

## Robi-Airtel merger will complete in a month

MUHAMMAD ZAHIDUL ISLAM

Robi and Airtel will wrap up their entire merger process by October 23, said a senior official of Robi yesterday.

The development comes after Robi, the main player of the merged entity, on September 21 collected the Supreme Court's certified order that gave the go-ahead to the much-awaited merger between the two operators.

Robi has to complete the merger within one month of receiving the Supreme Court order, the official said.

Since October 21 is a Friday, Robi will get an additional two days.

In the merged entity, Axiata, the parent company of Robi, will hold a 68.7 percent controlling stake. Bharti Airtel will hold a 25 percent share in the company and Axiata's old partner NTT Docomo of Japan 6.3 percent.

Currently, Malaysia-based Axiata has a 91.59 percent stake in Robi and NTT Docomo 8.41 percent.

The operators will start the integration of their networks from the first week of October.

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## Conflict over insurance of public projects

Foreign contractors want the projects to be insured abroad; Sadharan Bima opposes the idea as it's against law and will hurt 45 local insurers

SAJJADUR RAHMAN

State-owned insurance firm Sadharan Bima Corporation and foreign contractors of Bangladesh's large public projects are in a tussle over insurance of the projects, including the much-talked-about Rampal power plant.

The contractors want the public projects to be insured outside Bangladesh but Sadharan Bima is against the idea as it would be a gross violation of the country's laws.

The demand of foreign contractors, if realised, would not only deprive local insurers but also the government of earning taxes from this very lucrative insurance premium, industry players said.

Some of the projects for which regulatory approval to insure outside Bangladesh was sought are: Rampal power plant, Sembcorp's Sirajganj power project, Rooppur nuclear power plant and Bangladesh's first satellite.

The Dhaka mass rapid transit project, to be implemented by a Japanese firm, has already been waived from following the insurance laws.

"We have expressed our concern against the move of the foreign contractors over insuring the ongoing public projects," said Abdu Salam, managing director (in-charge) of Sadharan Bima.

The state-owned non-life insurance firm has given its opinion to the Insurance Development and Regulatory Authority, he said.

As per the existing insurance laws of Bangladesh, any public property, moveable or immovable, has to be insured only with Sadharan Bima.

After private players entered the insurance sector in the 1980s, Sadharan Bima's monopoly on public property came under scanner.

Later in 1990, a deal was signed between the Bangladesh Insurance Association, a forum of the private companies, and Sadharan Bima on insuring the public property.

As per the deal, Sadharan Bima will solely issue insurance policy for public property but will share 50 percent of the premiums with the private insurers.

This distribution of share will be equal among the private companies, no matter what the size of the company is. For example, premium earnings from public property insurance were nearly Tk 390 crore in 2015.

According to the rule, Sadharan Bima got 50 percent of the premiums worth Tk 195 crore and the remaining 50 percent was distributed among 44 other non-life insurers equally, meaning that each company got about Tk 4.43 crore from public property insurance.

"If the insurance of public property is taken out of the country, 45 non-life insurers will be deprived of huge premium income," said Akhtar Ahmed, an expert and adviser of Reliance Insurance. "It is totally detrimental to the insurance industry," he added.

Industry people said this wholesale move of insuring large-scale public sector property outside will also tarnish the image of the country and hamper the growth of the local insurance industry as well.

"Maybe, we are not experienced in handling insurance of a nuclear power plant or a satellite, but we are capable and experienced in doing insurance of any other power plants and infrastructure projects," said a chief executive officer of a leading insurance company wishing not to be named.

The proposal for insurance of the controversial Rampal power plant, a joint venture between the Bangladesh and India governments, outside the country has been sent to the regulator. Sadharan Bima in its opinion given to the IDRA has said that the insurance must be with Sadharan Bima as per laws.

Similarly, Sembcorp, a Singapore-based company that is setting up a 414-megawatt power plant in Sirajganj at a cost of more than \$400 million has also applied to the IDRA to insure the project abroad.

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## Research can help solve banking problems: analysts

STAR BUSINESS REPORT

The country's banking industry is plagued by rising nonperforming loans (NPL), governance and internal control failures, liquidity gluts and slow credit growth, experts said yesterday.

The problems can be addressed through rigorous studies and research, they added, speaking at a two-day international conference for bankers and academics at the Bangladesh Institute of Bank Management or BIBM.

BIBM and Australian Academy for Business and Social Sciences jointly organised the programme attended by bankers, academics, researchers, practitioners and policymakers from home and abroad.

"Bangladesh has an expanding banking sector, which despite some problems, like a growing default culture, inadequate accountability and non-optimal trans-



Fazle Kabir

parancy, has served the economy rather well," said Mohammed Farashuddin, former governor of Bangladesh Bank, in a keynote presentation at the inaugural session.

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## Housing estates are need of the time: architect

STAR BUSINESS REPORT

Housing estates and mass transport systems can solve much of the residential and traffic congestion in the capital, an urban planner and architect said yesterday.

Such measures can also ensure community living and lower violence and crimes, said Adnan Morshed, associate professor at the Catholic University of America's architecture and planning department.

"Plots are killing the cities," he said referring to the Rajdhani Unnayan Kartripakkho's projects of making plots and selling those to individuals.

Such a method of housing is a rural concept and is not ideal for urban settings, where a lot of people live together, Morshed said at the concluding panel of the two-day international conference on urban poverty.

"As the individuals build houses on plots, a lot of space between the plots is wasted. If you build housing estates, that space together can make an open space like park."

Such open space can be used for community engagement, he said at the programme organised by the Power and Participation Research Centre and the Bangladesh Bureau of Statistics at the city's LGED Auditorium.

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## Dan Cake looks to double production



SARWAR A CHOWDHURY

Stepping into its second year, Dan Foods plans to double its manufacturing capacity by installing a new production line at its factory in Savar.

The maker of Danish muffins and pound cakes under the brand name Dan Cake will introduce new bakery items such as donuts and brownies under the new initiative by the first quarter of next year.

"We are working on installing the new production line," said Mohammad Mahfuzur Rahman Khan, plant manager of Dan Foods.

Dan Foods currently produces muffins and pound cakes through a single production line, though it has the capacity to install four production lines on its 18,000 square feet of main manufacturing area. The factory is located on 1.6 acres of land in the neighborhood of Birulia.

It supplies around 140 tonnes of muffins and pound cakes a month to the local market.

Dan Foods began its journey in Bangladesh in 2012 through a joint venture between Dan Cake, Denmark and Pandughar Ltd. It launched its products last year. Dan Foods' initial investment was Tk 55 crore.

Bangladesh is also the first country in Asia for Dan Cake; it looks to step into other countries in the region from here.

"We have high expectations. In addition to focusing on the local market, we are also eyeing to step into other Asian countries through exports from Bangladesh," said Khan.

The main strengths of Dan Cake are taste and hygiene. From cracking eggs to packaging, the entire process is automated with state-of-the-art machinery.

The temperature is even controlled and a strict hygiene procedure is followed by every staff member.

Khan said 18 types of raw materials are used in the process and all the raw materials, except eggs and sugar, come from abroad.

"One ingredient is pre-mixed and comes from the headquarters and no one knows its specifications."

The recipe is also directly controlled and monitored from Denmark, he said.

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