Star BUSINESS

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Expo Bangladesh in London now from Dec 20

UNB, *Dhaka*

The four-day Expo Bangladesh 2006 will begin on December 20 at Old Truman Brewery of Brick Lane in London instead of today.

Bangladesh-British Trade Cooperation and Diamond Group of Companies are jointly organising the event, aiming to showcase local products abroad.

The date of the Expo Bangladesh 2006 has been changed following a request from traders and exhibitors interested to participate in the exhibition, organisers said.

Project Director of the Expo Bangladesh 2006 Mirza Zillur Rahman told the news agency that they have removed the monogram of Export Promotion Bureau (EPB), which they had used earlier on verbal consent of EPB vice chairman, from their website.

More than 60 small and medium enterprises (SMEs) of the country have registered names to showcase their products in the exhibition.

Chinese auto maker to ship 158,000 units to Europe

AFP, *Beijing*

Brilliance China Automotive Holdings, one of the nation's top auto makers, plans to ship 158,000 cars to Europe over the next five years, it said Tuesday.

Brilliance has sealed a contract on the delivery of the autos with HSO Motors Europe, a German auto importer, the Chinese company said in a statement on its website.

It marks the biggest ever single export deal that any Chinese car manufacturer has carried out using its own brand, the statement said.

Chinese cars have so far been exported mainly to markets in Southeast Asia, the Middle East, Africa and South America and have often been characterized as products with low prices and mediocre quality.

Malaysia Airlines returns to profit in Q 3

AFP, *Kuala Lumpur,*

National carrier Malaysia Airlines said Tuesday it has stemmed a series of losses and returned to profit in the third quarter, after embarking on a major turnaround plan.

The beleaguered airline had reported a net loss for the first-half to June, as well as for the whole of the previous financial year.

But it posted a net profit of 240.68 million ringgit (66.3 million dollars) in the third quarter ended September compared with a net loss of 365.62 million ringgit a year earlier.

Managing director Idris Jala attributed the results to a tough cost-cutting plan announced in March.

Deutsche Bank to sell 2b euro real estate to Fortress

AFP, *Frankfurt,*

DB Real Estate, the real estate arm of Deutsche Bank, is to sell 2.0 billion euros' (2.6 billion dollars) worth of German properties to investment fund Fortress, financial sources told AFP on Tuesday.

A spokesman for DB Real Estate declined to comment on the information.

The sources, confirming a report in the Financial Times Deutschland, said the sale would enable Germany's biggest bank to offload almost all of the German properties contained in its troubled "Grundbesitz Invest" fund.

Deutsche Bank had frozen the fund in December 2005 and written down the assets, sparking controversy and investor anger.

FT Deutschland said that other bidders in the auction for the properties had been Goldman Sachs' Whitehall fund and Morgan Stanley Real Estate Funds.

Sonamasjid land port now under private management

Starts full-fledged operations

RU CORRESPONDENT

Chapainawabganj Sonamasjid port, country's second largest land port, started its operation as a full-fledged port from Monday after it was leased out to a private company for a period of 25 years.

As per a deal with the Panama Port Link Ltd on February 4 this year, the government handed over its management to the private firm, which as a facilitator of the port had equipped it with modern facilities aiming to reach out its benefit to the exporters and importers.

Deputy Commissioner of Chapainawabganj Faijul Kabir inaugurated the new operations of the port at a function on the Panama's office premises.

Police Superintendent Mokhlesur Rahman, Assistant Commissioner of Land Port Customs Mahmud Hasan Khalid, Managing Director of Panama Port Link Ltd Maniruzzaman Chowdhury and Director Ashraful Alam Rashid were present among others.

Panama, which has been assigned to implement infrastructure development of the port, filed earth, built port boundary walls on 18.3 acres of land, installed offices, transit shed, truck terminal, 10 ware houses, cold storages and approach roads.

Sources said the authority has targeted to earn a Tk180 crore revenue this fiscal (2006-07) from the modernised Sonamasjid land port.

In the last fiscal, the revenue earning was Tk151 crore.

Meanwhile, the government has also taken up a programme to modernise 11 land ports.

PHOTO: BEPZA

Prashanta Bhushan Barua, member of Bangladesh Export Processing Zones Authority (Bepza), and Alok Kumar Bajoria, managing director of India's SG Oil Refineries Ltd, sign a lease agreement in Dhaka on Monday to set up a $2.6 million edible oil processing plant in Mongla EPZ. Brigadier General Ashraf Abdullah Yussuf, executive chairman of Bepza, was also present.

India may cut tariffs on industrial goods if others reciprocate

OUR CORRESPONDENT, *New Delhi*

India has indicated it may use cut in import tariffs on industrial goods as a bargaining tool at the World Trade Organisation (WTO) when the multilateral trade talks resume next year.

Indian Commerce and Industry Minister Kamal Nath said on Monday evening that India was willing to bring down industrial goods tariffs only if it is reciprocated appropriately by other WTO members.

"I'm ready to do that (cut in industrial tariffs) in WTO but if we do it unilaterally, it is pocketed easily. I also want to see what I get in return," he said while addressing the India Economic Summit organised by the World Economic Forum here.

According to Nath, India has already cut import tariffs significantly and the allegation of protectionism was "untenable" and "is nothing but a bogey being used by the US and European Union."

On the contrary, protectionist barrier in the US and EU was "quite high" for value-added products like garments which are of interest to countries like India, he said adding Prime Minister Manmohan Singh is committed to bringing down tariffs to the ASEAN level from the current level of 12.5 percent.

A 35 percent rise in India's imports from the US every year cannot be termed as protectionism, Nath pointed out.

Referring to negotiations on agricultural products, he reiterated that India's subsistence agriculture was non-commercial and so non-negotiable. "India's subsistence farmer cannot compete with subsidised farmer of the US or EU," he added.

Meanwhile, the US Deputy Trade Representative Karan Bhatia said at the summit that his country is willing to negotiate further on reduction of domestic subsidies in agriculture in a bid to revive the stalled Doha round of multilateral trade talks.

India, Brazil and other developing countries want the US and EU to cut in their subsidies to their farmers before negotiations on agriculture can move forward in order to provide for a level-playing field in international trade.

Referring to opening of financial services sector in India, Nath said India would like the developed world to reciprocate because experience of Indian banks has not been in markets like the US and European Union.

Time extended for StanChart-FE CSR awards submission

The board of trustees of Standard Chartered-Financial Express CSR Award Trust has extended the deadline for submitting nominations for CSR awards 2006 until 31 December 2006, says a press release.

The announcement was made recently after reviewing the prevailing situation. Chaired by Professor Wahiuddin Mahmud and jointly sponsored by Standard Chartered Bank and The Financial Express, every year the trust recognises outstanding initiatives in corporate social responsibility from manufacturing and service organisations operating in Bangladesh.

Detailed information can also be obtained at website -- www.csraward-bd.com.

Mixed reaction over Wal-Mart's entry into India

PALLAB BHATTACHARYA, *New Delhi*

Announcement of the entry of the world's biggest retailer Wal-Mart into India may have enthused Indian corporate behemoths but caution is the buzz word in government and manufacturing sectors, retail industry analysts said here yesterday.

On the day Sunil Mittal-promoted Bharti Enteprise announced a joint venture with Wal-Mart to set hundred of stores across India next year, a senior official of India's Commerce and Industry Ministry said the biggest concern which goes against opening up the retail sector to foreign direct investment is that some small grocery operations would be hit once big retailers come in and the government has to ensure their welfare.

Speaking at the India Economic Summit organised by World Economic Forum here, Ajay Dua, Secretary, Department of Industrial Policy and Promotion, made it clear that the government would stick to a calibrated approach initiating reforms in retail sector and market access.

"The neighbourhood mom and pop stores and grocery operators are a sizable proportion and even as the industry believes that opening of the retail sector will see their integration with the mainstream, there will be some who will be hit and forced to close down," he said.

India's retail industry is estimated at about 300 billion dollars and is predicted to grow to 427 billion dollars by 2010 and 637 billion dollars by 2015, says leading consultancy firm Technopak Advisors.

Organised or branded retail makes up only three percent of the market compared to China's 20 percent and Thailand's more than 40 percent but is forecast to increase to 15 to 18 percent by 2011-12.

The announcement by Mittal about Wal-Mart's foray into India followed opening of the first retail stores by India's largest industrial group Reliance earlier this month. Other major Indian conglomerates like Tata Group and Aditya Birla Group are also moving into retail sector.

PHOTO: BGMEA

Finance and Planning Adviser Akbar Ali Khan (2-L) receives a bouquet from a delegation of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) as the delegates led by association President SM Fazlul Hoque met the adviser in Dhaka yesterday.

DSE, CSE indices fall sharply

STAR BUSINESS REPORT

Share price indices on both the bourses in the country declined sharply yesterday with the individual investors' selling spree.

The Dhaka Stock Exchange (DSE) witnessed a continued sharp fall in share indices for the third consecutive day yesterday.

DSE All Share Price Index went down by 28.24 points or 2.21 percent to close at 1246.05 points yesterday while the DSE General Index declined by 33.23 points or 2.16 percent to close at 1503.63 points.

DSE-20 Index, which comprises blue chips, also dipped by 22.99 points or 1.72 per cent to close at 1306.85 points.

Losers overwhelmed gainers as the bear dominated the market. Of the total 195 issues traded, only 21 advanced, 157 declined and 17 remained unchanged. A total of 48,46,504 shares worth Tk 39.55 crore changed hands on the DSE yesterday.

Market analysts said investors' participation in trading during the last three days was thin due mainly to 14-party alliance's programmes over electoral reforms.

"There was a selling pressure from the individual investors yesterday, as the 14-party alliance threatened to enforce countrywide blockade programme for the fourth time from next Sunday," a DSE broker said.

DSE Chief Executive Officer Salahuddin Ahmed Khan said uncertainty among the investors over the current political situation has been taking toll on the market for the last couple of days.

"Although institutional participation in the trade was good, the market witnessed a bearish trend, which resulted from the current political situation," he said, asserting that the market is more pragmatic now.

UNB adds: Trading on Chittagong Stock Exchange (CSE) closed lower yesterday with the losers dominating the gainers.

The CSE All Share Price Index declined by 2.11 percent to close at 3546.02 points.

The CSE-30 Index also shed 1.83 percent to close at 3138.17 points.

A total of 73 issues were traded yesterday. Of them, only three gained, 65 declined and five remained unchanged. Some 1,120,966 shares worth Tk 7.82 crore changed hands.

PHOTO: MIDAS

Jan de Lister (L), country director (Bangladesh and Nepal) of PUM Netherlands, receives a souvenir from MIDAS (Micro Industries Development Assistance and Services) MD Abdul Karim (C) as MIDAS GM ASM Mashi-ur-Rahman looks on. Lister visited MIDAS, PUM representative in Bangladesh, to review the progress of PUM Netherlands Senior Expert Services, which will be available for Bangladeshi enterprises through MIDAS.

US set to overcome slowdown: OECD

AFP, *Paris,*

The US economy, powered by strong foreign demand, lower oil rates and higher stock prices, is set to overcome a current slowdown and return to solid momentum in the near term, the OECD predicted Tuesday.

The Organisation for Economic Cooperation and Development in a twice-yearly assessment described a sharp contraction in the US housing market as "temporary" and said US growth should soon "resume growing near its potential rate", just under 3.0 percent.

The OECD foresaw the economy expanding 3.3 percent this year and 2.4 percent in 2007, downward revisions from its May estimates of 3.6 and 3.1 percent.

"Growth will be supported by bouyant overseas demand, higher stock prices, lower oil prices and momentum in non-residential construction," the report said.

But the OECD cautioned that if weakness in the homebuilding industry spread to other sectors, "then overall prospects would be much bleaker."

US momentum has steadily dwindled since the start of the year, with the pace of annualized growth falling to 1.6 percent in the third quarter from 2.6 percent in the second and 5.6 percent in the first.

Analysts have attributed the downturn in part to a sluggish real estate market, which the OECD said reflected higher mortgage rates.