

Star BUSINESS

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Rakesh Mohan

Unilever Bangladesh gets new chief

Rakesh Mohan has been made the new chairman and managing director of Unilever Bangladesh Ltd with effect from January 1, 2007, says a press release.

Mohan succeeds Sanjiv Mehta, who served as chairman and managing director of Unilever Bangladesh Ltd since 2002.

An engineer with an MBA in marketing, Mohan brings with him about 16 years of experience with Unilever over which period he held positions in the Home and Personal Care and Foods businesses and with DiversyLever.

Prior to coming to Bangladesh, he was the managing director of Unilever Nepal Ltd for the last 4 years and under his stewardship, the business delivered exceptional results with sales and profits growing consistently at over 20 percent and 50 percent respectively.

Sanjiv Mehta leaves Bangladesh to move to the Philippines to take up the position of chairman and CEO of Unilever Philippines Inc.

Bharti to invest \$7b in deal with Wal-Mart

AFP, New Delhi

India's Bharti Enterprises, which tied up with Wal-Mart to start a nationwide chain of retail stores, said it will invest about 7.0 billion dollars in the project by 2010, a report said Tuesday.

The group, which owns the country's top private phone firm, said it will set up 200 large stores and hundreds of smaller ones to cater to the increasingly affluent Indian middle class, estimated to be made up of 300 million people.

"Depending on what we do in real estate and logistics, we will invest around seven billion dollars by 2010," Sunil Mittal, chairman of the group, told the Business Standard newspaper.

Mittal told the newspaper that the group's realty company will identify property for the venture, from which he expected to earn one to two billion dollars in the same period.

Last month the group tied up with Wal-Mart, the world's largest retailer, to open stores that would be owned by Bharti and run under a Wal-Mart franchise.

India does not allow foreign investment in retail except for single-brand stores such as Nokia or Nike.

Other foreign groups such as Wal-Mart have to sign franchise deals with local companies to enter the Indian market.

The newspaper report said that the front-end stores would bear the Bharti name, but talks were on to include the Wal-Mart brand as well.

Toyota, Ford chiefs meet amid tie-up speculation

AFP, Tokyo

The chiefs of Toyota and Ford held talks last week, officials said Wednesday, raising speculation that the fast-growing Japanese automaker will tie up with the ailing Detroit giant.

A newspaper reported that Ford wanted to capitalize on Toyota's know-how in environmentally friendly cars, which were pioneered by Japan's top automaker and have proved a major hit in the key US market.

Toyota Motor Corp released production figures last week showing it was poised to overtake General Motors as the world's largest automaker next year.

Ford Motor Co., the world's number three, has been mired in losses and like other big US automakers is in the midst of slashing jobs.

Toyota confirmed Wednesday that its chairman, Fujio Cho, and Ford's president and chief executive officer Alan Mulally, met last week in Tokyo.

7 firms float Tk177cr shares in 2006

2 state-owned power companies offload shares thru' direct listing

SARWAR A CHOWDHURY

Seven companies floated primary shares in the country's capital market in 2006 raising around Tk 177 crore through initial public offerings (IPOs).

Besides, two state-owned power companies -- Dhaka Electric Supply Company (Desco) and power Greed Company of Bangladesh (PGCB) -- also offloaded their shares under Direct Listing Regulations.

Desco offloaded shares worth Tk 31.78 crore while PGCB offloaded shares worth Tk 91.08 crore. Investment Corporation of Bangladesh (ICB) on behalf of the Desco and PGCB offloaded shares through its subsidiary ICB Securities Trading Company Ltd on both the Dhaka Stock Exchange

(DSE) and Chittagong Stock Exchange (CSE).

The companies that issued IPOs in 2006 are Jamuna Bank Ltd, S Alam Cold Rolled Steels Ltd, LankaBangla Finance Ltd, Bangladesh Industrial Finance Company Ltd (BIFC), Industrial Promotion and Development Company of Bangladesh Limited (IPDC), BRAC Bank and Prime Islami Life Insurance.

Jamuna Bank joined the capital market offering ordinary shares to the public worth Tk 42 crore while S Alam Tk 12 crore, LankaBangla Tk 9 crore, BIFC Tk 11.04 crore, IPDC Tk 47.8 crore, BRAC Bank Tk 50 crore and Prime Islami Life Insurance Tk 4.5 crore.

Of them, only Jamuna Bank offered its shares with 20 percent premium per share.

Of the IPOs issued in 2006, five got listed both on the DSE and CSE. The rest two companies -- BRAC Bank and Prime Islami Life Insurance -- will be listed on the bourses in January 2007.

Market analysts said all most all the IPOs were oversubscribed and the over-subscription of IPOs proves that investors' have put faith in capital market.

Meanwhile, Shahjalal Islami Bank Ltd (SIBL) got permission from the Securities and Exchange Commission (SEC) to float primary shares worth Tk 93.58 crore, the largest IPO in the banking sector. The IPO subscription of the bank will start on January 14, 2007 and close on January 18, 2007.

In 2005, the market absorbed 17 new issues, which raised a total of Tk 320.69 crore from the public.



PHOTO: STAR

Chairman of MM Ispahani Limited MA Behrouz Ispahani, Deputy Managing Director of Global Beverage Company Yasser Rizvi, and Deputy Executive President of Islami Bank Bangladesh Ltd Habibur Rahman, among others, were present at the launching ceremony of Iran's Zamzam brand soft drinks in Dhaka yesterday.

One third of rural India lives on 26 cents a day

AFP, New Delhi

India's economy may be growing rapidly but about a third of its rural population, or more than 200 million people, still live on 12 rupees (26 cents) a day or less, said a report Wednesday.

Orissa, Chattisgarh, Madhya Pradesh, Bihar, Jharkhand and Uttar Pradesh were the poorest Indian states, said the report prepared by The National Sample Survey Organisation, according to the Press Trust of India.

"Compared with 30 percent at the all-India level, in Orissa and Chattisgarh as many as 55 to 57 percent of villagers" were living on 12 rupees a day, the report said.

Some 10 percent of the rural population across India survived

on just nine rupees a day, it said.

The poor in India's cities appeared to be faring slightly better, with 30 percent of people spending 580 rupees a month, or 19 rupees a day.

But 10 percent of the urban poor population had to live on just 13 rupees a day, said the report, entitled "Level and Pattern of Consumer Expenditure".

The report's figures were based on a study carried out in 2004 and 2005.

It looked at spending by the poor on basic items such as clothing, footwear, education, medical care, durable goods, food, fuel, light and rent.

In Madhya Pradesh, 47 percent of the rural population were living on 12 rupees a day, followed by

Bihar and Jharkhand, where 46 percent were living on that amount.

In Uttar Pradesh some 33 percent of the population were living on 12 rupees a day, while in Maharashtra, home to India's financial hub, Mumbai, 30 percent lived on that amount.

Urban poverty seemed to be concentrated in states where rural poverty was high, the report said.

In Bihar, as many as 55 percent of the urban population were living on 19 rupees a day, followed by Orissa with 50 percent.

India's economy grew 9.1 percent in the first half of the financial year to September led by strong manufacturing growth but economists say double-digit growth is needed to make a significant dent in poverty.

Zamzam brand soft drinks launched

STAR BUSINESS REPORT

Iran's Zamzam brand soft drinks made foray into Bangladesh beverage market yesterday.

MM Ispahani Limited and Global Beverage Company Limited jointly launched the Iranian soft drinks -- Zamzam Cola and Zamzam Lemonade -- at a press conference in Dhaka.

Zamzam Cola and Zamzam Lemonade will initially be available in 250ml and 600ml bottles at Tk 12 and Tk 20 across the country.

Global Beverage will manufacture the beverages while MM Ispahani will market and distribute, officials told the briefing.

Among others, Chairman of MM Ispahani Limited MA Behrouz Ispahani, Deputy Managing Director of Global Beverage Company Yasser Rizvi, and Deputy Executive President of Islami Bank Bangladesh Ltd Habibur Rahman spoke at the function.

Oil prices edge ahead

AFP, London

World oil prices rose slightly on Wednesday, remaining above 61 dollars per barrel a day after falling heavily owing to mild weather in the United States.

New York's main contract, light sweet crude for delivery in February, gained one cent to 61.11 dollars per barrel in electronic deals before the official opening of the US market.

In London, Brent North Sea crude for February delivery climbed 20 cents to 61.30 dollars in electronic trading.

Crude oil futures had fallen sharply on Tuesday as the market focused on mild US winter temperatures that are expected to reduce demand for heating oil.

Light sweet crude closed down 1.31 dollars and Brent ended 1.32 dollars lower, despite the United Nations Security Council voting at the weekend to impose sanctions against major oil producer Iran over development of its nuclear energy programme.

Before the UN decision, some analysts had argued that Iran could cut its oil exports in response to sanctions. However many market watchers believe Iran would be unlikely to cut off its major source of revenue, namely oil exports.

Iran's parliament did though Wednesday approve a bill obliging the government to "revise its cooperation" with the UN nuclear watchdog in retaliation for the Security Council sanctions slapped on Tehran.

The text of the bill, which also tells the government to "accelerate" Iran's controversial nuclear programme, was approved by an overwhelming majority in the conservative-controlled parliament, with 161 in favour and 15 against.

After weeks of diplomatic wrangling, the UN Security Council on Saturday adopted a resolution which imposes restrictions on Iran's nuclear industry and ballistic missile programme.

More products from China to pay export tariffs

AFP, Beijing

China will introduce export tariffs on more high-polluting, energy-consuming and resource-intensive products from January 1, state media said Wednesday.

The products will include stainless steel ingots, preliminary processed tungsten, manganese, molybdenum and chrome, the Xinhua news agency reported, citing the Ministry of Finance.

The government will also continue to impose export tariffs on coal, crude oil and stone next year, the report said.

The high growth rate of the Chinese economy is draining up the country's limited natural resources in terms of per capita allocation, which in turn is threatening the sustainability of the growth itself.

To preserve energy and also curb the surging trade surplus, the government has taken a raft of measures including introducing export tariffs on 110 energy-consuming products and cutting duties on 58 imported duties in November.

The ministry said the government will further lower import tariffs on 44 products next year, according to Xinhua.

After the adjustment of the import and export tariffs, China will see its average tariff level drop by 0.1 percentage point to 9.8 percent next year, Xinhua added.



PHOTO: STAR

HSBC Bangladesh CEO Steve Banner speaks at the launching ceremony of 'Tradeline', a new product of the bank that offers collateral-free import credit to SMEs, in Dhaka yesterday.

HSBC rolls out collateral-free import credit for SMEs

STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd yesterday launched a new product styled 'Tradeline' to offer collateral-free import credit to small and medium enterprises (SMEs).

Steve Banner, chief executive officer of HSBC Bangladesh, unveiled the product at a function in Dhaka.

Banner said the SMEs in Bangladesh will get for the first time HSBC's world-renowned trade services and solutions through Tradeline.

The SMEs will get maximum Tk 1 crore letter of credit (LC) or import or duty loan by submitting 25 percent of the loan amount with the facility of repaying the amount in flexible installments.

To avail of the service, recipients will have to have three years of business experience and an annual turnover of Tk 1 crore,

having business in Dhaka, Chittagong or Sylhet region.

The bank's CEO said this is the first phase of several steps that HSBC has introduced in order to broaden the range of quality services for Bangladeshi SMEs.

Mentioning a survey report by International Consulting Group (ISG), Banner said the Bangladeshi SMEs are contributing 20 to 25 percent to the national GDP (gross domestic product).

Finance Asia Magazine has been awarding HSBC as the Best Trade Bank in Asia for the last 10 years while the bank has received 'Excellence SME Banking Award 2006' from Asian Banker magazine, he said.

HSBC has 9,500 branches in 76 countries across the world. Md Mahub-ur-Rahman, head Corporate Banking, and Mustafizur Rahman Khan, head Marketing and Public Relations of the bank, also spoke at the function.

India may soon allow FDI in multi-brand retail

PALLAB BHATTACHARYA, New Delhi

In further liberalisation of its booming retail sector, India may soon allow Foreign Direct Investment (FDI) in multi-brand retail in specific sectors like electronics, sports goods, stationery and building equipment.

India already permits FDI up to 51 percent in single brand retail after clearance by Foreign Investment Promotion Board and now the commerce and industry ministry has identified sports goods, electronics and building equipment as some of the sectors that may be opened up with a 51 percent cap on FDI, ministry sources said.

India has also allowed 100 percent FDI in wholesale cash-and-carry, the model adopted by German retail giant Metro A G in India.

Prime Minister Manmohan Singh, architect of India's economic reforms way back in nineties, is understood to have asked Commerce Minister Kamal Nath to prepare a note for the cabinet on allowing FDI in retail segments like sports goods, electronics and real estate that do not affect small and neighbourhood shop-owners.

The directive by Singh came after Nath had a meeting with the prime minister and raised the issue, the sources said.

The initial idea behind not allowing FDI in multi-brand retail was to protect neighbourhood mom-and-pop stores but the thinking in the commerce ministry is that opening up electronics, sports goods or building materials would not hit traditional domestic retailers.

The prime minister is not averse to allowing FDI in multi-brand retail but wants the issue to be discussed in the cabinet and the Left parties, which have strong reservations about FDI in retail sector, before taking a final call, said the sources.

The Left parties' opposition to FDI in retail is on the ground that it will hit the mom-and-pop stores in localities.

Commerce ministry officials said opening up multi-brand retail in specific sectors would not only bring FDI but would also make India a larger sourcing base for specialised global chains.

For instance, the US electronic goods chain Best Buy indicated it could source goods up to two billion dollars from India if the government were to allow it to set up a chain in this country, they said.

Suez Canal fees to go up in 2007

AFP, Ismailiya

The Suez Canal Authority said Wednesday it will raise transit fees for ships using the waterway by an average 2.84 percent in 2007.

Its chairman Ali Fadel told the reporters that the increase, to take effect on April 1, would range from 1.14 percent for passenger ships to 3.73 percent for oil tankers.

Egypt's revenues from transit fees on the canal, which links the Mediterranean with the Red Sea, soared to a record 3.82 billion dollars in 2006, up from around 3.4 billion dollars the previous year.

Cargo loads for 2006 are expected to reach 680 million tons, up from 671 million tons in 2005. The rise was spurred mainly by higher fees and soaring global trade with India and China.

Egypt is currently in talks with China to ensure that close to 100 percent of Chinese exports to Europe pass through the Suez Canal -- up from the current 60 percent -- in exchange for lower transit fees.

The Suez Canal, which opened in 1869, is Egypt's third largest source of revenue, after tourism and remittances from expatriate workers.

DHL Express Centre opens in Adamjee EPZ

DHL, the world's leading express and logistics company, has opened its eighteenth express centre in Bangladesh in Adamjee Export Processing Zone (EPZ), says a press release.

Desmond Quiah, country manager of DHL Express (Bangladesh), inaugurated the centre on Tuesday while other senior officials of the company were present.

Desmond Quiah said, "We would continue our efforts to reach out to our customers as much as possible. The opening of another new express centre is indicative of DHL's continued growth and our commitment to the business community."

Pointing to the emergence of Adamjee EPZ as an important commercial centre, Quiah said DHL aims to give customers the easiest and most convenient access to its express products and services.

The company also has express centres in Dhaka, Chittagong and Comilla EPZs. The new express centre is expected to address the needs of various industries located in Adamjee EPZ.



PHOTO: IDLC

Anis A Khan, chief executive officer and managing director of IDLC of Bangladesh Ltd, receives on behalf of the company the second prize of ICAB National Award-2005 for Best Published Accounts and Reports (non-banking financial institutions category) from Dr Salehuddin Ahmed, governor of Bangladesh Bank, at a function on Friday. Faruq Ahmed Siddiqi, chairman of Securities and Exchange Commission (SEC), and ASM Nayeem, president of the Institute of Chartered Accountants of Bangladesh (ICAB), were also present.



PHOTO: DHL

Desmond Quiah, country manager of DHL Express (Bangladesh), inaugurates a 'DHL Express Centre' in Adamjee EPZ on Tuesday. Senior officials of the company were also present.