

Telenor's CEO due Sunday

ABU SAEED KHAN

Jon Fredrik Baksaas, GrameenPhone's 62 percent Norwegian owner Telenor's president and CEO, is arriving in Dhaka Sunday on a three-day official trip.

"He will meet the telecoms sector's high officials and inaugurate a strategic product of GrameenPhone," said Syed Yameen Bakht, GP's general manager without revealing any details.

In 1996, GrameenPhone became the Norwegian state-owned telecoms provider's very first venture in Asia. It subsequently entered the mobile markets of Malaysia, Thailand and Pakistan. Baksaas was appointed Telenor's CEO in June 2002. He also has held the position of deputy CEO since 1997.

Predictably a happy Baksaas will be visiting Bangladesh immediately after beating all market predictions by making an impressive 55 percent jump in first-quarter core profit. Its EBITDA rose to \$1.28 billion in the first three months of the year. At the end of the quarter, the companies which Telenor owns had 90 million mobile subscribers and the group expects to pass the 100-million subscriber milestone very soon.

Mittal eyeing acquisitions in China

AFP, Brussels

Steelmaking giant Mittal Steel, which is in the midst of hostile takeover for rival Arcelor, plans on making "several acquisitions" in China, an executive for group said in an interview published Thursday.

Mittal Steel's head for Europe, Roeland Baan, told Belgian newspaper L'Echo that although with Arcelor the combined group would have annual production of 110 million tonnes, the company aimed to reach 140 million tonnes annually. "We have a project in India to increase our production by 10 million (tonnes). Arcelor also has growth plans. The focus will also be on China. So we can expect several acquisitions in that country," he said.

Arcelor announced plans in February to buy a 38.41-percent stake in Chinese steelmaker Laiti for 218 million euros (275 million dollars).

In September, Mittal bought a 36.67-percent stake in Hunan Valin Steel Tube and Wire for 338 million dollars (268 million euros).

At the end of January, Mittal launched a 18.6-billion-euro cash and share offer for Arcelor, which has fiercely fought the bid.

Hyundai Motor Q1 results beat expectations

AFP, Seoul

Hyundai Motor, South Korea's top automaker under siege from prosecutors over a slush fund scandal, said Thursday its first quarter operating profit rose 3.9 percent to 335.3 billion won (358 million dollars), beating market forecasts for some 290 billion won.

Hyundai Motor shares, which had been down 1.4 percent earlier Thursday, jumped 3.0 percent on the news to 82,800 won in mid-morning trade.

The automaker, ranked seventh globally, said net profit for the three months to March stood at 318.8 billion won, down 37.5 percent from a year earlier.

It sold 418,437 cars during the period, up 4.4 percent year-on-year, including 276,678 exported, with revenue rising 11.2 percent to 6.86 trillion won (7.32 billion dollars).

Dhaka, Delhi set same weekend for land ports Indo-Bangla joint group of customs meet ends

JASIM UDDIN KHAN

The two-day meeting of Bangladesh-India joint group of customs (JGC) ended yesterday with a decision to keep close their land customs stations (LCSs) on Friday.

"Synchronisation of timing of border trade through the land ports was a basic need to boost bilateral trade as the Bangladesh land ports are kept closed on Friday and the Indian's on Sunday," an official who participated in the meetings said.

The Indian team also offered to Bangladesh to have a motor vehicle agreement with India in long term, which will help Bangladesh and Indian goods-loaded trucks move freely across the countries.

This offer of the Indian team came following a Bangladeshi demand for developing the LCSs on Indian side.

The official-level meeting, which is third of its kind, was held in Dhaka as a

follow-up to the meeting of joint working group on trade held here from August 1-2 last year.

The meeting after detail discussion adopted a report, which will be sent to the ministries concerned of the two countries for further review.

The Indian customs team acknowledged the problem of Bangladesh as India recently imposed a four percent special countervailing duty on all Bangladeshi export items. The Indians assured their Bangladesh counterparts of raising the issue to their finance ministry for consideration.

"We need to restore the previous tariff rate of India as Bangladesh has already a huge trade gap with India," the official said.

The Bangladesh side requested the Indians to allow Bangladeshi testing laboratory certificates in India but the Indian side asked to have a memorandum of understanding (MoU) between

Bangladesh Standard and Testing Institution (BSTI) and the Bureau of Indian Standard (BIS) for such approval.

The Indian customs team emphasised the withdrawal of ban on yarn imports through land ports and cargo shipment through river channels.

Customs Commissioner of Benapole Mohammed Nasiruddin and Indian Joint Secretary (Customs) Kameshawary Subramanian were leading their respective sides.

Representatives from the National Board of Revenue, commerce and foreign ministries, and the Land Port Authority were on the 11-member Bangladesh delegation at the talks.

The meeting also decided to hold a joint assistant commissioner-level meeting every month, a joint commissioner-level meeting in every six months and a joint group of customs meeting every year.

Ethihad Airways launches operations in Bangladesh

STAR BUSINESS REPORT

Ethihad Airways, the national airline of the United Arab Emirates, yesterday inaugurated its operations in Bangladesh with the launch of a direct flight on Dhaka-Abu Dhabi route.

Initially, Ethihad Airways will fly to Abu Dhabi from Dhaka four times a week (Monday, Tuesday, Thursday and Sunday).

The airline will operate five flights a week from July, Charles Phelps-Penry, regional general manager (Asia Pacific), said yesterday at a press conference in Dhaka.

"The new route aims to strengthen the economic and diplomatic ties between the two countries and serve some 350,000 Bangladeshi nationals based in the UAE," said the regional general manager.

"This new route also marks a special achievement for Ethihad Airways, with Bangladesh being the 30th destination," he added.

Officials also said the airline is planning to expand its operations to Chittagong and Sylhet soon.

Earlier at the inaugural ceremony, Khalfan Battali Ali Al-Mansouri, ambassador of UAE in Dhaka, officials from the Ministry of Civil Aviation and Civil Aviation Authority of Bangladesh were present.

Ethihad Airways is the world's leading new airline operating in the Middle East, Europe, North America, Africa and Asia.

Foreign employment up in Nepal

XINHUA, Kathmandu

The number of people leaving Nepal for employment surged by 44.9 percent during the first nine months of the current fiscal year (July 16, 2005-July 15, 2006), the Department of Labour and Employment Promotion (DoLEP) said here Thursday.

"A total of 136,131 people left the country for several destinations in the Gulf and countries such as Malaysia compared to 93,942 for the similar period last year," the latest statistics released by DoLEP said.

The statistics shows that most of the job aspirants had left for Malaysia during the period, followed by Qatar, Saudi Arabia and the United Arab Emirates (UAE).

A total of 65,216 workers had accepted employment in Malaysia in the first nine months of the current Nepali fiscal year, compared to 45,569 for the similar period last year, the statistics noted, adding, "This shows that around 48 percent of the total workforce, that left the country during the review period, had been recruited in Malaysia."

The number of people leaving for Qatar also rose by a remarkable 60.6 percent in the current Nepali fiscal year. "A total of 44,367 workers left for Qatar this Nepali fiscal year, compared to 27,624 for the similar period of last fiscal year," the statistics said.

The number of workers leaving for other labour destinations in the Gulf region, namely, Saudi Arabia and UAE also grew by 33 percent and 45 percent respectively in the first nine months of the current Nepali fiscal year.

AGM of CRAB held

The second annual general meeting (AGM) of Credit Rating Agency of Bangladesh (CRAB) Ltd was held on Wednesday in Dhaka.

M Syeduzzaman continued as the chairman of the CRAB while Samson H Choudhury, Matiu Islam, Syed Manzur Elahi and Haider Choudhury were re-elected directors at the AGM, says a press release.

In 2005, the company increased its income by one-third over the previous year and built up professional capacity for rating and related works.

The AGM was followed by a luncheon, which was attended, among others, by the managing director of ICRA, a leading rating agency of India, with which the CRAB has technical collaboration. The ICRA MD exchanged views on the evolution of credit rating in India and the world.

RUN-UP TO BUDGET FY07

Economists, businesses seek steps to ease power crisis

STAR BUSINESS REPORT

Economists and businesspeople at a dialogue yesterday urged the government to take concrete measures in the next budget to ease power crisis.

They said the country's energy and power sector is now in a shambles and unless the government takes steps in the next budget, the industrial development and the economy as a whole will be affected.

The government must ensure the energy and power security by taking budgetary measures so that the country can sustain the present economic growth, they added.

They were speaking at the dialogue on 'Budget, Business and Economic Prosperity' jointly organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Development Initiative and supported by the National Credit and Commerce Bank Limited (NCCBL) in Dhaka.

Addressing the function, Professor Wahiduddin Mahmud said the government may have to increase the prices of fuel for another time and it will create a problem not only for the government but also for the country's economy.

He said there is no alternative to long-term investment in the power sector to ease the crisis. On other budgetary measures, he advised the government to take more effective programmes based on previous year's programmes to face munga, a famine like situation. "I think it will be a challenging measure in the next budget."

As the government will have to allow trade unionism in the export processing zones by September this year, the government should carefully make a specific direction in the budget, Mahmud said.

Chairman of Bangladesh Economic Association Quazi Kholiquzzaman said while the neigh-

bouring countries such as India are taking proper management system for their energy plants, Bangladeshi plants are not provided with proper management. Urging the government to take steps to control the prices of essential items, Atiur Rahman, chairman of Unnayan Shamunay, said the finance minister should stop the provision for whitening black money in the next fiscal.

Sonali Bank Chairman Mirza Azizul Islam, Bangladesh Shilpa Bank Chairman Professor Abu Ahmed, NCCBL Chairman M Waziullah Bhuiyan, former caretaker government adviser Rokia A Rahman, FBCCI Vice-president Dewan Sultan Ahmed and Development Initiative Executive Director MA Taslim also spoke at the function. FBCCI President Mir Nasir Hossain sought highest allocation for power sector while presenting a set of proposals for the next budget.

Power crisis poses threat to factory, farm outputs: MCCI

STAR BUSINESS REPORT

Although there has been a positive trend on the different economic fronts, the prevailing power crisis is now posing a serious threat to production in agriculture and industrial sectors as well as in services industries.

"The country's economy continued to show positive signs of improvement in several areas, though these were overshadowed by political agitations and poor performance in a few sectors," said Metropolitan Chamber of Commerce and Industry (MCCI) in its January-March 06 review.

The review said, "On the positive side, the industrial sector, barring the electricity sub-sector, depicted a much higher rate of growth compared to the earlier two quarters of the year. In January-February 2006 period of Q3 FY06 export growth increased to 27.01 percent from 10.67 percent in the same period of FY05, the trade balance has recorded a smaller deficit, and the current account deficit has turned into a surplus, thanks to increased remittances."

One percent growth in the quarterly industrial production (QIP) indicates employment creation of about 17000 people.

"As against these positive features, the economy faced problems on a

number of fronts, which require urgent solutions. The agriculture sector has not performed well due mainly to inadequate supplies and high cost of inputs, but partly also due to erratic rainfall and flash floods. The already poor performance of the power sector has further worsened, posing a threat to production in agriculture and industrial sectors as well as in service sector industries," the report added.

The report also said power scenario in the country develops to be a serious concern in the review quarter. Load shedding with inadequate power supply has affected in a major way, output of large industries, irrigation and production of small and medium enterprises.

The effect of power failure spread all over the industrial sector. Activities in the readymade garment (RMG) industry were particularly affected due to tight time schedule demanded by the customer. The production loss in the RMG was 30 percent, the report said.

Another affected area was computer industry, which suffered 20 percent loss of production due to power crisis. In engineering and electronic industries, 10 to 20 percent productions was lost once again due to power failure, halted production and

resulted in the decline of average productivity.

Besides, service sector particularly health sub-sector suffered badly from power failure. In the hospitals, modern medicine relies heavily on electronic monitoring and failure of the supply or equipment resulted in loss of quality of services, the report said.

The rate of inflation remains high despite the use of light monetary policy by the central bank. Tax revenue collection has remained below target. Net foreign aid receipt in July-February, 2005-2006 was just about a half of what was received during the same period of the last fiscal, the chamber said.

As a result, the government had to increase its borrowing from the banking system, thereby reducing the availability of bank credit for the private sector, it added.

In fact, the flow of credit to the private sector was sharply slowed in February 2006. In February 2006, credit growth to the private sector declined to 16% from 20% in February 2005. Implementation of the ADP remained below target, a major casualty of which is the infrastructure projects, which are crucial for industrial expansion and economic growth, the MCCI added.



Erik Aas (R), chief executive officer of mobile phone operator GrameenPhone Ltd, speaks at a press briefing in Dhaka yesterday. Syed Yameen Bakht, general manager (Information), is also seen.

substantially if it was possible to sell SIM at lower prices.

In 2005 alone, the prices went down with more than 30 percent and monthly charges have been reduced or removed. The latest promotion with only Tk 0.80 per minute is a clear example of new benefits to the GP customers.

"Mobile phone in Bangladesh is getting more and more affordable," he said observing that prices will go down further in 2006 and 2007.

GrameenPhone has just stepped into its 10th year of operation. It is the leading telecommunications service provider in the country with more than 65 lakhs subscribers.

Until now, more than Tk 5,200 crore has been invested in the GP network, he said. "Even it is not enough as we need to improve the quality and capacity of the network."

Most parts of the country are fully covered, and currently there are investment programmes to improve highway coverage, indoor building quality and a constant improvement of capacity across the country, he mentioned.

Aas said GP invested US\$ 300 million in 2005 alone and a substantial amount of investment will also be made in 2006 to improve the quality and capacity of the company.

Oil prices fall in Asian trade

AFP, Singapore

Oil prices fell in Asian trade Thursday after an unexpected increase in US stockpiles sparked a round of profit-taking even as concerns over Iran's nuclear programme remained in place, dealers said.

At 3:25 pm (0725 GMT), New York's main contract, light sweet crude for June delivery was down 28 cents to 72.00 dollars a barrel from its close of 72.28 dollars in New York.

Prices had edged up to near 75 dollars a barrel on Wednesday on speculative trading fuelled by the Iranian issue but shed 2.33 dollars in US deals.

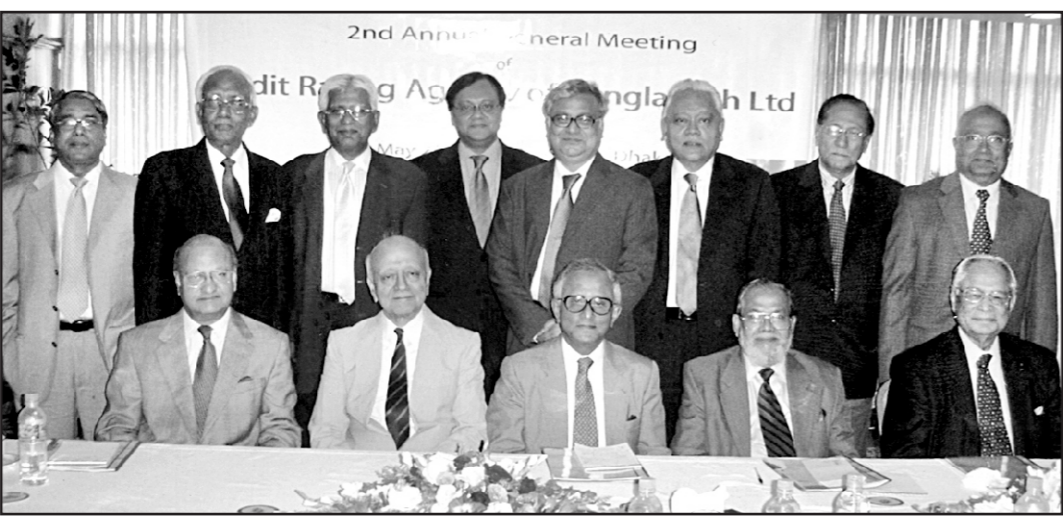
Brent North Sea crude for delivery in June fell 26 cents to 72.39 dollars.

"Basically this is due to the impact of the US inventory report which weighed on the price of commodities, including oil," said Dariusz Kowalczyk, an investment

strategist with CFC Seymour Securities in Hong Kong.

Gasoline demand also eased from the previous week, indicating that surging prices are forcing American motorists to cut down on driving, he said.

US crude oil reserves in the world's biggest economy rose 1.7 million barrels to 346.7 million barrels in the week to April 28. Analysts had expected a fall of 150,000 barrels.



The directors and shareholders of Credit Rating Agency of Bangladesh (CRAB) Ltd pose for photographs at the company's second annual general meeting held on Wednesday in Dhaka.



Charles Phelps-Penry, regional general manager (Asia Pacific) of Ethihad Airways, the national airline of the United Arab Emirates, speaks at a press conference in the capital yesterday to announce the airline's operations in Bangladesh with the launch of a direct flight on Dhaka-Abu Dhabi route.

ADB to allocate \$1b loan for clean energy

OUR CORRESPONDENT, New Delhi

Faced with the demand from activists of an estimated 150 non-governmental organisations (NGOs) here that development cannot be at the cost of environment, the Asian Development Bank (ADB) announced it would allocate one billion dollar loan towards clean energy.

Ahead of the bank's annual meeting starting here today, ADB President Haruhiko Kuroda of Japan said the bank was equally worried over the impact of rapid development on environment. Apart from providing basic services like clean water and

sanitation along with training and education for jobs, "we must ensure growth does not come at the expense of the environment", he added.

He said the bank has high on its agenda a growth agenda that is inclusive of environment concerns and the one billion dollar energy efficiency initiative is aimed at promoting clean energy development projects.

Kuroda's remarks assume significance against the backdrop of the protests by NGOs like Greenpeace against ADB's funding of what termed as "dirty coal plants."

However, the NGOs are not

impressed by the ADB chief's announcement and plan to ramp up their protests in the next few days starting tomorrow when Indian Prime Minister Manmohan Singh inaugurates the annual meeting.

ADB sources said participants at the Bank's meeting are likely to stress on tackling environmental concerns including issues like rehabilitation.

India is expected to emphasise that ADB should not insist on their standards but should rather honour the established procedures followed by individual countries.