

Stocks

DGEN ▲ 2.53%
2,653.10

CSCX ▲ 3.57%
5,570.50

Asian Markets

MUMBAI ▼ 0.40%
10,979.50

TOKYO ▲ 0.19%
8,924.75

SINGAPORE ▼ 1.14%
1,874.85

SHANGHAI ▲ 2.14%
2,557.46

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	87.10	91.81
GBP	99.22	104.45
JPY	0.68	0.75

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼
\$870.20
(per ounce)

Oil ▼
\$48.20
(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Women at the helm



Women in the workplace were most-talked-about when PepsiCo named Indra Nooyi as the chief executive officer (CEO) to succeed Steve Reinemund, putting her among the leading women in corporate America. Indian-born Nooyi, who was ranked "No. 11" in Fortune's list of the most powerful women in business, joined the company in 1994 and was named chief financial officer (CFO) in 2001 and CEO in 2006.

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International

Britain's GSK buys US skincare firm Stiefel

British pharmaceutical giant GlaxoSmithKline said Monday that it has agreed to buy US-based skincare group Stiefel Laboratories in a deal worth up to 3.6 billion dollars (2.7 billion euros). The deal for Stiefel, a maker of anti-itching creams, acne treatments and other skincare products, had been widely expected after US media reports over the weekend.

China state companies report profit surge

Companies controlled by China's central government saw profits grow 86 percent in March over February as Beijing's infrastructure-focused stimulus package kicks in, state media reported Monday.

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

Furniture makers look to exports

SAJJADUR RAHMAN

Furniture makers hurt by a slump in domestic demand in recent months seek to grab the export market.

They believe they could exploit the export potential of the product, as countries like Malaysia and Indonesia are making huge money from its exports to the West, especially the US and Europe.

"We will sit shortly with the companies capable of exports," said Salim H Rahman, owner of Hatil Furniture, now the fastest growing furniture company.

Rahman, also the general secretary of Bangladesh Furniture Industries Owners Association, expects government policy support in this regard.

The Tk 4,000 crore industry, which sprang up in a decade cashing in on rapid urbanisation and constant economic growth in the country, is nowadays faced with a demand-drop. The market players say even the sixth furniture fair ending today could not draw buyers at an optimum level.

"A committee has been formed recently to devise strategies as to how and where we can export our products," said Mohammed Ullah, treasurer of the sectoral trade body.

Mohammed Ullah, also managing director of La-Sany Furniture said: "Bangladesh has bright prospects for furniture exports, as the country has an edge - cheap labour - over other exporting competitors."

The industry insiders attributed the recent decline in the sectoral growth to consumers' diminishing purchase capacity.

Big players like Navana, Partex, Hatil and Pacific, which entered into the market

since 2000 to exploit the business opportunity from a rising middleclass group who searched for alternative but aesthetic and quality furniture, are also feeling the pinch of such slowdown.

"Production has increased several times, compared with five years back, but not sales," said Md Habib, owner of Sagor Enterprise, a manufacturer of wooden furniture participated in the fair.

AKM Munir Hossain, head of marketing of Brothers Furniture, one of the leading manufacturers, echoed Habib's view.

Different boards, such as MDF and Melamine have replaced wooden furniture for the past several years. Adoption of modern technology and materials has also reduced the labour cost significantly, which helped them to be competitive, according to market players. These boards, imported from Malaysia and China, are assembled locally.

Otobi, which has been in business since the 1970s, is the premier furniture manufacturer.

Some intending exporters, who are upbeat on Bangladesh's prospects for furniture exports, consider Indonesia and Malaysia as their competitors.

Indonesia's furniture export volume reached \$2 billion last year, while Malaysia's export figure is about \$1 billion. Malaysia has planned to net \$1.5 billion in 2010 despite the ongoing global recession.

Both this countries are now looking for new markets, such as East European countries, to offset the impacts of the slump in the US and Europe.

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SYED ZAKIR HOSSAIN

A view of a furniture fair organised by Bangladesh Furniture Industries Owners Association in Dhaka. Local market players have set their sights on export destinations. The Tk 4,000 crore industry, which sprang up cashing in on rapid urbanisation and constant economic growth in the country, is facing falling demand.

Biman may resume Tripoli flights

SOHEL PARVEZ

Biman Bangladesh Airlines plans to resume flights to Libya as it sees good business prospects from a recent surge in outbound migrants to the North African country, officials said yesterday.

The initiative is expected to enable the state-run carrier to offset the impacts from a decline in passenger flow because of a slump in the recruitment of workers.

"We are exploring the possibilities of starting flights to Tripoli as we see an increased movement of Bangladeshi migrants to the place," said a senior Biman official.

Biman expects to reopen its operations to Libya after nearly two decades. The flights were halted then because Bangladeshi workers were no longer required for employment in the North African state, officials said.

In February, Libya began recruiting Bangladeshi workers again and its embassy started issuing visas, aiming to meet the nation's labour demands to accomplish a \$130



billion infrastructure development programme. The programme is said to require over one million foreign workers.

According to the Bangladesh Bureau of Manpower, Employment and Training (BMET), 2,952 migrant workers flew to Libya in March, up from 610 in February.

Officials said Biman now offers Tripoli-bound migrant workers travel up to Dubai with its own flights and then hands passengers

over to the destination with Libyan Airways in an interline agreement.

"We now carry more than 200 Libya bound workers a week. The remaining passengers are borne by other carriers, such as Emirates," said the official. He expects the flow to increase further in the days ahead.

Hopes of a new destination for Bangladeshi migrant workers began to brighten after the governments of Bangladesh and Libya

inked a deal regarding the recruitment of Bangladeshi workers.

BMET officials said the Libyan embassy has issued about 10,000 visas for Bangladeshi migrant workers.

"Every cloud has a silver lining. It will help us combat the recent fall in traffic due to a contraction of worker demands," he said.

The global economic meltdown forced thousands of migrants to return from the Middle East and Southeast Asian countries.

Officials said Biman wants to operate two flights a week to Tripoli and would not cut any of its present flights to 18 other destinations.

"We will extend our flights to Tripoli. For this, we are examining various options like a combination of aircraft and route," the official said. He expects the flights to augment Biman's revenues.

To realise the goal, a team from Biman is expected to visit Tripoli by the end of the month to evaluate and complete the official procedures.

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ACI eyes assembling Panasonic products

SARWAR A CHOWDHURY

ACI Limited plans to set up a plant in Bangladesh to assemble Panasonic-branded products after embarking on electronics business with distributorship of the Japanese company's audiovisual items.

"After signing a sole distributorship agreement with Panasonic in Singapore recently we have started retailing Panasonic-branded audiovisual products in Dhaka and Chittagong areas," Muallem A Choudhury, chief financial officer of ACI, told The Daily Star.

"We have a dormant dream of setting up an assembling plant in Bangladesh, where completely knocked down (CKD) items will be put together for a finished Panasonic branded item," Choudhury said.

Setting-up of the assembling plant depends, however, on the success of retailing of Panasonic products, to some extent, said the company's other senior officials.

Panasonic has approved an assembling plant in Vietnam after observing its product-retailing for seven years.

ACI has projected to sell 5,600 pieces of Panasonic audiovisual products worth Tk 128 million in the first year, which will be 2.5 percent value share of the audiovisual product market.

The product profile comprises colour television, flat panel television (LCD and Plasma), DVD home theatre, DVD player, mini hi-fi system, digital still camera and video camera.

Earlier, Panasonic products were marketed by Nicole, now defunct.

"We are reintroducing Panasonic items in a big way," Choudhury said, pointing to the previous distributors' performances here, which he deems unsatisfactory because Panasonic's market share is less than 1 percent in Bangladesh.

ACI promotional drives for Panasonic items will be funded by the Japanese company.

Among the product profile, liquid crystal display (LCD) and plasma televisions are premium products that targeted high-end customers, corporate houses and hotels and motels.

ACI Consumer Brands, a strategic business unit of ACI, has already sold four 50" plasma televisions each at Tk 3.82 lakh, eight 42" plasma televisions each at Tk 2.30 lakh and eight 42" LCD televisions each at Tk 1.51 lakh.

Panasonic is superior in manufacturing television with hi-definition plasma and LCD.

"Our target is not only selling the premium products, but also regular or common items for middle income group to upper level," Choudhury said.

Panasonic's regular colour television, the price of which is lower than Sony brand but higher than Chinese and other brands, is a quality product, he said.

Colour television is the biggest segment of the Tk 1,330 crore electronics market, with 15 percent annual growth, according to industry sources.

Around 400,000 television sets worth Tk 440 crore were sold last year.

Among the television brands, Chinese Konka is the top player with 21 percent market share, followed by TCL with 18 percent, Singer with 12 percent, LG with 11.25 percent and Samsung with 10 percent.

ACI will also introduce Panasonic refrigerators in the next phase to capture a position in the refrigerator market, the second biggest segment of the electronics market.

"Our purpose is not to compete with Chinese items, rather our main objective is to provide quality products to customers," the ACI official said.

ACI, also involved in pharmaceuticals, agro-business and consumer items, made a net profit of Tk 107.56 crore last year.

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Bank of America profits soar

AFP, New York

Government-rescued Bank of America Monday said it had recorded a profit of 4.2 billion dollars in the first quarter despite the financial crisis, on the back of newly-bought Merrill Lynch.

Bank of America said its acquisition of Wall Street investment bank Merrill Lynch contributed more than three billion dollars to its bottom line.

Bank of America, the largest US bank by assets, has received 45 billion dollars in government aid to weather the global financial crisis and has said it would seek to repay the public funds as quickly as possible.

The bank said it had paid 402 million dollars in preferred dividends in the January-March period to the US government.

The bank reported net profit of 4.2 billion dollars, with earnings per share of 44 cents, widely topping analysts' expectations of four cents per share and nearly triple that of a year ago.

For the 2008 first-quarter, the bank posted net income of 1.2 billion dollars, or earnings per share of 23 cents.

In the fourth quarter of 2008, the bank had a net loss of 1.7 billion dollars.

The bank based in Charlotte, North Carolina, said its 2009 first-quarter results include Merrill Lynch, which it acquired on January 1, and mortgage lender Countrywide Financial, which was purchased on July 1, 2008.

Merrill Lynch contributed 3.7 billion dollars to net income, excluding certain merger costs, "on strong capital markets revenue," Bank of America said.



Government-rescued Bank of America says it has recorded a profit of \$4.2 billion in the first quarter despite the financial crisis, on the back of newly-bought Merrill Lynch.

Countrywide also added to net income because of increased mortgage lending and refinancing volume.

Bank of America noted the year-ago period does not include Merrill Lynch and Countrywide results.

"The Merrill Lynch integration is on track and expected to meet targeted cost savings," the bank said. The Countrywide integration was also on track and cost savings from the acquisition were "ahead of schedule."

Revenue, after interest expense, more than doubled to a record 36.1 billion dollars from a year ago.

Bank of America said it had

taken steps in the 2009 first quarter to boost its capital and liquidity position, including strengthening its loan loss reserves and building its cash position.

It added a hefty 6.4 billion dollars to its loan loss reserve, signaling it is bracing for further turbulence as the world's largest economy struggles with recession for a second consecutive year.

"The fact that we were able to post strong, positive net income for the quarter is extremely welcome news in this environment," said Kenneth Lewis, chairman and chief executive.

"It shows the power of our diversified business model as well as the

ability of our associates to execute. We are especially gratified that our new teammates at Countrywide and Merrill Lynch had outstanding performance that contributed significantly to our success."

Bank of America said it was creating 5,000 new jobs. At the end of March, the global banking giant employed about 284,800 people.

The bank reported more than 183 billion dollars in lending, compared with 180 billion in the fourth quarter.

Its Tier One capital ratio, a key measure of a bank's lending capacity, rose to 10.09 percent in the first three months of the year, from 7.51 percent a year ago.

AFP