

## Prime Bank Board recommends 30pc cash dividend, 5:1 bonus share

The Board of Directors of Prime Bank Limited has recommended a 30 per cent cash dividend and 5:1 bonus share for the shareholders for the year ending December 31, 2001, says a press release.

The recommendation was made at a meeting of the board held in the city on Saturday.

The recommendation is subject to approval of Bangladesh Bank.

Last year the bank declared and paid cash dividend of Tk. 30 per share and issued Bonus shares @25 per cent of paid-up capital i.e. 1 share for every 4 existing shares to the shareholders.

The Board also decided that the 7th Annual General Meeting of shareholders of the bank would be held at a city hotel on April 15, 2002.

The bank earned operating profit (Audited) of Tk. 75.61 crore as against Tk. 59.32 crore in 2000 registering an increase of 27 per cent Return on Assets was 4.80 per cent which may be termed as excellent in view of the position of banking industry of the country.

The bank's deposit rose to Tk. 1325.99 crore at the end of year 2001 as against Tk. 1116.87 crore in 2000 registering an increase of 19 per cent while credit portfolio shot up to Tk 907.49 crore as on December 31, 2001 from Tk. 766.77 crore in 2000 representing 18 per cent.

The foreign exchange business volume also increase by 15 per cent to Tk. 2761.42 crore as on December 31, 2001 from Tk. 2402.95 crore in the preceding year.

## EBL launches new deposit product

Eastern Bank Limited (EBL) has launched a new deposit product, says a press release.

K Mahmood Sattar, Managing Director of the bank handed over a token of appreciation to Nargis Ahmed, first customer to open the EBL high performance account at a simple ceremony held at the bank's Dhanmondi branch in the city on Thursday. Ahmed Ismet, Head of Consumer Banking, and Ishtiaque Ahmed SVP & Manager, Dhanmondi branch, were also present on the occasion.

EBL High Performance Account is available at all the 22 branches of the bank located in the major cities of the country.

EBL High Performance Account is a savings account that gives interest on a daily basis. Moreover it conjoins the security of a savings account with the convenience of a current account by allowing customers to withdraw any amount of unlimited number of withdrawals.

## Basundhara Tissue dealer confce held

A dealer conference of Basundhara Tissue, a sister concern of Basundhara Group, was held at Baridhara in the city on Thursday, says a press release.

Basundhara Group vice-chairmen Sadat Sobhan and Mahub Morshed Hasan, and Executive Director Md Khalequzzaman, among others, were present at the conference, where prizes were distributed among the dealers.

At the conference, a raffle draw was also held among the dealers under the aegis of "Chairman's Award" on behalf of Basundhara Group Chairman Akbar Sobhan.

In the draw, Sajjad Selim of Razzak General Store, Khilgaon in Dhaka won a three-katha plot at Basundhara residential area.

Ayesha Enterprise at Chawkbazar and Riaz Store at Malibag also bagged prizes.

Sadat Sobhan gave away the prizes among the raffle draw winners.

## Argentina to ease banking restrictions

AFP, Buenos Aires

Faced with daily protests and worried that a lack of consumer spending will further hurt the recession-wracked economy, the Argentine government is set to ease controversial limits on bank withdrawals.

On Monday, the government is to announce a complex system that would enable depositors to use their frozen savings to make certain purchases -- such as a car or a home -- without actually taking the funds out of the banking system.

# SEC slackens lock-in on private placement shares

## Loan defaulters to be barred from floating IPO

M SHAMSUR RAHMAN

With a view to encouraging the small investors in primary market, the Securities and Exchange Commission (SEC) has decided to relax the lock-in system on shares subscribed under private placement.

The market regulator has also decided to bar companies from raising funds if any name of their sponsor, or director, or sister organisation appears on the list of Credit Information Bureau (CIB) report of the central bank, a provision which was annulled before.

The SEC has also decided to change criteria of Z category companies, enabling them to upgrade their status by simply declaring dividend on the year's performance.

The SEC, in a board meeting on Saturday, waived the lock-in on private placement shares for a company coming with a minimum Tk five crore paid-up capital and if it offers at least 60 per cent of the capital to general public for subscription through initial public offering (IPO).

"The move will encourage companies to offer more shares to general public and help in curbing abnormal fluctuation of stocks in the market," an official of SEC said.

The SEC observed most of the companies coming through initial public offering (IPO) invite public subscription in a very small scale, leaving scope for unscrupulous traders to maneuver prices by taking advantage of limited

number of shares.

The board also decided to absolve a provision that required companies to obtain SEC permission prior to offering bonus shares.

The SEC has also decided to revert its policy of "disclosure basis" to "merit basis" under which CIB report of the central bank will be taken into cognizance prior to allowing companies to raise funds from the market. The SEC had earlier, allowed companies to raise funds, even if the company was a bank defaulter.

Explaining an official said the Commission used to release IPOs on disclosure basis under which the Commission ensured that the matter of default was published in the prospectus. "So we left it to the investors to decide whether they will participate in the IPO or not".

The SEC board decided that if any company announces dividend on the year's performance it will be excluded from Z category and placed in a higher group.

Prior to the decision, the Z group comprised of companies that failed to hold annual general meetings, or failed to declare any dividend, or are not in operation continuously for more than six months and whose accumulated loss exceeds its paid-up capital size.

Under the new decision, the companies despite having accumulated loss will still be eligible for moving to higher grades if they pay dividend and are regular in holding AGMs.

# IT'S BUSINESS.....

## The Bangladeshi brands

MAMUN RASHID

Is there a brand in Bangladesh? I was asked this question by some people attending a recent seminar on service marketing at the Bangladesh Institute of Bank Management. Naturally this question may come from those who are practising marketing or engaged in corporate management. We often hear about brands like Microsoft, McDonalds, Coca-Cola, Nokia or General Electric. The third word after 'amma' (mother) and 'mum' (here meaning water), my thirteen-month old kid learnt was 'Coke'. Anywhere I take him, he can well recognise a Coke bottle. Even other colas come out as 'coke' to him. Many of our people take Honda as the synonym for motorbike.

I do not intend to bring in academics here in this column but I think it to be wise to clarify the word 'brand'. According to American Marketing Association, a brand is a "name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition". Here one should not misinterpret brands to mean products. Brand names can be based on people (Esteem

Lauder cosmetics), places (Singapore Airlines), animals or birds (Dove soap) or other things or objects (Apple computers or Shell gasoline).

In Bangladesh, we have 'Comilla's rashmalai', 'Hajee's biryani', 'Fakruddin's kacchi' but these are all products, differentiating them from the same type of products, offered by many other operators. Then what is brand? To find out the replies, we initiated discussions at many a forums and conducted some studies among people engaged in marketing as well as corporate houses. Our studies confirmed there are few brands in the offing in Bangladesh. We came across names like Hamdard Dawakhana, Sadhana Aushadhalay, Arong, Square, GrameenPhone and Ekushey Television.

Study also found many people do not know that Arong is owned by the world's largest NGO, BRAC. People at various medicine stores ask for replica/generic products prepared by Square, though the doctor might have prescribed another name (same generic group), from other pharmaceutical companies. Many elderly people stay up till 11-00pm to listen to Ekushey Television's news, which

reminds us of BBC radio service in 1971. Grameen phone seems to have added extra flavour even to the name 'Grameen' when we see 'Grameen salt' or restaurant coming up, not from the same group any more. What has made these companies different from others?

One explanation could be the companies' commitment to understand the clients' needs better or their adaptability to the changing need of the market. Even their decision to be different from the crowd, continuously to remain in search of excellence. They have been able to continuously exceed customer expectations. People at rural places still think 'hamdard' product will give them healing. Square is possibly known for its quality of products or even management or financial practices. Many middle-class people while naming the indigenous products from Bangladesh talk of Arong. Before Ekushey Television we perhaps did not know that news could be a marketing tactic. During our study, we did not come across any bank or insurance company names though they are reported to be making good money for the last few years.

I have very cautiously mentioned some names as 'brands in the offing'. But what is needed for any one of them to be a well-respected

brand? Yes- having confidence of the consumer or people is a very tough game. One, of course, has to be respectfully different from the others. And for this commitment to transparency, quality management, and innovation are needed.

We obviously do not want to hear -Arong's designs are becoming obsolete or weavers are not paid well in Arong, Square is not continuously investing to upgrade its systems or processes or regularly paying against its obligations. Grameen is not continuously trying to reduce price or bring further user convenience or 'Ekushey is not transparent in its day to day practices. Mind it this is possibly not about becoming the largest, it's about remaining the best for a considerable period. It's about raising the benchmark higher for other operators. World famous branding and brand evaluation company Interbrand's John Murphy puts it 'as the product or service has to be of high quality and appropriate to consumer needs, the brand name must be appealing and in tune with the consumer's perception of the product, the packaging, promotion, pricing and all other elements must similarly meet the tests of appropriateness, appeal and differentiation'.



K Mahmood Sattar, Managing Director of Eastern Bank Limited, hands over a memento to Nargis Ahmed, first customer of the bank's new savings product - EBL High Performance Account-- at a function held at the bank's Dhanmondi branch in the city on Thursday. Ahmed Ismet, Head of Consumer Banking, and Ishtiaque Ahmad, Manager of the branch, are also seen in the picture.

## Lanka cuts cigarette prices by 42pc to curb smuggling

AFP, Colombo

Sri Lanka had the world's highest tobacco tax to discourage smoking. But, the policy appears to have backfired with smokers switching to cheaper bootleg and puffing away like never before.

It is the treasury that appears to have suffered a heart attack with the "smoke more, pay more" policy backfiring on the government despite more people smoking cigarettes, but not always the duty-paid brands.

After years of gradually increasing tobacco taxes to take 85 per cent of the retail price of every cigarette, the government Friday announced a U-turn in its excise tax policy that drastically reduced cigarette prices by 42 per cent.

Now, the policy is crystal clear: If people are going to smoke, they buy brands from the legitimate Ceylon Tobacco Company (CTC), ensuring that the treasury gets a hit too.

The CTC has a near monopoly of cigarette manufacture. But the local unit of British American Tobacco

(BAT) saw its sales plummet as cheaper, bootleg tobacco became the smoker's preferred choice in recent years.

"About 30 per cent of the cigarette market today is held by the illicit cigarette manufacturers," said CTC managing director Fred Combe. "We welcome the government's decision to reduce excise tax on cheaper cigarettes."

"Overall it is a very sensible and a pragmatic policy. This is what we have been saying for some time."

## Most OPEC states exceeding production quota: MEES

AFP, Dubai

Most members of the OPEC oil cartel are producing over quota, the Middle East Economic Survey (MEES) reports, noting that overall January output was more than one million barrels per day above target.

Production by the 10 countries, excluding Iraq, dropped for the sixth consecutive month, falling by 960,000 bpd to 22.81 million bpd last month, according to Monday's edition of the industry newsletter.

However, that represented an

excess of 1.1 million bpd over the new ceiling agreed in Cairo on December 28 in a bid to shore up flagging world prices.

"Most countries exceeded their assigned quotas," MEES says.

"It is understood that much of the January loading program was only modestly impacted by the new cuts because of the end-December quota decision, but that this issue will be addressed more forthrightly in February," the weekly notes.

MEES sources said Iranian production in January rose to 3.43

million bpd from 3.4 million bpd in December.

"Preliminary information indicates that Mexican and Norwegian compliance with their pledges has been good, while the jury is still out on Russia," the Cyprus-based survey says.

Major independent producers including Russia, Norway and Mexico agreed to join the cartel's cuts after a 30-per cent slide in oil prices owing to a global economic slowdown caused by the September 11 attacks on the United States.

## EU trade chief upbeat on ASEAN economy

AFP, Jakarta

European Union Trade Commissioner Pascal Lamy has offered an optimistic view of the Southeast Asian economy despite increasing diversion of investments to China, saying the region had democracy as one of its assets.

"The fact is that because of its size, because of the consistency of its policy, because of the track record China has in terms of growth in the last 10 years, they have a track record which is attractive, which others may not have," Lamy said.

"Investors are looking at that, but then the next question is so what? "This region has assets. I mean it has positive assets in terms of democracy for instance, which sometimes makes a decision more

difficult than easy. But it has assets," he said, in an interview on Saturday.

China has been getting the lion's share of foreign direct investments into Asia at the expense of Southeast Asia as investors take advantage of the regional giant's potential market of more than one billion people.

Lamy however said much of investment funds diverted from Southeast Asia to China was in fact "local money".

"It's not sucking money out of this region. A lot of this money is local money, including Chinese money, by the way, in this region," he said.

"When you look at 40 billion dollars' positive foreign direct investment in China a year, we all know that a part of that is rescinding money," the EU trade chief said.

Southeast Asia's 500 million population made it a viable marketplace for investors, Lamy said.

"With developing countries like Vietnam, Cambodia and Laos joining the group in an efficient way, in a positive way, it's a good sign," he said.

"There's no fatality in this. Look at Japan, it was a big history 20 years ago," he said.

He said the ASEAN Free Trade Area (AFTA), which came into force on January 1, had also received stronger support from member countries.

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

## Jamuna Bank opens branch at Dilkusha

Jamuna Bank opened its 6th branch at Dilkusha in the city on Saturday, says a press release.

LGRD and Cooperatives Minister Abdul Mannan Bhuiyan inaugurated the branch as chief guest held at a ceremony on the bank premises.

Speaking on the occasion, the minister expressed his optimism that Jamuna Bank would contribute significantly to the growth of the economy of the country by mobilising savings, financing the economic activities in different sectors with special emphasis on small business enterprises.

M A Khayer, Chairman, Md Solaiman Khan Majlish, Managing Director, M Hayatur Rahman, Advisor, and Directors of the bank, attended the opening ceremony.

## Islami Bank launches ATM at Mirpur branch

Islami Bank Bangladesh Limited (IBBL) launched ATM service at its Mirpur branch in the city on Saturday, says a press release.

Mir Quasem Ali, Vice-Chairman of the Board of Directors of the bank, was present as chief guest.

Presided over by Abdur Raquib, Executive President of the bank, the function was addressed, among others, by Nasiruddin Ahmed, Deputy Executive President, Md Jahir Ahmed, Chairman of Electronic Transaction Network Limited (ETN), and Md Azizur Rahman, Vice-President, Mirpur branch of the bank.



LGRD and Cooperatives Minister Abdul Mannan Bhuiyan inaugurates the 6th branch of Jamuna Bank at Dilkusha in the city on Saturday. Among others, MA Khayer, Chairman of the bank, was also seen in the picture.

## Chinese economy may overtake Japan's by '30

AFP, Singapore

China can sustain an average annual economic growth rate of six per cent and dislodge Japan as the world's second largest economy in less than three decades, US investment bank Lehman Brothers said.

Despite challenges and near-term setbacks, especially as it opens up its economy following its entry to the World Trade Organisation (WTO), China should "not be deflected from its chosen path," it said in a report.

"Overall, our assessment is that

China's economy has the potential to sustain an average growth rate of around six per cent over the next 20 years," the report said.

At this growth rate, "China's economy by 2030 will be bigger than each of the major European economies and could conceivably displace Japan to become the largest economy in Asia, and the world's second largest economy after the US."

By 2020, China's services sector should have overtaken its agricultural and industrial sectors and the purchasing power of the country's

domestic market "could be larger than the whole of Europe's."

"However, the key to China's economic success -- as most other Asian countries can now testify -- is not to grow as fast as possible. Rather it is to improve the quality of economic growth," said the 140-page study by senior economists Alastair Newton and Robert Subbaraman.

It noted that despite the fast growth, the improvement of living standards needed to be put into context.



Southeast Bank Limited opened its 14th branch at Pragati-R.P.R Centre, Karwan Bazar in the city on Saturday. Yussuf Abdullah Harun, Chairman of the bank, inaugurated the branch. Ragib Ali, Vice-Chairman, Directors M.A. Kashem, Azim Uddin Ahmed, Jalalur Rahman, Syed Shahid Ali, M.A. Ahad and President and Managing Director Shah Md. Nurul Alam were present on the occasion.