

DHAKA WEDNESDAY MAY 6, 2009

## Stocks

DGEN	0.05%	2,507.90
CSCX	0.17%	5,254.06

## Asian Markets

MUMBAI	0.03%	12,131.08
TOKYO	Closed	
SINGAPORE	2.25%	2,074.35
SHANGHAI	0.29%	2,567.34

## Currencies

	Buy Tk	Sell Tk
USD	69.02	69.03
EUR	92.52	92.55
GBP	103.60	103.63
JPY	0.70	0.70

SOURCE: BANGLADESH BANK

## Commodities

	<b>Gold</b>	\$903.00	(per ounce)
	<b>Oil</b>	\$53.88	(per barrel)

SOURCE: AFP

(Midday Trade)

## More News

### The third way



While the world continues to suffer from the collapse of the financial systems and the effect this has had on businesses the world over, there is still a lack of clarity on how to solve the problems and more importantly, how to prevent them happening again. It is clear however, that neither regulation, nor legal and political frameworks will necessarily ensure that business leaders act in the public interest in the future.

B-4

## International

### Alcatel-Lucent net loss widens in Q1

Alcatel-Lucent's net loss widened in the first quarter as sales of both wireless and wireline communications gear continued to fall in all major global markets amid the global economic downturn.

### BlackBerry Curve tops iPhone in first quarter: NPDP

Research in Motion's BlackBerry Curve moved past Apple's iPhone to become the top-selling smartphone in the United States in the first quarter of the year, research firm NPDP Group reported Monday. NPDP said a "buy-one-get-one" promotion by carrier Verizon Wireless helped push the Canadian company's BlackBerry Curve past the iPhone 3G in the first three months of the year.

B-4

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

# GP ranks among Telenor's best

STAR BUSINESS REPORT

Grameenphone (GP) comes out as a strong player in the performance of its majority stakeholder Norway's Telenor even in the global economic crisis, as the local mobile operator posted an 83 percent rise in operating profit in the first quarter of 2009 over the same period a year ago.

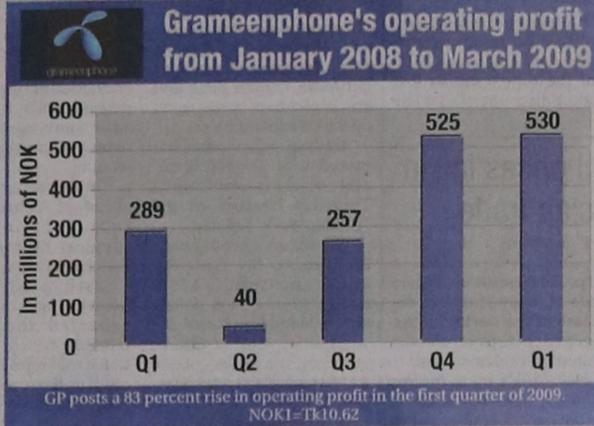
GP's operating profit jumped to 530 million Norwegian Kroner (NOK) (Tk 562.86 crore) in the first three months of 2009, which was NOK 289 million up from the same period of 2008, according to Telenor's financial report posted on its website yesterday.

"We have managed to reduce capex (capital expenditure) and costs, resulting in a strong cash flow margin in a challenging business environment. Particularly Telenor Norway and Grameenphone in Bangladesh are delivering strong performance," said Jon Fredrik Baksaas, president and CEO of Telenor, in a press statement.

"The business environment continues to be turbulent and we now experience some impacts on the telecom sector, in particular influencing international traffic. However, the total traffic volumes are relatively stable," said Baksaas.

GP was the most profitable venture of Telenor's global mobile network in the last quarter of 2008. For the full year of 2008, GP made an operating profit of NOK 1.836 billion on sales of NOK 4.314 billion.

GP is a joint venture -- 62 percent owned by Telenor and 38 percent by local Grameen Telecom. Telenor provides voice, data, content and other communication services in 13 countries across Europe and Asia.



GP is the market leader among the six mobile operators. The company now holds 46 percent market share with 21 million customers up to March 2009.

Its revenue also went up by 6 percent in the first quarter this year over the same period in 2008. The first quarter revenue was NOK 1,574 million (NOK1 = BDT 10.62) compared to NOK 1,153 million of the same period of 2008. Last year's total revenue was NOK 5,049 million.

In a statement issued yesterday, Grameenphone CEO Oddvar Hesjedal said: "The reported increase has mainly been due to the growth in the company's subscriber base, and increased interconnection revenues for the introduction of International Gateway (IGW) from the fourth quarter of 2008."

The number of subscribers added in the first quarter of 2009 was 63,000, a slowdown attributable to the higher

start-up price on inclusion of the SIM (subscriber identity module) tax. Along with some other mobile operators, GP increased its connection price to Tk 800.

The operator's EBITDA (earnings before interest, taxes, depreciation and amortisation) up to March was NOK 934 million, which was NOK 545 million a year earlier. The company said EBITDA increased mainly on higher revenue combined with lower subscription acquisition costs.

The Telenor financial report said GP's monthly average revenue per users (ARPU) to March was NOK 25, which was NOK 22 a year ago. The \$3.2-billion Grameenphone is the first mobile company that has submitted its plan for listing on the capital market. The \$65-million (Tk 449 crore) initial public offering (IPO) proposal however is still under consideration of the capital market watchdog.

# BADC breeds hybrid rice seeds

SOHEL PARVEZ

The Bangladesh Agricultural Development Corporation (BADC) has entered the production and distribution of hybrid rice seeds to provide them to farmers at reasonable prices, officials said yesterday.

The move by the public sector entity, stakeholders observe, is expected to intensify competition in seed business dominated by private-sector players.

"We have sold about 49 tonnes of hybrid rice seeds to farmers for cultivation in the outgoing boro season," said a senior official, in charge of seeds at BADC.

The public sector organisation that assigns the procurement and supply of agricultural input including seeds, took the initiative about a year after it stopped production and distribution of BRRI Hybrid Dhan-1, due to the unpopularity of the locally developed hybrid seed.

Officials attributed the halt in production of the variety, developed by Bangladesh Rice Research Institute (BRRI), to its low yield, compared to the high yielding variety DR-29. BADC discontinued the production of the variety towards the end of fiscal 2004-05.

The officials said BADC had produced the hybrid seed, SL-8H, in collaboration with SL Agritech Corporation, Philippines. After observing trial performance of the seed, the National Seed Board approved use of the seed in fiscal 2007-08, for cultivation in Comilla, Mymensingh and Jessore.

"We sold a kilogram of SL-8H hybrid seed at Tk 150 to farmers," he said, claiming that the rice price was fixed without any subsidy.

The price charged by BADC was lower than the price charged by the private sector, which was between Tk 180-210 per kilogram, stakeholders said.

However, the amount of hybrid rice distributed by BADC was too little to make any impact on the overall market.

In the outgoing boro season, about 11,000 tonnes of hybrid rice seeds were used in over 8 lakh hectares of land, of which, the private sector seed growers produced more than 2,500 tonnes and the remaining was imported.

"We want to increase the production of hybrid seeds in the years ahead. This year we expect the production of hybrid seeds to reach 247 tonnes. We aim to produce 440 tonnes of hybrid seed in fiscal 2009-10," said the BADC official.

"More than 11 tonnes of rice per hectare were produced in some fields in Jessore," he said. Yield from the SL-8H hybrid rice seed was higher than the yield of the hybrid seeds.

"Our hybrid rice seed has the potential to yield between 12-14 tonnes of rice, a hectare. I believe our farmers will easily receive no less than 10 tonnes a hectare," he said.

Anwar Faruque, director general of Seed Wing of the Ministry of Agriculture, said: "We want the hybrid seeds to be delivered at reasonable prices. The entry of BADC will intensify competition and help attain the objective. Farmers will also have more options to choose from."

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# Delta Spinners to raise Tk 45.28cr

STAR BUSINESS REPORT

Delta Spinners, a listed company, plans to raise Tk 45.28 crore in fresh capital for expansion through a repeat initial public offering (IPO) and rights shares.

Of the amount, Tk 30 crore will be raised through the repeat IPO, with the remaining Tk 15.28 crore to be raised through rights shares.

The textile company plans to use the raised money to set up a new industrial unit to diversify products and BMRE (balancing, modernisation, renovation and expansion) of the existing one.

A portion of the money will also be used to pay off high-interest bearing lease and loan finance to increase the company's profitability and pay off directors' loans.

The decision was taken at a board meeting of the company, according to the Dhaka Stock Exchange website.

Issue of the rights shares at a 1:1 ratio means one rights share for each existing share. The repeat IPO is subject to approval of general shareholders in an extraordinary general meeting (EGM) and subsequent approval by the Securities and Exchange Commission.

If the plan gets through, the company's paid-up capital will reach Tk 30.58 crore, up from Tk 15.30 crore. Its authorised capital is Tk 75 crore.

Delta Spinners will appoint Investment Corporation of Bangladesh (ICB) Capital Management Limited to act as manager of the issue.

# StanChart launches Islamic home finance



Afaq Khan (R), chief executive officer of Standard Chartered Saadiq, speaks at the launch of the bank's home loan scheme titled "Saadiq Home Finance" in Dhaka yesterday. Kamran Sunjoy Rahman (L), head of StanChart's Islamic banking for Bangladesh, and Sandeep Bose, head of consumer banking in Bangladesh, Nepal and Sri Lanka, are also seen.

STAR BUSINESS REPORT

Standard Chartered Bank plans to launch a number of Shariah-based products to strengthen its Islamic banking services in Bangladesh, officials said yesterday.

As part of the move, the bank yesterday rolled out a home loan scheme titled "Saadiq Home Finance" in Dhaka.

"We are willing to offer more Islamic banking solutions to Bangladesh customers to cater to their needs," Afaq Khan, chief executive officer of Standard Chartered Saadiq, told reporters in a news briefing.

StanChart's Islamic banking is called "Saadiq".

"We are committed to bringing new products to Bangladesh. It is one of the few markets where we want to grow," Khan said.

Kamran Sunjoy Rahman, head of StanChart's Islamic banking for Bangladesh, said the new Saadiq home finance is part of a series of products to be launched by next year.

"We will roll out more financial solutions to help our customers in their financial management planning," Rahman said.

He said the bank's next plan is to launch Shariah-based business account for small and medium enterprises.

"Also, we are planning to launch Islamic investment banking," he added.

On the new products, Khan said: "Our product strategy has always been a truly customer-centric approach. The launch of new products depends on the customers' need."

Standard Chartered Bangladesh has a wide variety of Islamic financial products, such as savings and current accounts, fixed deposit, credit card, personal and auto finance.

Officials said the new Saadiq home finance would provide potential as well as existing homeowners with a variety of choices in property purchases and renovation.

The maximum limit of the loan will be Tk 75 lakh. The scheme will be based on the concept of "Hire-Purchase under Shirkatul Melk".

In Shirkatul Melk, co-ownership is formed between two or more persons who share the ownership of a tangible asset in an agreed proportion. One of these co-owners undertakes to buy in periodic installment of the proportionate share of the other co-owners until the full ownership of the asset.

Standard Chartered Islamic Banking in Bangladesh was launched in 2004 and has been growing significantly in the last two years.

Sandeep Bose, head of StanChart's consumer banking in Bangladesh, Nepal and Sri Lanka, was also present at the briefing.

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