of national standing committee of BNP, said achieving the \$50 billion export target will not be possible. The main challenge will be to manage resources to develop infrastructure, he added.

Khan said BNP has kept the garment industry out of the purview of strikes in the past. "No political party should block the development of the garment industry."

Towfiq-e-Elahi Chowdhury, power,

energy and mineral resources adviser to the prime minister, said: "We will be by your side to make \$50 billion plus in apparel exports."

Bangladesh's electricity generation capacity doubled from 5,000 MW to 11,000 MW in the current government's last tenure, he said.

James F Moriarty, a board member of the Alliance for Bangladesh Worker Safety and senior adviser for South Asia Bower Group, said there is a push to establish transportation links between China, India via Bangladesh to Southeast Asia.

Bangladesh will serve as a hub once transportation links between China, India and Southeast Asia are established, he said.

SM Fazlul Hoque, former president of BGMEA, said businesses will need political stability to achieve the vision for exports.

Mikio Hataeda, chief representative of Japan International Cooperation Agency, said it is helping Bangladesh to develop various infrastructure, including the elevated expressway in Dhaka, and supporting initiatives for a reliable supply of electricity.

It is also helping Bangladesh with the three pillars identified under the Bay of Bengal Industrial Growth Belt (BIG-B) initiative, which are -- developing economic infrastructure, improving investment environment and fostering connectivity.

Japan International Cooperation Agency has also identified a few sites to support establishing special economic zones, he added.

Asif Ibrahim, former president of Dhaka Chamber of Commerce and Industry, moderated the session.

# New furniture store opens in city

STAR BUSINESS REPORT

Fully Furnished Ltd, a new furniture and accessory store, opened its doors in the capital on Saturday to sell high-quality home and office furniture and interior solutions.

Fully Furnished, a unit of Touchwood, one of the oldest furniture companies, is located in a four-storey building on Pragati Sharani.

"Touchwood has been importing furniture for its discerning clientele of private patrons and corporate partners for last three decades," said Afzal Anwar, managing director of Fully Furnished.

Fully Furnished has been developed keeping a boutique-type ambience in

mind, offering premium products for those who value class and quality, he said.

Products such as high-end brands like Lorenzo, Firenze, Multay, Techni, Bolusi, Marcoco, New PK, Intergo and Fiori are available at the store.

A full-floor has been dedicated to showcasing and selling products from Merryfair, a Malaysia-based office chair solution company, where over 50 models from the Malaysian company are available.

Joon Ong Yee Chun, an official of Merryfair present at the launch of the store, said Bangladesh is a growing market for furniture.

"There are a lot of opportunities here to grow as more commercial buildings are being set up in the country."



FULLY FURNISHED LTD  
Afzal Anwar, managing director of Fully Furnished Ltd, and Joon Ong Yee Chun, an official of Merryfair, attend the launch of Fully Furnished's outlet on Pragati Sharani in Dhaka on Saturday.

# Fire safety fair generates great buzz

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Among them was Abdur Rahman, vice-president of Cotton Group, who was looking for fire doors. "My factory will need at least 40 fire doors. So, I have come here to choose a company that can provide quality ones," he said.

Having fire doors and other fire fighting equipment in every factory is now a requirement, he said, adding that he has already fixed an appointment with a foreign supplier at his office on Wednesday.

Md Masudur Rahman, assistant general manager of Ananta Group, too was looking for additional fire fighting equipment for his company.

The exhibition is the right place to find the best products or solutions for fire protection in the factory level, he added.

Bangladesh Fire Service and Civil Defence is also showing fire fighting and rescue equipment at a stall in the event.

The objective is to create awareness among people of how to deal with fire fighting and rescue equipment, said Jamil Ahmed, warehouse inspector of Fire Service.

Owners, officials and managers can also get an idea about what kind of equipment they should have in the factory for fire protection and safety, he added.



NRBCB  
Farasath Ali, chairman of NRB Commercial Bank, opens the bank's 22nd branch in Naogaon yesterday. Dewan Mujibur Rahman, managing director, was also present.