

Star
BUSINESS

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India overtakes China as it posts record earnings growth: ABB

AFP, Bangalore, India

Global engineering giant ABB said Friday India has overtaken China as its fastest-growing market after the South Asian nation generated record profit, sales and orders last year.

Net profit in 2006 jumped 56 percent from the previous year to 3.4 billion rupees (77.19 million dollars) and sales were up 44 percent to 43.4 billion rupees, ABB India Managing Director Ravi Uppal told a news conference in Bangalore.

The company won 56.2 billion rupees (77.19 billion dollars) of orders, up 50 percent on the year, for its power and automation equipment as an economy expanding by nine percent a year prompted India to invest more in deficient infrastructure such as electricity utilities and irrigation facilities.

"These growth rates are higher than China's," said Dinesh Paliwal, the New York-based president for global markets and technology at ABB. "China has been growing several years for ABB at 25 to 35 percent; India has now become our fastest-growing market."

ABB, which added 500 new customers last year including consumer products companies Procter and Gamble and Hindustan Lever and automaker Hero Honda, expects the market to expand faster as the Indian government and industry step up investment.

The company expects Indian investments of 200 billion dollars in the power sector, 130 billion dollars in steel and 13 billion dollars in aluminium by the year 2012, Uppal said.

"The urgent need for quality power, delivered efficiently and economically, across urban and rural India is now among the nation's key priorities," he said. "At the same time, Indian industry is increasingly adopting automation technologies as it scales up."

That will drive demand for ABB's products and services although interest rates are rising and banks are tightening credit, which may force some companies

to put planned investments on hold.

"The demand propensity in the market is so high that most projects will go through," said Uppal. "I don't foresee a slowdown."

ABB India increased its 2006 dividend to 10 rupees a share from eight rupees the previous year.

It announced a 1:5 stock split implying that each share with a face value of 10 rupees will be split into five of two rupees. The market value of its shares will also change accordingly.

"This will increase liquidity in the market and make the stock more affordable to small investors," said ABB India Chief Financial Officer K. Rajagopal.



PHOTO: ARISTOPHARMA

The Annual Sales Conference-2006 of Aristopharma Ltd, a pharmaceutical company, was held recently in Dhaka. Chairman and Managing Director of the company MA Hassan and other senior officials were present at the conference.



PHOTO: BASIC BANK

Managers' First Conference-2007 of BASIC Bank Ltd was held on Thursday in Dhaka. Managing Director of the bank AH Ekbal Hossain presided over the meeting, while other senior officials were present.

Dollar regains ground ahead of BoJ meet

AFP, Tokyo

The dollar regained ground against the yen and euro in Asian trade on Friday amid uncertainty on the outlook for interest rates in Japan, dealers said.

The dollar rose to 119.40 yen late afternoon from 119.18 yen in New York Thursday while the euro slipped to 1.3135 dollars from 1.3139 dollars.

The euro was at 156.83 yen, edging up from 156.70 in New York.

The dollar had sagged overnight to five-week lows against the yen after a weaker-than-expected survey of US industrial output and news of a sharp drop in capital inflows, combined with earlier figures showing robust growth in Japan.

The Japanese figures out

Thursday showed that the economy grew at its fastest pace in almost three years in the three months to December.

But many analysts considered it a one-time spurt, leaving uncertain whether the Bank of Japan would make the politically sensitive decision to increase ultra-low interest rates next week.

"The rate-hike speculation and Japanese investors repatriating proceeds from the US bond market into the yen were providing support for the yen," said Seiichi Kanazawa, client manager at Resona Bank.

"But it is difficult to make major moves today because the market is yet to fully digest the rate hike speculation and the long weekend coming up in the United States," he said.



PHOTO: GRAMEENPHONE

Murshed Ahmed, general manager of Wings Tour Travels Ltd (WTTTL), general sales agent of Kuwait Airways, and Khandaker Omar Farhan, head of Direct Sales (Business Solutions) of Grameenphone Ltd, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, the mobile phone operator will provide complete communication facilities under its 'Business Solutions' package for WTTTL.

HSBC sells 27pc stake in Chinese bank

AFP, Hong Kong

Global banking giant HSBC said Friday it will sell its 27 percent stake in Ping An Bank to a subsidiary of Ping An Insurance's parent company for 29.4 million US dollars.

HSBC, which owns 19.9 percent of Ping An Insurance, China's second-largest life insurer, will sell its stake to Shenzhen Commercial Bank (SZCB), which is owned by the Ping An Group.

"The transaction is part of Ping An Group's consolidation of its banking businesses within SZCB. HSBC is supporting its Chinese partner in this endeavor," the bank said.

Weekly Currency Roundup

February 11-February 15, 2007

Local FX Market

US dollar remained stable against Bangladeshi taka last week on back of comfortable supply.

Money Market

Overnight money market was steady throughout the week. The call money rate remained unchanged throughout the week and ranged between 6.25 and 6.75 percent.

In the Treasury bill auction held on Sunday, bid for BDT 8,000.00 was accepted compared to BDT 7,500.00 last week. Weighted average yield remained unchanged for all categories of T-Bills.

International FX Market

The yen extended losses on Friday on growing doubts that finance officials at the Group of Seven meeting in Germany this weekend would take any action to stem the Japanese currency's decline. The yen fell against the euro for the fourth straight day and against the US dollar for the third session in a row. At the beginning of the week, the yen hit a record low against the euro on Monday as investors re-entered short positions after Group of Seven officials meeting over the weekend spoke out only indirectly against the Japanese currencies weakness. RBC forecast that the euro will rise towards 165 yen in three to six months' time. The euro was up 0.13 percent against the yen after hitting record high earlier. The dollar was up 0.15 percent against the yen, off an earlier session high, just 10 ticks short of a 4 year peak.

In the middle of the week, the euro rose against the dollar on Tuesday after strong German and French fourth quarter growth data, as investors awaited further European data and a key German sentiment survey for more clues on the monetary policy outlook. The yen bounced from Monday's record low against the euro and rose against the US dollar as investors booked profits on broader yen selling after last weekend's G7 meeting ahead of Japanese GDP data on Thursday and Bank of Japan's policy meeting next week. The euro was up 0.4 percent on the day, having risen to its highest since early January. The euro was up 0.3 percent against the yen, inching closer to Monday's record high of 159.00.

At the end of the week, the yen hit a one-month high against a broadly softer dollar on Thursday after Japanese fourth quarter growth data came in surprisingly strong, reviving talk of a Bank of Japan rate hike next week. The dollar continued losing ground, hitting a fresh six-week low against the euro, after comments on Wednesday from US Federal Reserve Chairman Ben Bernanke rekindled debate about the prospect of a US rate cut. Japan's economy expanded at an annualised 4.8 percent in the October-December quarter, beating market expectations for growth of 3.8 percent, thanks to a recovery in personal consumption. The dollar was down 0.4 percent on the day, having hit a low last seen on Jan. 11. The euro fell against the yen, retreating from a record peak of 159 yen scaled on Monday. The euro was steady against the dollar, after hitting a six-week high earlier.

- Standard Chartered Bank

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