

Star BUSINESS

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Tea production misses target by 8 million kg

IQBAL SIDDIQUEE, Sylhet

The country's tea production missed the target by 8 million kg last year due to unfavourable weather during the peak season.

The production stood at about 52 million kg against the target of 60 million kg in 2006, tea garden managers said.

According to the industry people, the production suffered a setback due to drought that lasted for 4 months in the country's major tea-growing region.

The region experienced light

rains in the first week of May after a prolonged drought. Besides, the temperature was high.

Fertilization in most tea gardens also could not be done in time due to the absence of adequate rains, the garden managers said.

When contacted, a senior manager of a state-run tea garden at Balisera in Moulvibazar district said fluctuation in temperature was unpredictable during the last year.

Salman Haider Chowdhury, general manager of Khadim Tea Estate in Sylhet, said the drought

played havoc with the smooth growth of sensitive tea plants.

However, the situation was comparatively better in Sylhet district, where only 20 tea gardens are located, he added.

Chowdhury, who is also the circle chairman of Bangladesh Tea Association's northern Sylhet valley, said tea is considered a very sensitive crop, which needs uniform rainfall and sunshine especially during the period from March to September-October.

Usually the tea-producing region needs about 400 MM to 450

MM rainfalls until mid August. But the rainfalls recorded at the meteorology centre of BTRI (Bangladesh Tea Research Institute) at Srimangal were below 200 MM during the season, an official said.

In 2005, the tea industry had the ever-highest production of over 59 million kg, thanks to favourable weather condition.

The country has 160 tea gardens having a total production capacity of 50 million kg-60 million kg. Roughly two thirds of the output is consumed locally while the rest is exported.

Rajshahi chamber gets new chief

RU CORRESPONDENT

Hasen Ali has been elected unopposed the president of Rajshahi Chamber of Commerce and Industry for the term 2007-09.

Besides, Khandaker Mynul Islam and Fazlur Rahman have been elected unopposed vice presidents of the chamber.

The 14 directors of the 17-member committee, who were also elected unopposed, are Abul Hossain, Shahidullah, Kabirur Rahman Khan, SM Ayub, Taofiqur Rahman, Harunur Rashid, Mustafizur Rahman, M Sharif, Moniruzzaman Moni, Kamal Uddin, AR Jamil, Khandaker Hafizur Rahman, Khandaker Mizanur Rahman and Mahbub Alam Badsha.

Bharti Airtel to enter Lankan cellphone market

OUR CORRESPONDENT, New Delhi

India's largest private cellphone operator Bharti Airtel has announced its entry into Sri Lanka in the company's first international operation.

The Sri Lankan government has granted the licence to the Indian company promoted by Sunil Bharati Mittal to operate GSM-based cellphone operations in the island nation providing both 2-G and 3-G services.

Bharti Airtel has to invest \$100 million in Sri Lanka in the first year.

Commenting on the letter of offer from the Telecommunications Regulatory Commission of Sri Lanka, Sunil Bharati Mittal said, "The South Asian region offers tremendous growth opportunities and Sri Lanka is a very promising market for telecoms services".

"This will be the first international operation of Bharati Airtel and is in line with the company's plan to expand its telecoms operations in South Asia", he said.

In Sri Lanka, the Indian company has to compete with four existing operators - Dialogue Telecom owned by Telekom Malaysia, Celtel Lanka owned by Luxembourg-based Millicom International Cellular, Hutchison and Lankan state-run Mobitel.

Notwithstanding the competition, Sri Lanka offered ample scope for another mobile phone operator because of its being low-penetration market.

Bharti Airtel joint managing director said the company would invest about two billion dollars in India in 2007-08 to expand its network.

Meanwhile, the Indian cabinet committee on Economic Affairs cleared an FDI (foreign direct investment) proposal of up to Rs3,000 crore by a Mauritius-based company in telecom services sector in India.

The Independent Mobile Infrastructure Mauritius Ltd would make the investment over five years, said Information and Broadcasting Minister Priyaranjan Dasgupta.

The approval is subject to licensing and security requirement of the Department of Telecom and to the condition that the Mauritius company would divest 26 percent equity in favour of Indian public in five years, he added.

In a telecoms-related development, Swedish telecom equipment giant Ericsson announced an investment of \$10 million every year in the Indian telecoms sector.

SUCCESSFUL CONCLUSION OF DOHA ROUND

Lamy asks India to give farm concession

PALLAB BHATTACHARYA, New Delhi

Director General of World Trade Organisation (WTO) Pascal Lamy yesterday asked India to give concessions on the sensitive issue of agriculture for successful conclusion of Doha Round of stalled multilateral trade negotiations.

Lamy, who is meeting major world leaders for kickstarting the talks again, said major trading nations and blocs like the US and EU have started looking at making new offers and India should also re-examine its stand.

"My understanding is that US and EU have started testing new positions. Something is being cooked but it is not at the point of being served. It also needs Indian spices," he said after meeting Indian Commerce and Industry Minister Kamal Nath.

"Apart from India, Brazil, the US and EU, other chefs like Japan and Australia have to contribute to it," he

added.

Lamy said he was aware of the position taken by India on agriculture but opening up the sector for imports would not make the lives of Indian farmers any tougher.

He said the roadblock in agriculture negotiations need to be overcome for the Doha Round to move forward.

Lamy said both the developed and developing countries would need to take tariff cuts although greater responsibility would be on rich nations. He said even after the concessions, nations will have flexibilities.

Earlier in the day, Lamy met Indian Prime Minister Manmohan Singh. "During the meeting with the prime minister I got the feeling that the WTO is very much on his radar," Lamy said.

Nath said trade ministers of 30 key trading nations are expected to meet in Davos next week to set out

modalities for re-starting the Doha Round of talks.

"I hope that the process gets started and timelines are set for completion of the round," the commerce minister said. Nath said while India too wants the Doha Round to be completed soon it would not compromise with the interests of its farmers.

"India will do whatever it can to ensure that progress is made at WTO but the content of the round is very important," he said.

The last meeting of the WTO in July had collapsed as the key members, including the US, remained stuck on their positions on agriculture subsidies. The US and EU provide subsidies worth billions of dollars for their farmers.

Nath said the US also has a stake in the completion of the Doha Round and "we hope that it would come forward and provide leadership".



PHOTO: DHAKA BANK

Dhaka Bank Ltd opened its 36th branch on Station Road in Rangpur on Thursday. Managing Director of the bank Shahed Noman inaugurated the branch while senior officials, among others, were present.

India may hike foreign investment cap in insurance sector

OUR CORRESPONDENT, New Delhi

India may hike the foreign investment cap in insurance sector to 49 percent from the existing 26 percent.

In this regard, Finance Minister Palaniappan Chidambaram has indicated that a legislation would be introduced in the budget session of Parliament beginning next month.

However, the move promptly drew denunciation from the Left parties, which provide crucial outside support for the government of Prime Minister Manmohan Singh, as they vowed to oppose it.

The indication that the Indian government was getting ready to increase the FDI (foreign direct

investment) limit in insurance sector came from visiting British Chancellor of Exchequer Gordon Brown after his talks with Chidambaram here on Thursday.

"Chidambaram indicated that a bill will be introduced in Parliament next month to increase FDI limit in insurance sector to 49 percent from 26 percent", he said after the launch of 'India-UK Economic and Financial Dialogue'.

Brown, who is tipped to take over from Tony Blair as British prime minister in July, hinted that some British re-insurance companies like the Lloyds of London would be allowed to offer their services to India. Britain is Europe's top financial centre and many companies, offering a range of financial products, are keen to

tap the Indian market given its stature as a rising economic powerhouse along with China.

Brown also said he had been assured by the Indian government that all companies would be treated equally when takeover bids are being considered, like British telecom giant Vodafone's stated interest in Indian cellphone firm Hutchison-Essar. Chidambaram, for his part, sought more licences for Indian banks to operate in Britain.

Brown said he wants Britain to become the location of choice for Indian companies expanding overseas.

Insurance companies from the UK and the US are keen to have the ceiling on FDI in India's huge insurance sector hiked so that they can gain access to it.

Int'l textile machinery show begins

STAR BUSINESS REPORT

The 6th international garment and textile machinery trade show kicked off yesterday in the capital with participants showcasing latest equipment.

More than 200 stalls from around 20 countries, including US, Canada, Singapore, China, Hong Kong, South Korea, India and Malaysia, are exhibiting their latest machinery at the 4-day show at the Bangladesh-China Friendship Conference Centre.

Inaugurating the fair, Mir Nasir Hossain, president of Federation of Bangladesh Chambers of Commerce and Industry (FCCI), said it is the time to set up apparel machinery plants in Bangladesh to increase the value addition of the sector.

SM Fazlul Haque, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the fair will help the manufacturers choose latest technologies for their factories.

Zakaria Trade & Fair International, Bangladesh and Zak Trade Fairs and Exhibition Pvt Ltd, India are jointly organising the show, Garmmentech Bangladesh 2007.

Citigroup reports record 2006 revenue

Citigroup Inc, the owning company of Citibank NA and a leading financial services company in the world, yesterday reported record quarterly revenues of \$23.8 billion, which is up by 15 percent, and a record full year 2006 revenues of \$89.6 billion, up by 7 percent, says a press release.

Citigroup made net (after tax) income for the 2006 fourth quarter of \$ 5.13 billion, or \$ 1.03 per share. Citigroup also achieved record after tax net income from continuing operations of \$21.2 billion, up by 7 percent.

"Our results were highlighted by double-digit revenue growth in our corporate and investment banking, wealth management and alternative investment businesses. Customer balances continued to grow strongly, partly driven by our investment in new distribution," said Charles Prince, chairman and chief executive officer of Citigroup.

"During the quarter, we continued to expand our business through a balance of organic investment and targeted acquisitions. We opened a record number of branches and continued to invest in our technology and our people. We also announced five acquisitions, all to expand our international franchise," he said.

"We led a consortium that acquired 85 percent of Guangdong Development Bank in China. In Central America, we announced the acquisition of Grupo Financiero Uno, a consumer credit card franchise, and Grupo Cuscatlan, a corporate and consumer bank. We also announced the acquisition of Quilter, one of the United Kingdom's most respected wealth advisory firms, and the acquisition of a 20 percent stake in Akbank, a leading Turkish bank," added Prince.

The total investment in 2006 was increased to 375.19 million US dollars from 192.3 million dollars in 2005 with about 95 percent growth, a Bepza press release said here on Thursday.

Among the 48 companies 19 industrial units are 100 percent foreign, 10 joint ventures and 19

Brazil, Argentina to stop using dollar in bilateral trade

XINHUA, Rio De Janeiro

In an unprecedented step, Brazil and Argentina have decided to use their own currencies instead of US dollars in bilateral trade from mid-2007, the Brazilian government announced Thursday.

The national banks of both countries had designed a model to carry out bilateral trade without the American currency, Brazilian Finance Minister Guido Mantega said on the sidelines of a ministerial meeting of the Common Market of the South (Mercosur).

Mantega also hoped the block's smaller partners, Paraguay and Uruguay, would join the new system.

The ministerial meeting took place ahead of a Mercosur summit scheduled for Thursday and Friday in Rio de Janeiro.

On Dec. 15, the economy ministers and bank governors from both countries signed a protocol on bilateral trade in local currencies, a system which Mantega said would go through an adaptation phase.

"In a meeting carried out nearly one month ago we had the intention to have other countries share the system initiated by Brazil and Argentina," Mantega said.



PHOTO: STAR

Visitors gather at a stall at the four-day 6th international garment and textile machinery trade show that began at Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

WEEKLY ROUNDUP

DSE turnover up 161pc

SARWAR A CHOWDHURY

Amid a continued rally of share prices, the Dhaka Stock Exchange (DSE) witnessed a bullish trend last week with turnover rising by 161 percent.

The total turnover on the DSE was Tk 438.57 crore last week against the previous week's Tk 168.04 crore.

A strong buying support both from general and institutional investors also propelled the daily average turnover the last week to reach Tk 87.71 crore against the previous week's Tk 33.60 crore, registering a record 161 percent growth.

The DSE witnessed a highest single day turnover on Thursday with Tk 104.70 crore after 1996's bubble and bust. On November 13, 1996, the DSE turnover hit Tk 106 crore.

Officials and market operators said the latest political development, which resulted in an end to the confrontational politics, encouraged the investors from the first trading day of the last week.

"The brokerage houses witnessed a huge number of investors

in the market, which is considerably increased throughout the week following declaration of a state of emergency and formation of a fresh interim government," said a director of the DSE.

During the recent political turmoil, he said, the investors were shy to invest and even they started withdrawing their fund from the stock market, he said. "Now they got back the confidence as they hope that the present peaceful political situation will continue for a long time," he observed.

Echoing him, another DSE official said foreign portfolio investment is also increasing gradually.

During the last two trading days of the week, the DSE witnessed around 10 percent foreign portfolio investment of the total turnover, DSE sources said.

Another DSE official said if all the related factors remain positive, the market will grow further in the coming days.

Along with turnover the stock price indicators also went up sharply. The DSE General Index shot up by 131.54 points or 8.31 percent to close at 1713.53 points on Thursday, the last working day of

the last week, from 1581.99 points on January 11, the last trading day of the previous week.

DSE All Share Price Index also increased by 89.17 points or 6.85 percent finishing at 1390.53 points the last week from 1301.36 points of the previous week.

Besides, DSE-20, which comprises blue chips, also soared by 123.79 points or 8.86 percent to close at 1521.43 points last week from 1397.64 points of previous week.

The total transactions also increased by 72.24 percent. A total of 89,799,367 shares of 262 issues were traded on prime bourse last week while 52,135,916 shares changed hands the previous week.

The top ten turnover leaders of the week were Power Grid Company of Bangladesh (PGCB), Southeast Bank, Dhaka Electric Supply Company, Prime Bank, Square Textile, EXIM Bank, Bextex, Jamuna Bank, Grameen Mutual Fund and AIMS First Mutual Fund.

The PGCB, the state-owned power company, topped the list of turnover leaders with 1,666,900 shares worth Tk 45.49 crore, accounting for 10.37 percent of the total market turnover.

48 companies got Bepza approval in 2006

BSS, Dhaka

The Bangladesh Export Processing Zones Authority (Bepza) approved 48 companies to invest 375.19 million US dollars with projected employment for 45,118 Bangladeshis in the EPZs of the country in 2006.

The total investment in 2006 was increased to 375.19 million US dollars from 192.3 million dollars in 2005 with about 95 percent growth, a Bepza press release said here on Thursday.

Among the 48 companies 19 industrial units are 100 percent foreign, 10 joint ventures and 19

local. Companies from 19 countries, including South Korea, Japan, China, the UK, the USA, Germany, the Netherlands, France, Canada, India and Pakistan, are setting up units in the EPZs.

From June to December, 31 industrial units were allowed to invest 333.72 million US dollars with the projected jobs for 37,289 Bangladeshis in the EPZs of the country.

From among the 31 companies, 10 are investing 95,957 million US dollars in the Adamjee EPZ creating jobs for 12,335 Bangladeshis, said the press release.

Six companies are investing 32.08 million US dollars in the Kamaphuli EPZ creating jobs for 12,877 Bangladeshis while the Comilla EPZ received 133.12 million US dollar investment with employment opportunities for 7,751 Bangladeshis from five industrial units during the last seven months.

Two 100-percent foreign companies have come with 11 million US dollars to invest in the Dhaka EPZ which will create jobs for about 1,075 Bangladeshis.

The rest of the industrial units are investing in Mongla, Chittagong and Ishwardi EPZs.

Oil prices remain below \$51

AFP, Singapore

Oil prices remained slumped below 51 dollars in Asian trade Friday, at levels not seen since May 2005, as the market focussed on a larger-than-expected rise in US crude stockpiles, dealers said.

At 2:20 pm (0620 GMT), New York's main oil futures contract, light sweet crude for February delivery, was at 50.34 dollars a barrel, down 14 cents from late US trades where it had touched 49.90 dollars, its lowest level since May 2005.

Brent North Sea crude for March was down three cents at 51.72 dollars, recovering from earlier lows under 51 dollars.

"The market broke through the 50 dollars level (Thursday). It looked like it fell off a cliff. It set up

the market for a test of a price level below 50 dollars," said Tony Nunan of Mitsubishi Corporation's international petroleum business in Tokyo.

Oil prices fell after the US Department of Energy (DoE), in a weekly report, said crude oil inventories rose 6.8 million barrels to 321.5 million, compared with expectations for a gain of just 100,000 barrels.



PHOTO: BEPZA

Prasanta Bhushan Barua, member (Investment Promotion) of Bangladesh Export Processing Zones Authority (Bepza), and Nasir Uddin Ahmed, deputy managing director of Prime Bank Ltd, exchange documents after signing a lease agreement on Monday in the capital. Under the deal, the bank will provide offshore banking services for the investors of Dhaka EPZ. Ashraf Abdullah Yussuf, Bepza executive chairman, among others, was present at the signing ceremony.