Star BUSINESS

DHAKA TUESDAY OCTOBER 26, 2004 E-mail: dsbusins@gononet.com

CityCell targets 27 lakh subscriber base by '05

STAR BUSINESS REPORT

CityCell plans to increase its subscriber base from 2.75 lakh to 27 lakh (2.7 million) by next year (2005) through an aggressive marketing strategy, a senior official said yesterday.

"CDMA (code division multiple access) will have competitive edge over other operators due to its advanced technology," CityCell's Head of Sales and Marketing Intekhab Mahmud told reporters after an iftar party.

He, however, refrained from quoting possible investment figures for its network expansion to woo more customers.

Replying to a question on possibility of such huge growth, Intekhab said the potential in Bangladesh market is enormous.

He said CityCell launched 'Hulusthul' package on Sunday, offering a phone with connection at Tk 4,499 to rope in more customers. "And in just 24 hours we have witnessed a sale of 40,000 new connections through the package."

A range of 14 handsets are available under the package offering both pre-paid and post-paid services with options of mobile-to-mobile and fixed phone BTTB connectivity.

This campaign also popularises the use and spread of RIM (removable identification module). RIM is a chip that can be used with a variety of RIM compatible CDMA handsets.

CityCell will also introduce international roaming facilities covering 110 countries for its post-paid subscribers this year.

Intekhab said the number of cellphone users will grow by around 15 million in the next three years.

He said CityCell that has been using US telecom equipment manufacturer Motorola's gear is looking for cheaper Chinese origin vendors.

In 2005, CityCell is expected to launch 2000 1x, the next step in CDMA technology, giving more options to users. The 1x will allow MMS (multimedia messaging service), web access, interactive menus and more, taking wireless technology closer to offering 3G (third generation) applications to consumers.

Among others, Shaukat Mahmood, media consultant, and Forhad Alam, senior vice-president, attended the iftar party hosted by Pacific Bangladesh Telecom Limited (PBTL), the service provider of CityCell.

PHOTO: STAR

Carrying bowls on heads small fish traders swarm to Jatrabari wholesale market in Dhaka yesterday. Hundreds of traders gather at the fish market every morning to buy fish from the wholesalers and sell in retail markets.

Global trade to grow 8.5pc despite oil price hike: WTO

AFP, *Geneva*

The volume of world trade is set to grow by 8.5 percent in real terms in 2004 despite the impact of rising oil prices on the world economy, the World Trade Organisation said Monday.

Revealing partial advance data from its 2004 report on International Trade Statistics, the WTO said in a statement that the amount, driven by growth in Asia, Latin America and Africa, was a "significant improvement" over 2003.

World merchandise trade grew by 4.5 percent in 2003 in real terms, according to the statement.

It noted "vigorous trade expansion" in the first half of 2004 that was expected to maintain momentum for faster overall global trade growth for the whole year.

However, the WTO said that the increase in the price of oil and other comodities may dampen trade and overall output in 2005.

"Growth in world trade in 2004 will not be adversely affected by higher oil prices to any great extent because we are seeing good growth in trade and output in China, Latin America and Africa," said WTO Director-General Supachai Panitchpakdi.

"We have also seen stronger than expected economic recovery in Japan. Strong demand is behind rising prices for oil and other commodities, and markets appear to be handling this well," he added.

Strong domestic sales prompt Toyota to plan for new plant

AFP, *Tokyo*

Japan's top carmaker and the world number two Toyota Motor said Monday it is reviewing domestic production in light of strong sales while reports said it will build a large engine plant in southern Japan.

"Nothing has been decided but we are reviewing our production system given strong sales this year," a Toyota spokeswoman said.

The Nihon Keizai Shimbun and other media said Toyota planned to invest more than 20 billion yen (188 million dollars) to build the factory in Fukuoka prefecture, 900 kilometres (560 miles) southwest of Tokyo.

The factory will have annual production capacity of some 200,000 engines, with operations expected to start in 2006 at the earliest, they said without citing sources.

Toyota has three engine plants in the central Japan prefecture of Aichi, where it is based. It last opened an engine plant in July 1990, said the Toyota spokeswoman.

The Nihon Keizai business daily said the new plant would likely build 2.4-3.0-liter gasoline engines to be installed on Lexus sport utility vehicles and other cars.

Citigroup to close trust bank unit in Japan

AFP, *Tokyo*

Citigroup Inc. said Monday it will close its trust banking unit in Japan as part of an overhaul of its operations in addition to shutting down its private banking business, as ordered by the financial watchdog last month.

Four branches operating Citibank's private banking division for high net worth clients in Japan will be closed after amassing profits illegally and misleading customers and inspectors.

Citibank Japan's new chief executive Douglas Peterson said Citigroup has already removed 12 workers believed to have engaged in illegal activity and reduced salaries for 11 employees.

"We now recognise problems and I am determined to fix them," Peterson told a news conference after the bank announced a business improvement plan for its Japanese operations.

Tiger Airways boss confirms resignation

ANN/THE STAR

Tiger Airways boss Patrick Gan, in confirming he is leaving the budget airline, said in published remarks Saturday that the decision did not stem from problems with the board of directors.

"New opportunities came up," Gan, who joined the carrier in January, told The Straits Times.

"I've had several good offers, but I'm still here because the board asked me to stay and help launch the airline," Gan was quoted as saying.

Rumours of Gan's impending departure first surfaced early last month before Tiger launched its inaugural flights to Thailand.

The launch of promotional, S$1 (RM2.30) flights to Bangkok, Phuket and Hat Yai overloaded the carrier's online booking system and caused a Web gridlock that shut down the reservation systems.

Joint programme to raise output of spices, pulses

STAR BUSINESS REPORT

In a bid to reduce dependency on imports, Bangladesh Krishi Bank and Department of Agriculture Extension (DAE) have jointly undertaken a two-year programme to increase local production of pulses, oilseeds and spices.

BKB has set a target to disburse Tk 200 crore in loan to encourage farmers to produce these essential items. The loan programme has already been initiated which will be spread out in 48 districts.

A central monitoring committee has been formed to implement the project and review the progress. The committee led by BKB general manager (operation) and DAE director (field wing) will monitor activities at the divisional, district and upazila level.

The scheme will help the farmers increase the production of 15 essential items including gram, lentil, maize, soya bean, mustard oil, onion, garlic, turmeric, tomato, betel leaf, and chilli.

"The main objective of the programme is to increase production of these essential items as we are increasingly becoming dependent on imports. The farmers are willing to produce these essential items but it is very difficult for BKB to identify them. Since DAE has close relation with them, we are jointly implementing the programme," said a top BKB official.

The farmers can make good profit because of favourable weather this season. "If the farmers can make profit, they can also repay the bank's loans easily," the official added.

BKB and DAE have signed a two-year memorandum of understanding to implement the programme that will end on 20 September, 2006.

"Production of these essential items is being ignored as there is no specific programme to boost their production. As a result, we are increasingly becoming import dependent and spending more foreign currency every year to import them," the official explained.

According to an official statistics, local production of maize is only three lakh ton against the demand of nine lakh ton and the rest is being imported.

Because of import dependency, a section of traders often create artificial crisis and push its price up. But it is not difficult to increase local production of maize, said the BKB official.

Under the programme, DAE will also extend technical and advisory services to the farmers for good production. If implemented, the programme will set a new example in the agriculture sector, the official opined.

The programme excludes Rajshahi division as Rajshahi Krishi Development Bank is engaged in promotion of agriculture there.

EU bid to catch US economy 'a big failure': Prodi

AFP, *London*

Europe's efforts to catch up to and then outpace the US economy have been "a big failure," the outgoing head of the European Union executive commission, Romano Prodi, told the Financial Times in an interview published Monday.

"You can't have unanimity in all economic areas, or if you do, you must accept the failure of Lisbon," said Prodi, president of the European Commission.

EU leaders pledged at the Lisbon summit in 2000 to increase economic growth in a bid to compete with the US economy.

"Lisbon is a big failure," Prodi said.

He said the requirement of a unanimous vote by all member states was responsible for paralyzing critical reform in the 25-nation bloc.

The Financial Times added that an upcoming report on the EU's economic reforms, prepared by former Dutch prime minister Wim Kok, would slam the bloc for a lack of political will and warn that it risks becoming "a synonym for missed objectives and failed promises."

Prodi is due to step down and return to Italian politics. His designated successor is former Portuguese premier Jose Manuel Durao Barroso, whose 24-strong team of commissioners will be voted on Wednesday in Strasbourg.

New MD of Southeast Bank

Neaz Ahmed has been appointed president and managing director of Southeast Bank Limited with effect from Thursday.

Prior to his joining, he was deputy managing director of Premier Bank Limited, says a press release.

Ahmed joined IFIC Bank in March, 1997 and served as senior executive vice-president.

He spent 19 years with Grindlays Bank and held important positions of foreign exchange dealer, manager of Foreign Trade in Chittagong, country operation manager for Grindlays Operations in Bangladesh, chief manager of Credit & Marketing for Dhaka and Khulna based branches and area manager in Chittagong region.

He was posted as manager of Business Banking in ANZ Bank in New Zealand for four years.

Ahmed, the second son of former secretary Borhanuddin Ahmed, started his banking career in Grindlays Bank in 1978 as a management trainee.

S'pore economy on track, oil may impact next year

ANN/THE STRAITS TIMES

Singapore's economy remains on track to grow by between 8 and 9 per cent this year as forecast, but next year's growth could be hit if oil prices remain at the current high level, Trade and Industry Minister Lim Hng Kiang said Sunday.

Though growth is expected to slow in the last three months of this year, 'even with the slowdown, we should be comfortably within the range of 8 to 9 per cent', he said during a dialogue with 300 residents of Bishan-Toa Payoh North constituency.

This is because for the first nine months of this year, the economy averaged strong growth of 9.2 per cent, he said.

Looking ahead, Lim said if oil prices remained at the current level of around US$55 a barrel, Singapore would likely feel the impact towards the end of next year.

This would largely be through a drop in external demand as high oil prices caused a slowdown in the global economy, which would then lead to a fall in demand for Singapore's exports, he said.

'We expect that kind of impact to come in sometime towards the end of next year because of the lag effect in the oil prices,' he said, adding that if oil prices fell back to US$40 or lower, then the impact would be less.

The Government's current forecast for next year, which is for the economy to grow by between 3 and 5 per cent, is based on the assumption that oil prices fall to an average of US$45-US$46 a barrel.

Yesterday, Lim also addressed a resident's concern that households will be hit by higher utility bills.

He pointed out that the unit price of electricity has remained 'fairly stable' in recent years.

This is because the opening up of the power-generation sector to competition has led to efficiencies which have helped to mitigate the rise in oil prices, he said.

'If you look at your electricity bill, most of the increase is really through our individual higher consumption,' he added.

During the dialogue session, which capped his five-hour-long ministerial visit to the ward, Mr Lim also took on a range of questions on jobs for older workers, longer maternity leave and the proposal to build a casino here.

Taking pains to explain the Government's position on the controversial casino issue, he said what is being considered is an integrated resort to draw tourists through a range of entertainment options, such as a water-theme park, theatres and art galleries.

The casino will account for only a share - of between 30 and 40 per cent - of the revenue for the whole complex.

Explaining the rationale, Mr Lim said developers of integrated resorts in cities like Las Vegas found that they could not make money from world-class acts like Cirque de Soleil.

'So they have a casino which brings in 30 to 40 per cent of the revenue and that cross subsidises the entertainment,' he said.

The Government has been talking to potential developers but 'they haven't come back to us yet'.

It will call for and study the proposals from developers before discussing with them ways to minimise the social harm on Singaporeans, he said.

Reliance Ind Q2 profit up 39pc

AFP, *Mumbai*

Reliance Industries Ltd, the petrochemical flagship of India's largest private sector company, said Monday second quarter net profit jumped 39 percent against a backdrop of surging oil product prices.

Net profit for the three months to September totalled 17.52 billion rupees ($380 million) on sales up 27 percent from a year earlier to 229.17 billion rupees, said the company, owner of the world's third largest oil refinery.