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# Coal exploration deal with Asia Energy anti-state

## Says energy adviser

**STAR BUSINESS REPORT**

Energy Adviser Mahmudur Rahman yesterday said the country's interest was not protected in coal exploration deal with Asia Energy in 1998.

"People who were involved in signing the anti-state agreement should be tried," Rahman said while addressing "Meet the Energy Reporters" programme, organised by Forum For Energy Reporters Bangladesh (FERB) in Dhaka.

Referring to a provision of the agreement, Rahman said the deal has failed to protect the country's interest. The provision reads: "Any coal, which investor chooses to export, shall not be subject to export fees, duties or assessment of any kind."

But Rahman said the deal should not be scrapped. All international agreements should continue, he said. "Scrapping any investment agreement carries wrong signal to foreign investors," he added.

He said any further approval of Asia Energy's investment plan will depend on the forthcoming coal policy.

Replying to a question, Rahman said Anti-Corruption Commission can carry out an investigation into the Asia Energy issue.

Replying to another question, the energy adviser said the government has no plan now to increase fuel prices.

Rahman said during the irrigation season, a section of people were involved in smuggling diesel out of the country, creating fuel crisis.

He said a significant development in energy sector was made during the last four years of the government.

He said following the drive against bill defaulters, the overall systems loss of Titas Gas declined to 5.22 percent from 7.09 percent, or 45.03 million cubic feet from 63.20 million cubic feet, in the last eight months.

**1995 deal with BHP was Asia Energy-style agreement**

UNB adds: Rahman, however, admitted Asia Energy-style exploration agreement was signed in 1995 with the Australian company BHP.

Later, Asia Energy, a UK-based company, took over the project from BHP through signing the 1998 agreement during the last Awami League regime.

He said people of both the regimes responsible for the two agreements 'should be tried for striking deal against national interest'.

The energy adviser lamented that this is very unfortunate that those who were responsible for the agreement in 1998 are now talking against the agreement.

# US senators to head for China before sanctions showdown

**AFP,** *Washington*

US lawmakers agitating for trade sanctions against China said Wednesday they would visit the country next week to give Beijing a last chance to stage decisive reform of its currency regime.

Democratic Senator Chuck Schumer and his Republican colleague Lindsey Graham said China must revalue the yuan now if it wants to avert a vote by March 31 that could impose a hefty tariff of 27.5 percent on its US-bound exports.

Their week-long trip starting Sunday, which the senators said has the blessing of the White House, comes as Chinese President Hu Jintao prepares to visit Washington next month.

Schumer said the trip to Beijing, Shanghai and Hong Kong, which is being joined by Republican Senator Tom Coburn, would encompass meetings at the "highest levels" of the Chinese government.

"The need to go to China and really find what's going on in the advent of the deadline for our legislation and President Hu's upcoming visit is essential," the New York senator told a news conference.

"We truly hope that we're given some reason for optimism that China will revalue its currency and play by the rules on our visit," he said.

PHOTO: STAR

**Prof Muhammad Yunus, founder and managing director of Grameen Bank, and Franck Riboud, chairman and chief executive officer of France-based Groupe Danone, exchange documents after signing an agreement yesterday in Dhaka to set up a joint venture enterprise -- Grameen Danone Foods.**

# Grameen signs deal with Danone to make nutritious food

## First plant to be set up in Bogra with $1m investment

**STAR BUSINESS REPORT**

Groupe Danone, France-based global leader for nutritional food products, and Grameen Group inked a deal yesterday to set up a joint venture enterprise -- Grameen Danone Foods.

"The first plant will be set up in Bogra with an investment of US$1 million to produce yogurts and will start its operation by the end of 2006," said Prof Muhammad Yunus, founder and managing director of Grameen Bank, after signing an agreement with Groupe Danone at Sonargaon Hotel.

Such 50 plants will be set up in various rural areas across the country in the next 10 years with an investment of $50 million, the micro-credit guru explained.

"Products of Grameen Danone Foods will be rich in nutrition and affordable for the poor, particularly for the children in rural areas of Bangladesh," Franck Riboud, chairman and chief executive officer (CEO) of Groupe Danone, said after signing the deal on behalf of his company.

"Bangladesh is going to grow more in the years to come and I hope the project will work well," said Riboud, who is on his first ever visit to Bangladesh.

Groupe Danone, which sells about 60 million yogurts (in plastic bottles) across the globe everyday, is the world's leader in marketing dairy products and bottled water with its famous brands Evian and Volvic and the second largest in biscuits.

Grameen's tie-up with Danone in food production is considered the most high-profile joint venture business initiative in Bangladeshi food sector. Building on the initial success of its yogurts, which would come in different flavours, Grameen Danone Foods may later produce and market bottled water of Evian brand.

"Coming of Groupe Danone to Bangladesh is itself a big news," Yunus said. "And together we are launching a business that is different from others."

The mission of the new venture will be to bring daily nutrition to low-income and nutritionally deprived populations in Bangladesh and alleviate poverty through implementation of a unique proximity-based business model.

The project has been specifically developed to contribute to the physical growth of Bangladeshi children by bringing them the benefits of milk and other micronutrients they lack.

In order to maximise the social impact of the project, Grameen and Danone are developing low capital-intensity manufacturing options and intend to reinvest the profits in Grameen Danone Foods.

"Several hundred livestock-farming and distribution jobs are expected to be created in the local community as a result of implementing the first plant," Yunus said.

Grameen Danone Foods will rely on the creation of independent business and job opportunities in the farming, processing, sales and distribution sectors.

The joint venture company is also committed to protecting environment and will significantly rely on solar energy and bio-gas energies for its operations. It will also develop innovative and environment-friendly packaging solutions for its products.

Groupe Danone and Grameen Group have 50:50 stake in the newly launched business and its shareholders will not receive dividends more than one percent from its profit.

With around $16 billion of total sales in 2005, around 35 percent of Groupe Danone's total sales are made in the developing countries and half of its 200 factories and 89,500 employees are in Asia.

Grameen Bank serves 5.8 million borrowers through its microcredit programmes and 96 percent of them are women. The bank also gives interest-free loans to beggars and its deposit base is larger than its outstanding loan.

# Property investments in Asia up 46pc in 2005

**AFP,** *Singapore*

Commercial real estate investments in the Asia Pacific rose 46 percent year-on-year in 2005 to 67.5 billion US dollars with international buyers drawn by the region's booming economies especially China and India, an industry report said Thursday.

The region accounted for 14 percent of global commercial property investments worth 475 billion dollars last year and China, the world's fastest growing major economy in 2005, was the most popular destination, real estate consultancy Jones Lang LaSalle said.

Inter-regional capital worth 2.3 billion dollars were poured into Chinese real estate last year while global investors purchased more than 1.6 billion dollars of assets, according to the consultancy.

"Going forward, the trend of international capital flow into China is set to continue with increased interest in the fast emerging secondary cities," Guy Hollis, the consultancy's international director said.

"China is set to be another strong growth market in 2006, while Chinese investors are expected to become significant capital exporters," he said.

# Institutional supports needed to tap export potential of herbs

## Seminar told

**STAR BUSINESS REPORT**

Despite huge export potential, Bangladesh is yet to reach the $62 billion world medicinal plant market due to lack of institutional supports, speakers told a seminar yesterday.

Urging the government to make a national database for medicinal plants, they said growers need professional training especially on modern post-harvesting method.

They were speaking at seminar titled 'Potential of Export of Medicinal Plants' in Dhaka. Export Promotion Bureau (EPB) organsied the seminar as part of its National Export Training Programme (NETP). Mir Shahabuddin Mohammad, vice-chairman of EPB, Faridul Hassan, director of EPB, and entrepreneurs of medicinal plants were present at the seminar.

The speakers said demand for medicinal plants is increasing on average 15 percent annually in the world market. Neighbouring India earns worth Rs 1000 crore per year by exporting medicinal plants. Bangladesh exported medicinal plants worth $7,000 in the last fiscal year, they added.

Presenting a keynote paper, Ferdousi Begum, executive director of Development of Biotechnology and Environment Conservation Centre (DEBTEC), said inadequate linkage between cultivators, individual buyers and institutional buyers is also discouraging the farmers.

Quoting a survey of the World Health Organisation (WHO), she said the global medicinal plant market will increase to $5 trillion by 2050.

EPB vice-chairman said, "Export earning from medicinal plants is not encouraging, as the country holds huge potential in some Western and Middle East countries."

PHOTO: STAR

**Md Yeasin Ali, MD of Dutch-Bangla Bank Ltd (DBBL), opens a branch of the bank on CDA Avenue in Chittagong yesterday.**

# India's Kotak bank to buy out Goldman stake for $74m

**AFP,** *Mumbai*

India's leading private bank Kotak Mahindra Bank announced Thursday plans to buy out Goldman Sachs' stakes in their two joint ventures for 333 billion rupees (74 million dollars).

Under the deal, Kotak will buy Goldman Sachs (Mauritius) LLC's 25 percent stakes in each of the two subsidiaries -- Kotak Mahindra Capital Co Ltd (KMCC) and Kotak Securities Ltd (KS), said a statement to the Mumbai stock exchange.

"The time has now come to chart our own destiny," said Kotak Mahindra Bank's executive vice-chairman and managing director Uday Kotak, ending a nine-year strategic alliance with the US-based global investment bank.

"We need to raise our aspirations and scale as the India story becomes centrestage in the global order. This is our reinforcement to create an Indian financial institution with global class and capabilities," he said.