Star BUSINESS

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India set to become third largest economy in Asia next year

UNB, *New Delhi*

India is set to become third largest economy of Asia next year as it is expected to record 9.2 per cent growth during the current financial year.

It will overtake Japan within a year because of boom in services and manufacturing sectors, official reports said.

However, it is still a long way for India to catch up with China, which reported 10.7 per cent increase in the Gross Domestic Produce (GDP) in 2006. India already surpassed South Korea in economic growth.

The current fiscal growth has been made possible on account of 11.3 per cent growth in manufacturing.

The Indian finance ministry said that double-digit growth in the service sector has also contributed to the higher growth in economy. Hotel, transport and communication sectors recorded double digit growth.

However, it is agriculture, which has witnessed only 2.7 per cent growth, six per cent lower than the previous year.

The government is also concerned at inflation, which hovers over 5.5 per cent for the past several months. But Prime Minister Dr Manmohan Singh has resolved to take corrective measures to keep inflation under control.

It is estimated that India needs 320 billion dollar investment in the infrastructure sector. Moreover, the growth in the country has centered around eight metros, whereas there are over 700 cities in India. The infrastructure is considered as major constraint to growth, especially of the power sector.

Stocks bounce back

STAR BUSINESS REPORT

Stocks bounced back yesterday led by shares of power and cement companies, banks and mutual funds following slumps in the previous two days.

The DSE General Index ended the day at 1854.91 points, up 22.51 points, or 1.22 percent, while the CSE Selective Categories Index gained 52.19 points, or 1.93 percent finishing at 2751.81 points.

Besides, closing at 1500.51 points the DSE All Share Price Index increased by 6.73 points, or 0.45 percent, while the CSE All Share Price Index rose by 43.47 points, or 1.05 percent, ending the day at 4162.21 points.

Turnover climbed to Tk 143.78 crore on the Dhaka Stock Exchange (DSE) and Tk 22.95 crore on the Chittagong Stock Exchange (CSE).

Market analysts termed the rise following falls a very good sign for the market. "It's a normal phenomenon that there will be both ups and downs in the stock market.

If the market witnesses an upward or a downtrend for a long time, it means the market is not behaving normal," said an expert.

The gainers outnumbered the losers on the DSE while the losers dominated the gainers on the CSE. Of the 190 issues traded on the DSE, 101 gained and 76 suffered losses and 13 remained unchanged. Of the 99 issues on the CSE, 43 gained, and 45 declined with 11 remained unchanged.

Power Grid Company of Bangladesh (PGCB) regained its top position among the turnover leaders on the both bourses following a five-day break.

PGCB, the state-owned power company, topped the turnover leaders with 856,550 shares worth Tk 39.06 crore on the DSE and 111,750 shares worth Tk 5 crore on the CSE.

The day's other turnover leaders on the DSE were Brac Bank, Dhaka Electric Supply Company, Grameen Mutual Fund One, Summit Power, AIMS First Mutual Fund, Pubali Bank, Jamuna Bank, Lafarge Surma Cement and Southeast Bank.

On the other hand, the other turnover leaders on the CSE were Brac Bank, Rupali Bank, Pubali Bank, Bextex, Grameen Mutual Fund One, AIMS First Mutual Fund, Square Textile, Lafarge Surma Cement and Southeast Bank.

PHOTO: BRAC BANK

Brac Bank Ltd recently opened a branch at Jhautala in Comilla with ATM (automated teller machine) facility. Chairman of the bank Fazle Hasan Abed inaugurated the branch while Director Muhammad A Rumee Ali, Managing Director and CEO Imran Rahman and other senior officials were also present at the inauguration.

Apparels, fabrics, accessories show in Ctg begins

STAFF CORRESPONDENT, *Ctg*

A three-day fair of apparels, fabrics and accessories kicked off yesterday here in the port city with some 16 firms showcasing a wide range of products.

The participants are displaying their products in Chittagong Apparel, Fabric and Accessories Exposition (Cafaxpo)-2007, the fifth version of the show, organised by Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

Inaugurating the show at Engineers Institute auditorium, Commerce Secretary Firoz Ahmed said the country's readymade garment sector needs to ensure social compliance issues such as improving working environment and diversify products to survive the global competition.

"Despite labour unrest in the sector and the volatile political situation, the RMG sector posted a growth of 23 percent last year," he said.

BGMEA President SM Fazlul Hoque also spoke at the inauguration ceremony.

PHOTO: STAR

Visitors crowd the venue of a three-day fair of apparels, fabrics and accessories that began at Engineers Institute auditorium in Chittagong yesterday.

China sees Bangladesh situation proper for more investment

UNB, *Dhaka*

China sees the prevailing situation in Bangladesh very appropriate for Chinese business houses to start investing in a bigger way in the country.

Chinese Ambassador Chai Xi expressed the view when he called on Foreign Affairs Adviser Dr Iftekhar Ahmed Chowhdury at his office yesterday.

Chai Xi expressed "complete satisfaction" of the Chinese government on the measures adopted by the caretaker government and expressed the confidence that the current "stability will be conducive to Bangladesh's economic development".

The Chinese diplomat assured that efforts would be made to reduce the trade imbalance and allow further duty-free entry of Bangladeshi goods into the Chinese market under the Asia-Pacific Trade Agreement (APTA) which now grants such preference to 84 items.

Iftekhar, speaking to the press after the meeting, termed Ambassador Chai Xi, who is leaving Bangladesh soon on a new assignment, a "true friend of Bangladesh".

The ambassador conveyed warm congratulations of Foreign Minister Li Zhaoxing to his Bangladeshi counterpart upon his new responsibility.

Deal signed to set up seed enterprises led by women

Twenty sustainable seed enterprises led by women will be established as a result of a tri-partite agreement signed yesterday by the International Finance Corporation's SouthAsia Enterprise Development Facility (SEDF), the Rural Development Academy Bogra and the Seed Wing of agriculture ministry.

This initiative will offer training to 400 female seed producers to bring them into the mainstream economy, increasing their income and decreasing their vulnerability to unemployment, says a press release.

One of the greatest constraints in Bangladesh's agricultural sector is deficiency of good quality seeds. "The public sector is able to supply 10 percent of the total seed requirement of the country. Private sector participation in this sector is crucial in order to address the problem," said Anwar Faruque, director general of Seed Wing of agriculture ministry.

"By linking female entrepreneurs with larger suppliers, we aim to improve their income-generating capabilities in a commercially viable way," said Deepak Adhikary, deputy general manager of IFC-SEDF. "This project is expected to create a mass of female-led seed enterprises," said Mrinal Sarcar, sector coordinator of IFC-SEDF.

PHOTO: SEDF

International Finance Corporation's SouthAsia Enterprise Development Facility (SEDF), the Rural Development Academy Bogra and the Seed Wing of agriculture ministry signed a tri-partite agreement yesterday. Under the deal, twenty seed enterprises led by women will be set up. Senior officials of the organisations, among others, are seen in the picture.

French fashion show from today

The two-day French fashion show 'Paris Comes to Dhaka' begins from today in the city.

The Pan Pacific Sonargaon will host such an event for the second time, according to a press release.

With the support of the French Embassy, this year's fashion event will be presented by MRS Syndicate Ltd, sister concern of Impress Group. Channel i is the media partner of this mega event, while Emirates is the official airline.

Oil prices firmer in Asia

AFP, *Singapore*

Oil prices were firmer in Asian trade Thursday after falling sharply in US hours even as a cold snap continued to drive demand for heating oil in the world's biggest energy user, dealers said.

At 2:10 pm (0610 GMT), New York's main oil futures contract, light sweet crude for delivery in March, was up 31 cents at 58.02 dollars a barrel after tumbling 1.17 dollars to 57.71 dollars in late US trades.

Brent North Sea crude for March climbed 45 cents to 57.68 dollars.

Victor Shum, an analyst with energy consultancy Purvin and Gertz in Singapore, said a mixed weekly US inventory report Wednesday gave no reason for traders to push prices beyond 60 dollars.