

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.04%	0.14%	\$1,147.40	\$35.40	24,338.43	17,044.99	2,558.49	2,781.90	BUY TK 78.10	85.19	112.63	0.64
4,571.11	8,549.82	(per ounce)	(per barrel)					SELL TK 79.09	89.18	116.62	0.68

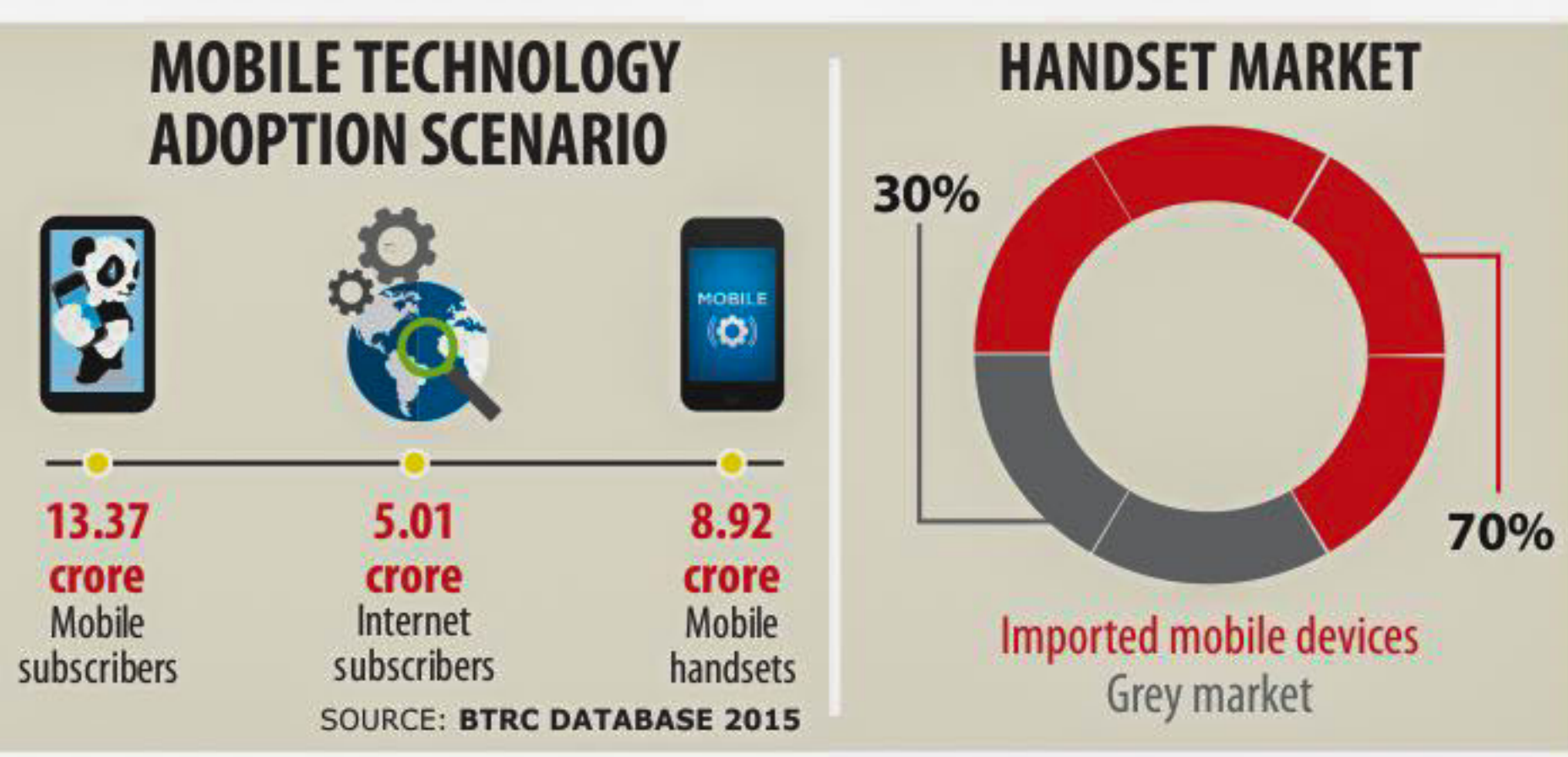
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Star BUSINESS

DHAKA FRIDAY FEBRUARY 5, 2016

Importers move to curb illegal inflow of handsets



MUHAMMAD ZAHIDUL ISLAM

Mobile importers have moved to curb the inflow of unregistered and smuggled handsets into Bangladesh.

There are currently 8.92 crore handsets in the market, about 30 percent of which were brought in through illegal channels, depriving the government of about Tk 200 crore in duties a year, according to Bangladesh Mobile Phone Importers' Association or BMPIA.

The BMPIA will introduce hologram stickers to tag legally registered handsets, said Rezwanaul Haque, general secretary of the importers' platform.

The association also plans to set up an automated no-objection certification

(NOC) process with the telecom regulator to empower customers to check their handsets' provenance.

After establishing a database with the NOCs as well as the approved International Mobile Station Equipment Identity or IMEI, which is a 15-digit unique number for every handset, it will also help ensure security, Haque said.

"We will also soon introduce a five-digit short code, where users can call to check their handsets' IMEI numbers. They also can verify the IMEI on our website."

State Minister for Telecom Tarana Halim will launch the database in a ceremony at the Westin Dhaka on February 9.

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Gold prices hiked for second time this year

STAR BUSINESS REPORT

Gold prices will go up by Tk 1,225 a bhori in the local market from tomorrow to reflect the rising bullion prices in the international market in recent weeks.

Bangladesh Jewellers Samity announced the new rate yesterday. This is the second rise of gold and silver prices this year. Earlier, the prices were increased on January 13.

Each bhori or 11.66g of 22-karat gold will be sold at Tk 43,740, according to the new rates.

The price of 21-karat and 18-karat will be Tk 41,640 and Tk 34,992 respectively, said Anwar



Hossain, president of Bangladesh Jewellery Manufacturers and Exporters Association.

Gold hit a three-month high at \$1,147.4 an ounce in the international market.

Demand for gold in Asia, which accounts for more than 60 percent of global use, is fundamentally strong and should continue as investors seek the safety of bullion.

"Gold prices went up by \$100-120 an ounce in recent weeks in the international market. Now we have to adjust local prices," Hossain told The Daily Star.

The prices of silver also went up, by Tk 58 a bhori. People flock to gold when they think there are tough economic times on the horizon.

So it is no surprise that the precious metal's recent rise has corresponded with the stock market's slide.

United Air suspends all flights indefinitely

SARWAR A CHOWDHURY

Private carrier United Airways has suspended flight operations due to unavailability of aircraft, creating uncertainty for those who have bought tickets with the airline.

"As soon as the aircraft become serviceable, flights will resume," the carrier said in a posting on the Dhaka Stock Exchange website yesterday.

Sources, however, said the aircraft are grounded for maintenance, but the airline does not have enough funds to do the required servicing, which is a matter of high cost.

United Airways was desperately looking for funds from different sources. Unless the company can arrange the funds, it may not be able to resume flights, they said.

The net operating cash flow of the airline also shows its financial weakness. The net operating cash flow per share was only Tk 0.26 during the



July-December period of last year, which was Tk 0.40 a year earlier, according to data on the DSE website.

Tasbirul Ahmed Choudhury, founder chairman and managing director of United Airways, and Farhad Hossain, director of sales and marketing, did not answer phone calls.

This is not the first time the private carrier has suspended its flight operations. Domestic and international flights of the airline remained suspended for several days in September 2014

over a conflict among its directors.

Set up in 2007, the airline has 11 aircraft in its fleet: two Airbus 310-325, five MD-83, three ATR-72-212 and one Bombardier Dash-8 100. It was listed on the stock exchange in 2010.

It has permissions to operate domestic flights to Chittagong, Sylhet, Jessore, Cox's Bazar, Rajshahi, Barisal, Saidpur and Ishwardi.

On the international front, it has permissions to fly to Dubai, Kuala Lumpur, Kathmandu, Kolkata, Jeddah, Bangkok, Muscat and Singapore.

The latest trouble at the airline, however, did not have a major impact on its share prices.

On the DSE yesterday, its shares, with market capitalisation of Tk 481 crore, traded between Tk 7.2 and Tk 6.8, before closing at Tk 7.

Earnings per share of the airline during the July-December period of last year were Tk 0.07, which were Tk 0.39 a year earlier.

Pran to borrow \$13m from abroad to upgrade plant

STAR BUSINESS DESK

Bangladeshi food processor Pran will borrow \$13 million from two international financial organisations -- Proparco and FMO.

The funds will be used to upgrade the packaging system and introduce cutting-edge technology in the juice and beverage sections of a factory of Mymensingh Agro Ltd, a concern of Pran.

Proparco, the private sector financing arm of Agence Française de Développement, will provide \$8 million, while FMO, a Dutch development bank, will give the rest, Pran said in a statement yesterday.

Ahsan Khan Chowdhury, deputy managing director at Pran-RFL Group; Sebastien Fleury, regional representative for South Asia at Proparco; and Marjolein Landheer, head of agribusiness department at FMO, signed agreements in this regard at Radisson Blu hotel in Dhaka on Wednesday.

Uzma Chowdhury, director for corporate finance at Pran-RFL Group, and Deanne Arends, investment officer at FMO, were also present.

"We will purchase equipment for our juice and beverage units. Efficient machinery is essential to manufacture quality products," Ahsan Khan said.

"The loans will also help the company become more efficient and competitive in domestic and foreign markets."



Ahsan Khan Chowdhury, deputy managing director at Pran-RFL Group; Sebastien Fleury, regional representative for South Asia at Proparco; and Marjolein Landheer, head of agribusiness department at FMO, attend the deal signing ceremony at Radisson Blu hotel in Dhaka on Wednesday.

Retaining quality accountants a challenge: analysts

STAR BUSINESS REPORT

Attracting and retaining finance personnel, especially accountants, is crucial for the country to manage its vast public sector entities in a transparent manner, analysts said yesterday.

It is extremely important for the public sector to have highly qualified accountants and auditors, said Brian Blood, chief executive officer of the Confederation of Asian and Pacific Accountants (CAPA), at a programme at the capital's Sonargaon Hotel.

He said attracting and retaining qualified finance personnel by the public sector is a challenge in other countries in Asia as well.

But it has been dealt with in a number of countries in the last 20-30 years.

"I do want to give them optimism that by doing the right things the quality of financial accounting, auditing and reporting in the public sector can start to match that of the private sector."

He spoke at the opening ceremony of a roundtable styled "attracting and retaining finance personnel in Bangladesh's public sector", organised by the Institute of Chartered Accountants of Bangladesh and the CAPA.

Commerce Minister Tofail Ahmed said efficient and qualified people should be in the profession.

"We have that in Bangladesh. Our accountants are working hard in various sectors. As a result, our country is progressing very fast," he added.

ICAB President Kamrul Abedin said a robust system of financial management is essential for the implementation of public sector policies.

He said accountants in Bangladesh are efficient in application of professional standards, especially international financial reporting, assurance and quality control standards, and are very familiar with international public sector accounting standards.

Blood said poor accountancy practices within the public sector are blamed, among other factors, for the recent debt crisis in Greece, Spain, Ireland, Italy and some other countries.

He said CAPA is confronting the issue of the public sector's ability to attract and retain the appropriate quantity and quality of finance personnel, accountants and auditors.

There are some inherent challenges to it though in the form of remuneration and employment opportunities, which seem to be greater in the private sector.

CAPA Director Anwaruddin Chowdhury said improved public financial management will result in more efficient utilisation of scarce public resources.

Muslim Chowdhury, additional secretary of the finance ministry, said the government would need to give some leeway to the Office of the Comptroller and Auditor General to hire professionals when needed.

He said there has to be a second layer of accountancy and auditing personnel so they can help manage the whole financial sector. Syllabuses at universities have to be designed accordingly, he added.

Bangladesh has about 50 state-run enterprises, said Jamaluddin Ahmed, a vice president of Bangladesh Economic Association.

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Brokers ask govt to reconsider profit sharing of Titas Gas

STAR BUSINESS REPORT

The DSE Brokers Association of Bangladesh yesterday urged the government to revise the net profit distribution margin that it set for Titas Gas Transmission and Distribution Company, as it has affected its share prices and dividend declarations.

The investors always consider the listed state-owned companies, including Titas Gas, as fundamentally strong companies, said Ahsanul Islam, president of the association.

"But if the government reduces the profit margin, the companies also lose their ability to provide healthy dividends, frustrating the general investors," he said at a press briefing at the bourse premises.

The net-profit distribution margin was re-fixed following the new tariff structure for gas consumption, which was set by Bangladesh Energy Regulatory Commission in August last year. The association is making this recommendation to the government now after studying the recent reports of its market watch committee.

The margin has been reduced by 33.72 percent, which means that if Titas Gas was previously receiving Tk 100 as net profit, it will get Tk 33.72 less now.

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American EXIM Bank offers easy loans to Bangladesh

STAR BUSINESS REPORT

US-based EXIM Bank yesterday extended an offer to give easy loans to the Bangladesh government and private entrepreneurs to boost economic development in the country.

Bangladesh can use the loans to purchase aircraft, machinery, satellites and power equipment, the bank's Chairman Fred Hochberg said at a luncheon meeting of American Chamber of Commerce in Bangladesh, at the Westin Dhaka.

Hochberg referred to loans to Bangladesh Biman a few years ago to purchase four Boeing planes. The US EXIM Bank provides loans to foreign clients in sectors that eventually increase the export potential of US goods and services.

In 2011 and 2013, the bank had financed more than \$500 million to allow Biman to acquire four Boeing 777-300ER long-range passenger aircraft. "Fostering jobs and economic growth are the primary goals of EXIM Bank."

Bangladesh is an important market for the US, as it has been maintaining economic growth at 6.5 percent over the years and the income of the middle-class consumers is also increasing, said Hochberg.

American companies are especially interested in helping Bangladesh meet its ambitious infrastructure investment goals with sustainable and quality services and goods, he added.

He suggested improving infrastructure and the ease of doing business in Bangladesh so that more foreign direct investment, even from the US, can come here.

During his visit to Dhaka, he met with the business community and ministers to assure them that the EXIM Bank will assist the American firms to compete for Bangladeshi business.

Since President Barack Obama took office, the bank has supported over \$650 million in US exports to Bangladesh -- more than any previous administration, he said.

Hochberg said 90 percent of their customers are small and medium enterprises. So, Bangladesh has a lot of potential investors and they can take loans for their enterprises, he added.

"Bangladesh is becoming an increasingly important market for the US for higher growth potential," said Marcia Stephens Bloom Bernicat, the US ambassador to Bangladesh.

Similarly, the US also wants to be a partner of the growth potential for the next decade, she added.

Attracting foreign investment is critically important for the economic development of Bangladesh, Bernicat said.

Nurul Islam, president of AmCham, said EXIM Bank invests in sectors that mainly create jobs. For example, the bank provided \$1 billion to Vietnam in the manufacturing sector three years ago, which created a lot of jobs there, he added.