

Fuel prices bleeding treasury, says Manmohan

AFP, New Delhi

Indian Prime Minister Manmohan Singh Tuesday said India's economy is on its longest roll ever but that state subsidies on petroleum products are bleeding the national treasury.

"The going has never been as good for India in the past as it is now as our economy has been growing at an impressive pace of over eight percent," Singh said in a national address during 59th Independence Day celebrations.

"Such rapid growth over three successive years is unprecedented in Indian history. Our industry and services sectors are showing impressive growth," the prime minister said from the Mughal-built Red Fort in the Indian capital.

"The growth of the manufacturing industry touched 11 percent in the last quarter, generating many jobs for our youth and workers," the economist-turned-premier added.

However, rising global fuel prices were of concern to his communist-backed Congress party government.

"Two years ago the international price of oil was just over 30 dollars per barrel and today it is close to 75 dollars," he said.

"Even though world oil prices have more than doubled, we have succeeded in insulating our consumers to a great extent... Prices of kerosene and liquid petroleum gas have not been raised," Singh said of the two products widely used as cooking fuel by Indians.

"But there is a limit to which we can go on subsidising the consumption of petroleum products in the face of rising import costs.

"How much more can the government treasury bear this burden? At some point, this will affect our ability to spend on other important development programmes," he warned.

Nokia may speed up Apple's entry into cellphone business

AFP, New York

Mobile telephone giant Nokia's arrival in the music downloading business is bad news for Apple Computer, which may force the iPod maker to engineer a new "iPhone" to fend off the threat, experts believe.

Finland's Nokia, which controls about a third of the global cellular phone market, announced last week it was buying the digital music site Loudeye, a US firm which is active in Europe through its affiliate OD2.

Nokia, which already produces music-playing phones, believes the acquisition will "offer consumers a comprehensive mobile music experience, including devices, applications and the ability to purchase digital music."

The announcement came with Apple under fire from several European governments for monopolizing its proprietary technology to prevent iPods from downloading songs on sites other than iTunes.

"First they (Apple) get hammered by the French legislative machinery," said Mark Mulligan of Jupiter Research, "then the Nordics get narky."

"Next Microsoft say that they are deploying their own 'broken arrow' option and planning to take on Apple head on, essentially bypassing existing partners. And finally along come Nokia with their two-pronged attack."

Mulligan wrote in his blog that "there's no getting away from the fact that it's been a tough old couple of months for Apple."

The OD2 platform has been a pioneer in legal downloading. Co-founded in 1999 by British musician Peter Gabriel, it was bought in 2004 by Loudeye and today boasts support for 60 music purchase sites, including ones controlled by Microsoft in 13 European countries.

Govt moves to make businesses aware of anti-dumping rules

JASIM UDDIN KHAN

In the wake of concerns over possible dumping from competing countries as expressed by local manufacturers, government has initiated a campaign programme in order to make businesspeople aware of how to take anti-dumping measures on the latter's part, official sources said.

To this end, the Ministry of Commerce formed recently a five-member committee comprising officials from Tariff Commission, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), WTO Cell at the ministry and NBR.

This committee has been assigned to examine the existing anti-dumping rules and then disseminate information to the businesspeople so that they can take safeguard measures to protect their industries.

The country's ceramic industry, dry cell battery, razor blade, paints and yarn manufacturers have already sent letters to Tariff Commission and National Board of Revenue besides the Ministry of

Commerce expressing their concerns at dumping of products from competing countries like China, Thailand and India.

The manufacturers said products from mainly those countries flooded local market, which, they assume, were exported at a lower price than that in their own country.

As per the WTO rule, export of any product may be termed dumping if a company sells the product at a price lower than the price it normally charges in its home market.

Sources in the commerce ministry said although a number of manufacturers expressed their concern over the issue the letters sent to the ministry and other government agencies, they never filed any formal complaints to the government to take action under anti-dumping rule. Bangladesh adopted an anti-dumping rule in 1995 following an agreement at the World Trade Organisation.

The WTO deal said a company can file complaint to its government against dumping and the government can bring it to the notice of the anti-dumping body at WTO.

"Our manufacturers lack infor-

mation. They also have poor knowledge about pricing of the products in other countries and they don't have adequate capacity to analyse the price gap," a high official of the ministry of commerce said.

Local manufacturers are also unaware of the process of filing anti-dumping measures against any foreign competing company, the official added.

Meanwhile, filing of complaints at WTO is continuing and a WTO data says 16 countries have initiated a total of 82 new investigations under anti-dumping agreement during the July-December period of 2005.

Among members reporting new initiations, the highest number is China with 13 initiations followed by Argentina and India 11 each, European Communities 9, the United States 8 and Australia and South Africa 5 each.

Bangladesh never filed any complaint to the WTO under the anti-dumping agreement despite it experienced anti-dumping duty from India.

Top banks plan rival trading data system

REUTERS, London

A group of 10 or more of the world's largest investment banks are trying to set up their own system for reporting share trades, allowing them to bypass the major European Stock Exchanges, people close to the matter said on Monday.

The group, which includes Merrill Lynch, Citigroup and Morgan Stanley, among others, could make an announcement about the platform within the next few days, one of the sources said.

Another source said the plans were still very preliminary, though a third said the group was "pretty serious," about the project, which was first reported on the Financial News web site. Financial News also said Credit Suisse, UBS and Deutsche Bank were involved.

The banks declined to comment or could not immediately be reached for comment.

Investment banks currently have to report any trades they make to different exchange authorities across Europe. Some consider the charges, particularly in London, as too high.

"Reporting is complex and fragmented; it's not just about London. Consolidating it in one place makes sense," one of the sources said.

Another pointed to other services, such as Virt-X and Plus Markets Group, which also offer trade reporting services.

JP Morgan and Lehman Brothers are not involved in the plan, the sources said, because they act as brokers to the London Stock Exchange, which currently has the monopoly on collecting sales and trading data in London.

The LSE said it remained confident in its infrastructure.

"We already have an efficient central infrastructure in place for reporting trades," said an LSE spokeswoman. "MiFID (the Markets in Financial Instruments Directive) presents an opportunity for the LSE to capture new business across Europe."

Wal-Mart sees 1st profit drop in decade

AP, Bentonville

Wal-Mart Stores Inc., the world's largest retailer, posted its first profit decline in a decade Tuesday as second-quarter earnings fell 26 percent due to the cost of selling its Germany operation.

But results were still in line with expectations and the company reiterated its guidance for the year. The company's stock fell 42 cents to \$44.68 in pre-market trading.

For the quarter ended July 31, the company posted net income of \$2.08 billion, or 50 cents per share, down from \$2.81 billion, or 67 cents per share, a year ago. That includes a hefty \$863 million charge related to the sale of its German stores to rival Metro AG.

The last time Wal-Mart saw quarterly profit fall was in 1996. But the decline this time is based on a one-time event the German sale and profit was up after setting aside operations in Germany and South Korea that are being discontinued.

Excluding South Korean and German stores, the sales of which are both pending, Wal-Mart's income from continuing operations grew 5 percent to \$2.98 billion, or 72 cents per share, from \$2.85 billion, or 68 cents per share, a year ago.

The earnings results were in line with Wall Street expectations for profit of 72 cents per share, though revenue came in below the \$86.24 billion consensus estimate.

Revenue totaled \$85.43 billion, an increase of 11.4 percent from the \$76.69 billion posted a year ago.

Wal-Mart Stores last month said it was pulling out of Germany after racking up losses since it started there in 1998. The move came two months after leaving South Korea in what analysts welcomed as a move to focus resources on expanding in more profitable international markets like China and Latin America.

Tk82.26cr industrial parks for auto, plastic goods industries

BSCIC to implement projects in 4 years

STAR BUSINESS REPORT

Bangladesh Small and Cottage Industries Corporation (BSCIC) will set up three industrial parks -- two for automobile industry and one for plastic goods industry-- outside the capital at a cost of Tk 82.26 crore.

BSCIC signed two separate Memoranda of Understanding on Monday to this effect with associations of automobile workshop owners and plastic goods manufacturers.

BSCIC Secretary Shams Uddin Ahmed signed the Memoranda of Understanding with Khair Uddin Montu, president of Bangladesh Automobiles Workshop Malik Samity, and AK Iqbal Hossain, president of Bangladesh Plastic

Products Manufacturers and Exporters Association.

The projects will be implemented in the next four years under the Annual Development Programme (ADP), a BSCIC press release said.

The two automobile parks will be established at Aminbazar and Matuail in Demra at a cost of Tk 35.30 crore.

The plastic industry park will be established in Darigao area under Keraniganj upazila at a cost of Tk 46.96 crore.

The industrial parks will have infrastructure facilities such as inland road, drain, culvert, electricity, bank, gas connection and telephone network.



British High Commissioner to Bangladesh Anwar Choudhury and his wife pose for photographs with the winners of 'Monitor-Totalgaz Chef of the Year Competition-2006' on Saturday in Dhaka. Chairman of the contest Kazi Wahidul Alam and Chairman of the jury committee Prof Siddiqua Kabir are also seen.

SEC to revive advisory body on capital market

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) will resume the activities of its advisory committee on capital market in a bid to make the market more vibrant.

The capital market watchdog will select the new members of the committee soon, SEC sources said.

The decision was made at a meeting presided over by SEC Chairman Faruq Ahmad Siddiqi in Dhaka yesterday.

The committee remains inactive for the last six years.

The committee will give suggestions and opinions to the SEC so that the commission can monitor and take necessary measures to bring transparency in the capital market.

The SEC sources said the committee will be comprised of economists, capital market experts, financial institution representatives and stock brokers.

The committee may have 25 members headed by the SEC chairman.

"The commission will announce the committee through a notification very soon," SEC Executive Director Mansur Alam said, adding that the committee will be formed as per the Article 27 of Securities and Exchange Ordinance 1969.

Another sponsor director of IFIC Bank wants to sell shares

Meanwhile, another sponsor director of IFIC Bank-- Golam Halim -- has expressed his intention to sell 49,582 shares of the bank out of 72,129 he is holding.

According to CSE website, he has made the intention to sell his

shares through the Chittagong Stock Exchange within the next 30 working days.

Earlier, three sponsor directors -- Salman F Rahman, R Rahman and Iqbal Ahmed -- sold around 3 lakh shares of the bank.

China's FDI falls in July

AFP, Shanghai

China's foreign direct investment for July fell 5.49 percent to 4.279 billion dollars from a year ago, official data showed Tuesday.

From January to July, overseas investment was down 1.16 percent to 32.71 billion dollars, the Ministry of Commerce said on its website.

In the first seven months of 2006, the number of companies arriving to set up business in China fell 7.63 percent to 22,772. Only 3,022 foreign companies were established in July, down 12.15 percent from a year ago.

The ministry said that the largest sources of investment came from Hong Kong, the British Virgin Islands and Japan.

In the first six months of 2006, foreign direct investment fell 0.47 percent to 28.4 billion dollars from a year earlier, while in June investment dropped off 12.23 percent to 5.44 billion dollars, according to previously released figures.

MONITOR-TOTALGAZ Final round of chef of the year contest held

The final round of 'Monitor-Totalgaz Chef of the Year Competition-2006' was held in Dhaka on Saturday, says a press release.

The Bangladesh Monitor, a travel magazine, in association with Totalgaz, Pan Pacific Sonargaon Hotel, Rabeya Flour Mills and Emirates Airlines organised the second version of the contest.

Tahsina Tasnim Khan, a BBA student, was adjudged the best chef in amateur category while Rowshan Ara Begum in professional category. The prizes for each winner included Tk 10,000 and Dhaka-Dubai-Dhaka air ticket.

Anwar Choudhury, British high commissioner to Bangladesh, distributed prizes among the winners while Kazi Wahidul Alam, editor of the travel magazine, Vijay Kumar, managing director of Premier LP Gas, Paolo Randon, director (F & B) of Pan Pacific Sonargaon, Estiaq Ahmed, managing director of Rabeya Flour Mills, and Abdullah Bin-Shaheen, acting manager of Emirates, were present.

A 10-member jury committee, headed by nutritionist Prof Siddiqua Kabir, made the judgment.

China's economy to grow 10.4pc this year: WB

XINHUA, Beijing

Although China's gross domestic product expanded by 10.9 percent in the first half of the year, implying second quarter growth of 11.3 percent, a pace not seen since 1996, the outlook for the country's economy remains "favourable", prompting no need for overheating worries, the World Bank said in a quarterly report released in Beijing.

With production capacity continuing to expand in line with demand, inflation low and the current account in surplus, the main policy concern is not general overheating for now.

In the long term, however, the continued investment boom warrants concerns about efficiency and makes more moderate growth desirable, explained the report.

The bank has projected a mild slowdown in exports and fixed assets investment for the second half, which would imply a slight fall in GDP growth to under 10 percent at the end of the year, resulting in growth of 10.4 percent for the year as a whole.

Bert Hofman, the bank's lead economist for China, stressed that the country's investment has been increasingly driven by firm's profits and profitability rather than administrative agendas.

For instance, sectors like transport equipment, ordinary machinery, and the textile industry which were identified by China's National Development and Reform Commission as having seen particularly rapid fixed assets investment growth, saw particularly high profit growth.

The only exceptions, he said, were large sectors outside of core manufacturing where government policies including on pricing have a large influence.

Another noticeable point is that investment growth tended to be higher in sectors dominated by the private sector. The importance of state-owned enterprises in industrial sectors, in contrast, seems to have displayed a negative relationship with fixed assets investment growth, said the report.