

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES					
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.98%	1.41%	\$1,533.50	\$112.68	0.72%	1.57%	Closed	Closed	BUY TK	73.30	106.26	120.01
5,991.38	10,759.76	(per ounce)	(per barrel)	18,988.02	10,004.20			SELL TK	74.30	111.83	125.75

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star BUSINESS

DHAKA TUESDAY MAY 3, 2011, e-mail:business@thedailystar.net

GP revenue up 21pc in Q1

STAR BUSINESS REPORT

Grameenphone Ltd reported a rise in its revenue by 21.3 percent in the first quarter of 2011 from the same time last year.

The telecom operator recorded revenue of Tk 2,067 crore for the first quarter of 2011 -- a Tk 363 crore rise from first quarter of 2010, Grameenphone declared at a press conference in Dhaka yesterday.

The growth was mainly from voice, data and inter-connection traffic, driven by a 33.8 percent rise in subscription base as well as revenue from the sale of mobile devices.

The increment in revenue was Tk 109 crore, or 5.5 percent, from the fourth quarter of 2010.

Grameenphone reached out to the rural market by expanding its distribution coverage to over 186,000 retail points, while customised products and service innovation, such as dynamic pricing, location-based discount offers on tariff, and Bangla content on low-cost handsets, helped the rural people benefit from the mobile technology.

The number of internet users during the first quarter of 2011 grew by 61 percent compared to a year ago, which indicates market preparedness for 3G technology, said Raihan Shamsi, chief financial officer of Grameenphone.

During the quarter, the operator added 20 lakh subscriptions and ended with a close to 3.2 crore subscription base, serving 43.8 percent of the mobile market.

Net profit after taxes for the first quarter of 2011 was Tk 287 crore, with a 13.9 percent margin, against a Tk 316 crore rise with 18.5 percent margin in the first quarter of last year.

Despite revenue growth, the fall in margin was mainly due to a heavy subsidy of Tk 209 crore in the first quarter of 2011, compared to Tk 81 crore at the same time last year. This has also placed EBITDA (earnings before interest, taxes, depreciation and amortisation) margins down at 47.8 percent for the first quarter of 2011 compared to 55.4 percent in the same quarter of 2010.

As a result, the earnings per share was Tk 2.12, compared to Tk 2.34 in the first quarter of 2011.

Poverty pockets fight back fast

SAJJADUR RAHMAN

North and southwest parts of Bangladesh have seen much faster rate in poverty reduction than other parts of the country, mainly because of the government's targeted programmes, said analysts.

As per the preliminary findings of the household income and expenditure survey (HIES) 2010 conducted by the Bangladesh Bureau of Statistics, poverty declined to 31.5 percent in 2010 from 40 percent in 2005.

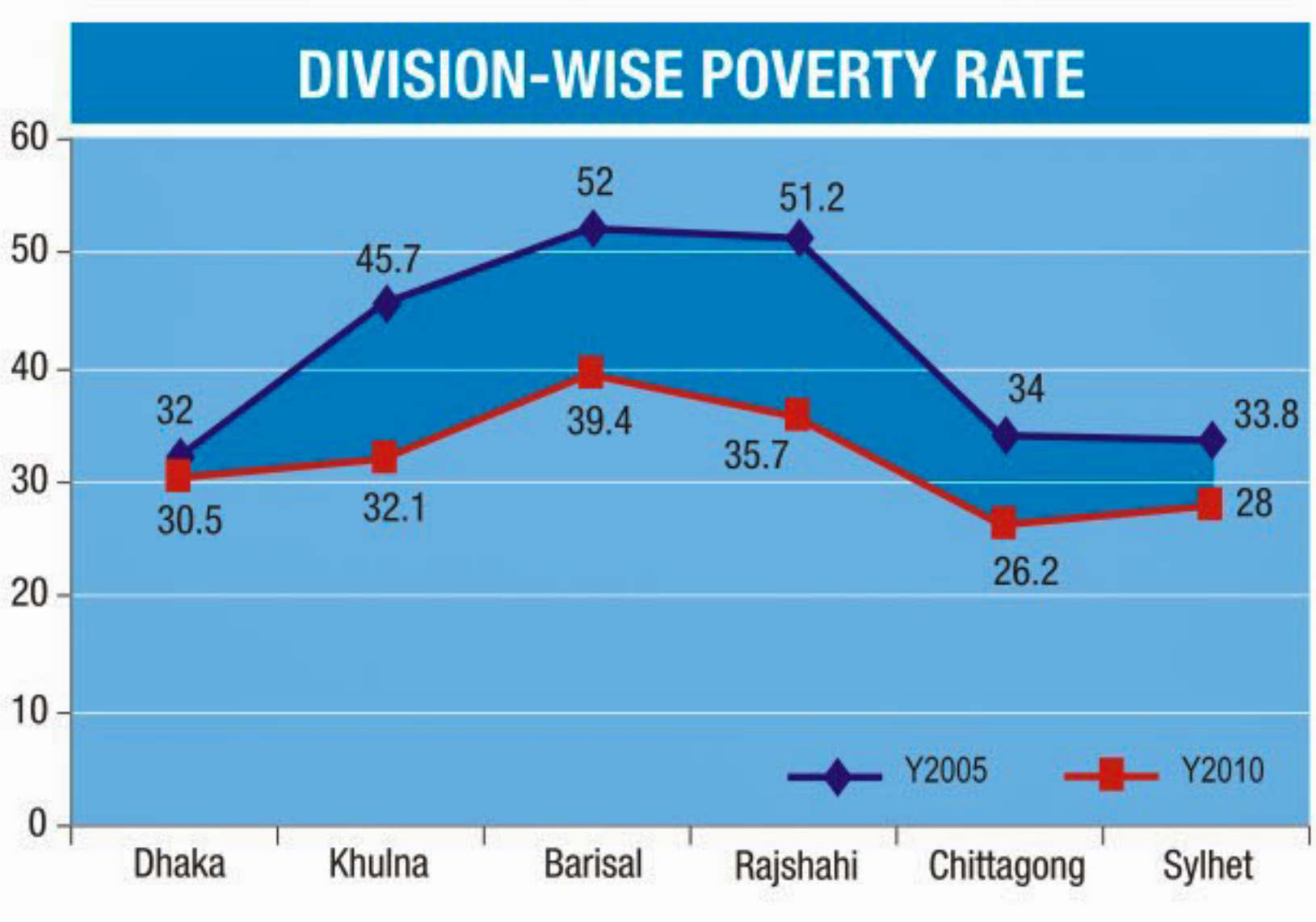
While the average reduction rate per annum was 1.7 percent at the national level, it was 3.1 percent in Rajshahi, 2.72 percent in Khulna and 2.52 percent in Barisal. The zones are known as the poverty pockets of Bangladesh.

"The government's targeted programmes and social safety net schemes have played a key role in reducing poverty in these areas," said Prof Mustafizur Rahman, executive director of the Centre for Policy Dialogue (CPD).

Zaid Bakht, a research director at the Bangladesh Institute of Development Studies (BIDS), said public investment in rural infrastructure improvement projects triggered a significantly higher reduction rate in conventionally depressed areas.

Rajshahi, Khulna and Barisal have outpaced other divisions like Dhaka, Chittagong and Sylhet in reducing poverty between 2005 and 2010.

The slowest pace of reduction took place in Dhaka -- only 0.5 per-



cent a year, followed by 1.16 percent in Sylhet and 1.56 percent in Chittagong.

According to the HIES 2010, poverty was highest 52 percent in Barisal in 2005, which came down to 39.4 percent in 2010. Similarly, Rajshahi's poverty went down to 35.7 percent in 2010 from 51.20 percent in 2005 and Khulna's poverty declined to 32.10 percent from 45.70 percent five years back.

The lowest rate of poverty was recorded in Chittagong at 26.2 percent at the end of 2010 from 34 percent in 2005.

Citing his experience in a rural roads development programme in North Bengal, Bakht said the programme has helped reduce the poverty in that area.

"The spill-over impacts of remittances, booming construction across the country and microfinance have also contributed

Bangladesh Fund wants to be lucrative

GAZI TOWHID AHMED

The Investment Corporation of Bangladesh (ICB) has sent a letter to the government, seeking some facilities for the Bangladesh Fund to make it lucrative for investment.

"After scrutinising the proposals, the government will discuss it with ICB within a few days," said a finance ministry official.

"If we approve the demands, the Bangladesh Fund will become worthwhile for the investors." The fund will play an important role in halting the bearish trend in the stockmarket, he added.

ICB sought an extra 5 percent of total initial public offerings (IPO) of the market, which is now 10 percent for the mutual fund sector. ICB also demanded relaxation of the 10 percent exposure rule, as the size of the fund is large. It also wants to invest 50 percent of the fund in the money market, but the Securities and Exchange Commission approved only 25 percent.

ICB requested the government to consider the fund as an approved security. Approved securities would not have to deposit any security money to Bangladesh Bank.

Among other demands, ICB wants a money-whitening provision for individuals and institutional investors at a 10 percent flat tax rate. It also demanded a 10 percent IPO of government companies and 5 percent IPO of private companies.

Khairul Hossain, ICB chairman, said: "The Bangladesh Fund will be invested in the market this week, after registration with the SEC."

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