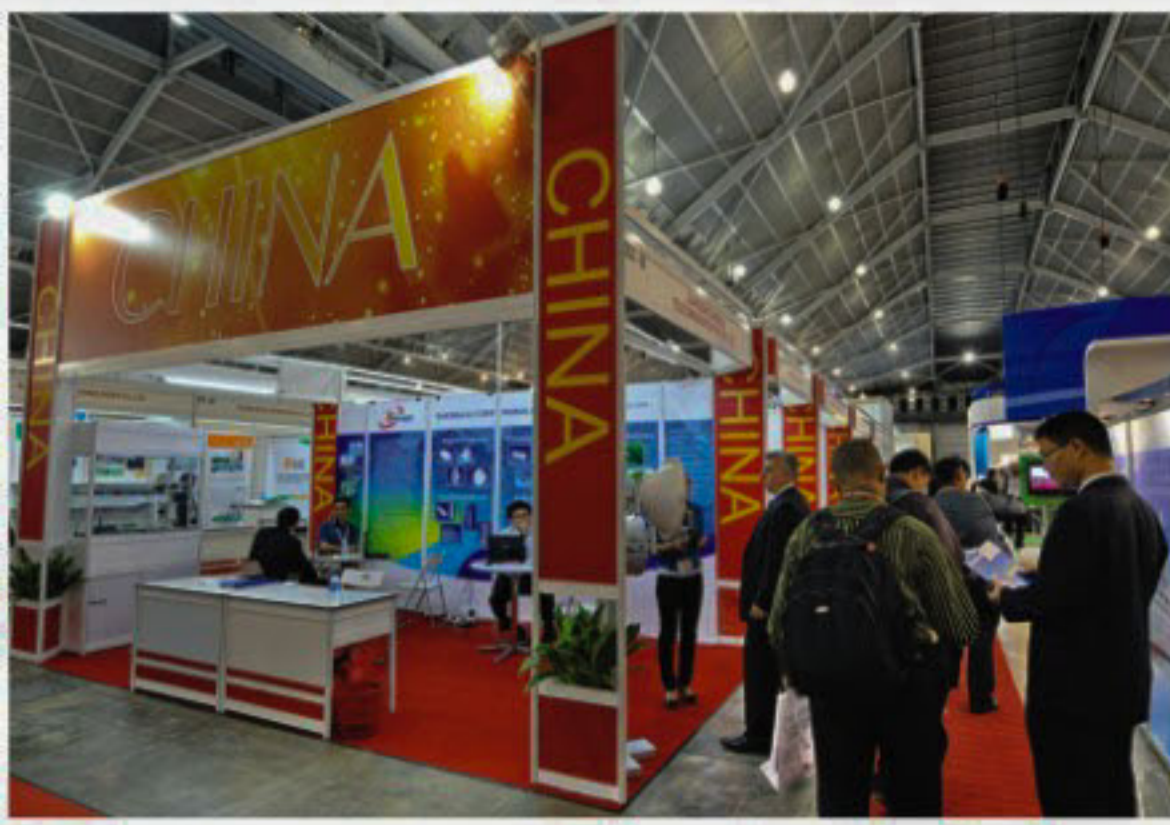


International Business News



The photo taken on Thursday shows visitors walk through the Chinese companies booths participating during CommunicAsia 2010 conference and exhibition show in Singapore. It wasn't just the fancy new gadgets and scantily clad models that stole the show at a massive telecoms exhibition in Singapore. Chinese firms led by heavyweights Huawei Technologies and ZTE Corporation flew the Asian giant's flag proudly at the annual CommunicAsia and BroadcastAsia trade fairs that ended Friday, signalling the rise of a new power in the industry.

Australia in \$9.6b deal with Telstra

AFP, Sydney

Australia said yesterday it had reached an 11 billion dollar (\$9.6 billion) deal with the country's largest telcoms company Telstra to bring it into the rollout of a national broadband network.

Prime Minister Kevin Rudd, who has described the network as Australia's biggest ever infrastructure venture, said the government would pay nine billion dollars to access the Telstra's infrastructure.

In the deal which has taken months to produce and must still be approved by Telstra shareholders and the competition regulator, another two billion dollars would be used to deal with transitional issues.

"This has been a very difficult, tough, hard negotiation but it has also been an honest set of negotiations," Rudd told reporters in Canberra.

"It demonstrates what can be yielded through a process of negotiation where the end point is to deliver better services for all Australians and a better outcome for our nation's economy."

Britain to introduce bank levy

AFP, London

Britain's finance minister George Osborne confirmed yesterday that his emergency budget to be unveiled this week will include a banking levy.

The chancellor of the exchequer said it would be part of the budget that he will announce in parliament on Tuesday.

"What I'm determined to do is to make sure that the measures are tough but they're also fair," Osborne told BBC television.

"What we're clear about is that all parts of society are going to have to make a contribution."

"I'm going to ask the banks to pay a bank levy so there will be a contribution from them," he said.

"We are going to have better regulated banks, it's going to be tougher regulation and we're also going to look at the structure of banking."

France Telecom set to take over stake in Le Monde

AFP, Paris

France Telecom is set to buy a stake in Le Monde, the chief executive said in an interview yesterday, raising the prospect that the state will have indirect ownership in France's newspaper of record.

France Telecom's board of directors is scheduled to meet later Sunday to consider the offer to buy a 34-percent stake owned by the Lagardere group in Le Monde Interactif, the newspaper's online business, said Stephane Richard.

The offer is part of an overall deal being finalised by France Telecom along with the weekly Nouvel Observateur group and Spain's Prisa publishers, which own El Pais newspaper, to take a controlling stake in Le Monde.

Oman Oil Co eyes Oman oil, gas block as BG exits

REUTERS, Muscat/Dubai

State-run Oman Oil Company (OOC) is in talks with Oman's Ministry of Oil and Gas to take on an exploration block ceded by Britain's BG Group, a senior Omani oil official said on Sunday.

Like most of its Gulf neighbours, Oman is short of the gas it needs to meet rapidly rising demand for industry and power. Across the region, governments have embarked on exploiting unconventional gas reserves, such as Oman's tight gas.

The gas is in complex formations that is more expensive to produce than more conventional reserves.

"Oman Oil Company is in discussion with the ministry of oil and gas to take over the BG concession in Oman," Nasser al-Jashmi, undersecretary for oil and gas, told Reuters.

COLUMN

Equity market for economy

SHADUL KAZI

Own money, the more the best. This traditional approach to financing business is not anymore so popular and realistic. Establishing a company and its growth requires outside finance, which can be divided into two macro groups -- debt financing and equity financing.

Debt financing means a firm raises money by selling bonds, bills, or notes to individuals and/or institutional investors. In return for lending the money, the individuals or institutions become creditors and receive a promise that the principal and interest on the debt will be repaid.

In addition, borrowing money from the bank by a company is also part of debt financing. In debt financing, the borrower must pay back the borrowed amount and the promised rate of interest, irrespective of the financial condition of the company.

On the other hand, equity financing is the act of raising money by selling company shares to individuals or institutional investors. In return, shareholders receive ownership interests in the company.

In equity financing, shareholders share both losses and gains of the company, which means that when the company profits, shareholders get dividends out of that profit. In the case of negative cash flow, shareholders do not get dividends, and moreover, share price slides down.

In Bangladesh, debt financing has traditionally been the strongest source of business financing, where bank borrowing is the vital one. This bank borrowing has made the banking sector very strong and at the same time has given birth to a large number of loan defaulters -- both are negative for the dedicated business community and economic development of Bangladesh.

The dominance of the banking sector in Bangladesh has favoured urban-centred, large and medium-sized companies to secure finances. But small entrepreneurial firms, which are the lifeblood of the economy, have virtually remained beyond the reach of the banking sector.

Consequently, for finance, small firms depend on their own money or finance from informal sectors, like relatives, friends

and high interest loans provided by the NGOs, which have made business operations uncertain and growth quite impossible.

In this case, the government could immediately formulate a banking regulation, making it obligatory for the nationalised and private banks to expand their activities up to the union and village levels, focusing on small firms.

Alternatively, strengthening the equity market paves the way for participation of more people to business activities -- directly and indirectly.

Directly, equity financing helps companies collect money from the market by selling company shares.

Indirectly, equity financing encourages general investors to invest in their chosen companies through share purchase. The root of strengthening the equity market is a stronger stock exchange.

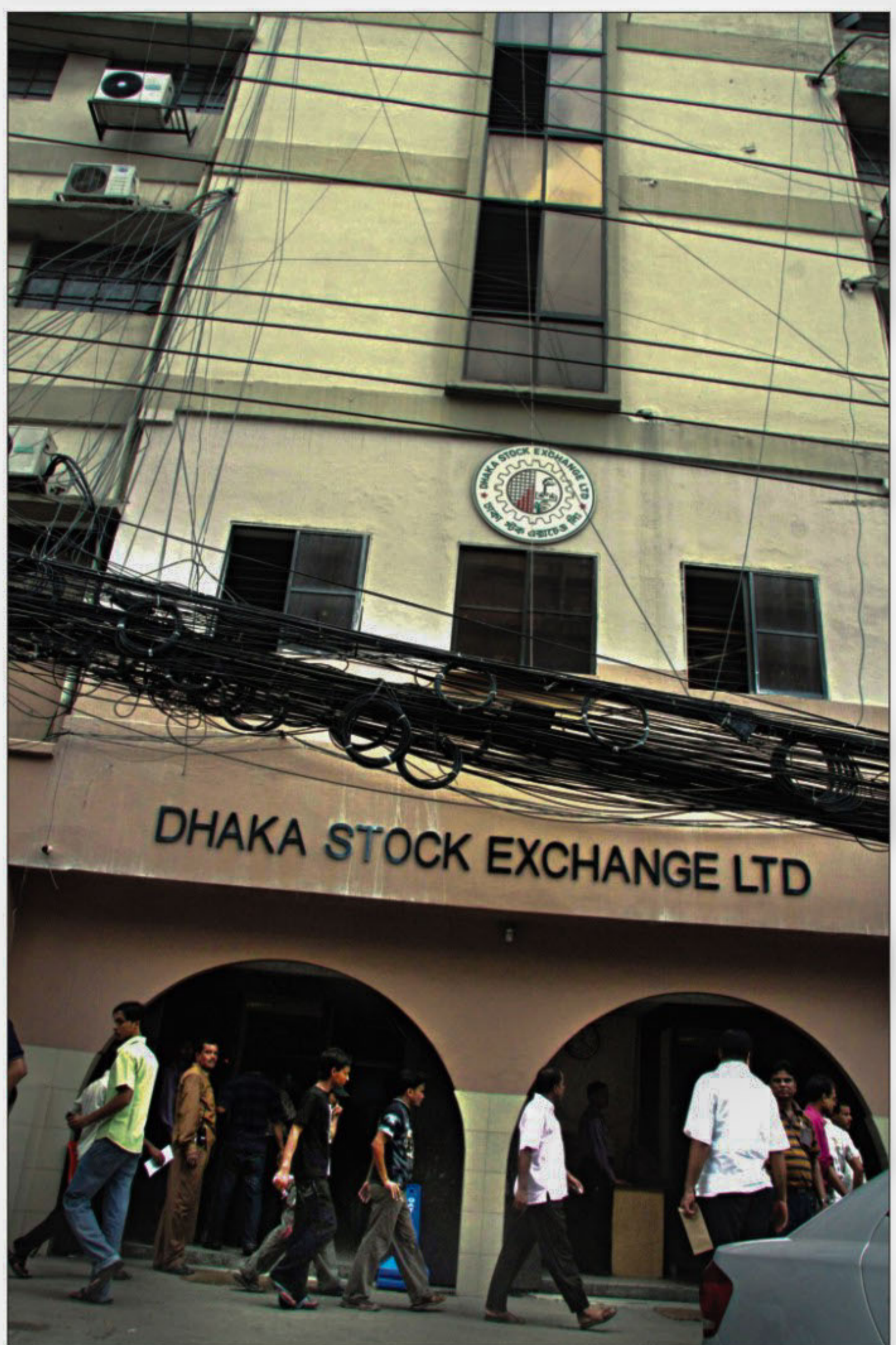
A stock exchange is a market for shares issued by companies. Companies interested in collecting money from the market through selling shares proceeds as follows -- first, the shares are offered for sale directly to the public or to investing institutions. Once the sale has been completed, the company may be able to get the shares quoted on a stock exchange. This means that these shares may be bought and sold through the stock exchange.

The crucial way to strengthen the stock exchange is to encourage large, reputed, emerging and innovate companies to collect finance from the equity market by selling company shares to the public and thereby, get quoted to the stock exchange.

Bangladesh is an emerging economy, which has a bright economic future. Therefore, our government should take immediate steps to encourage companies to collect finance from the public through the sale of company shares.

This process may soon make the Bangladeshi economy entrepreneurial, risk-taking and stronger at home and abroad.

The writer is a senior lecturer at Tampere University of Applied Sciences, Finland.



People walk past Dhaka Stock Exchange in Motijheel. Analysts suggest the government take steps to encourage companies to raise funds from stockmarket.

SPORTS

Big name companies 'ambush' World Cup

AFP, Hong Kong

As millions flow into FIFA's coffers from official World Cup sponsors, big name brands such as Nike have proven that an altogether better bet is to save the cash and simply "ambush" the event.

A week into the competition, Nike, which is not an official FIFA partner, is hammering arch-rivals and official sponsors Adidas 4-1 for hits on video-sharing site YouTube for their respective World Cup TV adverts.

Nike scored an early opener with its "Write the Future" campaign (http://www.youtube.com/watch?v=idLG6jh23yE), featuring Wayne Rooney and Cristiano Ronaldo -- then Adidas counter-attacked with a Star Wars-themed World Cup advert featuring David Beckham (http://www.youtube.com/watch?v=3Zd_khk6zXo).

But Nike continues to dominate early possession, with more than 16 million viewers by Sunday on YouTube for their campaign, which launched mid-May, compared to almost 3.5 million for Adidas's late strike in early June.

And, in a study of online World Cup-related mentions in the lead up to the tournament by research firm The Nielsen Company, Nike had twice as many English language messages as Adidas, makers of the controversial Jabulani ball.

Nielsen analysed blogs, message boards and social networking sites and found that Nike was more frequently linked to the tournament than any of the official partners and sponsors.

"If you're a company with a large global footprint, it's natural to want to associate yourself with a major worldwide event like the World Cup," Pete Blackshaw, Nielsen's digital strategy boss, said.

"This study shows that compelling, savvy marketing can establish this sort of connection in the eyes of consumers without having



In a file picture taken on February 24, Portuguese football player Cristiano Ronaldo holds a Nike Mercurial Vapor Superfly II football boot during a Nike press conference in London. As millions flow into FIFA's coffers from official World Cup sponsors, big name brands such as Nike have proven that an altogether better bet is to save the cash and simply "ambush" the event.

to write that expensive sponsorship cheque." Nike wasn't the only brand to successfully "ambush" a FIFA sponsor or partner, the report adds.

Carlsberg had almost four times the level of mentions in English-language messages around the tournament than Budweiser, the official beer sponsor.

But the referee blew the whistle last week on one alleged "ambush" campaign.

FIFA said on Wednesday it had filed charges against organisers of a stunt that put 36 women in short orange dresses in

Johannesburg's Soccer City stadium, apparently to promote a Dutch beer.

The women were detained during the Netherlands-Denmark match on Monday and taken to a FIFA office where they say they were questioned for several hours.

FIFA said the women were "used by a large Dutch brewery as an instrument for an ambush marketing campaign," although the dresses had only a small tag with the beer's brand on them.

Budweiser is the only beer company

allowed to advertise within the stadiums -- where FIFA can take action.

And, with Nike bosses estimating that half the world's population will watch the World Cup, it's a key competition to be associated with for many big and not-so-big brands.

Nestle-owned Kit Kat has a "cross your fingers" ad which has upset official sponsor Mars, MTV has a bizarre chainsaw-wielding hamster ad and Scotland may not have qualified, but there is even a TV ad for Scots soft drink Irn-Bru.

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