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BUSINESS

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Indian PM says special economic zones to stay

AFP, New Delhi

Indian Prime Minister Manmohan Singh said Friday that his government would not reverse plans to create 'Special Economic Zones' for industrialisation despite deadly rioting by furious villagers.

"SEZ as an instrument of economic policy has come to stay," the Press Trust of India quoted him as saying.

The special economic zones (SEZ), modeled on a similar Chinese program, allow companies to set up large tax-free enclaves in order to spur industrialisation and the development of infrastructure.

But the controversial programme, launched in 2005, has met with massive protest from those living on land being earmarked for such zones.

"In the process of implementation, we have been exposed to certain problems which cannot be

dismissed," Singh acknowledged.

Fourteen people were killed 10 days ago when police in eastern India fired on villagers fighting against the forced sale of their land for a proposed petrochemicals project by an Indonesian group.

The bloody demonstration was followed by a statewide strike in which dozens were injured, and saw renewed protests in neighbouring states that are attempting to set up the zones.

"There have been inadequacies in compensation and in ensuring that the interests of all stakeholders who suffer in this process are taken into account," the prime minister was quoted as saying.

Singh said that the government was looking at the issue of proper compensation for those displaced, which might lead to delays in the setting up of the zones.

There are 14 SEZs in India and proposals for hundreds more.

"These are decisions which are irreversible," said the prime minister. "Therefore, it is very important that before we move, if there are any gaps in the performance, gaps in the design and gaps in the implementation, we should halt a little bit even though it takes time."

The cost of delay would be much less than the social cost India could incur if the policy was "bulldozed, regardless of human, social and economic concerns," he said.

Analysts have said India's Maoist rebels, active in many of the states that have seen protest over the zones, could reap political mileage from the anger of those displaced by the policy.

This month's violence over the SEZs has renewed debate over whether farmland should be used for industry in India, where some two-thirds of the billion-plus population live off agriculture.

Japan gives \$320m loan to Sri Lanka

AFP, Colombo

Japan gave Sri Lanka a 320-million-dollar loan Friday to build roads and improve drinking water supply in key cities, the Japanese embassy here said.

About 217 million dollars would be spent on road construction, and the remaining used to expand water and sanitation facilities in the capital Colombo and Kandy, Sri Lanka's second-largest city, the embassy said in a statement.

The loan agreement was signed here between Sri Lanka's treasury chief Punchi Banda Jayasundera and Nobuaki Ito, the acting head of the Japanese embassy.

Japan is the biggest bilateral aid giver to Sri Lanka, which is battling a 35-year-old Tamil separatist conflict that has claimed more than 60,000 lives since 1972.

Finance ministry figures here show that Japan had given 198.8 million dollars to Sri Lanka between January and September last year.



PHOTO: MIDAS FINANCING

Md Abdur Rashid Gazi, managing director of MIDAS Financing Ltd, and Zahir Ahmed, managing director of Marrine Vegetable Oils Ltd, sign a lease finance agreement recently. Under the deal, MIDAS Financing will extend Tk 3.5 crore lease finance to Marrine Vegetable. Senior officials from both the sides are also seen.



PHOTO: BANGLALINK

A Banglalink Point was opened recently on Station Road in Narsingdi. Officials of the mobile phone operator's regional team, among others, were present at the inauguration.



PHOTO: GRAMEENPHONE

Mohammad Golam Rahman, managing director of Khadem Shoe Company, and Sajjad Alam, head of Chittagong Region of Grameenphone (GP) Ltd, pose for photographs at a corporate agreement signing ceremony recently. As per the deal, GP will provide complete communication facilities under its 'Business Solutions' package for the shoe company.

Mandelson to step down in '09

AFP, London

European Union trade chief Peter Mandelson said Thursday that he would step down in 2009.

Mandelson, a former British Cabinet minister and close confidant of Prime Minister Tony Blair, told BBC radio he would not seek re-nomination after his current term expires.

He spoke out after speculation that his career might wilt if, as expected, finance minister Gordon Brown takes over from Blair within the next few months.

Brown and Mandelson have had a hostile relationship since Mandelson backed Blair over Brown for the leadership of the Labour Party in the early 1990s.

AP, Portland

Nike Inc. won't say where, how or when but it wants to change the way consumers shop. "Consumers want a more compelling and relevant experience wherever and whenever they shop," Nike President and Chief Executive Mark Parker said Thursday as the company released its third-quarter results and said it had a soft year

with some specialty mall retailers.

The segment overall has suffered, with some companies like Foot Locker Inc. and Finish Line Inc. suffering from slumping sales. But Nike said it is poised to make major changes in retail this year with the help of leading retail partners that will build strength there.

"I won't get into specific dates or executions, but you can expect to see some of these new Nike concepts at retail this calendar year," Parker said.

The company did make some retail partnerships this quarter, with the launch of the Tailwind collection, a product of its Exeter subsidiary that will be sold exclusively at Payless ShoeSource Inc. stores. But Thursday's remarks by company officials hinted at something much larger.

The third-quarter earnings report

marked Nike's first since it outlined an ambitious five-year growth plan to reach \$23 billion in sales by 2011 and open 100 Nike stores around the country.

Although analysts peppered company officials with concerns about the quarter's soft mall sales, Nike said it is ready to meet its long-term goals.

Bangkok set to reopen century-old airport

AFP, Bangkok

Bangkok's nearly century-old airport, once due to shut its doors forever, is now set to reopen to domestic flights Sunday amid concerns that running two hubs in the capital will be a strain on tourism.

Don Muang, officially known as the Bangkok International Airport, was one of Asia's busiest hubs until it was shuttered in September, following the opening of the sparkling new Suvarnabhumi Airport.

It is now expected to serve 140 flights and about 20,000 passengers daily starting from March 25, although most flights to popular tourist spots like Phuket and Chiang Mai will remain at the new airport to minimise inconvenience for international tourists.

Don Muang will host domestic flights from only three airlines -- flag carrier Thai Airways International, Orient Thai and low-cost carriers Nok Airlines and One-Two-Go.

"We are ready for the March 25 take off at Don Muang," said Nok Air's chief executive Patee Sarasin, adding that all the carrier's 29 daily flights will move to the old hub.

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