

UNDP-DCCI project to help boost private sector profits

STAR BUSINESS REPORT

United Nations Development Programme (UNDP) and the Dhaka Chamber of Commerce and Industry (DCCI) yesterday signed a memorandum of understanding to launch a project on increasing private sector involvement in development initiatives.

UNDP Bangladesh's Country Director Sudipto Mukerjee and DCCI President Abul Kasem Khan signed the documents at a programme.

Leaders of the two organisations said the deal will help them create a platform to collect data on the current impact of the private sector on sustainable development.

Together, UNDP and DCCI will use the data to design new initiatives that simultaneously meet Bangladesh's development priorities and corporate goals, they said.

"We view this new partnership as a crucial tool for our members to maximise their corporate goals while also contributing to the development of Bangladesh," Khan of DCCI said. The project on public private innovation will feature a data analytics hub which will quantify private sector contributions to Bangladesh's social, economic and environmental development.

The 2017 pilot will be funded by the UNDP Bangkok Regional Bureau for Asia-Pacific. The centre will also contain a research and development hub to encourage sustainable and profitable use of locally sourced products.

"We know that 80 percent of all development resources come from private sector in the form of employment, research and technological innovation. This is not going to be any different for Agenda 2030, but we will collect data more systematically to track the progress," Mukerjee said.

Huawei names new president for Southern-East Asia region

STAR BUSINESS DESK

Huawei has recently named James Wu as the new president for the Southern-East Asia region, the global information and communications technology solutions provider said in a statement.

Based in Bangkok, Huawei Southern-East Asia includes 11 markets: Bangladesh, India, Vietnam, Myanmar, Laos, Cambodia, Nepal, Sri Lanka, Hong Kong and Macau.

Wu joined Huawei in 2003 and has held several senior positions within the company, including director of recruitment and allocation department of cor-



porate human resources, president of carrier business group for the Middle East region, CEO of Saudi Arabia rep office and CEO of Oman rep office.

He will be responsible for managing company's strategy and directions, as well as developing new businesses in the region.

He will lead the company's operations and will be responsible for development of the carrier, enterprise and consumer business of the company across Southeast Asia.

He graduated from Tianjin University with a double bachelor degree in computer information science and technology and civil engineering.

Bharti Airtel subsidiary selling stake in Bharti Infratel for up to \$400m

REUTERS, Mumbai

Indian telecoms group Bharti Airtel Ltd has launched a sale of a 3.7 percent stake in tower arm Bharti Infratel Ltd for up to 25.52 billion rupees (\$400 million), according to a deal term sheet.

Nettle Infrastructure Investments Ltd, a subsidiary of Bharti Airtel, is selling the Infratel shares in a price range of 378 rupees to 397.85 rupees each, the term

sheet said.

The lower end of the price range is a 5 percent discount to the stock's closing price on Monday. JPMorgan and UBS are managing the share sale.

As of end-June, Bharti Airtel and Nettle together owned 61.65 percent of Bharti Infratel, stock exchange data showed.

Bharti Airtel did not immediately respond to a request for comment.



Rezaul Karim, managing director of Kohinoor Chemical Company (Bangladesh) Ltd, attends the company's annual sales and marketing conference for 2017, at Hotel Sea Palace in Cox's Bazar on Saturday.



Talukder Abdul Khaleque, lawmaker from Bagerhat-3, and SM Amzad Hossain, chairman of South Bangla Agriculture and Commerce Bank, cut a ribbon to open the bank's automated teller machine service at Labonchara in Khulna on Sunday.



M Fakhru Alam, managing director of One Bank, attends the bank's business review meeting for 2017 for its Dhaka based branches, in the capital.

Lafarge wants to remit Tk 950cr to buy Holcim shares

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According to the BB, when comparing values with other cement-makers, Heidelberg Cement Bangladesh is accepted as one of the best companies in the local market. Its share, with a face value of Tk 10, traded at Tk 450 on Sunday.

The central bank also compared the share value of Holcim with British American Tobacco Bangladesh Company (BATBC), whose share is considered the most expensive in the stockmarket. With a Tk 10 face value, the current market price of each share of BATBC is Tk 2,960.

When compared with the share prices of other companies in the cement industry, the stock price of Holcim of Tk 106,000 appears extremely overvalued, said a central banker.

From this perspective, the BB may not allow the company to remit the full amount (\$117 million), he said.

In November last year, the board of Lafarge Surma announced that it was exploring the opportunity of combining the businesses of Holcim Bangladesh and Lafarge Surma. The board approved the acquisition a month later.

Upon completion of the transaction, Lafarge Surma will have a combination of production facilities, with the only clinker production facility in Bangladesh and four grinding plants across the country.

This will enable the company to optimise its network of production facility and create more cost-effective routes to the market. The company will also become a major player with a production capacity of 4.2 million tonnes a

year, according to the company.

A listed company with Dhaka and Chittagong stock exchanges, there has been a huge fluctuation in share prices of Lafarge in the last two years.

It rose above Tk 120 in August 2015, but fell sharply after the company announced the merger in November last year. Yesterday each share traded at Tk 58, which was Tk 90 in December last year.

Lafarge Surma's net profit fell 37 percent to Tk 30.94 crore in January-March this year, down from Tk 49.38 crore in the same period a year ago according to the company. Earning per share declined to Tk 0.27 from Tk 0.43 during the same period.

Lafarge and Holcim, the two cement giants in the world, completed the merger at the global level in July 2015.

Ethical leadership yields corporate success

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Transcom Group's business has been in operation in Bangladesh since 1885 and is one of the leading local conglomerates in the country. The group has won multiple global accolades for its excellence and ethically strong business practices.

In response to a question on how Transcom Group enjoyed very low level of employee attrition in its senior management team and how the team remains sustainably committed and motivated, Rahman said Transcom Group believes in providing employees with appropriate compensation, training, position, and more importantly required "empowerment".

"Respect for the individual is of utmost importance. People may make mistakes, and of course they need to be taken to task for that, if required, but upholding an employee's self-esteem is vital. Everyone deserves to be treated with respect."

He said ethical leadership is critical as it gives the top talent in an organisation the requisite comfort and confidence to work without being worried about any negative fallout from unethical business practices.

Abrar A Anwar, CEO of Standard Chartered Bangladesh, complemented Rahman, saying: "Business aspirations will be futile unless it is blended with the right culture. As the senior leaders of the bank, it is our responsibility to ensure that our ways of doing business are aligned to the values of a humane organisation."

Rahman thanked the bank for its continued commitment to Bangladesh and said from his various interactions he has realised that the bank's management holds the Bangladesh market in high regard.

Standard Chartered Bank has been operating in Bangladesh for the last 112 years, and currently it has about 2,200 staff in the country.

GP calls for consultation before 4G auction

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Technology neutrality allows the operators to offer either of 2G, 3G or 4G services from any band as they see fit, a facility that helps in reducing the operational costs and improving the service quality.

At present, Grameenphone is using 14.6 MHz of spectrum in the 1,800 band and 7.4 MHz in the 900 band.

The operator will have to pay \$165 million only to avail the technology neutrality facility if the guideline is finalised in its current form.

The government also accepted the Bangladesh Telecommunication Regulatory Commission's proposal to set \$27 million, \$30 million and \$35 million for each MHz of spectrum in three different bands in the upcoming auction. However, the mobile operators are calling for \$15 million for each MHz in all three bands.

Grameenphone wants technology neutrality, the spectrum auction and the awarding of 4G licence to take place at once, as it would then be able to roll out the service within three months of getting the green light, Hossain said.

Meanwhile, the government recently organised a meeting with BTRC officials and other high officials, where Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy was present.

It was decided at the meeting that the government will slash the licence acquisition fee from Tk 15 crore to Tk 10 and the annual fee from Tk 7.5 to Tk 5 crore.

"We are welcoming these changes but still there are some issues left that need to be addressed and to resolve that we want a face-to-face meeting," Hossain said.

Also at the meeting it was decided that the operators will have to retain the mobile subscribers' usage data for 12 years.

"This is surprising for us and it will increase our costs," said Hossain Sadat, company secretary and a director of Grameenphone. The operator, which has 6.2 crore active connections, generated two terabits of data a year.

Grameenphone also welcomed the decision to lift the restriction on the source of funding. The telecom watchdog had earlier recommended making it mandatory to ensure all investment was in foreign currency.

Hossain also said there are some other issues that are directly tagged with the guideline, like 4G handset penetration.

"If we get the chance to import handsets it will help increase the penetration as we are ready to subsidise it to expand our business periphery," he added.

Currently, 4G-enabled handsets penetration is only 5-6 percent.

In 2013, when 3G was introduced in the country, smartphone penetration was very low. At present, it stands at about 30 percent.

Currently, 4G service is available in all the neighbouring countries and the government is eager to launch it by this year.

As of February, there are more than 7 crore mobile internet users in Bangladesh, 3.5 crore of which use 3G service.

Include women's household contribution in GDP

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"We can't comprehend how much they contribute to the economy -- these jobs are important. You would see how many tasks they are doing once you start taking into account their contribution into national income accounting."

It should be valued and be part of the computation of the GDP, he said after delivering a speech styled 'Gender and Human Development in the 21st Century: Dialogue with the Next Generations'. The Institute of Development Studies Alumni Association Bangladesh organised the event at the British Council Dhaka.

Selim, a Bangladesh national, said many countries such as India, Mexico and South Africa estimate women's unpaid household work in the economy through a satellite account. "There is a framework for this," he said, adding that taking care of children and doing other household duties are very important for human development.

Selim, also a former director of Poverty Office in UNDP's Bureau for Development Policy in New York, said the human is the centre of all developments.

"We may talk on issues like economic growth, infrastructure and many other things. But, ultimately, human development is the goal. Ensuring universal human rights is the basis of human development," he said during the speech.

He said economic growth is an important tool for human development; it is a necessary condition but not a sufficient one. "There will be no benefit unless opportunities are created for human development. There will be no benefit if growth is jobless, not environment friendly and does not ensure equality among men and women. Human development is for everyone."

Citing agriculture and women's gender inequality in access to land, Selim said women do 80 percent of the agriculture work in developing countries but they own less than 10 percent land. Furthermore, women get 24 percent lower wages than men in the world, he said.

He suggested changes in social values and norms for women's advancement and increased participation of women.

"It is also related to culture. Only policies will not help," he said, adding that the relation between gender and human development should not be seen only from the economic, political and social point of views.

Selim also warned that rising conflict and violence in the world would deter women's advancement.

"Rising extremism and fundamentalism will have implication on gender because one of the main points of fundamentalism is that they will try to keep women within the households. If this values increases in any society, the first victim will be women." He went on to call upon the youth to be global citizen, have a universal outlook, and be creative and free-thinkers.

Selim also stressed on women's education in the field of science, engineering, technology and mathematics.

Western retailers urge Hasina to address labour issues

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In light of this, the FTA has been mandated by its members to seek clarification from the government about its response to the official request made by the European Commission, the letter read. Bangladesh is an increasingly important sourcing market for the FTA members who buy in volumes from more than 2,200 Bangladeshi producers, making it the third most important sourcing hub for them.

Onion prices double within a week in Ctg

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A week ago, one kilogramme of onion cost them Rs 12 to 14, which consisted of the purchasing price of Rs 6 at the border, Rs 5 for transport and Rs 1 for clearing and forwarding agents, he said. "But now the price has shot up to Rs 27."

Onion is perishable and there is no scope for ill-motivated stocking, Md Afsar Uddin, proprietor of Sonali Traders at Khatunganj wholesale market, told The

Daily Star yesterday.

He said floods had damaged harvests in Gujarat and exporters in Nashik have raised prices.

"We can import onion quickly from Myanmar but the rate is higher...price of onion will exceed Tk 50."

"We can import from Pakistan as the price is still reasonable there, but it will take time and we will not get those before Eid-ul-Azha even if we open L/C today," he said.



AKM Shaheed Reza, chairman of Mercantile Bank, attends a programme to lay the foundation stone of the bank's 14-storey building—MBL Centre—on Satmasjid Road in Dhaka on Monday.



Ahmed Kamal Khan Chowdhury, CEO of Prime Bank, and Ariane Di Lorio, manager of the Financial Institutions Group for South Asia region at International Finance Corporation (IFC), a member of the World Bank Group, exchange the signed documents of a deal, at a programme. Prime Bank received a loan of \$50 million from IFC to support and fund its US dollar trade and lending activities.