

**International Business News**

**Holcim cuts growth targets as net profit falls**

AFP, Zurich

Swiss cement group Holcim on Thursday posted a sharp drop in net profit and cut its growth targets for this year, as higher energy prices and the slowing global economy impact on sales.

It said its group net profit fell 53.2 percent to 1,338 billion Swiss francs (1.2 billion dollars, 826 million euros) while net profit attributable to shareholders fell 56 percent to 1,066 billion francs.

But the cement-maker said the comparison was skewed as last year's profit figure was inflated by the sale of a South African subsidiary.

Sales fell 4.4 percent to 12.43 billion francs, underlining the impact of rising energy prices on manufacturing costs.

The group said its long-term target was to achieve an annual growth of 5 percent on its operating pre-tax earnings, but it now expected in 2008 to only match its 2007 results.

"The cement industry, with its energy-intensive production process, is feeling the impact of the rapid increase in the price of thermal and electrical power sources very directly," said Holcim.

At the same time, it has found it difficult to pass on energy costs as the price inflation was coupled by a slowdown in key markets.

**Australia's Qantas reports record profit despite woes**

AFP, Sydney

Australia's national airline Qantas reported Thursday a 44 percent increase in annual net profit to a record 969 million dollars (842.6 million US) despite high fuel prices and other woes.

Qantas said revenue for the year ended June 30 rose 7.5 percent to 16.19 billion dollars after it carried 38.6 million passengers, up 6.0 percent.

The airline recorded a 46 percent increase in profit before tax to 1.41 billion dollars, ahead of its forecast of at least 40 percent growth.

The profit result comes after the airline said in July that it would slash 1,500 jobs worldwide in a bid to combat rising oil prices and challenging market conditions.

The carrier also cancelled plans to hire 1,200 new staff and increase its capacity by eight percent in 2008-2009, and announced it would retire up to 22 older aircraft from its fleet.

Chairman Leigh Clifford said that after an excellent performance across all segments for the first three quarters, the business was starting to see the effects of a slowing economy and rising fuel prices.

"We have benefited from a strong revenue environment, which was supported by major investments in customer service and product. The result was further underpinned by sustained efforts to improve efficiency," he said.



AFP

Philippines President Gloria Arroyo (R in white dress) is accompanied by car manufacturing officials as she views the Japanese-made environmental friendly electric vehicle "iMiEV" from Mitsubishi during The Second Philippine International Motor Show in Manila yesterday. The four-day car show participated by 15 global auto brands features the latest fuel-efficient vehicles and concept cars for cleaner and safer motoring.

**Philippines lowers economic growth target: minister**

AFP, Manila

The Philippine government has lowered its economic growth target for 2008 in the face of rising inflation, Socio-economic Planning Secretary Ralph Recto said Thursday.

The projected gross domestic product (GDP) growth for this year has been brought down to 5.5 to 6.4 percent from the original target of 5.7 to 6.6 percent, said Recto.

Recto said it was likely that GDP growth in the second quarter of the year would be less than 5.2 percent compared to 5.2 percent growth in the first quarter.

The Philippine economy grew by 7.2 percent in 2007, which was the highest figure in decades.

However the inflation rate has been steadily rising, hitting 12.2 percent in July, the highest in 17 years.

The Philippines, which is one of the world's largest rice importers and which imports virtually all of its oil, has been hit hard by the rising global prices of food and fuel.

**AirAsia X to fly to Britain next March: Fernandes**

AFP, Kuala Lumpur

Budget carrier AirAsia X said Thursday it plans to fly to Britain in March with London's Stansted airport the likely destination, and that high fuel prices will not deter its expansion plans.

"Definitely it is going to happen and I am optimistic that it will happen in March," said Tony Fernandes, AirAsia X director and founder of Southeast Asia's largest budget carrier, AirAsia.

The Malaysia-based long-haul budget carrier had planned to launch flights to Britain in December but difficulties in securing a leased airplane forced it to postpone.

It currently operates with one leased A330-300 with flights to Australia's Gold Coast and Hangzhou in China. It is scheduled to fly to Perth and Melbourne in November.

Fernandes said AirAsia X favoured Stansted, on the outskirts of London, but would finalise its plans in September when it meets with officials from Stansted as well as Manchester airport, which is its other option.

He said the carrier would use a leased A340-300 to mount a direct flight from the Malaysian capital Kuala Lumpur, which will act as a hub for other regional destinations in the AirAsia network.

"From Stansted there would be people who will fly to Malaysia and from Malaysia to anywhere else in Southeast Asia or Australia," he said.

**TISSUE INDUSTRY**

SAYEDA AKTER

From a washroom in a five-star hotel to a retail shop in a remote village, hospitals to restaurants and fast-food shops, local tissue papers are available with a variety ranging from toilet rolls to tissues with stylish logo, from paper boxes to tiny packs.

It's always been there.

The local tissue paper industry meets demand for toilet paper, kitchen towels, clinical bed sheet or facial tissue by multi-dimensional people -- from posh guests in the flights of local airlines to the students in a distant village.

The industry has turned from almost nothing into a billion taka market in the past 20 years and reached a good number of people.

In 1987, prominent business house Kallol Group started importing the Fay tissue and introduced it to different restaurants and party centres, along with serving the elite class of the society.

"We import the jumbo rolls of the tissue and then we put our effort to cut and pack those by ourselves," said Sheikh Shahid Ali, assistant general manager of Kallol Group.

"At the beginning, we used to provide tissue papers to local restaurants and party centres for free of cost," he said, adding that it was a business strategy for the introduction of the product.

He said the strategy succeeded and gradually the item became a necessity among the



A salesman takes a tissue paper box off a shelf of his shop in Dhaka. Demand for tissue products is more than 4,000 tonnes a year, according to industry people.

middle and higher middle class.

"Earlier the use of tissue was very limited, only among the people belonging to the higher income group," Ali said.

However, demand for tissue paper got a pace when local manufacturers started production.

Now the local demand is

more than 4,000 tonnes per annum, according to the industry people.

In 2000, Basundhara Group started manufacturing the item locally.

"The increasing usage inspired us to go for manufacturing the item," said Mustafizur Rahman, deputy

managing director (DMD) of the Basundhara Group, pointing to the fact that improvement in the living standard has contributed to such an increased demand.

He said major clients of the locally produced tissue paper are the five star and three star hotels, restaurants, corporate

houses, airlines and hospitals.

He said the local pharmaceutical industries are also big consumers, as they prepare courtesy tissue boxes for retail sellers.

The market size of the local tissue industry is around Tk 120 crore with a 20 percent growth a year.

After meeting the local demand, Bangladesh made tissues have also found some export destinations.

The Basundhara Group DMD said his company now exports tissues to the South Asian countries, especially India, Nepal and Bhutan, and to Turkey and England as well.

"There is a huge demand for clinical bed sheets, kitchen towel and facial tissues in South Asian countries," Rahman added.

New companies are coming up nowadays to invest in the sector, according to him.

In 2006, Nissho Koeki Tissue Papers Company, a Japan-Bangladesh joint venture, launched a new brand Bangla tissue in the local market.

However, the growth and potentials of the sector is not still recognised by the government, the industry people lament.

Rahman said the government does not provide any kind of incentives to the industry, which could help the sector grow.

"Pulp, a raw material for tissue paper which is now being imported, could be produced locally, if the government extends support to the industry," the Basundhara Group DMD maintained.

A senior director of Nissho Koeki Tissue Papers Company Ltd, who preferred not to be named, suggested the government reduce the import duty on ingredients of the tissue.

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**TRANSPORT**

**London double-decker cruises to new life in Japan**

AFP, Shimonoseki, Japan

The double-decker Routemaster bus, a phased-out London icon, is gaining a second life in a Japanese city that believes the red road giant fits right in.

Families and tourists snapped pictures as they queued up at a bus stop to hop onto a double-decker, which has been running on weekends since April in Shimonoseki, on the southern tip of Japan's biggest island of Honshu.

As a summer breeze wafted along the seafloor, passengers waved to people on the streets below from the second level of the Routemaster, which stood out conspicuously in the city's fleet of non-descript buses.

"The scenery of this town is totally different when I see it from the second floor," said Mayumi Nakamura, a 33-year-old housewife. "I hope the London bus will be a new symbol of Shimonoseki."

The port city of some 300,000 people once flourished as a gateway to the Korean peninsula and China before World War II and as a whaling hub.

Reminders abound of the historical significance of the city, including a pre-World War II British consulate and the hall where Japan and China signed the 1895 treaty that gave Tokyo control of Taiwan.

"At first I wondered if the London bus would suit the city but now I can tell it's well suited to the retro look of the city," said Chikako Uyama, a 32-year-old nurse.

The number of passengers topped 10,000 in less than four months, well above an initial estimate, said local official Masaru Hamamura.

"The London bus has become very popular as a means of transport for both tourists and local citizens," Hamamura said.

The Routemaster, built in 1962, is among six that were given out by

London in a bid to promote the British capital. The others were sent to The Hague, Moscow, Paris, Barbados and Jamaica.

But while the bus is almost untouched on the outside, the city spent more than 10 million yen (91,000 dollars) to overhaul the vehicle, which is now run by a local bus company.

The Routemaster, which has been mostly withdrawn from London due to high costs and safety concerns, had to be altered to meet Japanese regulations, including setting up an emergency exit.

The Routemaster, 8.4 metres (27.7 feet) long and 4.4 metres high, travels some nine kilometres (five and a half miles) a day connecting Shimonoseki station with Chofu, a historical castle town in the suburbs.

The diesel-powered bus can carry a maximum 65 passengers with a one-way ticket costing 350 yen (3.20 dollars).

"The bus was tough to drive because it has its own style," said Takao Odamura, a 54-year-old bus driver wearing a red Polo shirt and a red sun visor, the uniform of drivers trained to drive the Routemaster.

"The steering wheel is heavy and vibration can be felt on rough roads," Odamura said. "But driving the London bus is a lot of fun as people wave their hands to us with a big smile, which had never happened before in my career."

Kenji Nakatsuru, another Routemaster driver, said: "It was so scary as the roof is high so the balance can shift really easily. But I'm used to it. I hope it will top the tourists' list in Shimonoseki."

The bus still has a London number plate. But passengers thinking they are in London should be warned of one major difference -- hopping on while the bus is moving is strictly forbidden in Japan.



In this photograph taken on July 27, tourists take their souvenir pictures in front of a double decker bus "Routemaster", imported from London, as they queue up to hop onto the double-decker at the Shimonoseki station in Yamaguchi prefecture, on the southern tip of Japan's biggest island of Honshu. The Routemaster bus, a phased-out former icon of London, is gaining a second life in a Japanese city that believes the red road giant fits right in.

AFP