

Trust Bank approves 12pc cash dividend

The Trust Bank Limited has approved 12 per cent cash dividend for the year 2005.

The dividend was approved at the 7th annual general meeting of the bank in Dhaka Tuesday, says a press release.

Lt Gen Moeen U Ahmed, chief of Army Staff and chairman of the bank, presided over the meeting.

The bank earned Tk288 million operating profit in 2005 against Tk264.27 million in 2004. Total deposits of the bank stood at Tk12,705 million at the end of 2005 as against Tk9,315.18 million in 2004, while total loans and advances shot up to Tk9,738.32 million from Tk6,804.45 in the preceding year, the release added.

CRISL updates Shahajalal Islami Bank's rating

Credit Rating Information and Services Limited (CRISL), a rating agency, has upgraded the rating of Shahajalal Islami Bank Limited to 'BBB-' from 'BB' in the long term and to 'ST-3' from 'ST-4' in the short term.

The rating was made on the basis of the bank's visible developments in some of the operational areas including capital adequacy, asset quality, business growth, operational efficiency and financial performance, says a press release.

Muzaffar Ahmed, president and CEO of CRISL, hands over the credit rating report to M Kamaluddin Chowdhury, managing director of the bank, at a function in Dhaka recently.

Among others, deputy managing directors of the bank Md Jillur Rahman and Muhammad Ali were present.

LG introduces picture-frame air conditioner

LG Electronics (LG), a leading air conditioner maker, has introduced the world's first picture-frame air conditioner as part of its new ARTCOOL range.

Consumers can insert their family picture, their children's drawing or any of printed image under the transparent front panel and enjoy the cool or warm air flowing from the back of the frame, says a press release.

The consumers can also change the image any time they want by simply opening the panel and replacing the picture.

ARTCOOL is LG's high-end, design-oriented air conditioner series that was designed to include renditions of classic art pieces by famous painters. ARTCOL also initiated the new trend in air conditioner design by applying versatile colours on air conditioners, the release added.

EU ANTI-DUMPING DUTIES ON CHINA, VIETNAM SHOES

Leather exporters see bright prospect in EU

JASIM UDDIN KHAN

Bangladeshi leather exporters see a huge potential in European market following the imposition of anti-dumping duties on leather shoes from China and Vietnam.

The European Union announced punitive anti-dumping duties on imports of leather footwear from China and Vietnam earlier this month.

Leather sector entrepreneurs said the EU decision on Chinese and Vietnamese products will help increase Bangladesh's export to the Europe to a great extent in the coming days.

Bangladesh Finished Leather, Leathergoods and Footwear Exporters Association (BFLFEA)

President Tipu Sultan said the decision will help lift demand for Bangladeshi footwear products.

Large chains that import leather shoes from China and Vietnam, which include Marks & Spencer and Tesco, have already started to look to alternative suppliers.

Leather exports rose by 12 per cent and footwear by 29 per cent in the first seven months of the current fiscal year as the EU buyers started additional business from this year, an official of BFLFEA said.

The country earned \$200 million from the leather sector during the July-January period of FY06 against \$170 million in the corresponding period of the previous fiscal year.

The government has already prepared a development strategy

and implemented a plan for the leather sector to export more in 2006-2010 period.

Meanwhile, the Export Promotion Bureau's data show that in the past fiscal year, 2004-2005, finished leather exporters received 26 per cent higher price for their products.

The average price of a square foot of finished leather was \$3.70 in FY 05 against \$2.93 of the previous fiscal year.

In 2004-05, export earning from finished leather increased by about 5 per cent to \$220 million, although the volume of export declined by about 17 per cent to 50.71 million square feet.

Brac Bank IT fair begins

STAR BUSINESS REPORT

A three-day IT fair began in Dhaka yesterday with an objective to promote ICT as a potential development tool.

Eleven universities including the host are taking part in the show titled 'Brac Bank IT Fair-2006' on University of Information Technology and Sciences (UITS) campus at Gulshan.

"Towards an IT-driven Society" is the theme of the fair, organised by Software Development Club and Digital Design and Development Club of School of Engineering of UITS.

Sponsored by Brac Bank, the fair was inaugurated by Science and ICT Minister Abdul Moyeen Khan.

Moyeen Khan lauded the contribution of the young generation of Bangladesh to the development of ICT.

Sarwar Alam, president of Bangladesh Association of Software and Information Services (Basis), Saifuddin M Naser, head of Retail Banking of Brac Bank, former chairman Bangladesh Telecommunication Regulatory Commission Syed Marghub Morshed and Sufi Mohamed Mizanur Rahman, chairman PHP Group, among others, spoke at the function.

On the sidelines two workshops titled 'Microprocessor and Microcontroller Based System Design' and 'Using PHP in Web Development' are scheduled during the fair, while three seminars attended by professionals of related sectors will also take place.

PHP Group and Range Motors are co-sponsors of the fair while Channel i, the Jugantor and The Independent are the media partners.

The fair is scheduled to conclude tomorrow.



Science and ICT Minister Abdul Moyeen Khan formally inaugurates a three-day IT fair titled 'Brac Bank IT Fair-2006' in Dhaka yesterday.

HASSLES FACING INDIAN IMPORTERS OF BANGLADESHI GOODS

Joint group of customs meets in Dhaka next month

UNB, Dhaka

The Bangladesh-India Joint Group of Customs meets here early next month in an effort to remove the hassles facing Indian importers of Bangladeshi products on their side along the two-way trading line.

"The meeting will be held on May 3 in Dhaka," a senior official told the news agency yesterday about the decision taken at a Bangladesh-India meeting of commerce ministers here Friday.

Bangladesh delegation, led by Commerce Minister Altaf Hossain Chowdhury, raised the issue of tribulations created by the Indian Customs Authority to deter imports from Bangladesh.

Indian Minister of State for

Commerce Jairam Ramesh led the Indian side at the meeting. He was visiting Bangladesh to attend the first meeting of the Safta Ministerial Council on Thursday, which was preceded by a two-day meeting of the Safta Committee of Experts (SCOE).

Bangladesh said the Indian importers of Bangladeshi products were often subjected to arbitrary decisions of the customs authority of India on valuation (pricing) of imported goods for assessment of taxes.

The importers face difficulties in customs classification of products exported from Bangladesh. Tariff concessions available under the Saptas were often denied by way of classifying the items under different product-headings out of Saptas concessions.

At the meeting of the Bangladesh-India Joint Working Group in August 2005 here, India stressed the need for harmonisation of customs classification as well as customs procedures.

"Frequent recurrence of such incidents creates uncertainties and importers of India get scared of undertaking any long-term initiative for marketing Bangladeshi products," the meeting was told.

Bangladesh, at the meeting, raised some specific examples of harassment, noting with concern that Bangladeshi exporters often faced with problems related to HS classification and valuation that caused delay in clearance of goods and avoidable demurrage.

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Muzaffar Ahmed, president and CEO of CRISL, hands over the credit rating report to M Kamaluddin Chowdhury, managing director of Shahajalal Islami Bank Limited, in Dhaka recently. Among others, deputy managing directors of the bank Md Jillur Rahman and Muhammad Ali were present.

Ericsson takes a deep breath in first quarter

Posts 24pc sales growth

ABU SAEED KHAN

Telefonaktiebolaget LM Ericsson, the world's largest cellular mobile network maker, has posted year-on-year sales growth in the first quarter but its recent acquisition of Marconi has predictably eroded the yield, according to its first quarter report published on Friday. The Swedish telecoms giant has also lifted its market outlook for this year.

Ericsson's sales grew by 24 percent to 39.20 billion kronor (\$5.21 billion), from 31.50 billion kronor in the first quarter of 2005. Its net profit in the January-March period was 4.61 billion kronor (US\$613 million), marginally down from 4.64 billion kronor in 2005. The market was expecting 5.30 billion kronor (\$700 million) profit.

Ericsson's gross margin in Q1

fell from 48.50 percent to 43.30 percent due to its \$2.10 billion acquisition of Marconi in January to revamp the fixed-line network business.

Ericsson's CEO Carl-Henric Svanberg said the company needed more time to improve the Marconi assets' profitability, which generated an operating loss of 600 million kronor (\$80 million), two-thirds of it in restructuring costs.

"We are laying off some 1,500 to 1,800 staff during the second half of the year," Carl-Henric said. "This will generate savings of two billion kronor (\$265 million) that will be there in run-rate at the end of the year."

Acquiring Marconi resulted Ericsson's 174 percent year-on-year and 126 percent sequential growth in the fixed network busi-

ness. That has, however, failed to stop the 7.30 percent fall of Ericsson's share price on Friday.

Copenhagen-based telecoms analyst John Strand thinks the capital market has overreacted. "I wouldn't look at it so negatively as the stock market is in the short term," he told Associated Press. "I have no doubt that Ericsson will integrate Marconi fast, and with success."

Ericsson's CEO said increased competition and low-yield managed services contracts affected his company's profit. Ericsson runs mobile phone networks under such deals, where it is usually a supplier too.

In December, Ericsson sealed a 15 billion kronor (\$1.87 billion) managed-services deal with British operator 3, which happens to be the largest such transaction it has ever inked. Ericsson manages 30 mobile networks serving 60 million subscribers.

Ericsson has posted 60 percent growth in this segment during Q1. It believes the managed services market would show "good growth" in 2006 as the mobile operators are keen to shed operating expense.

Its Asia Pacific sales grew by 44 percent compared to the same quarter last year, primarily due to strong growth in Australia, India, Indonesia and Japan. Central and Eastern Europe, Middle East and Africa sales also grew by 21 percent. Egypt, Pakistan, Saudi Arabia and South Africa were quite vibrant with new and expansion deals for GSM and third generation (3G) mobile.

In the emerging markets, the anticipated subscriber increase puts focus on cost efficient infrastructure, handsets and local operations. "The mobile phone is often the only means to communicate in emerging markets, and demand is therefore high also for advanced data services," the company says.

The number of 3G subscriptions exploded from eight million to 55 million during first quarter. During this time two more 3G networks were commercially launched, totalling 93. Ericsson has supplied 50 such networks.

Almost 100 million new mobile subscribers were added worldwide during Q1 and mobile penetration reached 36 percent with nearly 2.30 billion customers in total, of which more than 1.80 billion use GSM. Ericsson believes the global numbers of cellular mobile subscribers will exceed the three billion mark during 2007.

More Chinese banks seen listing at home

REUTERS, Boao, China

Chinese banks will increasingly opt to list shares at home as China's financial markets mature, a senior banking regulator said on Saturday.

Bank of China, the country's second-largest bank, is set to raise \$8 billion next month in an initial public offering (IPO) in Hong Kong that bankers say could reignite a debate over whether it is right for China's big lenders to list overseas.

Broadening the controversy, Jiang Dingzhi, vice-chairman of the China Banking Regulatory Commission, told political and business leaders that banks would continue to raise money overseas but would also issue shares on domestic stock markets.

"Some banks have chosen to go public overseas. This was their own decision, based on their circumstances. But I believe that, as China's financial markets develop, more and more banks will raise funds at home," he said at the Boao forum, an annual gathering on Hainan island off China's south coast.

A nationalist backlash unfurled after China Construction Bank (0939.HK: Quote, Profile, Research) sold \$9.2 billion worth of shares in Hong Kong last October in a record offering for a mainland company.

Dollar no longer absolute int'l reference currency: Russia

AFP, Washington

Russia contends that the dollar is no longer the absolute reference currency for international foreign exchange reserves, Russian Finance Minister Alexei Kudrin said here Friday ahead of a meeting of Group of Seven finance leaders.

"The US dollar has not been very stable over the past years, for instance with regard to the euro," Kudrin told a press conference.

"This in turn causes significant changes in the international situation and of course that is why we can not understand the US dollar, so far at the moment, as the universal and absolute reserve currency. So of course, this influences the world economy as well."

Kudrin also cited the huge trade US trade deficit, which he said "causes concerns with regard to the dollar's status as a reserve currency."

Russia for more than a year now has pegged the nominal rate of the ruble to a basket of currencies, including the euro, as well as to the US dollar.

Qatar to invest \$5b to boost oil production

AFP, Doha

Qatar's oil minister said Saturday that his gas-rich country is investing five billion dollars to boost oil production to 1.1 million barrels per day by 2009.

"In Qatar, the smallest oil producer in OPEC, we are putting a lot of effort and investment into increasing our output," Abdullah bin Hamad al-Attiya told reporters on

the sidelines of the 10th International Energy Forum.

The forum kicked off ahead of Sunday's official opening with a meeting between oil ministers and heads of the world's largest oil companies.

"Now Qatar's production is about 850,000 barrels (per day), we will go to 1.1 million barrels (per day) by 2009."

Qatar, which boasts the world's

third largest gas reserves, had previously announced in November that it would boost its oil production to one million bpd by 2010.

Attiya reiterated his view that record high oil prices of more than 75 dollars a barrel were more a result of "horrible" speculation and "geopolitics" than any objective shortage of supplies, given major investments in production planned by the OPEC cartel's 11 members.