

ICB okays 7pc dividend

The Investment Corporation of Bangladesh (ICB) on Wednesday approved seven per cent dividend for its shareholders for 2000-2001 fiscal, says a press release.

The approval came at the 25th annual general meeting of the ICB held yesterday at Hotel Purbani International with Qazi Shamsul Alam, Chairman of the Board of Directors of the Corporation, in the chair.

The ICB earned a net profit of Tk 8.16 crore in FY 2000-2001 against Tk 5.93 crore in FY 1999-2000. In 1999-2000, the ICB approved five per cent dividend.

The shareholders present in the meeting deliberated extensively on various aspects of the annual report and audited accounts as well as on the activities of ICB.

They made observations on the audited accounts and on the overall activities of the Corporation.

The shareholders noted with appreciation that the audited accounts for the year 2000-2001 have been drawn-up in accordance with International Accounting Standard (IAS-30), providing best possible disclosure and transparency.

The shareholders took note of the progress of operationalisation of the subsidiary companies of the Corporation.

The shareholders hoped that ICB and the subsidiary companies will contribute strongly in ensuring a vibrant capital market.

MGH Group opts for GP phones

MGH Group recently signed an agreement with GrameenPhone Limited under its Corporate Sales Package initiative, says a press release.

MGH Group is involved in various businesses like shipping, freight forwarding and aviation. The Group is also sole distributors of global consumer brands like P&G, Kodak and Gillette.

Under the agreement, MGH Group has been provided with GrameenPhone's GP regular and GP-GP mobile phone connections. MGH is now using the GP mobiles to maintain efficient communication among its different offices around Bangladesh. Subscription to GP Corporate Package will significantly reduce MGH's inter-district communication cost.

Kafil H.S. Mueyed, Additional General Manager of Sales and Marketing Division of GrameenPhone, and Saif-Ul-Islam, Executive Director, Md. Rezaul Haq, Manager Planning of MGH Group, and Ferdousur Rahman, Head of Corporate Sales of GrameenPhone, were present at the signing ceremony. Other senior officials of both organisations were also present on the occasion.

MTV cuts 450 jobs amid ad downturn

AP, New York

MTV Networks is laying off 450 employees, or about 9 per cent of its work force, as parent company Viacom Inc. cuts costs amid a worsening advertising downturn.

The cuts, which were detailed in a memo to staff Monday from MTV Networks chief executive Tom Freston, will affect all parts of the division, which in addition to MTV also include Nickelodeon, VH1 and TNN.

The layoffs are part of a broad restructuring of MTV Networks, the first it has had in 12 years, a period during which MTV grew rapidly and developed a major presence overseas.

Freston said in the memo that the reorganisation was motivated both by a need for changes in MTV Networks' structure as well as the poor climate for advertising.

"We have never seen a more challenging time than now," Freston wrote.

Last week Viacom, which also owns CBS, the Paramount movie studio and other media properties, reported a net third-quarter loss of \$190.4 million due to a downturn in advertising revenues and a charge at its Blockbuster video rental unit.

At the time, Viacom president Mel Karmazin said the company would be looking for ways to cut expenses going forward as the company deals with the advertising slump, which got significantly worse after the September 11 terrorist attacks.

Viacom is more vulnerable to swings in advertising spending than many of its rival media conglomerates, taking roughly half of its revenues from advertising. In addition to the CBS network, Viacom also owns numerous TV and radio stations as well as a major outdoor advertising business.

High duty on sets, lack of int'l gateway threaten cellphone cos

GP makes first time profit in 2000

STAR BUSINESS REPORT

High rate of import duties on mobile phone handsets and other equipment and absence of international gateway are some of the major problems faced by the mobile phone operators in Bangladesh.

Besides, lack of adequate interconnection facilities with the fixed-line telephones of Bangladesh Telegraph and Telephone Board (BTTB) and absence of an independent telecom regulatory body are also impeding the growth of mobile phones, according to the annual report of GrameenPhone (GP).

In addition, the private operators may face unfair competition as BTTB is planning to launch its own GSM mobile phone service and another private company is going to introduce Personal Handyphone System (PHS) cordless telephones in a profit-sharing partnership with BTTB, said GP, the country's leading cellular phone company.

Reducing the existing customs duties on handsets will greatly boost the use of mobile phones by making it affordable for a much larger number of people. At an average of 60 per cent, Bangladesh presently has one of the highest rate of customs duties on handsets in the region.

It said reducing duties on handsets would boost revenues for the government significantly over the long-run, without incurring a short-term revenue loss due to the compensating royalties and value-added tax

from the use of an increased number of mobile phones.

However, GP witnessed spectacular growth in the number of subscribers in 2000. The subscriber-base tripled during the period from 60,534 to 193,588, increasing its market share to over 70 per cent.

GP is in the process of establishing a sub-ring through Rajbari, Aricha, Manikganj, Savar and Dhaka, which is now nearing completion.

"Once the sub-ring is in place, in case of any disruption or breakdown in the backbone link, the transmission can be instantly re-routed," said M Khalid Shams, Chairman of GP, in its annual report made available to The Daily Star.

To improve network quality, tuning of network system has started from October, 2000. The progress is good, but it is expected to take more time than was originally estimated.

The company posted a net profit of Tk 19.80 crore (US\$3.7 million) in 2000 compared to a net loss of Tk 46.70 crore in 1999. The profit, the first since the company was launched in 1997, came as revenues went up sharply in line with an expanding subscriber base.

Revenues shot up 135 per cent to Tk 317.3 crore in 2000 compared to Tk 135.22 crore in the previous year. The company's earnings before interest, taxes, depreciation, and amortisation were Tk 72.5 crore in 2000 compared to Tk 12.4 crore in 1999.



Picture shows the officials of GrameenPhone and MGH Group at a contract signing ceremony held in the city recently. Under the agreement, MGH Group has been provided with GrameenPhone's GP regular and GP-GP mobile phone connections.

Taiwan cuts tariffs on 5,000 items on WTO entry

AFP, Taipei

Taiwan's parliament has approved import tariff cuts on some 5,000 items ahead of the island's entry to the World Trade Organisation, parliament officials said Wednesday.

Under the approved revision of the statute of import tariffs, custom duties on more than 5,000 products would be reduced lowering the average tariff rate from 8.20 per cent to 7.08 per cent in the first year of Taiwan's WTO admission, the officials said.

The cuts were expected to reduce the government's tax revenue

by 5.11 billion Taiwan dollars (148 million US) in the first year, they said.

Taiwan is expected to become a WTO member in March.

Meanwhile, Taiwan consumers would be able to enjoy cheaper imported goods from other WTO member economies and local industries would benefit from lower import costs, they added.

Under the revision, average tariffs on farm products and industrial goods would be slashed to 14.01 per cent and 5.78 per cent, down from current 20.02 per cent and 6.03 per cent respectively, in the first year of Taiwan's WTO

entry.

Average import duties on the items would eventually be lowered to 12.86 per cent and 4.15 per cent respectively by 2004.

To cushion the impact of the tariff reductions on the farming sector, expected to be hit hardest, authorities would draw a budget of 100 billion dollars every year to offer subsidies and help farmers seek other jobs, the China Times cited cabinet secretary-general Chiou I-jen as saying.

Some 27,500 farmers may lose their jobs after Taiwan's WTO admission, the paper said.

StanChart holds workshop on corporate finance

Standard Chartered Bank organised a workshop on corporate finance on Saturday in the city, says a press release.

Khondker Ibrahim Khaled, Managing Director of Pubali Bank Ltd. and President of MBA Association, inaugurated the workshop. It was attended by senior executives of twelve commercial banks and financial institutions.

The workshop was divided into two parts. The first part was on the fundamentals of corporate finance conducted by Imran Rahman, Associate Professor IBA of Dhaka University.

The second part was on corporate finance in practice conducted by Kaiser Islam, Head of Structured Finance and Corporate Support of Standard Chartered Bank.

Aftab ul Islam, President of American Chamber of Commerce in Bangladesh, was present in the concluding ceremony and distributed the certificates among the participants.

Workshop for IFIC Bank officials held

A workshop styled "Audit, Inspection and Compliance of Observation Report" for senior officials of IFIC Bank Ltd. was held on Tuesday in the city, says a press release.

The workshop was aimed at familiarising the participants with the principles and practices of audit and inspection and in developing skills for detecting the irregularities leading to frauds and forgeries.

The workshop was inaugurated by Ataul Haq, Managing Director of IFIC Bank, while Dr R M Debnath, Senior Executive Vice President, Md Buzruch Meher, Senior Executive Vice President, and Shahedul Ameen, First Vice President of the bank, were present.

Abu Nasser Al-Razi, First Asstt. Vice President, and Mohoshin Uddin Ahmed, Senior Staff Officer, were course directors.

Emirates wins British Travel Awards 2001

Emirates has been named Best Scheduled Airline in one of the most significant studies yet of the travel tastes and habits of British travelers.

Readers of The Telegraph, Britain's biggest-selling paper, chose the Dubai-based international airline as winner in its Travel Awards 2001, toppling Singapore Airlines from the No. 1 spot, with Virgin Atlantic third, says a press release.

The accolade follows hard on the heels of a similar award earlier this month when readers of leading British consumer travel magazine Business Traveller named Emirates the Best Medium Haul Airline 2001.

Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Emirates, said "Though we are fortunate enough to collect awards regularly, there is nothing better than the ones given directly by customers. "These honours underline our efforts to set new standards of customer service and care, on the ground and in the air," he said.

Emirates has now won more than 200 awards, and has been consistently voted ahead of other airlines by world travellers.



Aftab ul Islam (sitting 3rd from R), President of American Chamber of Commerce in Bangladesh, is seen with the participants of a workshop on corporate finance organised by Standard Chartered Bank held Saturday in the city.

SEC invites chambers to tap direct listing opportunity

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) has invited leading chambers of the country to encourage their members to avail the opportunity of voluntary direct listing with the stock exchanges.

Recently the SEC has taken an initiative to allow public limited companies (PLCs) to get listed with the stock exchanges directly without offering shares for public subscription.

Prior to finalisation of the regulation, the SEC took views of leading chamber bodies, who suggested that instead of making listing mandatory, it should rather be offered as an option.

Following gazette notification,

the SEC on last Sunday wrote the chambers to avail of the opportunity.

It said that the offer of direct listing will only remain open for three months from the date of gazette notification and that conditions have been relaxed in the regulations.

"As the criteria are not stringent, your association members who meet the criteria but are not listed with a stock exchange may get listed," the SEC said.

It said such listing will enable shareholders to have access to pen transfer of shares in the stock market and in the process, the capital market will also be benefited.

Under the regulation, any

public limited company having a paid-up capital of at least Tk 3 crore and regularly holding annual general meetings (AGMs) will qualify for the direct listing. Such companies must be in operation for at least three years with a record of making profits in two years having no accumulated loss.

"This will give the investors a wide range of choices and bring vibrancy in the stock market," an SEC official said.

The SEC initiated the move with a view to keeping the companies under strict monitoring, as they will be required to submit their audited balance sheets along with other documents on a regular basis.



Ataul Haq, Managing Director of IFIC Bank Limited, inaugurates a workshop styled "Audit, Inspection & Compliance of Observation Report" in the city on Tuesday for senior officials of the bank.

Saudi Arabia expects slight budget deficit

REUTERS, Riyadh

Saudi Arabia said on Wednesday it expected a slight budget deficit in 2001 due to economic conditions following the September attacks after expectations of its first balanced budget in decades.

Saudi Arabia had projected a balanced 2001 budget of \$57.3

US consumer confidence falls to seven-year low

REUTERS, New York

US consumer confidence plummeted in October to its lowest level in more than seven years while chain store sales grew sluggishly as more Americans lost their jobs and prospects for a quick economic recovery dimmed, Tuesday reports showed.

The Conference Board, a New York-based private business research group, said its closely watched index plunged for a fourth straight month to 85.5 in October, the lowest level since February 1994, compared with 97.0 in September.

Two separate weekly reports showed retail sales languished in October as consumers, spooked by job worries and bio-terrorism scares, reined in their spending, which accounts for about two-thirds of overall economic activity.

"Consumer spending obviously has slowed over the past year, but overall it had held up reasonably well and it kept the economy afloat," said Oscar Gonzalez, an economist at John Hancock Financial Services in Boston. "If jobs start disappearing at a rapid pace, we could quickly see a sharper pullback in spending."

While some measures of confidence in October have pointed to a stabilisation since the September 11 attacks, economists say sentiment will probably deteriorate in the months ahead, boding poorly for an economy most believe is

already in recession.

"Widespread layoffs and rising unemployment do not signal a rebound in confidence any time soon. With the holiday season quickly approaching, there is little positive stimuli on the horizon," said Lynn Franco, director of the Conference Board's Consumer Research Centre, in a statement.

The Conference Board index's 11.5-point drop to 85.5 in October was far worse than Wall Street expectations of a fall to 95.6 and triggered selling in US stocks and the dollar.

Yields on benchmark 10-year Treasury notes, which are used to set interest rates on everything from mortgages to car loans, fell to three-year lows on expectations the Federal Reserve, which has already cut rates nine times this year, will lower borrowing costs again next month.

"It's an ominous kind of report," said Dana Johnson, Managing Director and head of research at Banc One Capital Markets in Chicago. "Obviously people are feeling worse and worse about their economic prospects in reaction to a lot of layoffs as well as to ongoing terrorist threats."

Karen Hendershot, acting director of the Treasury Department's office for macroeconomic analysts, said on Tuesday the September 11 attacks "added significant stress to an already sluggish economy" and will probably lead to a contraction in gross

domestic product.

The Conference Board's October Present Situation Index, which measures consumers' views of the economy right now, fell sharply, to 107.6, its lowest since January 1996, from an upwardly revised 125.4 in September.

The Expectations Index, which gauges consumers' outlook for the next six months, plunged to 70.8 in October from a downwardly revised 78.1 in September.

While the overall confidence index is far above recent troughs of below 50 during the recession of the early 1990s, the Conference Board's Franco warned it was approaching the 80.0 "recession line." She also said that the sharp fall in the present situation index "is not comforting."

And in a sign the 4.9 per cent US jobless rate is likely to rise in the months ahead, 20.7 per cent of consumers said jobs were "hard to get," compared with 18.8 per cent in September.

Economists surveyed by Reuters expect Friday's jobs report to show the US economy shed 289,000 workers from payrolls in October and the unemployment rate rose to 5.2 per cent. Many economists expect joblessness to top 6 per cent by next year.

"The key going forward from here is what happens in the job market," said Tim O'Neill, chief economist at Bank of Montreal/Harris Bank in Toronto. "We had a big loss in September."