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Star BUSINESS

DHAKA SATURDAY APRIL 16, 2005 E-mail: business@thedailystar.net

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Air Conditioners

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President urges entrepreneurs to gear up for free market
SME fair ends
UNB, Dhaka

President Iajuddin Ahmed yesterday said the small and medium entrepreneurs will have to be conscious about the quality to face the challenges of the free market economy.

"Producers have to be alert about the quality, finishing, designing and packaging of their products to compete in the free market economy and make more publicity at home and abroad about the products," he said, speaking as chief guest at the concluding ceremony of the SME Fair 2005.

The Federation of Bangladesh Chambers and Commerce and Industry (FBCCI) organised the fair for the second time at the China-Bangladesh Friendship Centre from April 4.

President later distributed the FBCCI-Standard Chartered SME Award-2005 among the winners.

The award for this year was given in seven categories to five companies and two individuals for their outstanding contributions in developing SME sector.

Textile and Jute Minister Shahjahan Siraj and Advisor to Commerce Ministry M Barkatullah Bulu spoke at the function as special guests.

President Iajuddin praised the products on display at the fair.

FBCCI President Abdul Awal Mintoo, Convener of the SME Fair 2005 Enayet Hossain Chowdhury, Chairman of the FBCCI standing committee on SME Abul Kashem Ahmed and First Vice President of FBCCI Kamaluddin Ahmed also spoke at the function.

Swedish retailer IKEA to up outsourcing from Bangladesh

M ABDUR RAHIM

IKEA, the world's largest home furnishings company, has decided to increase outsourcing from Bangladesh and add new products to its existing purchase inventory.

The Swedish retailer this year will engage Bangladesh suppliers to produce items using the country's natural fibres, banana fibre, rattan and bamboo resources to serve home furnishings needs of its millions of European and American customers, says Peter Wisbeck, deputy regional manager of IKEA's South Asia office, in an interview with The Daily Star.

The Scandinavian company, which has an unnoted purchasing operations of 20 years in Bangladesh, will add plastic and light engineering items to its current purchase list dominated by home-made textile products such as quilt cover, curtain, Terry towel, rug and handloom carpet.

It is a matter of pride for the country that out of the retailer's 10,000 articles available in its 202 stores in 32 countries, 300 come from Bangladesh's small and medium enterprises. The company imports 1,000 forty equivalent unit (FEU) containers carrying home furnishings cargo from Bangladesh

ayear.

Having started purchasing in early 1980s, the company opened a liaison office in Dhaka to facilitate local suppliers' capacity building, standardising quality, IKEA designs and ensure timely delivery.

With the improvement of product quality, the company continues to look for new items from Bangladesh, as Peter Wisbeck said, "We find interest in Bangladesh's natural fibres, bamboo and plastic items. We will increase volume of Terry towel from here. So, we think the total purchasing will increase by 30 to 50 percent this year."

He said Bangladesh needs more entrepreneurs to produce quality products for customers in European and other developed markets. "The suppliers need to focus more on capacity improvement to meet standard requirement of IKEA," the official of IKEA's New Delhi office said.

Europe is IKEA's priority market with 81 percent sales while North America offers 16 percent and Asia and Australia three percent together. Malaysia and Singapore stores are the nearest IKEA stores for Bangladesh. The company does not even have a retailing store in India.

Even though the Asian customers, presumably, are on low priority

of the company, the suppliers mainly come from Asia. The official said the company plans to further increase its purchase volume from Asia. Presently outsourcing 31 percent of the total products from Asia, the share will easily top 50 percent in the next five years, he said. "Bangladesh will be benefited from the new company policy."

However, there are no retail plans yet for the region.

With the vision 'to create a better everyday life for many people', IKEA stores stock everything under roof including sofas, beds, tables, chairs, textiles, kitchen utensils, floorings, rugs, fittings for kitchen and bathroom, lamps and bedroom plants. The rapidly expanding company witnessed a 13 percent turnover growth last year and targeted over a 20 percent growth in 2005.

IKEA sales totalled \$15.5 billion in financial year 2004. It employs about 84,000 co-workers in 44 countries and maintains around 1,500 suppliers in 55 countries. IKEA stores welcomed around 365 million visitors in 2004.

The name IKEA comes from the initials of the founder Ingvar Kamprad, the farm Elmtaryd, and the village Agunnaryd, where the Swedish entrepreneur grew up.

SA Telecom gets licence for landphone operation

SA Telecom System Ltd, a concern of SA Group of Industries, has recently obtained the government licence to offer telecommunication services in the country through public switched telephone network (PSTN).

Managing Director of SA Telecom Md Shahabuddin Alam received the licence at a function held at Bangladesh Telecommunication Regulatory Council (BTRC) office in Dhaka recently, says a press release.

BTRC Commissioner Abdus Salam, Director AKM Shahiduzzaman, SA Group Corporate General Manager Forman Uddin Chowdhury and SA Telecom's Project Coordination Officer Ali Azam, among others, were present at the function.

Provide more aid to achieve MDGs

Saifur tells int'l conference in Stockholm

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman renewed his call to developed countries and donor agencies for increased aid to help poor countries such as Bangladesh achieve the MDGs.

"Provide us more resources if we have to achieve the targets," he told a high-level international conference on MDGs in Stockholm.

The minister was talking to reporters at Zia International Airport Thursday on his return home from the two-day roundtable titled "Reducing Poverty and

Achieving the Millennium Development Goals (MDGs): Investing in Reproductive Health and Rights."

Bangladesh has already achieved some of the targets, much before the terminal year of 2015, by taking proper measures and was expanding the programmes in line with the ability of the poor country, he said.

But, he said, the country needs 'sufficient funds' if it has to achieve the reproductive health and other human development targets.

On his return from an aid meeting in Paris early last month, the minister had pointed out that the

developed countries failed to fulfill their commitment of providing resources.

As per the United Nation's monetary convention, the rich countries are committed to providing 0.7 percent of their total GDP to the poor countries to help achieve the targets.

The 2005 Global Monitoring Report, the second annual publication of the WB and IMF released Monday, stressed the need for doubling the amount of official development assistance (ODA) reaching the poorest countries to achieve the MDGs.

ASA to set up 35 new branches in four districts

Association for Social Advancement (ASA), a micro finance institution, will set up 35 new branches in four districts - Mymensingh, Sherpur, Jamalpur and Netrakona.

This was announced at a workshop on 'Loan Management and Assessment of Progress' held in Mymensingh recently.

About 200 branch managers and 16 district level officials of ASA from the four districts attended the workshop, says a press release.

Md Shafiqul Haque Chowdhury, founder and president of ASA, inaugurated the workshop.



Nasir Bin Baharoom (3-L), managing director of AKTel, and A Rouf Chowdhury (3-R), president and CEO of RanksTel, shake hands after signing an interconnectivity deal on behalf of their organisations. Other senior officials from both the companies were also present at the signing ceremony.

RanksTel signs interconnectivity deal with AKTel

Ranks Telecom Ltd (RanksTel), a concern of Rangs Group, has signed an interconnectivity agreement with TM International (BD) Ltd, the owning company of cell phone operator, AKTel, in Dhaka on Monday.

Under the deal, RanksTel and AKTel will terminate calls to each other's network on revenue sharing basis.

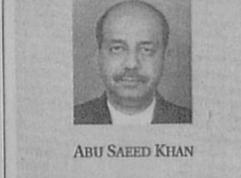
A Rouf Chowdhury, chairman of Rangs Group, and Nasir Bin Baharoom, managing director of AKTel, signed the deal on behalf of their organisations, says a press release.

Earlier RanksTel signed similar agreements with Bangladesh Telephone and Telegraph Board (BTTB), GrameenPhone, CityCell and BanglaLink.

Zakaria Swapan, chief operating officer, Ashraf Uddin Ahmed, director (Finance) of RanksTel, and Fazlur Rahman, director (Coordination), Rezaul Rahman, chief coordination manager of AKTel, among others, were present.

Profit first, people come last

PASSWORD



ABU SAEED KHAN

The fast-growing mobile market has become five times larger than BTTB's clientele although more than 80 percent of the mobile users don't have access to BTTB's network. Such "mobile-to-mobile" users have been the growth engine of the thriving mobile market. Average monthly talk-time per user is 300 minutes, highest in this region. Average revenue per user is US\$15, one of the highest in the world. Considering such financial obesity, the private operators can easily trim quite a bit of their fat followed by leading a healthy life. Reliance in India charges only 0.40 rupee per minute to call within its network and our operators charges sixteen-times for similar service. It is imperative to have tariff reduction within our mobile networks too.

The private sector was expected to salvage the people from BTTB's historical nuisance. The mobile operators have been, however, also taking the consumers for a ride through different routes.

The government had issued nationwide operating license to four mobile operators. Each operator has, however, split the country according to their wish and overcharging in the name of inter-zonal calls. Neither the government nor the regulator is bothered about it. Initially the mobile operators

allured the market by exempting incoming calls from the BTTB's fixed telephones. Suddenly they punished the customers with incoming charges. Neither the government nor the regulator is bothered about it.

The mobile operators boast of covering the remote places and connecting the millions. There is, however, no customer service centre in any upazila and more than 90 percent of the districts. Neither the government nor the regulator is bothered about it.

More than 60 percent mobile users are in Dhaka. There the operators have provisioned only couple of service centres. Overcrowded customers' discontent is visible at these places but "Customers service" remains as invisible as the mobile signal. Neither the government nor the regulator is bothered about it.

The mobile operators have been doing nothing to improve the quality of respective network. They don't provide seamless coverage in the major national highways. They have also failed to properly cover even Dhaka city. Neither the government

nor the regulator is bothered about it.

Dhaka has been witnessing the proliferation of high-rise buildings. There is either no signal at all or the coverage is erratic in the upper floors of such tall installations. The operators have not deployed picocells to solve such elementary problem. Neither the government nor the regulator is bothered about it.

Poor network coverage causes frequent dropped calls, which compels the users redialling and forces paying more bills unnecessarily. It fattens the operators' book while flattens the consumers' wallet. Neither the government nor the regulator is bothered about it.

One doesn't need to be a rocket scientist to understand that the mobile operators have been overcharging in Bangladesh. The deplorable discriminatory interconnection regime of BTTB is no longer a sellable excuse to justify such penalties.

The fast-growing mobile market has become five times larger than BTTB's clientele although more than 80 percent of the mobile users don't have access to BTTB's network. Such "mobile-to-mobile" users have been

the growth engine of the thriving mobile market. Average monthly talk-time per user is 300 minutes, highest in this region. Average revenue per user is US\$15, one of the highest in the world.

Considering such financial obesity, the private operators can easily trim quite a bit of their fat followed by leading a healthy life. Reliance in India charges only 0.40 rupee per minute to call within its network and our operators charges sixteen-times for similar service. It is imperative to have tariff reduction within our mobile networks too.

Our telecoms industry has been exploiting the nonexistent regulator in the market. Subscribers' agony in our entire telecoms market is attributed to dysfunctional regulatory regime. If we ever have a government and opposition with sense and sensibility, couple of simple regulatory steps will revolutionise our mobile market.

Mobile Number Portability (MNP) is one such option. It allows an aggrieved customer migrating to another operator and activating new connection with the old number. Therefore, that subscriber doesn't need to inform the friends, relatives and colleagues any new number while using new connection. This is how MNP eliminates the mobile operators' cartel and they literally worship the customers to retain them.

Pakistani mobile users will enjoy such paradigm shift driven by MNP from next month. The Indians are also having it soon. Therefore, the believers of Teletalk being the antidote of private sector cartel in Bangladesh are certainly the inhabitants of fool's paradise.

The operators are still calling the shots in this eight-year old mobile market. Neither the government nor the regulator is bothered about it. They have, however, a lot to do.

Oil resumes heavy falls

AFP, London

World oil prices resumed their downward march on Friday after a brief rally petered out amid easing worries over possible supply shortages.

New York's main contract, light sweet crude for delivery in May, fell 80 cents to 50.33 dollars per barrel in electronic deals.

In London, the price of Brent North Sea crude oil for delivery in June dropped 67 cents to 51.62

dollars per barrel.

The May contract expired on Thursday, priced at 50.91 dollars.

"The market is going to test again 50 dollars, that's a big psychological number," said Graham Sharp, director of trading at Trafalgar.

"The downward move is just a reflection of the reality of the physical market, which seems well supplied and doesn't really justify the recent (high) prices in the market," he added.

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LEGAL NOTICE

In the Supreme Court of Bangladesh
High Court Division
(Statutory Original Jurisdiction)
Matter No.32 of 2005

In the Matter of:
An application under section 12 read with section 13 of the companies Act, 1994, and

ORCHARD INTERNATIONAL LIMITED represented by its Managing Director **MOHAMMAD FARUQUE** son of Mohammed Imanul 71, Naya Paltan, Dhaka, Bangladesh.

—Versus—
The Registrar, joint stock Companies and Firms, 24-25, Dilkusha Commercial Area, Dhaka, Bangladesh.

—RESPONDENTS

Notice is hereby given that upon an application filed by the petitioner under section 12 read with section 13 of the Companies Act, 1994 for obtaining permission/conformation of alteration of the object clause of Memorandum of Association of **ORCHARD INTERNATIONAL LIMITED**, the Company Bench of the Hon'ble High Court Division of the Supreme Court of Bangladesh presided over by Mr. Justice MD. IMMAN ALI was pleased to admit the same on 30.03.2005 and his Lordships has fixed the matter for hearing on 02.05.2005.

If any one is interested to oppose the said application he may do so an Advocate or in person. Copy of the same may be obtained from the undersigned upon payment of prescribed fees.

SK. YEAD ALI, Advocate, Supreme Court of Bangladesh
and
S.K. SIKDER, Advocate, Supreme Court of Bangladesh
Room #201, 2nd Floor, 28, Dilkusha C/A, Dhaka. Phone: 9559971, 7169318

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Dhanmondi Center, 23, Dhanmondi, Road # 1, Dhaka. Tel: 9662309, 3611891, 3618220. Ext: 4307
Jessore Center, Rahman Chamber, 1st Floor, Jessore. Phone: 61065.6723. Mob: 0171-429446
Mymensingh Center, 33 R.K. Mission Road, Mymensingh. Tel: 61355. Mob: 0171-438766
Narayanganj Center, Luffa tower (6th floor), Narayanganj. Phone: 7616291, 7616446. Mob: 0171-401246
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Rajshahi Center, Younus Palace, Sirooni, Rajshahi. Tel: 81161.811361. Mob: 0174016544
Rangpur Center, Mazda complex, Opposite to Fison Bima Bhaban, Station Road, Rangpur. Phone: 61707
Uttara Center, Mascoi plaza (6th floor), Sector # 7, Uttara, Dhaka. Tel: 8919019, 0171-438765