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## Stocks

DGEN	0.62%
3,072.85	
CSCX	0.72%
5,594.37	

## Asian Markets

MUMBAI	0.52%
17,287.31	
TOKYO	0.23%
13,849.99	
SINGAPORE	0.77%
3,147.79	
SHANGHAI	4.82%
3,693.11	

## Currencies

	Buy TK.	Sell TK.
USD	68.30	69.30
EUR	104.83	109.42
GBP	132.79	137.96
JPY	0.65	0.69

SOURCE: STANDARD CHARTERED

## Commodities

Oil	\$115.60 (per barrel)
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SOURCE: AFP

## More News

Global brands battle for local market



Yet while a decade or so ago Bangladesh may have been seen as an afterthought in a brand promotional campaign, the sustained period of economic growth has turned the country into a valuable market for multinationals, with customers they are prepared to battle for.

BB forecasts 6pc GDP growth

Country's GDP (gross domestic product) is set to grow between 6 percent and 6.2 percent on a strong economic upturn in the current fiscal that ends in June, the Bangladesh Bank (BB) has forecast.

## International

India, Iran closer to gas pipeline deal

New Delhi and Tehran have inched closer to the Iran-Pakistan-India gas pipeline deal with both sides optimistic of an early conclusion to the negotiations.

Toyota to invest up to \$100m in jet project

Japan's top carmaker Toyota said Wednesday it would invest up to 10 billion yen (96 million dollars) in a project to develop and market the country's first ever passenger jet.

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Korean SK Telecom wants to buy 49pc stake in TeleTalk

MD HASAN

South Korea's telecom giant SK Telecom intends to acquire 49 percent stake in the poor performing state-run mobile operator TeleTalk.

A team from SK Telecom will visit Bangladesh this month to formally place a proposal in this regard. If accepted, the partnership will infuse dynamism into the beleaguered state-owned enterprise.

However a 3-member delegation of the Korean company headed by its Vice President (India) Myung Keun Lee met the Bangladesh telecom regulator on Tuesday to examine legal aspects and investment atmosphere.

"S K Telecom showed its interest to buy TeleTalk's stake. But the government is yet to decide how its shares would be sold out," said a high official at the Ministry of Telecommunications.

The Korean company initially proposed to buy 100 percent stake of the TeleTalk when it started negotiations in December 2007.

But the government did not agree to the proposal on the plea that any joint venture move would make the state-run company a leading mobile phone operator.



Employees are at work at a showroom of TeleTalk in Dhaka. South Korea's SK Telecom intends to acquire 49 percent stake in the state-run cellphone operator.

Industry insiders are also hopeful of such joint venture move. They said if it comes into reality, the TeleTalk would flourish.

TeleTalk is the country's smallest operator in terms of subscribers with a 2 percent market share. It went into operation in 2005 with high hopes, but failed to compete with five other multinational operators due to lack of quality services and poor marketing.

Until March 2008, the state-

run company had been able to add only 1.01 million customers, whereas its nearest rival Warid Telecom International drew 2.79 million customers, although the latter entered the market in 2007.

Grameenphone has a 17.81 million subscription base, which is followed by Banglalink with 8.31 million subscribers and Aktel with 7.45 million.

The telecom ministry source said within a very short

time a 'vendor agreement' will be signed between the TeleTalk and the Bangladesh Telegraph and Telephone Board (BTB), the parent concern of TeleTalk.

Under the agreement, all TeleTalk's asset, which now BTB owns, will be handed over to the TeleTalk board.

"The TeleTalk's present paid up capital is very nominal," said a high official of the ministry, adding: "we shall first raise our paid up capital if we sell its stake or list on the capi-

tal market."

TeleTalk has taken an initiative to offload up to 30 percent of its shares in the capital market by the end of the year to raise Tk400 crore. The company estimated valuation is Tk1300 crore.

Its board meets this week to finalise the plans for its initial public offering.

TeleTalk is now expected to follow the footsteps of Grameenphone, the country's largest mobile operator, which has announced plans to list on bourses sometime between July and September. Grameenphone has been valued at around \$3.75 billion.

From the rivals' point of view, TeleTalk's joint venture with a foreign giant telecom will definitely bring the company in a position what it should be.

"As a government entity TeleTalk missed its chance to grab the market from the beginning, although it has the highest amount of spectrum of 15.5MHz," said a high official of a mobile phone company.

"If any company with a healthy financial position will forge a partnership with TeleTalk, it would become a strong competitor in the market," he said.

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# Mekong nations to go for Opec-style rice cartel

AFP, Bangkok

Thailand's prime minister said Wednesday his country had agreed in principle to form a rice price-fixing cartel with Myanmar, Laos, Vietnam and Cambodia as costs of the staple grain rocket.

The grouping of Mekong nations would be similar to the oil cartel Opec, and would be called the Organisation of Rice Exporting Countries (OREC).

"I have talked with Myanmar and invited them to join the rice exporting countries cartel, which will include Vietnam, Laos and Cambodia, to fix the price," Premier Samak Sundaravej told reporters.

He said Myanmar's Prime Minister General Thein Sein, in Thailand for an official visit, had agreed to join, even through the military-ruled nation was not currently a large rice exporter.

"Thailand will help them in terms of technical support to improve their production for export," Samak said.

Samak said Vietnam, Laos and Cambodia had also agreed to join, and Thai Foreign Minister

Noppadon Pattama said OREC should begin meeting soon.

Thailand is the world's largest rice exporter, and shipped an estimated 9.5 million tonnes of rice overseas last year.

World rice prices have soared this year, a trend blamed on higher energy and fertiliser costs, greater global demand, droughts, the loss of rice farmland to biofuel plantations, and price speculation.

International demand for Thai rice has soared after other top exporters Vietnam and India imposed limits on exports to ensure domestic supply.

Thailand has repeatedly insisted it will not limit exports, but on Tuesday the government announced it was releasing its stockpile of 2.1 million tonnes into the domestic market to keep prices stable.

The benchmark Thai variety, Pathumthani fragrant rice, was priced last Wednesday at 998 dollars per tonne for export, up from 512 dollars a tonne in January this year, the Thai Rice Exporters Association said in a price survey.



Sheikh Ahmed bin Saeed Al-Maktoum, chairman and chief executive of Emirates Airline and Group, announces the Group's 20th year of consecutive profit

# Emirates Group's net profit hits \$1b

SARWAR A CHOWDHURY, from Dubai

The Emirates Group's net profit has crossed US\$ 1 billion mark for the first time in its history, despite soaring oil prices and challenging business conditions in the second part of the last fiscal that ended on March 31, 2008.

The Group's net profit reached a new record of \$1.45 billion in the 2007-08 fiscal, an increase of 54.1 percent over the same period of the previous fiscal's net profit of \$942 million.

The group's net profit also increased by 54.1 percent last fiscal year over the previous year's net profit of \$942 million.

Group Chairman and Chief Executive Sheikh Ahmed bin Saeed Al-Maktoum formally announced the annual report of the group in Dubai yesterday.

The Emirates Group comprises Emirates Airline, Dnata

and subsidiary companies.

Sheikh Ahmed said: "It was another record year for the group in spite of a challenging business climate, particularly in the second six months where the soaring cost of jet fuel made a bid dent, although the impact was partly offset by other operating gains."

Out of the group revenue, the airline's profit also crossed \$1 billion mark for the first time with a net profit of \$1.37 billion from last year's \$844 million. The airline's profit also reached \$1.37 billion from last year's \$844 million.

Dnata recorded a growth of 27.2 percent to \$718 million, compared with \$565 million the previous year. Profits reached \$83 million, despite a challenging year for airport and cargo operations with ongoing construction at Dubai airport and peak traffic congestion.

# AB Bank chairman Faisal quits

STAR BUSINESS REPORT

Faisal Morshed Khan, chairman of the board of directors of AB Bank Limited, resigned following his conviction by a court, a source of the bank said yesterday.

Former foreign minister Morshed Khan's son Faisal, also managing director of Pacific Motors, was given seven years in jail on April 13 as he was found guilty of aiding Shahjahan Chowdhury, a former Jamaat lawmaker, in committing crimes and amassing wealth illegally.

"The board accepted his resignation last week," the source confirmed.

The source however said Faisal submitted his resignation before his conviction. The court also fined Faisal Tk 1 lakh, in default of which he will have to serve an additional three months in jail.

Faisal is on the run now. Asked about Faisal's whereabouts, he said, "I know he is sick and staying abroad."

Faisal was the chairman of AB Bank for the second term.

AB Bank Limited is a first generation private commercial bank in Bangladesh, which was established in 1981.

The bank, which has 70 branches and about 1,700 employees, has made an after-tax profit of Tk 190 crore in 2007.

The after-tax profits were Tk 53.21 crore and Tk 16.24 crore in 2006 and in 2005 respectively.

# GP's Q1 operating profit drops 32pc

STAR BUSINESS REPORT

Grameenphone's operating profit dropped by 32 percent in the first quarter of 2008 compared to the same period of the last year on increasing costs behind a huge number of customer acquisition.

The largest mobile phone operator added 1.3 million customers during the January-March period in 2008, but a 35 percent downfall of monthly average revenue per user (ARPU) cut the company's operating profit to 289 million Norwegian Krone (NOK) from NOK 423 million a year earlier.

The company's total revenue however increased by 16 percent to 1153 million Norwegian Krone (NOK) in the 1st quarter compared to a year earlier. The figure was NOK 1152 million (1 BDT=NOK0.0775) last year.

With having 17.80 million customers by the end of March 2008, the company is still the No 1 among the 6 mobile operators in the market.

According to its Q1 financial report (January-March) launched here yesterday, Grameen's market share also came down to 46 percent by the end of March 2008 from 62 percent a year earlier.

Norway's Telenor owns 62 percent of the company, which launched operation in 1997, with the balance 38 percent being held by local Grameen Telecom.

The company is firm to offload shares in the capital market within this year.

"Definitely there is stiff competition in the market. Continuous ARPU (average revenue per user) erosion remains fear and the operating profit was driven by the downfall," said Anders Jensen, chief executive officer of Grameenphone, announcing the company's Q1 result at a city hotel yesterday.

He, however said, "We are still in leading position and intends to restrain growth by this year."

According to the report, Grameen's per month ARPU down to NOK 22 by the end of March 2008, which was NOK 34 a year earlier due to decreasing average prices and the reduction in interconnection prices.

Commenting on losing market share, Anders explained that it happened mainly because of introducing new calculation measure by the telecom regulator.

But in 2007, Grameenphone lost some market share, he said, adding that the company will retain it by this year through increasing its concentration on rural areas.

The GP CEO said subsidisation to the customers also caused a pressure on margin. Along with Tk800 SIM (subscriber identification module) tax, the operator's average expenditure to activate a connection is Tk1100.

In the three months to March 30, Grameen's EBITDA (earnings before interest, taxes, depreciation and amortisation)



Anders Jensen, chief executive officer of Grameenphone, announces the company's Q1 result at a city hotel yesterday.

The company's total revenue increased by 16 percent to 1153 million Norwegian Krone (NOK) in the 1st quarter compared to a year earlier. The figure was NOK 1152 million (1 BDT=NOK0.0775) last year.

margins had decreased by 11 percent to NOK 545 million from NOK 613 million a year earlier due mainly to higher sales and acquisition costs following higher gross sales.

Grameenphon's total shareholders dividend so far stands at Tk9.1 billion including taxes and a declared dividend of Tk1.5 billion in 2007, which is less than 8 percent of the total investment.