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Star BUSINESS

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Vikram Pandit

Citigroup appoints new CEO

AFP, New York

US banking giant Citigroup announced Tuesday that it had appointed company executive Vikram Pandit as its new chief executive officer with immediate effect.

Pandit's appointment comes after former CEO Charles Prince stepped down last month as Citigroup told investors it was facing further investment losses of between eight and 11 billion dollars.

Citigroup, America's second-largest banking group by market worth, has been hit hard by losses from mortgage-backed securities and a widespread credit crunch sweeping US financial markets.

The Board of Directors of Citi today announced that it has appointed Vikram Pandit as the company's new chief executive officer and member of the Board of Directors, effective immediately, the global banking firm said.

The bank also said that Sir Win Bischoff, who has been acting as CEO since November 4, would succeed former US Treasury secretary Robert Rubin as company chairman.

Rubin will continue to serve Citigroup as the chairman of the board's executive committee.

Pandit's appointment follows a weeks-long high level search for a new CEO. Media reports claimed that Citigroup had considered several other candidates including Deutsche Bank chief Josef Ackermann.

The new CEO has considerable banking experience, but has never run a financial firm as complex and large as Citigroup, a diversified global financial services company.

Pandit had previously overseen Citigroup's Institutional Clients Group and also briefly ran a hedge fund called Old Lane. Prior to these posts, he held several positions at Citigroup rival Morgan Stanley.

He sits on the board of the Indian School of Business.

Bangladesh elected SATRC chair

STAR BUSINESS REPORT

Bangladesh has been elected the chair of the South Asian Telecommunications Regulators' Council (SATRC) for the next one year term.

The members of SATRC in its ninth meeting in Dhaka yesterday unanimously elected Bangladesh as its chair. The 3-day meeting concluded yesterday.

Major Gen (rtd) Manzurul Alam, chairman of Bangladesh Telecommunication Regulatory Commission, will represent Bangladesh as the chairman of SATRC, says a press release.

SATRC members include Afghanistan, Bangladesh, Bhutan, India, Iran, Maldives, Nepal, Pakistan and Sri Lanka.

Visitors throng mobile phone fair

STAR BUSINESS REPORT

Visitors thronged the venue of the five-day international mobile phone fair yesterday at Bangladesh China Friendship Conference Centre in Dhaka.

People from all walks of life were trying to get the best deals on almost everything related to mobile phone at the second version of the show, said a press statement.

A good number of vendors and service providers are offering handsets and different services at

Local garment accessory industry meets 80pc demand

REFAYET ULLAH MIRDHA

Around 80 percent demand for accessories used in exportable garment and knit items are now locally met as more than 100 accessory manufacturing industries have so far sprung up in the country, according to industry insiders.

They said on expansion of readymade garments (RMG) and knitwear markets overseas since 1990, such accessory factories have been thriving with over 20 percent growth per annum.

"Previously, Bangladeshi was totally dependent on import of this intermediary item for using in RMG and knit products," said an exporter, adding that then the local businessmen's main source of such items was Hong Kong.

RMG makers said the demand for accessories has been on the rise

because they have resorted to transfer of production to value added items in order to sustain global competition.

The contribution of accessories in exports of garment and knit items is more than 10 percent meaning US\$1.0 billion per year, according to S A Nasir, a local garment buyer.

He said excepting those of buyers' choice, the local producers of accessories supply cartoon, zippers, button, pocketing fabrics, hangtag, sewing thread to the garment and knit manufacturers from their industrial units.

Nasir, however, pointed out that the local industries have yet failed to manufacture some costly accessories like ornamental stones, belt and clips for using those in brand exportable garment items, which are now being imported mainly

from Hong Kong.

When asked about spring up of accessory industries here, a senior official of Dekko Group, one of the largest local manufacturers of accessories, said entrepreneurs come forward with huge investment as establishment costs for such units are comparatively low.

An entrepreneur can set up a full fledged accessories industry in Bangladesh at a cost of Tk 40 crore, whereas more than Tk 1 billion is required for setting up even a small textile mill or woven factory, he said.

According to him, at present, more than 100 factories are in operation in Bangladesh to produce and supply of accessories to the garment manufacturers.

He said a little quantity of accessories are being exported to China, India and Vietnam.

Asian stocks slide after US interest rate cut

AFP, Hong Kong

Asian stock markets skidded lower Wednesday, following Wall Street into the red on fears a quarter-point interest rate cut by the Federal Reserve may not be enough to ward off a US recession.

While the US central bank's decision to trim its key federal funds interest rate by 25 basis points to 4.25 percent was in line with market expectations, dealers said some investors had been hoping for a more aggressive cut.

Markets in Asia, however, managed to recover some of their losses in late trade as investors took the view that the initial sell-off was excessive.

The US housing woes have triggered multibillion-dollar losses for major banks that snapped up mortgage-backed securities during a housing boom.

TOKYO: Japanese share prices closed down 0.70 percent after a quarter-point US interest rate cut disappointed some investors on Wall Street who had been hoping for more aggressive action.

HONG KONG: Hong Kong share prices closed sharply lower, down 2.41 percent, led by properties and banks, as investors showed their disappointment at the US Federal Reserve interest rate cut.

Hong Kong moved in line with other Asian markets which fell after the Fed cut its key rate by only 25 basis points.

Dealers said most investors expected the Fed to take a more aggressive stance by slashing rates by as much as 50 basis points amid

worries of a sustained subprime-related credit crunch towards year-end.

SYDNEY: Australian share prices closed sharply lower, tracing losses on Wall Street on disappointment at the size of the Federal Reserve's interest rate cut.

The SP/ASX 200 recovered closed down 65.2 points at 6,615.2. Volume traded was 1.53 billion shares worth 5.92 billion dollars (5.19 billion US).

Macquarie Equities director Lucinda Chan said investors had hoped US interest rates would be slashed 50 basis points and they showed their disappointment when the US Federal Reserve delivered a cut only half that size.

SHANGHAI: Chinese share prices closed 1.54 percent lower on a regional sell-off, which followed a plunge on Wall Street as investors were disappointed by a modest US interest rate cut.

Dealers said investors had traded with caution ahead of Friday's court ruling over the fate of Thailand's top energy firm PTT. Consumer groups asked a court to rule on whether the privatization of the petroleum giant was illegal.

JAKARTA: Indonesian share prices closed 0.5 percent lower as investors locked in gains from a record-breaking rally, with Wall Street's overnight slide also weighing on sentiment.

Dealers said the quarter point US rate cut was widely expected but it still disappointed some investors who were hoping for a bigger 50-basis-point reduction.

Dealers said the market initially slid but managed to recoup early losses, driven by firmer NASDAQ futures and strong institutional interest.

Dealers said buying was strong in mid and small-cap stocks, but sporadic in benchmark index stocks.



Visitors throng the venue of Dhaka International Mobile Phone Fair at Bangladesh China Friendship Conference Centre in Dhaka. The show comes to a close tomorrow.

India logs surprise 11.8pc industrial growth

AFP, New Delhi

India's industrial production rose by an unexpectedly strong pace in October as the festival season moves into high gear and the majority Hindu population splashes out on gifts for Diwali or the Festival of Lights -- a key date on the Hindu calendar.

Output by factories, power utilities and other sectors grew by 11.8 percent, up sharply from 4.5 percent growth in the same month a year ago and a revised 6.8 percent in September, India's Central Statistical Organisation reported.

The figure -- the fastest growth in seven months -- easily beat the consensus market forecast of 10 percent growth.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Bangladesh Mobile Phone Businessmen Association are jointly organising the show that is open for all with an entry fee of Tk 20.

Industrial growth often spurts higher in October as India's festival season moves into high gear and the majority Hindu population splashes out on gifts for Diwali or the Festival of Lights -- a key date on the Hindu calendar.

India's 140 million Muslims also celebrate the major Muslim festival of Eid al-Fitr that marks the end of the fasting month of Ramadan.

The exceptionally strong October output rebound reflected inventory buildup for the holiday season and a low base effect in the previous year that had been considered a statistical aberration, analysts said.



WB VP Patel arrives today

UNB, Dhaka

World Bank Vice President for South Asia region Praful C. Patel

arrives here today on a three-day visit to discuss the bank's support strategy.

"Recovery from Cyclone Sidr and longer-term disaster mitigation and adaptation systems are expected to top the agenda with the Government of Bangladesh," said a statement here yesterday on the visit of the senior World Bank official.

In the immediate aftermath of the November 15 cyclone, the World Bank announced it could make up to US\$ 250 million available to Bangladesh for needs ranging from recovery to longer-term disaster mitigation.

The bank recently provided US\$ 75 million in budget support following the devastating August floods and was preparing additional support of US\$ 130 million by reallocating funds from the current International Development Association (IDA) commitment to Bangladesh.

Patel is expected to meet Chief Adviser Dr Fakhruddin Ahmed and other government officials to discuss how the bank could best contribute to the government's long-term disaster management efforts.

KUALA LUMPUR: Malaysian share prices closed 0.7 percent lower as US policymakers disappointed Wall Street with a quarter-point cut in its federal funds target rate, dealers said.

BANGKOK: Thai share prices closed 0.76 percent lower on a regional sell-off, which followed a plunge on Wall Street as investors were disappointed by a modest US interest rate cut.

Dealers said investors had traded with caution ahead of Friday's court ruling over the fate of Thailand's top energy firm PTT. Consumer groups asked a court to rule on whether the privatization of the petroleum giant was illegal.

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