

## 3rd national furniture fair begins today

### STAR BUSINESS REPORT

A five-day furniture fair will begin at Bangladesh-China Friendship Conference Centre in Dhaka today. Commerce Minister Altaf Hossain Choudhury is scheduled to inaugurate the '3rd National Furniture Fair, 2006'.

Bangladesh Furniture Industries Owners' Association and Design and Technology Centre (DTC) are jointly organising the event.

Earlier, the authorities announced attractive price discount will be offered at the fair. The Daily Star and *Channel i* are the media partners of the fair.

## Banglalink introduces 'i' cook service'

### STAR BUSINESS REPORT

Banglalink subscribers will now get recipes of local and foreign dishes by sending SMS.

The company yesterday introduced 'i' cook service' for its clients in collaboration with internationally acclaimed Bangladeshi cook Tommy Miah.

"The new service is available for all customers," Omer Rashid, marketing director of Banglalink, told a press briefing in Dhaka. Citing an example, he explained if someone wants to get the recipe of Thai prawn soup, he or she needs to type TM 3009 and send it to 2665.

"i' cook has a range of Bangladeshi, Indian, Thai and Chinese recipes," Rashid said, adding that the company will charge only Tk 2 during its promotional offer for the service each time. And the regular price will be Tk 3 only.

Tommy Miah and Ashraf Heiba, manager of value added service of Banglalink, also spoke at the press briefing.

# Malaysians keen to relocate industrial units to Bangladesh

### STAR BUSINESS REPORT

Malaysian entrepreneurs have shown their interest to relocate some of their industrial units to Bangladesh in the face of labour shortage.

The entrepreneurs also showed interest to invest in SME (Small and Medium Enterprise) sector in Bangladesh.

"We are facing shortage of labour in the industrial sector of Malaysia, as the availability of foreign workers is decreasing following restrictions imposed by Malaysian government," Tan Sri Dato Soong Siew Hoong, chairman of the visiting 11-member delegation of Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), told a meeting with FBCCI in Dhaka

yesterday. He said some of Malaysian entrepreneurs are planning to relocate their units such as washing machine manufacturing plants and agriculture product manufacturing plants to Bangladesh.

Hoong said Malaysian investors are planning to invest in SME sector to produce various products to meet Bangladesh's domestic demand.

He said the investment may come in the form of joint ventures in Bangladesh.

However, Hoong said the investment and relocation process will proceed if Malaysian entrepreneurs find reasonable investment partners and business environment in Bangladesh.

Replying to a question, Hoong said, "At this moment, I don't know

how much money will be invested by Malaysian entrepreneurs."

As manpower export from Bangladesh to Malaysia is totally stopped now, FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) President Mir Nasir Hossain urged the delegates to discuss the issue with Malaysian government to solve the problem.

Mir Nasir said Bangladeshi workers contributed a lot to Malaysian economy in last few years.

During the period July-December of the current fiscal year, Bangladesh imported different goods worth \$163.66 million from Malaysia, while it exported goods valued at only \$6.15 million.

## CPD, SEDF to launch study on post-quota RMG sector in Bangladesh

The Centre for Policy Dialogue (CPD) and the SouthAsia Enterprise Development Facility (SEDF) have agreed to launch a study to track the changes in Bangladesh's export-oriented clothing and textile sector following the abolition of the quota system.

The study aims to assume a thought-leadership position on understanding and crafting policy responses to the unfolding restructuring in the sector.

Dr Debapriya Bhattacharya, executive director of CPD, and Deepak Adhikari, deputy general manager of SEDF, inked a memorandum to this effect in Dhaka on Thursday, says a press release.

The study through enterprise surveys and focus group discussions as well as review of other documents will generate information in the areas of investment trend and technological capability, production process and cost structure, employment composition and productivity, market linkages and compliance.

Based on the findings, the CPD-SEDF study will offer policy suggestions to improve competitiveness of the sector.

These suggestions are expected to help the state bodies, donor agencies, the RMG industry and other interested stakeholders to map out ways to take advantage of the expanding \$300 billion global apparel market.

CPD and SEDF plan to start a dialogue and present the findings to all the key stakeholders so that certain time-bound actions can be taken for sustained growth of the clothing and textile sector of Bangladesh.

The study will be conducted in three phases and is expected to end by the end of 2007.

## Saifur for raising tax-GDP ratio

### BDNEWS, Dhaka

Finance and Planning Minister M Saifur Rahman yesterday asked revenue officials to increase the tax-GDP ratio by 0.5 percentage point in the next fiscal year.

"I have instructed the officials to raise the tax-GDP ratio to 11 percent from the current 10.5 percent," Saifur told reporters after a meeting of the National Resource Committee on budget preparation and revision at the finance ministry.

He said he had talks with the committee members and government officials concerned on how to

formulate guidelines on the budget for fiscal 2006-07 and also reviewed the budget for the current fiscal year.

He also hinted at downsizing the annual development programme (ADP) for fiscal 2005-06 and denied allegations that the next budget is going to be an election-oriented one.

However, finance ministry sources said the government has estimated a budget outlay of around Tk 68,250 crore for fiscal 2006-07 as against the original budget of Tk 64,383 crore of the current fiscal year.

Bangladesh Bank Governor Dr

Salehuddin Ahmed, Finance Secretary Siddiqur Rahman Chowdhury, Chairman of National Board of Revenue (NBR) Khairuzzaman Chowdhury, Economic Relations Division Secretary Ismail Zabihullah and Planning Commission Member AHM Abul Kashem were present at the meeting.

NBR officials said the country's tax-GDP ratio is quite low compared to the ratio in other countries. Bangladesh's tax-GDP ratio is one of the lowest among the developing and least developed countries.

# Alcatel, Lucent Technologies announce \$13.40b merger

### ABU SAEED KHAN

French Alcatel and American Lucent Technologies Sunday jointly announced a US\$13.40 billion merger through stock swap, which creates a formidable Franco-American telecoms equipment manufacturing powerhouse with \$25 billion revenue, 88 thousand employees and hundreds of customers in 130 countries across the globe.

It is the result of intensified competition that Euro-American telecoms hardware makers are facing from cheaper Chinese rivals.

The new company's revenue would be slightly higher, but far less profitable, than Cisco Systems, the US maker of Internet routers and related equipment. Analysts believe the merger could prompt competitors like Swedish Ericsson, Canadian Nortel and German Siemens to seek their own deals so they can keep up.

The new company, which is yet to be named, will be based in Paris where Alcatel is also headquarterd.

Lucent's legendary Bell Labs research centre remains in Murray Hill, New Jersey. Serge Tchuruk, Alcatel's chairman and chief executive, will be the non-executive chairman while Patricia Russo, Lucent's chairman and chief executive, will head the new company.

Alcatel and Lucent initiated merger talks in 2001 but it failed as they could not agree on how to control the combined company's shares. This time although both the CEOs are calling it a "merger of equals," Alcatel's shareholders will control 60 percent and Lucent's shareholders will have 40 percent of the new company.

That clearly explains who is the bride and who is the groom in this dazzling corporate wedding. This trans-Atlantic couple also shares a common past sustaining huge financial blow after the telecom and dot.com bubble bust in 2000.

Alcatel's revenue nosedived by more than 60 percent, from \$37.70 billion in 2000 to \$14.7 billion in 2004. It managed to recover by 7.4 percent, to \$15.80 billion last year.

Lucent also suffered freefall from the peak of \$28.90 billion sales in 2000 to \$8.50 billion in 2003. Last year Lucent's sales recovered slightly to \$9.40 billion.

The newly combined company's board will have 14 directors, including six members each from Alcatel and Lucent, some of whom are already on their current boards. Tchuruk and Russo would be among those six. The boards of both companies will also jointly appoint two new European directors to add more international flavour in the hierarchy.

This mega merger was approved by the boards of each company during last weekend and it is expected to be closed in six to 12 months. It has to be approved by both companies' shareholders and also needs the European and American regulators' consent. The Committee on Foreign Investment in the United States, overseen by the Treasury Department, and the Justice Department's antitrust division will also scrutinise this deal.



PHOTO: AKTEL

AKTEL Managing Director Ahmad Bin Ismail (centre) speaks at a press conference in Dhaka on Thursday to announce the launch of a service titled 'Mobile Banking Service'. AKTEL along with BRAC Bank Ltd has launched the service. AKTEL Head of Marketing Asif Iqbal (right) and BRAC Bank CEO and Managing Director M Ehsanul Haque (left) are also seen.

## STOCK