

# Star BUSINESS

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## REHAB HOUSING FAIR

## Potential buyers enquire about building code

Exhibition concludes today

## STAR BUSINESS REPORT

Potential buyers at the REHAB housing fair in Dhaka are enquiring about building code before booking for plots or apartments.

The buyers have become cautious about selecting their plots and apartments this year thanks to the ongoing crackdown on land grabbers and unauthorised structures.

The visitors at the show that is ending today want to know about the open space in the project area, approved floor limit and earthquake resistance rules, Abidur Rahim, a sales executive of a company that started business last year, said yesterday.

"The developers face challenges to sell plots and flats in the wake of the crackdown. Buyers have become more conscious about the ownership of land and approval of building design," Rahim added.

The potential buyers want to see genuine deeds and documents of property with tax payment receipts, an executive of another company said.

"Rajuk [Rajdhani Unnayan Kartripakha] has recently asked the owners of an apartment building, where one of my acquaintances lives, to dismantle the top two floors of the building. The incident makes me worried," said Ishmat-Ara-Shimul, a teacher of an English medium school, who visited the fair at Dhaka Sheraton Hotel.

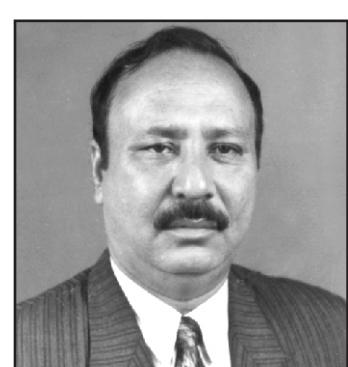
### DHL to invest over \$110m in China business

DHL, the world's leading express and logistics company, has announced on Tuesday that it will invest over US\$110 million in its China business in the next few years, says a press release.

The amount is in addition to the nearly \$1 billion that DHL has already invested in the greater China region, which accounts for over half of its more than US\$ 1.7 billion investment in Asia Pacific from 2001 to 2006.

Dr Klaus Zumwinkel, chairman of the Board of Management of Deutsche Post World Net, DHL's parent company, announced this during his visit to Beijing.

### New president of Tangail chamber



Abul Kashem Ahmed

Abul Kashem Ahmed has been elected unopposed president while Alamgir Khan Memon general secretary of the executive committee of Tangail Chamber of Commerce and Industry, says a press release.

Besides, Ramesh Chandra Saha and Abul Ahsan Khan have been elected vice-presidents of the chamber. The election was held recently in Tangail.

### Oil above \$60

AFP, Singapore

Oil prices traded above the key 60 dollar a barrel mark in Asian trade Friday in a market focussed on higher-than-expected falls in some US energy inventories, dealers said.

At 1:50 pm (0550 GMT) New York's main oil futures contract, light sweet crude for delivery in April, dropped nine cents to 60.86 dollars a barrel after advancing 88 cents to 60.95 dollars a barrel in late US trades.

The contract finished above 60 dollars for the first time this year on Wednesday.

When contacted, Mohammad Abdul Awal, president of Real Estate Housing Association of Bangladesh (REHAB), which is organising the annual event, said REHAB has started formulating a code of conduct for its member developers.

"Recently we assisted the government in formulating the Dhaka City Building Construction Rules-2006," Awal added.

Meanwhile, the housing fair witnessed a huge number of visitors yesterday, the fourth day of the exhibition. The visitors showed keen interest in plots, flats and shops offered by different companies.

People of all ages were found in a long queue outside the fair venue waiting to enter the show venue.

However, the rate of booking is lower this year compared to last year's, said an officer working at the Information Cell of the fair.

The fair is open to public from 10am to 9pm. The entry fee for an individual is Tk 50.



Visitors throng the venue of the REHAB housing fair at Dhaka Sheraton Hotel yesterday. The show ends today.

## India urged to overhaul tourist facilities

AFP, New Delhi

India needs to improve its creaking infrastructure and slash taxes and red tape, a major tourism industry body said Thursday.

The call came from the Pacific Asia Travel Association (PATA) which released a 280-page report called Total Tourism India.

"India needs to accelerate its efforts to improve and expand infrastructure (particularly airports and roads), broaden its product range (especially in accommoda-

tion) and increase its competitiveness," said PATA president Peter de Jong.

New Delhi's spending on travel and tourism, including immigration and airports, is projected to rise by about six percent in 2008.

"This is a step in the right direction, but a bigger investment -- from both private and public sources -- will be required if India is to meet its objectives," de Jong said.

Foreign arrivals rose to a record 4.4 million in 2006, while Indian residents made 8.3 million trips

abroad.

Domestic trips within India have boomed as the country enjoys strong economic growth, and in 2006 rose to 430 million, up 13 percent on 2005.

But long airport queues, gridlocked roads and packed hotels often leave foreign visitors struggling to fully enjoy their holidays among India's treasures, from the Taj Mahal to the desert cities of Rajasthan and Himalayan mountain resorts.

"We have the benefit of low cost. The population has technical skills. We should be ready to employ international professionals whenever it is needed," he said in Pulai, a town inside the development area and west of Johor Baru.

Abdullah said "good governance and accountability" were also needed to make the area attractive, adding that incentives were being drawn up to woo investors. He did not elaborate.

Two companies linked to the travel and tourism industry on Friday signed an agreement to build a hotel and a resort in the region.

But Abdullah, who is also the finance minister, warned that for the

project, called the Iskandar Development Region (IDR), will be 2.5 times the size of Singapore and cover an area of 2,217 square kilometers (853 square miles).

"The IDR will become the largest urban development that Southeast Asia has seen to date," Abdullah said later Friday at the launch of the flagship Nusajaya project in the development region.

"We're seeing February being soft," said Chairman and Chief Executive Myron E. Ullman III. But he said sales would rebound with new spring fashions, and the company stuck with a bullish outlook for the next 12 months.

Penney shares fell \$2.96, or 3.4 percent, to \$83.39 in trading on the New York Stock Exchange.

Department store operator J.C. Penney Co. said Thursday its fourth-quarter profit fell 13 percent partly due to higher taxes, and it predicted a weaker first quarter than Wall Street expected.

The project is also to include exclusive residential homes, a logistics hub, a waterfront city, a medical hub, a theme park and an educational city.

## India offers incentives to attract global chipmakers

PALLAB BHATTACHARYA, New Delhi

India has rolled out its semiconductor policy providing incentives in a bid to attract foreign investors, particularly global giants like Intel, AMD, Toshiba and IBM, into chip manufacturing in the country.

The incentives to manufacture all semiconductors, displays, storage devices and other advanced micro and nanotechnology products include 20 percent subsidy of capital expenditure for first ten years in special economic zones and 25 percent for those located outside.

The incentives are in the form of tax concessions, interest subsidies and interest-free loans for subsidising capital expenditure incurred for setting up manufacturing units in the first ten years, Information Technology Minister Dayanidhi Maran told reporters here on Thursday.

He said India expects more than \$10 billion dollars in FDI in semiconductor industry because a typical fab (jargon for chip manufacturing units) in India requires a minimum of \$3 billion. India has the eco-system to support two to three such plants, he added.

So far, India has been designing chips in over one hundred chip designing units for products like iPods, LCD televisions, set-top boxes for conditional access systems installed on TVs and cellphones. Semiconductor is the basic component of almost all electronic goods at present.

The potential significance of chip manufacturing in India is underlined by the fact that India is one of the fastest growing markets for electronic goods in the world. The domestic electronics products market is estimated to reach \$363 billion by 2015 from \$28 billion in 2005 and the domestic demand for semiconductor alone will be \$43 billion, according to Poornima Shenoy, President of India Semiconductor Association.

## Lanka raises interest rates to slow inflation

PTI, Colombo

The World Bank has asked China to ease the dip in global oil prices to introduce the much-debated fuel tax to raise additional revenue for generating employment as well as energy conservation.

"The reason for moving now on the fuel tax is simple: a time of falling oil prices is a good time to consider introducing the tax: people are already used to higher fuel prices, and rather than passing on the reduction in oil prices on the world market to consumers, the government can introduce the tax without additional pain," the bank said in its recently released China Quarterly Update.

The (Chinese) Government need not wait with a fuel tax before a road fund, if any, will be ready. Instead, it can consider keeping the road maintenance tax for now while using the receipts of a fuel tax for other purposes, the bank suggested.

"Once decisions on a road fund are made, the road maintenance fee can be abolished, and the fuel tax increased with an equivalent amount," the bank said.

The bank's suggestion came ahead of the full session of the National People's Congress (NPC),

The Colombo Consumer Price Index (CCPI), the country's main measure of inflation, hit a 10-year high of 20.5 percent in January, up from 19.3 percent in December, the bank said.

"Such a trend has been a result of both the demand and supply side factors," the bank said.

Sri Lanka's defence spending this year is estimated at 139 billion rupees (1.29 billion dollars), or 45 percent higher compared to the original estimate for 2006.

Despite a February 2002 truce, nearly 4,000 people have been killed since fighting between government forces and Tamil Tiger rebels intensified in December 2005.

Abdullah said "good governance and accountability" were also needed to make the area attractive, adding that incentives were being drawn up to woo investors. He did not elaborate.

Two companies linked to the travel and tourism industry on Friday signed an agreement to build a hotel and a resort in the region.

Singapore-based Amanresorts Limited will develop a luxury resort expected to be completed in 2009 and aviation tycoon Tony Fernandes' Tune Hotels will put up a budget hotel by early next year, a document issued by Khazanah Nasional said.

The state's administrative capital will shift from Johor Baru to Bandar Nusajaya in the southern tip of Johor, closer to Singapore which lies across a narrow strait. Development of the capital, which will feature Moorish architecture, is expected to be completed in August at a cost of 1.0 billion ringgit.

The project is also to include exclusive residential homes, a logistics hub, a waterfront city, a medical hub, a theme park and an educational city.

Earnings were buoyed by sales of Nestle's new instant "espresso" brand Nespresso, which topped the 1 billion Swiss francs mark for the first time.

Full year net profit rose 14 percent to 7.4 billion dollars (9.2 billion Swiss francs, 5.7 billion euros), above analysts' expectations and boosted by takeovers and product innovations, the company said.

Nestle said prospects for 2007

looked good as it moves further into

the health and wellbeing markets,

targeting organic growth of 5.0-6.0

percent and a further improvement in pre-tax earnings in 2007.

## US-India trade ties to get a high-tech boost

AFP, Washington

US-India trade, which has seen barriers fall dramatically in recent years, will get an additional boost once a US program fostering high-tech exports goes into effect this year, Commerce Secretary Carlos Gutierrez said Thursday.

"In a few months, our 'Trusted Customer' program for high-tech exports to India should be up and running," Gutierrez told a gathering of Indian and US business leaders in Washington.

"Civil nuclear cooperation will enhance energy security, while increasing trade and technological collaboration," he said.

"US businesses are ready and well-qualified to participate in India's civil nuclear program. And the economic benefits will flow both ways between the United States and India."

"For some controlled dual-use high-tech products, no export licenses will be required. Customers who qualify for this program will have access to US high-technology products in a faster, more efficient and more transparent manner," Gutierrez said.

"The new program," he added, "shows the deep level of trust and cooperation we have for each other. Trust is absolutely vital in business."

The secretary also stressed the importance of India's involvement to help advance the stalled Doha round of global trade talks.

"Simply put: India's leadership is required to achieve an agreement," the commerce secretary said.

"India has a tremendous opportunity to play an active and positive role in pushing these talks ahead. We are willing to make difficult choices. But we have a shared responsibility to make the round a success."

The Doha Round of talks ground to a halt in July amid bitter differences, especially over the lack of concessions on agriculture products which held up negotiations on industrial goods and services.

The round of multilateral trade talks began in the Qatari capital, Doha, at the end of 2001, with the goal of reducing subsidies, tariffs and other barriers to commerce and raising living standards in developing countries.

The United States is India's largest trading partner, with a combined trade of 29 billion dollars in 2005.

## Qatar, Shell launch mega gas-to-liquids project

AFP, Ras Laffan, Qatar

Qatar on Thursday launched a mega gas-to-liquids (GTL) project in partnership with Royal Dutch/Shell that will cost up to 18 billion dollars, 10 billion of which have already been earmarked.

The foundation stone for a plant at Ras Laffan Industrial City, 80 kilometres (50 miles) north of the capital Doha, was laid by Crown Prince Sheikh Tamim bin Hamad al-Thani and Britain's Prince Charles, who arrived in Qatar from Kuwait on the second leg of a Gulf tour.

"A total of 10 billion dollars of contracts have already been awarded for the project, including all major engineering, procurement and construction," which began in the third quarter of 2006, said a joint statement by state-run Qatar Petroleum (QP) and Anglo-Dutch energy giant Shell.

"The total cost of the project will be around 12 to 18 billion dollars," Simon Buerk, external affairs manager for the Middle East, South Asia and North Africa at Shell Gas and Power, told AFP on the sidelines of the ceremony.

The launch came two days after QP and US energy major ExxonMobil Corp announced they had shelved plans for a multi-billion-dollar GTL project.

## Coffee helps Nestle record \$7.4b profit

AFP, Vevey, Switzerland

Global food giant Nestle on Thursday reported a rise in 2006 net profits to more than seven billion dollars and said prospects for the year ahead looked good as it moves further into the health and wellbeing markets.

Earnings were buoyed by sales of Nestle's new instant "espresso" brand Nespresso, which topped the 1 billion Swiss francs mark for the first time.

Full year net profit rose 14 percent to 7.4 billion dollars (9.2 billion Swiss francs, 5.7 billion euros), above analysts' expectations and boosted by takeovers and product innovations, the company said.

Nestle said prospects for 2007 looked good as it moves further into the health and wellbeing markets, targeting organic growth of 5.0-6.0

percent and a further improvement in pre-tax earnings in 2007.