

Demand for Apple's big-screen phones fuels sales growth in China

REUTERS, San Francisco

Apple's large-screen iPhones are a big hit in China, taking market share from Samsung and selling at a pace that may make China a greater source of revenue than the Americas for Apple in coming years, analysts said.

The world's most valuable consumer electronics company reported on Monday a 71 percent increase in sales in China to \$16.8 billion, driven by its new, bigger iPhone 6 and 6 Plus. In the first three months of the year, for the first time, Apple sold more iPhones in China than in the United States.

Consumer demand for the newest electronics pushed sales in China to 29 percent of total global sales for Apple in the first quarter, compared with 21 percent a year ago. By comparison, the Americas represent 37 percent of total sales, but are growing more slowly at only 19 percent last quarter.

"The bigger screens on iPhone 6 have been selling like hot cakes," said Daniel Ives, an analyst at FBR Capital Markets in New York, who estimated that China could represent as much as 40 percent of Apple's revenue by 2017. For Apple, China is "the golden goose," he said.

The surge in sales, helped by Chinese New Year gift-buying, was caused by a latent build-up in demand, analysts said.

"Apple fans in China had been waiting years for bigger-screen iPhones and they are upgrading at a furious rate to the new models," said Neil Mawston, executive director at research firm Strategy Analytics.

Samsung won over millions of Chinese mobile customers four years ago with its Galaxy Note "phablet", creating a whole new category somewhere between a phone and a tablet, with screen sizes of more than five inches diagonally, compared to the previous standard of about four inches. Apple is starting to win some of them back again.

"Apple really had no choice but to come back with a bigger screen iPhone for the 5-inch category to bring those switchers back, and that's precisely what they've done," said Mawston.

Chinese customers gravitated naturally to the bigger screen size, as it makes it easier to input Chinese characters with a finger or stylus on the screen and is more effective for video.



A woman holding an iPhone passes a Samsung Galaxy S6 ad at a mall in Singapore.

For many Chinese, the phone is also the first, the most important, or even the only computing device they own.

"People just use them for more, and therefore appreciate the bigger screen," said Frank Gillett, an analyst at technology research firm Forrester. Chinese customers tend to do their computing on-the-go or at various locations, partly due to patchy broadband availability at home, and is truly a 'mobile-first' tech culture, said Gillett, which puts extra value on the phone.

Apple's distribution and marketing in China has now also clicked into place, analysts said. In October, for the first time, Apple offered phones with all three major carriers, China Mobile, China Telecom and China Unicom, with attractive subsidies.

That presence may bode well as Apple looks to win new customers and entice others away from Samsung and local competitor Huawei.

"People don't drop their brand new phones and run out and get new ones immediately," said Gillett. "It takes a while to build up steam as

people hit the replacement cycle."

Apple is also making inroads outside of the biggest cities. Its phones are now sold in more than 40,000 places in China, Chief Executive Tim Cook said in a call with analysts on Monday.

Analysts say Apple makes higher profit margins on the iPhone 6 Plus. Apple doesn't say what its sales or its margins are for individual phone models.

The bigger phone, with a 5.5 inch diagonal screen compared to 4.7 inches for the regular iPhone 6, sells better in China than in any other region, said Mawston, although it still lags sales of the smaller, cheaper iPhone 6.

"The 6 Plus has its lowest volumes in Latin America, Africa and the Middle East, and its highest in East Asia, while everything else is in between," he said.

As far as many Chinese are concerned, the bigger the phone the better.

"Some consumers aspire to own the 'full set' of a big house, big car, big TV and big smart phone," said Mawston at Strategy Analytics.

Wal-Mart to expand China store network

REUTERS, Beijing/Shanghai

Giant US retailer Wal-Mart Stores Inc plans to expand its footprint in China by nearly a third by opening 115 new stores by 2017, the firm's chief executive said, in a renewed push to lure China's grocery shoppers despite slowing growth.

"Our aim is to become an integral part of China's economy," Chief Executive Doug McMillon said at a news conference in Beijing on Wednesday. "China is a top priority."

Wal-Mart's new push in China comes as global supermarket firms seek ways to tackle slowing growth in the world's second-biggest economy. Wal-Mart in February said its China net sales declined 0.7 percent for the quarter ended Jan. 31, with comparable same-store sales falling 2.3 percent.

As well as new stores to boost sales, the world's biggest retailer will close some underperforming stores and seek to tap into the faster-growing online grocery market through its Yihaodian.com service. McMillon said he was excited by prospects for a platform that offered 8 million products at end-2014, up from just 18,000 items in 2011.

The Bentonville, Arkansas-based retailer said the 115 new stores will be opened in cities such as Shanghai, Shenzhen and Wuhan between 2015 to 2017, without saying how

much it would invest in the new outlets. It had 411 stores in China at the end of January this year, according to its annual report. The retailer said on Wednesday it will remodel more than 50 of these this year at a cost of more than 370 million yuan (\$60 million).

Scott Price, head of Wal-Mart's Asia operations, said the retailer would close an unspecified number of poorly performing stores after shutting 29 outlets in China last year. Commenting on recent sales trend, Price said, "There is some softening in retail sales but we've gained share ... in the hyper-market channel."

Wal-Mart, France's Carrefour SA and Britain's Tesco PLC have all seen sales growth slip over the last five years, losing market share to local rivals, according to a report published on Tuesday from consumer analytics firm Kantar Worldpanel.

Average same-store sales growth dropped into negative territory last year, according to an analysis of six major grocers by consultancy OC&C.

CEO McMillon also addressed ongoing investigations into Wal-Mart's accounting by the company itself and government agencies. He said the company was investing in improving systems and processes to bolster compliance with the US Foreign Corrupt Practices Act.



Atiur Rahman, governor of Bangladesh Bank, hands over the Centre for NRBs award for highest remittance growth to Shamsul Huda Khan, managing director of National Bank, at Pan Pacific Sonargaon Hotel in the city recently. HT Imam, an adviser to the prime minister, was also present.

Gazprom 2014 net profits plunge on ruble, Ukraine

AFP, Moscow

Russia's gas giant Gazprom on Wednesday reported net profits in 2014 plunged seven-fold over the previous year, weighed down by fallout from the Ukraine crisis and the shrinking value of the ruble.

Gazprom -- which was the most profitable company in the world just a few years ago -- reported 159 billion rubles in net profits last year (\$3 billion, 2.8 billion euros), according to its annual report published Wednesday.

That compared with earnings of 1.14 trillion rubles (\$21.8 billion, 20 billion euros at the current exchange rate) in 2013.

Analysts with Morgan Stanley said that the results, if adjusted for impairments beyond the company's control, were "better than expected."

Gazprom explained the 86 percent decline in profits on two main factors: the decreased value of the ruble, and its frictions with Ukrainian gas operator Naftogaz.

The company said its expenses went up by 926 billion rubles (\$17.7 billion) because of an "increase in expenses on foreign exchange differences" as the ruble depreciated against the US dollar and the euro.

It was also forced to write off a whopping 34 billion rubles (\$650 million) arising from its conflict with Naftogaz, which spiralled after the ouster of Ukraine's Kremlin-backed former president Viktor Yanukovich.

Moscow sharply hiked gas prices for Ukraine after the new pro-Western government came to power in Kiev following mass demonstrations. That increase sparked protests from Ukraine, which refused to pay debts demanded by Gazprom.

Strong political will needed to launch BCIM corridor: ministers

STAR BUSINESS REPORT

The initiative of launching the economic corridor of Bangladesh, China, India and Myanmar (BCIM) is not gaining momentum mainly due to a lack of political will, ministers in Bangladesh said.

The corridor is a modern version of the Silk Road and a revision of the 1999 Track II Kunming initiative between BCIM countries.

It will run from China's Kunming province to Kolkata in India and link Mandalay in Myanmar and Dhaka and Chittagong in Bangladesh.

The economic corridor will largely benefit the four neighbouring countries as it will facilitate trade by providing greater market access, the ministers said.

They spoke at a seminar on economic corridor organised by Bangladesher Samyabadi Dal at Cirdap Auditorium in Dhaka yesterday.

"Negotiation is now at the final stage," said Tofail Ahmed, commerce minister, "But its outcome will depend on India and China."

China and India are the major players of this important economic bloc, the minister said.

They are each other's important neighbours and two mainstays in the multilateralisation process, he said.

In 2001, interregional trade among the BCIM countries was around \$6 billion, which reached more than \$100 billion now, he said.

Mistrust among the neighbouring countries is holding them back from gaining benefit, said Hasanul Haque Inu, the information minister.

A bold political decision is very important to expedite the initiative of the economic corridor, he said.

The corridor received formal endorsement through the first inter-governmental study group meeting in Kunming on December 18-19 in

2013.

The BCIM region is inhabited by two-fifths of the world population and produces one-tenth of global GDP.

The purposes of the corridor are to benefit from greater market access for goods, services and energy, elimination of non-tariff barriers, better trade facilitation, and investment in infrastructure development.

The corridor will boost socio-economic development and trade in South Asia, said Dilip Barua, former industries minister and general secretary of Bangladesher Samyabadi Dal.

The initiative seeks to improve connectivity and infrastructure, energy resources, agriculture, trade and investment, he said.

It will connect the four countries through a network of roads, railways, waterways and airways under a regulatory framework, he said.

Intraregional trade among BCIM member states amounted to 5 percent of total BCIM trade in 2012, as opposed to 35 percent in Asean countries.

The corridor will benefit Bangladesh with enhanced connectivity and help attract more foreign tourists, said Rashed Khan Menon, civil aviation and tourism minister.

Chinese Ambassador Ma Mingqiang said sub-regional grouping is important for mutual benefits. So China is giving priority to the BCIM corridor, he said.

Indian Deputy High Commissioner to Bangladesh Sandeep Chakraborty said combined efforts are needed to start operation of the corridor.

India has already completed its study on the corridor and is waiting for other three members' study, he said.

Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry, also spoke.




Participants attend a two-day workshop on human resource management for Bangladeshi IT and ITES companies, organised by CBI Netherlands at The Daily Star Centre yesterday.



Midland Bank Limited & Platinum Boutique Hotels
Md Ridwanul Hoque, head of retail distribution at Midland Bank, and Mohammad Ali, deputy general manager of Platinum Boutique Hotels, exchange documents of an agreement in Dhaka recently. The bank's Visa cardholders will enjoy 50 percent discount on room rents and 20 percent discount on food at the hotel.



Azam J Chowdhury, chairman of Prime Bank; Shuriya Begum, registrar of Bangladesh Nursing Council; and Md Nader Khan, chairman of Prime Bank Foundation, attend a reception programme for the new students of Prime Bank Nursing Institute, held on institute's premises on Saturday.



অগ্রণী ব্যাংক লিমিটেড

প্রধান কার্যালয়, ঢাকা।
(দেশ ও জাতির সেবার প্রতিশ্রুতিবদ্ধ)

কার্যে আগ্রহ প্রকাশ (Expression of Interest)

অগ্রণী ব্যাংক লিমিটেড এ সিনিয়র অফিসার, সিনিয়র অফিসার(নিরীক্ষক), সিনিয়র অফিসার(প্রকৌশলী), সিনিয়র অফিসার(আইসিটি) এবং অফিসার(ক্যাশ) ও অফিসার(আইসিটি) পদে লোকবল নিয়োগ করা হবে। নিয়োগ সংক্রান্ত যাবতীয় কার্যাদি সম্পাদনে আগ্রহী প্রতিষ্ঠানের নিকট থেকে নিম্নোক্ত শর্তে দরপত্র আহ্বান করা যাচ্ছে:

- (১) নিয়োগ পরীক্ষার সকল কার্যক্রম সম্পাদনের প্রাক্কলিত ফিস/দর উল্লেখ পূর্বক চাকুরী প্রার্থীদের জন্য অনলাইনে দরখাস্ত দাখিলের পদ্ধতি, প্রার্থীর সম্পূর্ণ ডাটাবেজ সমৃদ্ধি করণের পদ্ধতি ও ডিজাইন, ইলেক্ট্রনিক পদ্ধতিতে প্রার্থীর আইডি/রোল নম্বর অনুযায়ী প্রবেশ পত্র ইস্যু ও প্রবেশপত্র ডাউনলোড পদ্ধতিসহ সংশ্লিষ্ট নিয়োগ প্রক্রিয়ার সমস্ত কার্যাদি অনধিক ১০(দশ) সপ্তাহের মধ্যে সম্পাদনপূর্বক লিখিত পরীক্ষার ফলাফল সরবরাহ করতে হবে(নিয়োগ বিজ্ঞপ্তি প্রকাশ থেকে আবেদনপত্র জমা দেয়ার সময় ও সপ্তাহসহ পরীক্ষা গ্রহণ, ফলাফল প্রস্তুত ও সিদ্ধান্তের জন্য তা ব্যাংকের নিকট হস্তান্তর)।
- (২) সিনিয়র অফিসার, সিনিয়র অফিসার(নিরীক্ষক), সিনিয়র অফিসার(প্রকৌশলী), সিনিয়র অফিসার(আইসিটি) এবং অফিসার(ক্যাশ) ও অফিসার(আইসিটি) নিয়োগ সংক্রান্ত কার্যক্রম আলাদা আলাদাভাবে পরিচালনা করতে হবে।
- (৩) উক্ত কার্যক্রমের দরপত্র পৃথক পৃথকভাবে দাখিল করতে হবে।
- (৪) নিয়োগ সংক্রান্ত কার্যক্রম পরিচালনায় প্রয়োজনীয় অবকাঠামো ও দক্ষ জনবলের বিবরণ দিতে হবে।
- (৫) উল্লেখিত কাজের অভিজ্ঞতা উল্লেখপূর্বক ইতোপূর্বে এ ধরনের কাজ সম্পাদিত হয়েছে এমন বিভিন্ন প্রতিষ্ঠানের নাম এবং কত জন প্রার্থীর কাজ সম্পাদন করা হয়েছে তার সংখ্যা দরপত্রে উল্লেখ করতে হবে।
- (৬) উপরে বর্ণিত কার্যাদি সম্পাদনে আগ্রহী প্রতিষ্ঠানসমূহকে আগামী ১৪/০৫/২০১৫ তারিখের মধ্যে মহাব্যবস্থাপক(এইচআরপিডিওডি), অগ্রণী ব্যাংক লিমিটেড, প্রধান কার্যালয়, ঢাকা কে সোধন করে প্রধান কার্যালয়ের ৬ষ্ঠ তলায় ব্যবস্থাপনা পরিচালক এবং সিইও মহোদয়ের সচিবালয় অথবা ৮-ম তলায় মহাব্যবস্থাপকের সচিবালয়, এইচআর প্র্যানিং ডিপ্লয়মেন্ট এন্ড অপারেশনস ডিভিশন বরাবর সিল মোহরকৃত দরপত্র দাখিল করতে হবে এবং soft copy gadmin@agranibank.org এ e-mail এর মাধ্যমে প্রেরণ করতে হবে।
- (৭) লিখিত পরীক্ষায় উত্তীর্ণ প্রার্থীদের মূল্যায়নকৃত খাতা সরবরাহ করতে হবে।
- (৮) যে কোন দরপত্র গ্রহণ কিংবা বাতিল করার অধিকার ব্যাংক কর্তৃপক্ষ সংরক্ষণ করে।

মহাব্যবস্থাপক(এইচআরপিডিওডি)
অগ্রণী ব্যাংক লিমিটেড
প্রধান কার্যালয়,
৯/ডি দিলকুশা বা/এ
ঢাকা-১০০০।