

Govt opens up scrap ship imports

STAR BUSINESS REPORT

The government has again made the imports of scrap ships open for all, aiming to keep prices of mild steel (MS) rod stable in the local market.

Commerce Minister Faruk Khan disclosed this to reporters after an inter-ministerial meeting at his secretariat office yesterday.

A rise in the rod prices is feared, as the government will go for massive development work under several projects, which would warrant a high

demand for the construction material. "It is no longer mandatory to be a member of the Ship Breakers Association to import old ships for scrap," the minister said.

Earlier, a section of unscrupulous importers formed a syndicate to import scrapped ships and artificially increase prices, mounting consumers' sufferings.

The minister apprehended that government development work would be hampered greatly if rod prices rise abnormally in local markets.

"The government would give its next decision on rod prices after a thorough review of the situation within the next six months," Khan said.

Commerce Secretary Feroz Ahmed said the government decided to open up the import of scrap ship for all when rod prices soared up to Tk 80,000 to Tk 82,000 a tonne last year.

On April 30, 2008, the then commerce adviser Dr Hossain Zillur Rahman had allowed all to import of scrapped ship in an effort to stabilise prices.



Zafar Osman, president of Dhaka Chamber of Commerce and Industry, sits for a meeting with Lava Raj Sreshta, deputy director general of the Nepalese Customs Department, at the chamber's office in Dhaka on Wednesday.

Thai trade fair from July 16

UNB, Dhaka

A three-day show of Thai products and services begins on July 16 in the city on an optimistic note of bolstering the Bangladesh-Thailand trade relations.

The fair at the Thai Embassy in Baridhara diplomatic enclave will remain open for visitors from 10am to 8pm, the organisers said.

Various Thai products will be showcased at the fair.

The organisers offered attractive packages to the visitors, including free tourist and medical visa on the spot, return tickets to Bangkok, and discounts and special deals for tickets, and holiday and medical packages to Thailand.

A Thai cultural show and a painting exhibition will also be arranged on the occasion.

Vietnam Airlines forecasts H1 profit of \$1.6m

AFP, Hanoi

Vietnam Airlines on Thursday estimated a pre-tax profit of 1.6 million dollars for the first half, despite the global downturn and swine flu pandemic hitting global air travel.

The figure compares with a loss of 4.65 million dollars in the same period last year, which was blamed on higher fuel prices, which surged in the first six months before diving as the economic crisis set in.

In a press statement, the flag carrier forecast revenue in the January-June period was 637 million dollars, compared with 680 million dollars last year.

The airline's business "had been seriously influenced by the world economic crisis and the type A (H1N1) epidemic... which reduced the demand for travelling by foreign passengers," it said.

Swine flu, classed as a pandemic by the World Health Organization, has infected more than 94,000 people and killed more than 400 around the world.

Despite the challenging global environment, Vietnam Airlines said it transported 0.6 percent more passengers, totalling 4.5 million, during the first half.

The carrier added that it did not have to reduce staff while many other international airlines had to lay off employees and scale down operations.

Stocks finish higher

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Dhaka stocks finished the week higher yesterday with moderate gain in key indices.

Benchmark index of Dhaka Stock Exchange, DSE General Index, rose by 23.15 points, or 0.78 percent to 2,982.68. The DSE All Share Price Index increased by 18.2 points, or 0.73 percent to 2,493.91.

The biggest movers for the day were service and real estate and engineering sectors.

"The most likely reason could be that investors are shifting their investments away from banks to these sectors," Equity Partners Limited (EPL), an investment firm, said in its daily market analysis.

"This is an aftermath of the slightly disappointing half yearly disclosures by banks," the EPL analysis said.

Most of the banks lost yesterday, but not too much.

The advancers beat the losers 149 to 75. A total of 3,37,76,546 shares worth Tk 712.72 crore were traded on the premier bourse.

Titas Gas topped the turnover leaders, with 8,77,450 shares being traded worth Tk 61 crore, followed by AB Bank, Prime Finance, Beximco, Grameen Mutual Fund One: Scheme Two, Beximco Pharma, Lanka-Bangla Finance, Summit Power, Adas Bangladesh and Aftab Automobiles.

Chittagong stocks also posted gain yesterday. The CSE Selective Categories

Index rose by 58.36 points, or 0.88 percent to 6,679.71. The CSE All Share Price Index increased by 78.9 points, or 0.77 percent to 10,312.97.

A total of 38,43,797 shares worth Tk 69.87 crore changed hands on the Chittagong Stock Exchange.

Of the traded securities, 66 advanced, 34 declined and five remained unchanged.

AB Bank topped the turnover leaders, with 1,40,255 shares worth Tk 14.66 crore being traded. Other turnover leaders on the port city bourse were Grameen Mutual Fund One: Scheme Two, Bextex, Titas Gas, Eastern Housing, Lanka-Bangla Finance, Summit Power, National Bank, First Security Bank and Shine-pukur Ceramics.



Golam Hafiz Ahmed, deputy managing director of National Credit and Commerce (NCC) Bank Ltd, and Ranjan Saparamadu, general manager of Majan Exchange LLC, exchange documents after signing a deal in Muscat, Oman recently. With this agreement, expatriates in Oman will be able to remit earnings to NCC Bank using Majan Exchange.

Citigroup shuffles executives, former CFO leaving

AP, New York

Citigroup Inc said Thursday that its former chief financial officer and current chairman of Citi Holdings, Gary Crittenden, is leaving the company as part of the bank's latest shuffling of management.

Crittenden took over as chairman of newly created Citi Holdings in March after the New York-based bank separated some of its riskier assets from more traditional banking operations, which became known as Citicorp.

Citicorp has been among the hardest hit banks by the credit crisis and ongoing recession. Pressure has been mounting on the bank and its CEO.

Vikram Pandit, to return the bank to profitability and stabilise operations.

The bank has received \$45 billion in aid from the government since last fall, part of which is being converted to a 34 percent equity stake in the bank.

Crittenden is leaving the company to spend more time with his family and pursue other business interests, Citigroup said in a statement.

Aside from his departure, Citigroup said Edward Kelly, who had been serving as CFO since Crittenden switched positions, will become vice chairman of Citigroup. Kelly will take on responsibilities for strategy and mergers and acquisitions in the new position.

John Gerspach will assume the role of CFO, becoming Citigroup's third CFO this year. Gerspach previously served as controller and chief accounting officer at Citigroup.

Also, Citigroup has hired Eugene McQuade to serve as CEO of Citibank NA, the company's retail banking business. McQuade most recently served as vice chairman of Merrill Lynch and president of Merrill Lynch Banks. He left that position in February, a month after the New York-based investment bank was acquired by Charlotte, N.C.-based Bank of America Corp.

Shares of Citigroup rose 2 cents to \$2.64 in morning trading.

Coal import from India gets go-ahead

STAFF CORRESPONDENT, Sylhet

The government has given go-ahead to coal import from Indian state of Meghalaya through land custom stations of Sylhet-Mymensingh region for the next one year, said local business leaders.

A decision was taken to allow import of the item with effect from July 1 at a meeting held at the commerce ministry on Wednesday.

Officials and representatives of the National Board of Revenue (NBR), Environment Directorate, the Federation of Bangladesh Chambers of Commerce and Industry and Coal Importers Group of Sylhet attended the meeting.

The decision to allow coal import was taken considering the dependence on the item for burning bricks in the region, the business leaders said.

Starwood contract with BSL extended

UNB, Dhaka

The Starwood Hotel and Resorts, the parent company of Dhaka Sheraton Hotel, has extended its management contract with Bangladesh Services Limited (BSL) for another three months.

The contract with BSL, the owing company of Dhaka Sheraton, has been extended till September 30 following a request from BSL, said a press release.

"Once donors had given us more than 1 million tonnes in food aid. The amount has come down to about 80,000 tonnes this year," he said.

Razzaque yesterday spoke at a workshop organ-



Food and Disaster Management Minister Muhammad Abdur Razzaque speaks at a workshop organised to share the results of a research into the National Food Policy and review of ongoing projects, in Dhaka yesterday.

Food minister hits out at donors

STAR BUSINESS REPORT

Food and Disaster Management Minister Muhammad Abdur Razzaque yesterday blamed international donors for failing in their commitments to lift millions out of poverty and compensate countries such as Bangladesh hurt by climate change.

"About 65 million people still suffer from poverty and malnutrition. They go to bed hungry. Donors had earlier made a series of commitments to help those people out of poverty. But they did not keep their promises and are now cutting food aid and other assistance instead," the minister said.

The workshop comes at a time when Bangladesh dwells on a favourable food situation due to good crops and favourable weather that helped the country cut dependence on imports.

In 2008, the prices of food, mainly rice, escalated due to heavy reliance on imports amid poor domestic production following natural disasters such as cyclone and floods.

"The number of the poor rose because of last year's food shortage. The poverty rate has increased by about 5 percent points from 40 percent due to food deficiency," said the minister.

"It's a proof that international donors are not keeping their promises. Denmark is an exception. It indicates that there is a lack of sincerity among many," he said.

Razzaque also came down hard on developed countries for their role in climate change and its impact on countries such as Bangladesh. "They are responsible for climate change. But rich countries are not compensating us," he said.

The minister urged donors to invest in agricultural development, research and social safety net programmes.

The minister sought assistance from donors to strengthen capacity of public food management besides efforts to boost production, research and analysis.

"Our ultimate goal is to ensure a dependable food security system for all in all times," he said.

Razzaque however said the government has been facing the challenge of protecting farmers' and poor consumers' interests.

Weak earnings for Indian firms, but outlook brighter: Analysts

AFP, Mumbai

As Indian firms prepare to post their earnings for the June quarter, analysts warn most reports will be weak but expect an improvement in the near future as government stimulus packages take effect.

"For the three months to the end of June, the 30 stocks that comprise Mumbai's benchmark Sensex index could see an annual fall in sales of four to eight percent and lower profits of between nine and 13 percent.

Firms in the country's flagship software sector could see subdued growth on weak revenues despite an easing of pricing pressures for most of their US-based clients as the value of the rupee has fallen.

And Infosys Technologies, the Bangalore-based pioneer of the industry, kicks-off the earnings season on Friday.

"Incremental business decisions continue to be slow," local brokerage Motilal Oswal Securities said in its earnings forecast report.

And Anurag Purohit, an analyst with Religare Hichens Harrison brokerage, said volumes will be flat against the March-end quarter.

In March, both Infosys and rival Wipro had acknowledged that their revenues were under pressure.

But excluding IT, the worst could be over for several Indian firms, market watchers say, as the country's economy shows early signs of a revival, led by local demand.

India's exports and industrial output had contracted sharply between October and March, as it reeled from the full impact of the global financial crisis.

"A bad set of numbers is expected (for the June-end quarter), but companies are shifting track towards recovery," said Hitesh Agrawal, head of research with Angel Broking.

Agrawal said Indian firms could begin to show improved earnings data in successive quarters, as the government's stimulus packages take effect.

"This takes about nine to 12 months to kick in," he said.

Between December and March India introduced three stimulus packages to boost the flagging economy as it was battered by the global slump.

"We are seeing some signs of a pick-up in demand," said Siddhartha Sanyal, economist with Edelweiss Securities, led by manufacturing growth.

He said services and export-led firms could take longer to recover.

In the three months to June, Indian stock prices jumped nearly 50 percent - its best performance in 17 years -- in expectation of greater economic reform after the Congress party surged to power in May general elections.

That made India a top-performing emerging market in the last quarter.

"From a quarter of 'fading darkness', we move on to a quarter of 'new hope,'" the Motilal Oswal report says, optimistic over the formation of a stable government and possible

upturn in the economy.

Economists have called Congress's resounding win a "game changer" for the economy as it raised hopes of political stability for the next five years and the introduction of reforms that had been blocked by the Left.

On Wednesday, the Sensex closed at 13,769.15 points, up nearly 43 percent for the year, led by overseas fund inflows of 5.23 billion dollars.

India's trade minister Anand Sharma on Wednesday said output in the cement and steel sectors had grown by 13 percent each in June, from a year earlier.

The country's automobile sector is also showing some signs of a recovery, as sales for firms like Maruti Suzuki India, Tata Motors and Honda have improved since the turn of the year on the back of a low interest rate regime.

Meanwhile the central Reserve Bank of India will push commercial banks to lower their lending rates, to spur growth.

The RBI has slashed key short-term interest rates six times since October, with the repo -- the rate at which it lends to commercial banks -- being cut by 425 basis points.

And the finance ministry, in its annual Economic Survey presented to parliament last week, predicted that GDP growth could exceed 7.0 percent this year.

India grew by 6.7 percent in the year ended March 31 -- the slowest rate since 2003 and down from nine percent a year earlier.



Kaiser A Chowdhury, director of AB Bank Foundation, and M Khalilur Rahman, executive director of Bangladesh Organisation for Disabled Advancement (BODA), sign a memorandum of understanding in Dhaka recently. AB Bank Foundation donated Tk 9.5 lakh to BODA as part of its CSR activities.