

Asian Markets

MUMBAI Flat
9,645.46

TOKYO ▲ 0.70%
8,720.55

SINGAPORE ▼ 1.51%
1,794.16

SHANGHAI ▼ 2.28%
2,031.68

Currencies

Buy Tk Sell Tk

USD 68.40 69.40

EUR 87.59 92.23

GBP 99.88 104.85

JPY 0.73 0.78

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼
\$785.75
(per ounce)

Oil ▲
\$44.77
(per barrel)

(Midday Trade)

International

The smartphone designer



At 35, Eguchi Shunjiro is Nokia's top designer. Behind the ever-smiling face, he possesses a sharp sense of aesthetics and reasoning to churn out award-winning mobile set models.

US auto rescue wins backing

US legislators approved a massive government lifeline for the ailing auto industry as fresh economic data on Thursday offered evidence of a deep and painful global recession. The House of Representatives raised hopes on Wednesday by approving a package worth 14 billion dollars to keep the three biggest auto makers afloat -- potentially the most far-reaching intervention in US industry in years.

China's monthly exports drop for first time in 7 years

Exports and foreign direct investment (FDI) both fell in November because of shrinking demand overseas, sending fresh signs of economic weakness and prompting calls for more measures to bolster the economy. Exports dropped 2.2 per cent to \$114.99 billion last month, the first monthly decline in seven years, Customs authorities said Wednesday. And FDI fell 36.52 per cent year-on-year to \$5.3 billion, the Ministry of Commerce said.

Russia, China bribe most to win business abroad

Companies based in emerging economies such as China, India and Russia are perceived to routinely engage in bribery while doing business abroad, according to Transparency International's 2008 Bribe Payers Index (BPI).

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

High demand drives soybean output

SOHEL PARVEZ

Local soybean production is on the rise, as the industries, mainly poultry feed makers and edible oil refiners, are strongly in need of the item, according to industry insiders.

Of the local companies, City Group of Industries and S. Alam Group have been procuring the crop from the local market for its soybean crushing factories, while poultry feed makers such as Kazi Farms and Aftab are also buying it to make feed.

They, however, pointed to the fact that the output is far from the quantity edible oil processors and poultry farm owners demand. The major portion of such demand is met by imports.

But, analysts said, Bangladesh could meet much of its local demand through bring-

ing about 7 lakh hectares of coastal and char lands under soybean production, which in turn will also help reduce the country's dependence on importing over one million tonnes of edible oil a year.

"It's a prospective area. The more we produce the more will be our benefit, as it will help us save foreign currencies," said Zafor Uddin Siddiqui, director of sales and marketing of City Group of Industries. This group uses locally produced soybean to extract oil through its crushing unit.

The quality of local soybean is fine, Zafor said, adding: "Local production is very nominal considering our requirement."

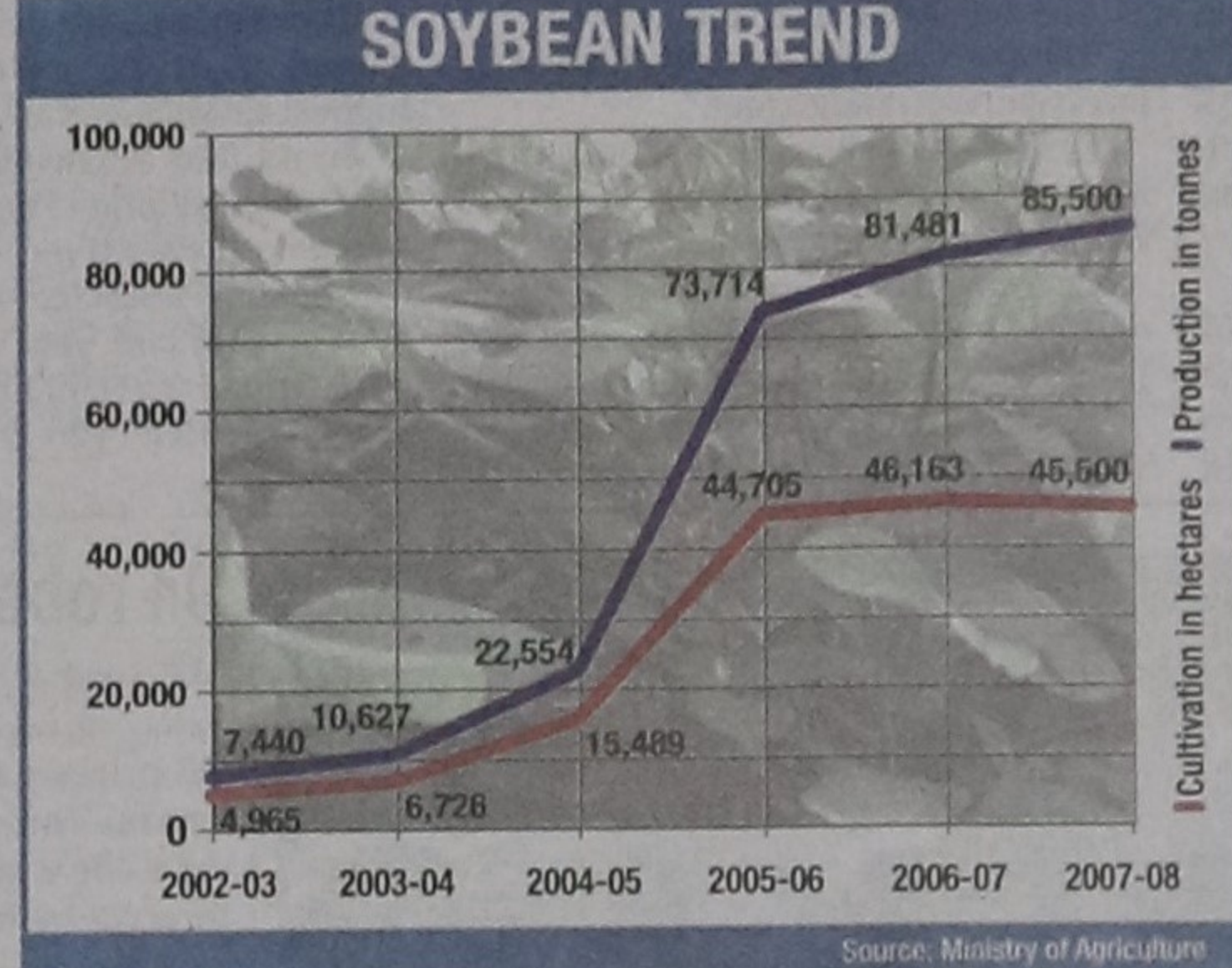
The data provided by Integrated Soybean Cultivation Project (ISCP) shows a steady rise in the item's production since the fiscal year (FY) 2002-

03. Soybean production that stood at 7,440 tonnes in FY 2003 rose to 85,500 tonnes in FY 2008, thanks to the market opportunity on the entry of edible oil refiners and poultry feed makers.

Now Laxmipur, Noakhali, Chandpur, Barisal and Mymensingh are among the 16 soybean producing districts in the country.

"We have set a target of ensuring production of about 1.10 lakh tonnes of soybean this year because of the rising demand in the local market," said Abdul Awal Mollah, project director of the ISCP under the Ministry of Agriculture.

He said the entry of big companies have helped farmers get an ensured market for their produces. "In the past, farmers were denied fair prices because



of a scanty marketing opportunity. Now the situation is improving," he said, adding that some small companies plan manufacturing soybean-based food products such as soymilk.

Abdus Samad Labu, vice-chairman of S Alam Group that operates a crushing unit, sought government efforts to enhance soybean cultivation and help local industries buy more from the local market lessening import dependence.

"We procured about 8,000 tonnes of soybean last year. We want to double that this year," he said.

Encouraged by the fair price of his produce, Nurul Islam Bhuiyan, a farmer in Laxmipur, now plans bringing one and half acres of land under soybean cultivation this year from one acre last year.

"I sold a mound of soybean at Tk 1,200 on an average last year. But the average price was Tk 800 the previous year," he pointed out.

sohel@thedailystar.net

GP files final IPO application



GP CEO Oddvar Hesjedal, right, hands over the company's final IPO prospectus to SEC Chairman Faruq Ahmad Siddiqi in Dhaka yesterday.

SARWAR A CHOWDHURY

Grameenphone yesterday submitted the final prospectus of its initial public offering (IPO), largest in Bangladesh, to the stocks regulator to raise \$65 million (Tk 449 crore) from the capital market.

The submission of Grameenphone prospectus, which is awaiting approval by the Securities and Exchange Commission (SEC), is seen by market analysts as an encouragement to other big companies to go public.

If approved, Grameenphone will be the first telecom company to list on the market, said Yawer Sayeed, managing director of AIMS of Bangladesh.

"It will also encourage other big companies to come to the stock market. We look forward to the Grameenphone issue," he added.

In line with the IPO proposal, Grameenphone has offered each share at Tk 7, including Tk 6 in

premium.

Grameenphone Chief Executive Officer Oddvar Hesjedal handed over the final IPO prospectus to SEC Chairman Faruq Ahmad Siddiqi. SEC Executive Director Farhad Ahmed, Grameenphone Board members Dipal Barua from Grameen Telecom and Per Erik Hyland from Telenor, and Grameenphone Chief Financial Officer Arif Al Islam were also present.

"We have received the prospectus of IPO proposal of Grameenphone," Farhad Ahmed told The Daily Star.

"We will scrutinize the prospectus now and take necessary steps to approve the prospectus," said the SEC executive director.

In a statement, Grameenphone said it has completed the marketing of a pre-IPO private placement of its shares amounting to \$60 million to local institutional investors on December 4. The pre-IPO placement offer was over-subscribed by three times

due to strong support from more than 50 local institutional investors.

For the first time in Bangladesh, book-building methodology was used to discover prices of the share. From a range of Tk 7 to Tk 9 the final price set for the private placement offering was Tk 7.4 while the IPO price was set at Tk 7. The face value of the share has been set at Tk 1.

"We are proud of our achievement in having reached this milestone. We remain committed to contributing to the development of the capital markets of Bangladesh and look forward to a successful completion of the largest IPO in the country," said Hesjedal.

Citigroup Global Markets Bangladesh Private Ltd is the global coordinator, lead underwriter, placement agent and issue manager for Grameenphone's capital raising in Bangladesh.

In July, Grameenphone finalised its plan to raise \$300 million (Tk 2,058 crore) -- \$150 million from the stock market and the rest through private placement or pre-IPO.

The company, later in October, said it might cut its planned IPO to \$125 million -- more than half from stock market and the remainder through private placement.

Grameenphone, which launched operations in 1997, is 62 percent owned by Norway's Telenor and 38 percent held by Grameen Telecom. The operator had been under pressure from Bangladesh Telecommunication Regulatory Commission and SEC to list on the capital market.

sarwar@thedailystar.net



Banglalink gets new CEO

STAR BUSINESS REPORT

Ahmed Abou Doma has been appointed chief executive officer to Banglalink, the country's second largest mobile operator.

He has been working as the marketing director of Egyptian company for mobile services 'Mobinil' since 2003. During this period, the company becomes the largest mobile service provider in Egypt with huge growth in subscribers from 27 lakh in 2003 to two crore in December 2008, Banglalink said in a press statement.

Doma has an extensive experience in the field of information technology where he had held several important positions with multinational firms, including IBM and Datum IDS.

A Bachelor of Science in Electronics and Communication Engineering from Cairo University, Doma is a member of various local and international marketing committees.

He will take charge in January 2009 replacing Rashid Khan as the Banglalink top official. Khan is set to work as the CEO for Mobilink Pakistan.

Swedish firm to expand outsourcing in Bangladesh

REFAYET ULLAH MIRDHA and DIETER BACHMANN

A multinational Swedish firm engaged in outsourcing home textiles and home furnishing items is planning to expand its operations in Bangladesh.

As part of its plan, IKEA has targeted to buy handmade and machine-made cotton rugs, machine tufted rugs, PP (Polypropylene) plastic items and natural fibre products, said an official of the company in Dhaka.

The company is currently sourcing mainly textiles furnishings and ceramic articles from Bangladesh, said Edward Mokronosov, business development manager of IKEA Trading (Hong Kong) Ltd, Bangladesh liaison office.

Mokronosov said the country is traditionally strong in textile sector.

"Bangladesh is a very important market for IKEA and the plan is to treble our purchase volume in the next few years," he said.

The company will engage more suppliers and introduce new materials besides textiles, he added.

Mokronosov said IKEA believes that good working and social conditions, coupled with measures taken for the protection of the outside environment at the IKEA's suppliers, are the prerequisites for doing good business.

"Our code of conduct covers working and social conditions, and the environment," he said, adding that a team of internal auditors and experts works closely with the suppliers.

About designs he said products are mostly developed by IKEA product developers and designers based in Sweden.

While formally opening its office in Dhaka in November, IKEA announced that it aims to buy home textiles worth 300 million euros from Bangladesh within next few years.

At present, IKEA purchases home textiles worth 100 million euros a year from the country.

IKEA started purchasing home textiles from Bangladesh in 1997 and in



IKEA, a Swedish firm that imports home textiles and home furnishing items from Bangladesh, plans to expand its operations here.

2000 the company started activities with a small workstation in Dhaka.

Besides textiles, IKEA also sources carpets and ceramics. Sixteen co-workers are employed in the Bangladesh office, the company official said.

There are a total of 253 stores of IKEA in 24 countries and last year 565 million people visited the IKEA stores worldwide, while the turnover of the company in 2007 was 21.2 billion euros, the official said.

The top three markets in terms of sales of the IKEA products are Germany (15 percent), the USA (10 percent) and France (10 percent).

reefat@thedailystar.net

Asian growth to drop as meltdown bites: ADB

STAR BUSINESS DESK

The Asian Development Bank (ADB) said yesterday that growth in Asia's developing countries will slow to 5.8 percent next year, and regional governments must boost domestic demand to offset a deepenslowdown.

The effects of global financial crisis will see growth slow from 6.9 percent this year as nervous global investors scale back regional interests and a drop-off in demand hits the export market, the ADB said in a new report.

China, which has provided the driving force to the region's stellar economic performance in the last five years, will grow at 8.2 percent next year, down from 9.5 percent this year, the Philippines-based institution said.

Earlier in its quarterly economic update for July-September 2008, ADB projected Bangladesh's gross domestic product (GDP) growth in a range between 5.5 percent and 6.0 percent for the current fiscal year.

"The global financial crisis will put a mild brake on Bangladesh's economic growth rate for fiscal year 2009, although continued strength in its agriculture and industries sectors will limit the downside," the ADB update said.

"Developing Asia -- which initially looked well positioned to weather the global crisis -- has come under increased pressure," the ADB said in its yesterday's special report monitoring financial crisis, released in Hong Kong.

"As global investors scale back emerging market assets amid continued financial system de-leveraging, Asian equities and external funding conditions have been hurt."

Despite a hefty build-up of foreign exchange reserves since the 1997 Asian financial crisis, the global credit crunch is testing Asian banks' ability to keep lending, the report said, adding that economies that depend on exports are particularly vulnerable.

"Weakening demand for manufactured goods in major industrial coun-

tries means declining export orders from Asia, with knock-on effects for industrial production," the report said.

"Global trade volume is rapidly slowing down and is expected to barely expand in 2009, creating difficulties for regional economies that rely on exports for growth."

The growth figures for developing Asia have been revised down from previous estimates of 7.5 percent for 2008 and 7.2 percent in 2009.

Asia is relatively well-positioned to avoid the worst effects of the crisis, but policymakers must act aggressively to stimulate domestic demand and boost government spending, said ADB.

Stimulating consumption is very important, but in the current situation it will be very difficult to increase consumer spending, said Lee Jong-Wha, head of the bank's Office of Regional Economic Integration.

"That is why we are saying... governments must increase their own consumption in a way to expand domestic

demand. Governments could expand investment in infrastructure and construction, we hope it will stimulate private investment."

The ADB also recommended that policymakers in the region act quickly against any further tightening of credit markets, provide enough foreign and domestic liquidity and reinforce cross-border cooperation.

Last year, the report said growing inflation was one of the key challenges to the region's economy, but Lee said inflation now appeared to have peaked. He denied that the drastic drop-off in demand could lead to deflation.

South Asia was likely to reach 6.8 percent growth this year and 6.1 percent next year, down from 8.6 percent in 2007.

The ADB's growth projection for India has been revised down to 7 percent in 2008 and 6.5 percent in 2009, from 9 percent in 2007.

Countries	2008	2009
Brunel	-0.5	2.0
Cambodia	6.5	4.7
Indonesia	6.1	5.0
Laos	7.5	6.5
Malaysia	5.0	3.5
Philippines	4.5	3.5
Singapore	2.3	1.2
Thailand	4.0	2.0
Vietnam	6.3	5.0

Source: ADB 111203 AFP