

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
1.49%	1.57%	\$1,200.30	\$63.73	27,886.21	Flat	0.62%	1.64%	BUY TK 77.15	81.35	113.84	0.64
4,308.44	8,070.37	(per ounce)	(per barrel)			3,503.25	4,217.08	SELL TK 78.15	85.35	117.84	0.67

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Star BUSINESS

DHAKA TUESDAY APRIL 21, 2015, e-mail: business@thedailystar.net

Panel to cut proposed salary for higher rungs

Secretary-level committee reviews Pay Commission's recommendations for hike

REJAUL KARIM BYRON

The secretary-level review committee on the Pay Commission is set to cut the recommended salary for the higher rungs of the pay structure and increase that for the lower grades to add a populist hue.

The committee, which will submit its report to the cabinet for approval by this month, will also suggest cutting allowance from the recommended structure to reduce costs.

The commission, led by Mohammed Farashuddin, submitted the report to Finance Minister AMA Muhih on December 21 last year. On December 31, a secretary-level committee was formed led by Cabinet Secretary Musharraf Hossain Bhuiyan to further review the recommendations.

The committee is expected to bring slight changes to the commission's recommendations so that the government's expenditure decreases by Tk 1,500 crore-Tk 2,000 crore, a finance ministry official said.

To fully implement the commission's recommendations, an additional Tk 22,953 crore would be required, of which Tk 17,464 crore would be salary for public servants, according to the report.

The Pay Commission has recommended doubling the salaries of public servants on average, the full implementation of which would raise the government spending on salary and allowance by 63.7 percent.

The salary of the bottom three grades of the 16 may be raised by Tk 50-Tk 100. The commission recommended Tk 8,200 as salary for those in the lowest grade.

The salaries of joint secretaries and above would be cut by Tk 3,000-Tk 10,000 from the recommended figures, an official said.

As per the commission's recommendations, the officials of these grades would receive Tk 70,000 to Tk 1 lakh.

The officials in the review committee said there will be no change in the salary recommended by the commission for the mid-level tier.

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Bangladeshi perfumer wins Middle Eastern hearts

SAJJADUR RAHMAN

Al Haramain Perfumes, a company set up by a Bangladeshi expatriate, has not only become a household name in the Middle East, its products are also gaining popularity in Europe and the US.

Over the years, the company has expanded its product line to 1,300 items, and created outstanding blends to suit varying moods, occasions and personalities.

A six-bottle set (24ml each) of 'Empress of Perfume', the company's most expensive fragrance, can cost as much as 25,000 dirhams, or more than Tk 5.27 lakh.

Haramain's sales were worth around \$250 million (nearly Tk 2,000 crore) in 2014, almost equal to Bangladesh's total exports to the UAE in fiscal 2012-13.

This is how the Bangladeshi expatriate, Mahtabur Rahman, has proved his entrepreneurship skills abroad. "Our business strategy, strong quality control, and good corporate governance have borne fruit," Rahman told The Daily Star in an interview recently at Sonargaon Hotel in Dhaka.

It is easy to just import and sell products in the market, and there are many people in the Middle East who do just that, he said. "But we don't. It takes almost a year to introduce a single product in the market -- from concept, designing, product development to production."

Stringent quality control measures have helped the company earn consumers' trust not only in the Middle East but also elsewhere. Products of Al Haramain Perfumes are currently sold through 300 globally dispersed outlets.

Al Haramain now exports to 45 countries, including England, Italy and Switzerland in Europe, almost all Middle Eastern countries, and Asian countries like China, India and



Mahtabur Rahman

Pakistan. Its products are also available at the duty-free shops at airports in Dubai, Abu Dhabi and Sharjah.

"Our aim is to justify the 'Made in the UAE' label by making it here. Whenever we make something and launch it successfully, we feel proud of our work," he said.

Rahman's father went to Saudi Arabia from Sylhet in the late 1960s; he laid the foundation of the perfume business in Makkah on a small scale in 1970. Rahman joined the business in 1975 and learnt the business basics.

He visited Dubai a couple of times in the early 1980s, and observed a lot of business potential there. "We opened our first showroom in Dubai's posh

Murshid Bazar in 1981," Rahman said.

Later, Al Haramain moved its small production facilities from Saudi Arabia to the UAE in 1987, realising that it was much easier to import, manufacture and export from Dubai.

Gradually, the factory that is located in Ajman was expanded to 174,477 square feet. The factory is a state-of-the-art manufacturing unit, with automatic and semi-automatic machinery for quality control, and research and development.

Al Haramain Perfumes has dual ISO certificates -- in quality management system, and good manufacturing practice.

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A system to cut exchange rate risks by 40pc

MD FAZLUR RAHMAN

Bangladesh can reduce exchange rate fluctuation risks by around 40 percent if it adopts a trade-weighted system developed by a Danish firm.

The multi-currency exchange rate system, developed by the Global Currency Union (GCU), will enable Bangladesh to reduce exchange rate volatility of \$350 million annually on average against its trading partners, said Jesper Tof, chief executive of the GCU.

A self-balancing market-determined system, it ensures adjustment to ongoing changes in both currency values and trade patterns, thus ensuring optimal stability for the country that employs it without requiring the sort of interventions demanded by a pegged or managed exchange rate regime.

The system requires no intervention from the central bank to maintain optimal stability.

The excessive movement in the exchange rates will be balanced out and subdued by the currencies in the system.

It will reduce the currency rate volatility by allowing countries to settle their cross-border payment obligations electronically.

"By using the trade volumes and relative currency values, the system will provide the best-achievable stability for monetary value, trade and investment while still being dynamic," Tof told The Daily Star in an interview in Dhaka last week.

The implementation of the GCU rate system will not interfere with any central bank's matters such as setting interest rates or money supply or with the way commercial banks buy and sell currencies, Tof said.

The GCU rate system provides optimal exchange rate stability by



Right, Jesper Tof, founder of the Global Currency Union, poses with GCU partner Martin Plambek.

taking trade patterns into the equation through the use of a proprietary method.

The implementation is possible for each individual sovereign nation with or without coordination with other nations, he said.

Tof said the taka is pegged against the dollar, meaning the country's currency does not have exchange rate stability against other currencies.

The pegging to the dollar gives stability only to 9 percent of Bangladesh's total trade, with the remaining 91 percent still exposed to risks, he said.

"If you can diversify yours risks, you will have better stability. We may not be able to eliminate swings entirely, but we will be able to keep it stable."

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Sharp fall in foreign investment proposals

Local investment proposals rise 48.13pc: BoI

STAR BUSINESS REPORT

Foreign investment proposals fell 73.53 percent in the first quarter of the year from the previous quarter, mainly due to a volatile political environment.

Commitments by foreign investors stood at Tk 1,046.66 crore during January-March, down from Tk 3,954.78 crore in October-December last year, according to the Board of Investment.

The number of investment projects from foreign investors or joint ventures also dropped in the first quarter; only 24 investment proposals including eight fully-foreign investment proposals were registered at BoI. The number was 30 in the previous quarter.

BY THE NUMBERS

In January-March

Foreign investment commitments:
Tk 1,046.66 cr

Local entrepreneurs proposed to invest:
Tk 24,598.58 cr

Agro-based project proposals account for:
51.89%

53,744 jobs to be generated

But local investment proposals rose 48.13 percent in the same period.

Local entrepreneurs proposed to invest Tk 24,598.58 crore in 336 projects in the first quarter, while 291 projects worth Tk 16,605.60 crore were proposed in the immediate past quarter.

Of the investment proposals, agro-based projects were the highest at 51.89 percent, followed by 10.46 percent in the chemicals sector, 8.94 percent in engineering and 8.52 percent in textiles.

Industrial projects from local entrepreneurs, joint ventures and foreign investments are supposed to generate jobs for 53,744 people, according to BoI.

Sonali Bank chairman quits



AHM Habibur Rahman

STAR BUSINESS REPORT

Sonali Bank Chairman AHM Habibur Rahman resigned unexpectedly from his post on Sunday, just eight months short of the end of his tenure.

An official of the state-owned bank said Rahman submitted his resignation letter to Pradip Kumar Dutta, the bank's managing director.

Dutta told The Daily Star that Rahman, also the dean of the business school at Primeasia University, cited personal reasons in his resignation letter, which has been sent to the finance ministry.

A finance ministry official said a decision in this regard will be taken after Finance Minister AMA Muhih returns from abroad.

Rahman, who was appointed on December 27, 2012 as the chairman for three years, did not receive phone calls to comment on the matter.

Next ADP outlay to be Tk 100,000cr: minister

STAR BUSINESS REPORT

The outlay for the annual development programme for the next fiscal year will be Tk 100,000 crore, Planning Minister AHM Mustafa Kamal said in a statement yesterday.

An amount of Tk 20,000 crore to Tk 25,000 crore will be allocated for mega projects, he added.

The ADP allocation is expected to get priority in a number of sectors like education, health, rural development, commu-

nication and transport, power and ICT.

The minister said each lawmaker will be able to place a project with the Executive Committee of National Economic Council on a priority basis from next fiscal year.

Under this project, a member of parliament will be allocated Tk 20 crore for five years.

However, the MPs cannot spend the money directly, he said. The legislators have to place their demands with the Local Government Engineering Department, which will implement the projects.

China to launch three new free-trade zones

AFP, Beijing

China will launch three new free-trade zones on Tuesday, official media said Monday, building on a project that began in Shanghai to much fanfare but has so far undershot expectations.

The free-trade zones (FTZs) will be opened in the southern province of Guangdong, the northern port of Tianjin and the eastern province of Fujian,

reported the website of the People's Daily, the ruling Communist Party's mouthpiece.

Each will cover around 120 square kilometres (46 square miles), the State Council, China's cabinet, said.

China's first FTZ, set up in the commercial hub Shanghai in September 2013, will also be quadrupled in size, it said, bringing it up to a similar scale and likely to take in the financial centre of Lujiazui, along with a manufacturing area and a high-tech base.

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