Star BUSINESS

E-mail: business@thedailystar.net

India's JSW Steel buys 3 US mills for $900m

PALLAB BHATACHARYA, *New Delhi*

The JSW Steel, India's third largest steel maker, has announced the acquisition of three separate steel mills in the United States for 900 million dollars, marking yet another mega buy-out abroad by an Indian company.

The acquisition will allow Mumbai-based JSW Steel, promoted by Sajjan Jindal, access to the growing steel pipe market in the US to cater to the rapidly-expanding oil and gas sector in North America, Jindal, managing director of the company, said in a statement.

The three mills in the US, owned by Jindal's elder brother P R Jindal, are able to manufacture one million tons per annum of steel plate, 0.5 million tons of pipe and a jointing and coating factory in Texas.

Earlier this year, India's two biggest private steel makersTata Steel and Essar Steelhave bought two large steel making facilities in the UK, Canada and the US.

Jindal said his company expected to recover the entire investment in four years.

Indian steel companies are eyeing overseas acquisitions to get a slice of the global steel market and sell value added products while Arcelor Mittal, the world's largest steel maker, and South Korean POSCO are planning to set up plants in India.

Aarong milk appears in new packs

STAR BUSINESS REPORT

BRAC Dairy and Food Project (BDFP) yesterday launched its Aarong brand milk in four new packs to make the pasteurised milk more attractive to the customers.

Officials of BDFP and children of different schools were present at the launch of the milk packets weighing 1 litre, half litre, 250 millilitres and 200 millilitres with new designs and colours.

Speaking at the function in Dhaka, BRAC Enterprise Managing Director Rumee Ali said BDFP has become the second largest pasteurised milk producer in the country.

BDFP has 67 milk collecting centres across the country where 70,000 litres of milk is being collected everyday, he added.

Director of BDFP Tamara Abed said Aarong milk now enjoys 25 percent market share in pasteurised milk in the country.

Donors' conditions cause surge in inflation

Ekota roundtable told

STAR BUSINESS REPORT

Asking the government for reducing dependency on donors' conditional aid, speakers at a roundtable in Dhaka made an observation that the conditioned assistance leads to more poverty and discrimination in society.

The roundtable on World Bank and IMF in Bangladesh: Declining Foreign Aid, Rising Policy Dependence was organised by the weekly Ekota at its office.

The speakers came down heavily on the present government for accepting donors' conditional aid like its predecessor political government.

They also thought that the conditional aid contributed to the surge in inflation over the year.

Economist Abu Ahmed said the inflation rate was 4.5percent in 2005, which now reached over 7percent because of following the International Monetary Fund (IMF) and World Bank prescriptions.

He also felt it urgent to halt the IMF intervention in the country's monetary policy.

Ahmed also criticised the central bank's recent monetary policy and said although governor of the bank claimed the policy as cautious, but there is no term in economy like cautious monetary policy.

"A monetary policy could either be tightening or relaxed. There is no option between these criteria," he said.

Abu Ahmed, also a professor of Economics at the Dhaka University, suggested that Bangladesh should learn something from India, which sustained strong economic growth without following any diktat on monetary policy from the two multilateral lending agencies.

Prof M M Akash of Dhaka University presented a keynote paper on IMF and World's Bank activities in Bangladesh.

In his presentation, he said World Bank's Poverty Reduction Strategy Paper (PRSP) and IMF's Poverty Reduction and Growth Facility (PRGF) are not viable for poverty reduction in Bangladesh.

These two donors imposed such strategies to make the country an open market of the developed nations, he said, adding that poverty reduction ratio is yet to be significant after following their prescriptions.

Quoting from an article written by the present finance adviser in 2003, he said the adviser himself admitted that dependency on donors' aid had reduced significantly after 1990s.

When the adviser was cautious about aid inflow, how he now allows huge conditions for getting donors' aid, he questioned.

Columnist Syed Abul Maksud was also present at the discussion.

A delegation of International Business Forum of Bangladesh (IBFB) led by Chairman of the Economic Development Committee of IBFB Omar Shafayat Kausar called on Executive Chairman of Board of Investment Mushtaq Uddin Ahmed recently and placed a set of recommendations before him with regard to increasing investment. IBFB President Mahmudul Islam Chowdhury, among others, was present.

CAB holds orientation for journalists

STAR BUSINESS REPORT

An orientation for media personnel on 'Energy Consumers' Rights and Responsibilities' was held in the capital yesterday.

Consumer Association of Bangladesh (CAB) organised the orientation where some 40 journalists from different print and electronic media attended. Four different papers were presented at the programme.

AH Mostafa of US-AID/NARUC project presented the paper on 'Energy Sector in Bangladesh', while Mosharraf Hossain, a former member of Bangladesh Energy Regulatory Commission, presented the paper on 'Energy Regulatory Framework in Bangladesh'.

CAB General Secretary Quazi Faruque presented his paper on 'Consumer Movement in Bangladesh: Consumers' Rights and Responsibilities', and Barrister Tureen Afroz, assistant professor of Brac University, presented the paper on 'Status of Consumers' Protection in Bangladesh and the Draft Consumer Protection Act'.

Spa brand Elemis to serve BA passengers

Elemis, a spa and skincare brand of UK, will extend its products and services to British Airways' selective passengers at the airline's five current airport lounge spas in Heathrow Airport's terminals 1 and 4 and New York JFK Airport's terminal 7 from October this year.

A five-year agreement to this effect was signed between Elemis and British Airways (BA), says a press release.

Elemis will also supply the passengers with in-flight amenity kits containing Elemis Eyes Awake Recovery Gel, Pro-Coll Marine Cream, Lip Revive and Rehydrating Ginseng Skin Tonic as well as socks and eyeshades, earplugs, toothpaste and toothbrush.

The airline's First, Club World and Gold Executive Club members travelling on long-haul flights will be entitled to the services.

The spas will also be available in the airline's new terminal 5 at London Heathrow Airport from March 2008.

Bourses to put off trade on indefinite curfew

STAR BUSINESS REPORT

Share trading on the stock exchanges will remain closed from today, if the curfew that was clamped on the capital and five other divisional cities yesterday continues for indefinite period.

According to official sources, in a bid to tame countrywide violence, the curfew enforced from 8 last night would be effective until further order.

If the curfew continues during daytime, the bourses will remain shut down, said Salahuddin Ahmed Khan, chief executive officer (CEO) of Dhaka Stock Exchange (DSE).

Meanwhile, price indices on the Dhaka and Chittagong bourses continued falling yesterday for a second day, as the student violence broke out across the country on the 3rd day that rattled the investors' confidence.

Students of different universities and colleges all over the country crowded their respective educational institutions and adjacent roads and streets and fought pitched battles with law enforcers.

Although the trading hours kicked off with an upbeat mood on an expectation that withdrawal of army camp from Dhaka University campus might cool down the situation, the stock market started witnessing downbeat on the news that the violence spread throughout the country following the killing of one person, market operators said.

The ongoing clash between students and police has shaken the investors' confidence, forcing the price indices to go down, said the DSE CEO.

At the end of the trading hours, all the price indices on the bourses closed lower with the losers dominating the gainers.

The DSE General Index fell by 33.01 points or 1.39 percent to close at 2335.79 points, while the CSE Selective Categories Index declined by 49.41 points or 1.24 percent to end at 3920.37 points.

Besides, the DSE All Share Price Index dropped by 29.44 points or 1.49 percent, finishing at 1939.86 points, while the CSE All Share Price Index fell by 81.73 points or 1.35 percent, closing at 5963.94 points.

A total of 9270468 shares worth Tk 144.16 crore changed hands on Dhaka Stock Exchange (DSE), while a total of 1,156,428 shares worth Tk 11.73 crore were traded on Chittagong Stock Exchange (CSE).

Of the issues traded on the premier bourse, 21 advanced and 101 declined with six unchanged, while of the issues traded on the port city bourse, 16 gained and 87 decreased with five unchanged.

Delhi, Tokyo to seal economic partnership deal by year-end

AFP, *New Delhi*

India and Japan vowed on Wednesday to seal an economic partnership deal by December as Prime Minister Shinzo Abe urged New Delhi to join Tokyo in the creation of an Asian "arc of freedom."

Abe laid out his vision for a new four-way "arc of freedom and prosperity" bringing together Australia, India, Japan and the United States.

With China rising, Japan is pushing ahead with a strategic partnership in India and other nations, but New Delhi -- not keen to upset key trade partner Beijing -- has said the initiative should not be seen as a "zero-sum game".

"A new broader Asia that broke away from geographical boundaries is now beginning to take on a distinct form," said Abe, who arrived in India on Tuesday, accompanied by 200 top Japanese executives.

"By Japan and India coming together in this way, this 'broader Asia' will evolve into an immense network spanning the entirety of the Pacific Ocean incorporating the United States of America and Australia," he said in a speech to a special session of the Indian parliament.

"Open and transparent, this network will allow people, goods, capital and knowledge to flow freely," said the prime minister, ahead of summit talks with Indian Prime Minister Manmohan Singh later Wednesday.

Abe also called for early conclusion of a "high quality economic partnership" with India and forecast a more than doubling of trade between the two nations to 20 billion dollars in three years from eight billion currently.

Earlier, top Japanese and Indian commerce officials pledged to tie up the partnership pact by year-end.

India's Commerce Minister Kamal Nath told business leaders from both nations that the focus of economic activity had shifted from west to east.

Young Japanese losing interest in cars, booze

AFP, *Tokyo*

Young Japanese are rapidly losing interest in cars and drinking and choosing instead to save their money, a survey said Wednesday.

Young people in the world's second-largest economy, famed for its love of luxury goods, are also growing less keen on audio-video equipment, sporting goods and foreign designer brands, it said.

The Nikkei business daily, which surveyed 1,207 people in their 20s who live in the Tokyo area, said that only 25.3 wanted a car -- half the 48.2 percent in a similar poll in 2000.

A mere 13 percent actually owned a car, down from 23.6 percent in 2000.

Their interest in alcohol is also fading, with many calling it a waste of money.

A total of 34.4 percent of those surveyed in their 20s said they do not drink at all or drink less than once a month, compared with 27.6 percent of people in their 30s.

As for how people in their 20s actually spend their money, the Nikkei said that 36 percent chose to save it, far up 8.2 points from 2000.

The trend is certainly unwelcome for Japanese companies, which are already having a tough time as Japan's population shrinks due to a low birth rate.

Japan is in the midst of its longest expansion in the post-World War II era, but private consumption has been stagnant.

Sarkozy still popular after 100 days as French economic woes loom

AFP, *Paris*

French President Nicolas Sarkozy completes his first 100 days in office on Thursday still riding high in opinion polls despite disappointing figures on the economic front as he prepares to rev up reforms.

Sarkozy took over the presidency on May 16 after defeating Socialist Segolene Royal in a election campaign marked by promises of sweeping change following 12 years of conservative rule under Jacques Chirac.

The 52-year-old son of a Hungarian immigrant has turned French politics on its head with an energetic hands-on style that has kept him firmly in the media spotlight over the past three months.

A poll published Wednesday in the leftwing Liberation newspaper showed 65 percent of the French approve of his performance in office, making him the most popular president since Charles De Gaulle.

But the first signs of trouble came this month when economic growth figures for the second quarter fell below expectations, casting doubt over whether the government can meet its target of 2.25 percent growth for this year.

This was bad news for the rightwing government which is banking on stronger growth to finance a 13.6 billion euro (19 billion dollar) package of tax breaks adopted by parliament last month.