



PHILIPS
sense and simplicity

LCD HD TV
47PFL7422
42PFL7422
37PFL7422

TRANSCOM ELECTRONICS 8855366-8, 01712-665463

Stocks

DGEN	0.52%
2,916.20	
CSCX	0.48%
4,801.56	

Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	101.87	106.55
GBP	133.67	138.81
JPY	0.65	0.68

SOURCE: STANDARD CHARTERED

Commodities

Gold	\$976.32	Oil	\$103.05
(per ounce)		(per barrel)	

today's closing

SOURCE: AFP

More News

Technology comes and stays in Bangladesh

From being dominated by foreign experts, Ericsson Bangladesh is increasingly being run by local engineers, says Arun Bansal, managing director of the company.



B-4

Bangladesh to post budget deficit

Bangladesh will continue to post a budget deficit in 2007-08 fiscal year, as revenue expansion fails to keep pace with growth in spending, according to the Economist Intelligence Unit (EIU).

B-3

International

Opec to meet on record oil prices

Opec, whose member countries together pump 40 percent of the world's oil, would decide to either cut or hold its current daily output level of 29.67 million oil barrels when it meets in Vienna this week.

B-4

China becoming world's shipyard

China's growing success as a shipbuilding nation clearly reflects its progress towards the goal of becoming number one in the industry by 2015.



B-4

Bangla Biz Lexicon

Bhori - a widely used unit to weigh gold in Bangladesh's jewellery stores. A bhori is equivalent to 11.664 grams.

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If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Tata shifts focus from \$3b Bangladesh investment

JASIM UDDIN KHAN

Tata, the Indian conglomerate, is shifting its focus away from its US\$ 3 billion investment plan for Bangladesh, with the company's senior representative leaving Dhaka and not being replaced.

With no progress on the massive power, steel and fertilizer project since negotiations ended in 2006, Tata Group Resident Director (Bangladesh) S Manzer Hussain is leaving this week.

"Bangladesh has always been at the top as per our priority list, but the fact is of late we had to divert our attention to some other locations and at later stage we may come back when decisions are taken," said Manzer who is leaving to take up a position with Tata in London after two years service in Bangladesh.

On April 20, 2006 Tata formally submitted a \$2.5 billion investment proposal for setting up a 1,000MW power plant, a steel mill with an annual production capacity of 420,000 tonne and a one million tonne capacity fertilizer unit in Bangladesh. Later, Tata revised its proposal saying it



Tata Group Resident Director (Bangladesh) S Manzer Hussain says if an investment proposal gets delayed in one place, obviously the focus must shift to other places.

would invest around US\$3 billion.

However, the previous BNP-led government was unwilling to make a decision before the scheduled general election, while the present caretaker government has said it has other priorities.

In the meantime, Tata has launched major investment projects in other parts of the world.

in Vietnam and going to explore a coal plant in Indonesia," Manzer said.

"In terms of investment proposals if something is getting delayed in one place obviously the focus must shift to other places. And when the focus shifts to other places the resources get locked up and when the resources get locked up in other places then they may not be available immedi-

The main obstacles to the project's implementation were the political scenario and the complex nature of the investment, he said. "The circumstances that have evolved in Bangladesh during the last one year could have been the reason for delay," Manzer said.

Answering a question on whether the company will need to revisit its investment proposal, he said the economics of the project possibly need to be revisited. About resetting the gas price, he said the price was offered two years ago and for this reason it could need adjustment.

Manzer said all the products Tata proposed to produce are in strong demand in the country. "Bangladesh has a shortage of power, fertilizer and steel. The proposals are placed for basic industries, which are needed for the development of any developing nation. These are going to be one of the foundations for accelerated economic growth."

The Tata group first signed an "expression of interest" on a two billion dollar investment proposal with the Bangladesh government in October 2004.

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Bangladesh has a shortage of power, fertilizer and steel. The proposals are placed for basic industries



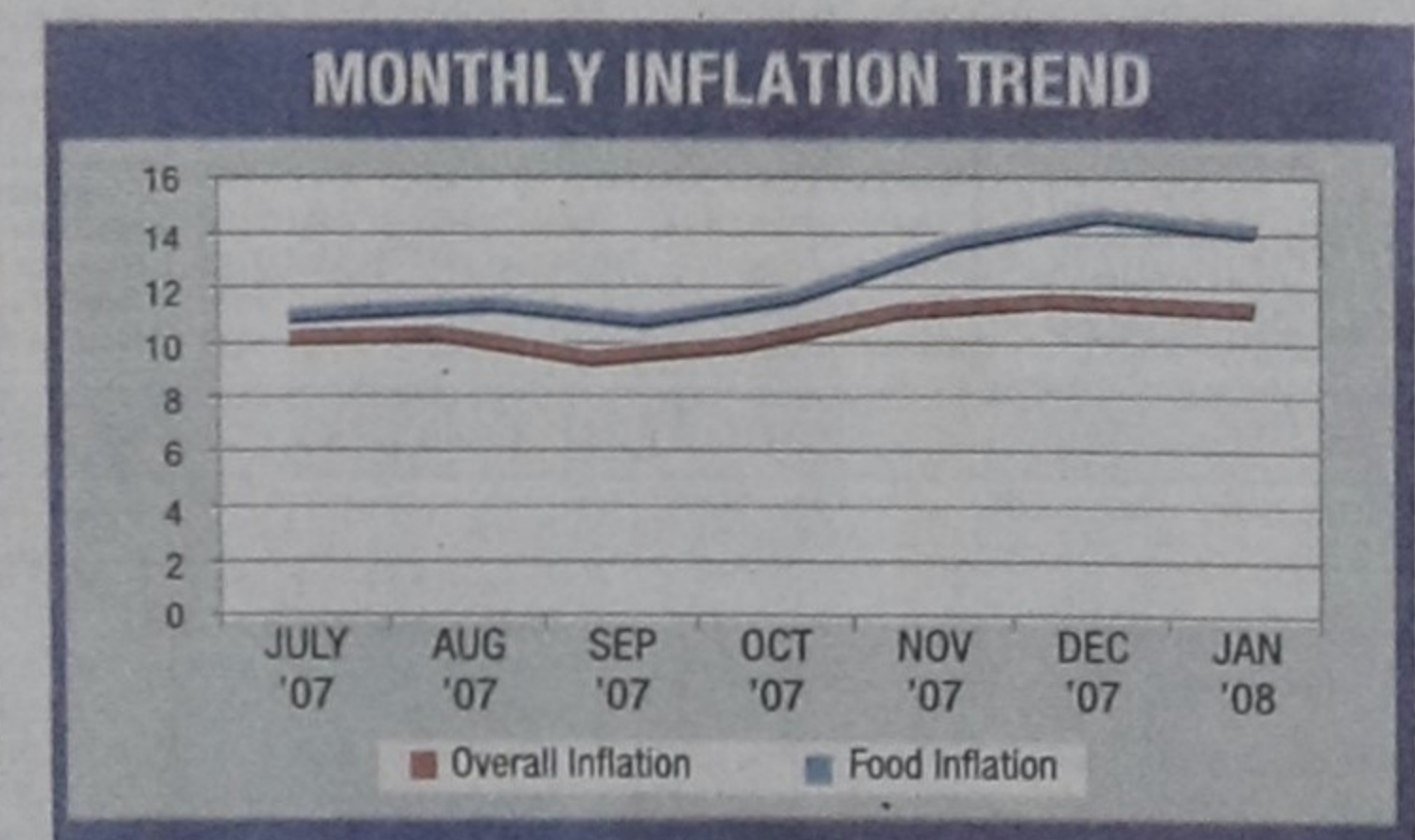
"During the period from April 2006 to today Tata Group bought the largest steel maker in Europe 'Corus' at a cost of around US\$ 13 billion along with a soda ash plant in the US at a cost of \$ 1 billion. The group also invested for the production of a 4000 mega watt power plant in India, is going ahead to invest in a steel plant

ately for some other places," he said.

He said the present government had responded positively to the project but Tata needed more than just words.

Replying to a question on whether he is frustrated about the delay he said frustration is a very strong word but "further delay will increase concern."

Inflation rate drops slightly in January



REJAUL KARIM BYRON

The overall inflation rate decreased slightly and reached 11.43 percent on point-to-point basis in January what according to Bangladesh Bureau of Statistics (BBS) due to little decrease in rice prices in the month.

"The overall inflation rate on point to point basis decreased by 0.16 percentage point in January compared to the rate in December 2007," an official of the BBS said. According to the BBS data, overall inflation rate in the country on point-to-point basis in December was 11.59 percent.

The latest BBS data shows that inflation rate of food items in the country decreased by 0.24 percentage point and reached at 14.20 percent in January. It was 14.46 percent in December

last year. Inflation of non-food items also showed a reducing trend (0.06 percentage point) and stood at 7.21 percent in January. The inflation of non-food item in December was 7.27 percent.

The inflation rate was on the rise since October last year.

According to the BBS data, overall inflation rate in the country's rural areas decreased by 0.14 percentage point and reached 11.49 percent in January. Inflation rate in urban areas also decreased by 0.19 percentage point and reached 11.28 percent.

In January, inflation of food items in rural areas decreased by 0.05 percentage point and reached 13.86 percent while in urban areas it decreased by 0.77 percentage point reaching 15 percent.

Thai business jittery at return of Thaksin

AFP, Bangkok

Ousted Thai premier Thaksin Shinawatra's homecoming has left business leaders wary as the self-made billionaire casts a long shadow over the new government's economic policies.

Thaksin, a hero for the poor whose populist "Thaksinomics" measures aimed at developing the countryside, made a triumphant return on Thursday, ending 17 months of self-imposed exile since his ouster by the military.

Although Thaksin repeated his vow to quit politics in a nationally televised news conference, doubts over his pledge soon emerged when the finance minister said he wanted the business savvy premier to be his advisor.

The minister, Surapong Suebwonglee, said Thaksin's entrepreneurial knowledge could help Thailand's economy, which has languished for the past two years due to political turmoil and the ensuing military rule.

But business leaders voiced worries that Thaksin's involvement could do more harm than good for the second largest economy in Southeast Asia.

"Thaksin knows how to improve the economy. In that sense, it's a good thing to have him as a policy advisor," said Kietphong Noichaiaboon, vice chairman of the Federation of Thai Industries, the kingdom's biggest business group.

The 58-year-old tycoon-turned-politician built his political success on support from the nation's poor, but his autocratic style was despised by Bangkok's middle class who led anti-Thaksin protests leading to the coup.

While most of Thaksin's tenure was marked by strong economic growth, political uncertainty before and after the September 2006 coup kept away foreign investors and pushed the economy into the doldrums.

Local energy drinks launch export push

SOHEL PARVEZ

The producer of energy drink Royal Tiger has started exporting the product, competing head to head in the Middle East with international brands such as Red Bull.

"We are receiving orders from buyers. The amounts are small but it's a good start," said Md Khairul Anam, Sales & Marketing Director of Globe Soft Drinks.

The Globe Soft Drinks' Royal Tiger, the leading brand in the energy drink segment in Bangladesh, is now being sold in Qatar and Dubai.

Royal Tiger will be the second energy drink from Bangladesh to be exported, following the example of Akij Food & Beverages' Speed which has been sold in the United Arab Emirates, Malaysia and Bahrain since last year.

"We have sent our first consignments to Qatar and Dubai. We hope to send another consignment soon," Khairul said, adding that some \$70,000 worth of orders from Dubai and \$25,000 from Qatar were now in their pocket.

The Globe official said



STAR

A consumer drinks a Royal Tiger brand energy drink. The Globe Soft Drinks' Royal Tiger and Akij Food & Beverages' Speed are now being sold abroad. "We are receiving orders from foreign buyers. The amounts are small but it's a good start," says an official of Globe Soft Drinks.

export earnings from the Tiger brand drink so far stood at \$18,500 out of total earnings of about \$1 lakh.

"Our product is competitive in terms of both quality and price," he said.

The company, one of the main players in the local soft

drinks market, started to focus on exports to make full use of the production capacity of its factory and tap the growing demands for energy drinks on the global market.

"There is huge market for energy drinks globally and it is growing. There are products

from countries like China and Thailand, why not our products?" he said.

The item may also win customers among Bangladeshi workers living in Middle Eastern countries.

The energy drink, advertised as being specifically designed to provide more energy than a typical drink, now controls between 10 and 20 percent of the soft drinks market worth around Tk 650 crore a year.

The consumption of the item is continuing to grow despite costing about twice as much as normal soft drinks based on the interests of young and adult people in urban and semi-urban areas.

Khairul said the company has appointed its agents in Saudi Arabia and Kuwait to aid exports.

But the official requirement to term the beverage as 'carbonated' instead of an energy drink affects exports.

"Globally it is known as energy drink. But we cannot use the name as there is specification in government's official list. It sometimes affects our exports," he said.

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Bangladesh Launching BRAND FORUM


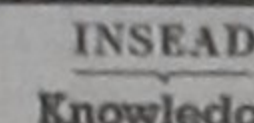
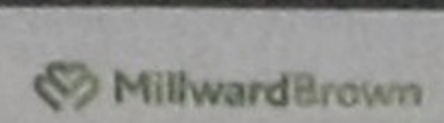
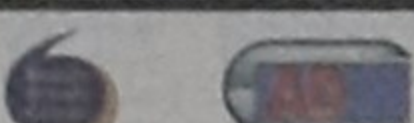
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And many more

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