

Indian economy races into 2006

AFP, New Delhi

Of-derided as the slow-moving elephant of Asia, India's economy has been transformed into a star performer with booming growth and a stock market that rocketed 40 per cent in 2005.

As India enters the new year, economists say the Asian nation of over a billion people is closer than ever to attaining its goal of being a global economic power.

"When people look at the region, they tend to concentrate on China," says economist Brian Hilliard at Societe Generale investment bank in London. "Now there's another player ... that can become a major economic power."

This world attention, backed by record foreign fund inflows, is based on growth running at eight percent, a booming outsourcing sector, strong services, manufacturing expansion and consumer spending by a grow-

ing middle class.

While much of India is still steeped in poverty, there is a new "shop till you drop" mentality among the middle class, estimated at 300 million, as Asia's third-largest economy throws off statist shackles.

Buoyed by rising incomes, they are embracing consumerism with a vengeance, dropping the frugal legacy of Mahatma Gandhi, the conscience of modern India.

Go into any of the big retail outlets in New Delhi, Bombay or Bangalore that are jammed on weekends, with swanky bars or restaurants and it is clear many Indians are making up for lost time after years of penny-pinching.

"When I was a boy, people used to distribute sweets when they could afford a second-hand bicycle," recalls New Delhi builder Dipak Sharma. "Now families have two, three, sometimes four cars and don't think about it when they spend

on clothes and eating out."

Increasingly, commentators speak of "two Indias" -- one of free-spending affluence and the other where 250 million people survive grim poverty on under a dollar a day.

On the business front, from telecoms to software, real estate to auto parts, virtually every sector has been firing on all cylinders and is expected to keep on doing so.

For instance in November alone, India, the world's fastest-growing mobile phone market, notched up 1.18 million new users, bringing its total to 72 million. The figures are set to rise as firms target the vast rural market.

Now economists are scaling up growth forecasts after the economy expanded by 8.1 percent in the first half and eight percent in the third quarter.

Some are pencilling in eight percent growth for the year to March 2006, up from seven percent earlier,

although most project around 7.5 percent. The economy grew 6.9 percent in the previous fiscal year.

That would still make India the world's fastest growing major economy after China. What's more, the growth looks sustainable.

"Three broad themes are driving growth," says New York-based Citigroup Global Markets chief economist Lewis Alexander, pointing to investment led by spending to improve ramshackle infrastructure, urban consumption led by services and outsourcing in sectors such as financial services.

"We expect this encouraging development to continue in 2006," he says.

Many economists say India's economy now has its own momentum and it will to continue to perform strongly no matter which government is in power.



PHOTO: PRIME BANK

M Shahjahan Bhuiyan, managing director of Prime Bank Ltd, shakes hands with M Saifur Rahman, finance and planning minister, after receiving on behalf of the bank the first prize of 'ICAB National Award 2004' for the best published accounts and reports (Banking Sector) at a function in Dhaka on Wednesday.



PHOTO: BUTTERFLY MARKETING

MA Mannan, chairman and managing director of Butterfly Marketing Ltd, inaugurates the fifth LG-Butterfly showroom in Khulna recently. Syed Asaduzzaman, director (Finance), Mustafizur Rahman Sajid, director (Marketing & Sales), and other senior officials of the company were present at the inauguration.

ReadyCash Raffle Draw Winners

The latest ReadyCash Raffle draw was held at ReadyCash Bangladesh office at Dhanmondi in Dhaka yesterday, says a press release.

Prizes	Name of Winners	Card Nounber
Kamal General Store Free gift box	Md. Yasin Chowdhury	5047980020003916
Life Style Super Shop-Free Gift Box	Md. Bahar Uddin	5047980010036819
Rainbow Free Lunch/Dinner for Two	SharwarAhmed	5047980010036825
Monorom free Gift Box	Haji Md Abdul Kashem	5047980010036826
Step & Shop Super Store-Free Gift Box	Md.Toubur Rahman	5047980010036834

Winners can collect their prizes from the Executive, Promotion of ReadyCash within 30 days of this news circulation by producing their ReadyCash card transaction vouchers. ReadyCash encourages its cardholders to read The Daily Star and the Daily Prothom Alo on every Sunday or call our Customer Service at: 8123850, 8130497, 8125294-7.

China's toy makers' Xmas profits slump

AFP, Shanghai

For years, China's thousands of toy factories and busy workers have dominated much of the global toy industry but now rising costs and faltering sales have left managers crying over miserly profits.

With four out of every five toys going to the European Union last year made in China, business should be booming in the toy capital of the world -- China's Guangdong province -- but that has not been the case.

The problems began in 2003 with the outbreak of Severe Acute Respiratory Syndrom (SARS), when industry buyers cancelled trips to the mainland, leaving sales in tatters and leading to a spate of bankruptcies.

Companies in southern Guangdong, where more than half of China's toy exporters are based,

have since been tested by rising raw material costs, mainly in plastics, as a result of soaring oil prices and a series of product problems which have undercut customer confidence.

Hurricanes Katrina and Rita in August and September in the United States added to the pressure, raising concerns that US demand for the Christmas season would be hit just at the time when customers normally place their main orders.

Combined, it means that for many of China's 8,000 toy makers and exporters, now 2,000 less than in 2002, the Grinch has already stolen Christmas.

While sales were largely steady in the first eleven months of 2005, compared with a drop of nearly 25 percent in 2004, rising production costs have wiped out their profits, manufacturers say.

Malaysia's diverse races main selling point for tourism

ANN/ THE STAR

Malaysia's diverse races and unique cultures will be the main selling point for Visit Malaysia Year 2007 (VMY 2007), which is targeted to draw 20 million tourists.

On Dec 31, Deputy Prime Minister Najib Tun Razak will launch the campaign, which will coincide with the country's 50 years of independence, Tourism Minister Dr Leo Michael Toyad said achieving the targeted arrivals would translate to RM38bil (US\$10 billion) in tourist expenses.

"The VMY 2007 will be the third instalment following two highly successful VMY campaigns in 1990 and 1994. It will be an important milestone for the country, as we will also be celebrating Malaysia's 50th Anniversary," he said.

"This will be a great way to show people the uniqueness of our culture and people. Beautiful beaches can be found anywhere, but the value-added factor is the people."

He said up to September this year, his ministry recorded 12 million international arrivals. "Our

target is to get 16 million by the end of this year," he said, adding that China aimed to attract 50 million tourists by 2007.

"We rank second in the region after China, which has about 22 million tourist arrivals now".

He said the Malaysian government was already working with various airlines to arrange chartered flights where currently they had no flights. "We are also looking into ways to make it easier for people to obtain their visas," he said.

The launch of the VMY 2007 will be at Dataran Merdeka at the city centre with entertainment from local performers followed by the launch of the VMY 2007 logo just before the countdown for the new year, he said.

On a related matter, Dr Toyad said the rate of Chinese tourist arrivals between February and September had dropped by about 45 per cent, from that in the corresponding period last year, due to several reasons, including last December's tsunami.



PHOTO: DHAKA BANK

Abdul Hai Sarker, founder chairman and sponsor shareholder of Dhaka Bank Ltd, inaugurates the 28th branch of the bank at Rakshit Market in Cox's Bazar recently. Among others, Rokshana Zaman, chairperson, Shahed Noman, managing director, and directors of the bank were present at the inauguration.



PHOTO: SAMATA LEATHER

The 15th annual general meeting (AGM) of Samata Leather Complex Ltd was held on Wednesday in Dhaka. Md Munsur Ahmed, chairman of the company, presided over the AGM.

Asia Energy's non-executive director resigns after share scam

BDNWES, London

A non-executive director of Asia Energy PLC, which is developing Phulbari coalmine in Bangladesh, resigned after he had been fined by the British financial watchdog for a share scam involving another company.

"Within two hours of fining Jonathan Malins by Financial Service Authority (FSA), we called him and he resigned," a senior executive of Asia Energy told the news agency.

The executive said Malins holds "insignificant" number of 250,000 shares out of 6.5 million shares of Asia Energy.

Malins was originally executive director of Cambrian Mining, which is also a stakeholder of the Asia Energy.

The FSA imposed a £25,000 fine on Jonathan Malins after it had found that Malins twice bought shares in Cambrian while in possession of positive inside information.