

Stocks of essentials more than enough for Ramadan

Minister says prices will not go up

STAR BUSINESS REPORT

Commerce Minister Faruk Khan yesterday gave assurance that the prices of basic commodities would remain stable in the upcoming month of Ramadan, as the stock of goods is 'more than enough'.

"We have enough stocks of basic commodities now and a lot more are going to be released from port. So we can assure you that the prices of basic commodities will not increase in Ramadan," Khan said.

"Still, if any vested quarters want to destabilise the market making an artificial crisis, we will take action against them," the minister told reporters after a meeting with the members of the national task force on basic commodities' price monitoring at the secretariat.

Khan said he has already instructed home secretary to take necessary steps for improving law and order situation so the traders can carry on business without any fear.

"I have also instructed the ministries and departments concerned to take measures for improving transportation system of goods as the businessmen complained about it at the meeting," he said.

The minister also instructed shopkeepers to keep both the wholesale and retail cash memos so the vigilance team of the ministry and the customers can have those on instant demand.

He said the government has taken all necessary measures to rein in the prices of essentials before and during Ramadan as every year a section of unscrupulous traders wants to make a brisk business keeping the fasting consumers in pressure.

The stocks of lentil, edible oil, powdered milk, gram, onion and other necessary items are quite good for Ramadan, the minister said at a briefing after the meeting.

He said officials of the price-monitoring cell of the commerce ministry would constantly supervise the prices and demand-supply situation.

Khan said mobile courts and other agencies of the government would be patrolling the city's kitchen markets to ensure fair price, quality, and proper weight of goods during Ramadan.

At the briefing, MA Rouf Chowdhury, president of Bangladesh Edible Oil Refiners' Association, said the supply of goods more than enough now. "So we don't see any price crisis of basic goods in near future," Chowdhury said.

He said generally the monthly demand for edible oil in Bangladesh is 100,000 tonnes and during Ramadan the demand reaches 150,000 tonnes.

"Now the stock of edible oil in Bangladesh is more than 200,000 tonnes and more will join the stock. So there will be no crisis in near future," the association president said, adding that the prices would not go up during Ramadan.

The businessmen at the meeting said they would keep the prices of the essentials within the reach of consumers.

Major changes in Warid business strategies on cards

STAR BUSINESS REPORT

Warid Telecom is set to re-launch its commercial strategies with the idea of localising its product and services in Bangladesh.

The company has decided that it will keep itself away from any overseas flavour in the product promotion.

"No more Zem or Zahi. We are going to be a Bangladeshi company," said Marius M. Voinea, chief commercial officer (CCO) of Warid Telecom.

Under the new plan, Warid's logo, service, tariff, product and campaign would have changes. "The brands would be in line with what people think about," Voinea told journalists at the Warid office in Dhaka yesterday.

Warid made its Bangladesh debut as the sixth mobile operator in May 2007 and bagged 2.58 million subscribers until June 2009. Despite the company's high hope to offer something extra to its customers, it could not reach the customers' expectations fully.

"The starting was not bad, but adaptability was not up to the mark," said Warid CCO.

Gramophone, Banglalink and AKTEL have dominated Bangladesh's 4G

million customer-based mobile market. These three operators bag more than 90 percent market share whereas Warid is now on the forth position.

In terms of subscriber base, Grameenphone has 43.9 percent market share, Banglalink 22.8 percent, AKTEL 18.4 percent, Citycell 4 percent, Warid 5 percent, TeleTalk 3 percent, BTCL 1.8 percent and Ranks Telecom 0.3 percent, according to statistics updated to April 2009.

Each of the top operators has any success history of specialised locally named products and campaigns. From the beginning Grameenphone localised its commercials and products. AKTEL's 'Joy' package and Banglalink's 'Desi' also hit the market massively.

Voinea did not elaborate the possible changes his company wants to bring about, but he said those will be in line with customers' choice.

Ruling out any sell-off, he said, "Warid is here to stay."

However, he said, "We are still open for injecting 30 to 40 percent minor equity investment."

Alleging some 'immoral' activities being practised in the telecom market, Voinea suggested the watchdog regulate the market strongly.

Square Pharma to build new unit

STAR BUSINESS REPORT

Square Pharmaceuticals, one of the largest pharmaceutical companies in Bangladesh, plans to set up its third new production unit, to meet local and export demand for medicine.

The new unit will be built in two phases in the next seven years to manufacture three types of products -- solid doses form, large volume parenteral (LVP) and special products, such as anticancer drugs.

The cost of the project has been estimated at Tk 514 crore -- Tk 360 crore for the first phase which targets the completion by December 2012, and Tk 154 crore for

the second phase to be completed by June 2016 -- according to the company's disclosure, posted on the Dhaka Stock Exchange website yesterday.

Square Pharma, which is listed on both the Dhaka and Chittagong stock exchanges, expects to produce 5 billion tablets, 1.5 billion capsules, 60 million injections and 11 million pieces LVP in the first phase.

In the second phase, the company targets production of 4.5 billion pieces tablets, 1.2 billion capsules, 10 million

injections and 9 million LVP.

The board of directors of Square Pharma has also decided to purchase capital machinery and building for an insulin project from Square Biotechs Ltd at a cost of Tk 81.23 crore, on a cost price basis.

The board has also approved Tk 50 crore for BMRE (balancing, modernisation, renovation and expansion) purpose and the purchase of land to extend existing projects and future expansion.

The company's FY2007-

08 annual report shows that its exports increased by 10 percent to Tk 21.24 crore against Tk 19.29 crore a year ago. The report also forecasted rising exports in coming years.

Presently, the company exports to more than 30 countries.

Square Pharma recorded net profits of Tk 189 crore with earnings per share of Tk 156.56 as of March 31 this year, compared to Tk 138.18 crore net profits and Tk 114.47 (restated) earnings per share in the same period last year.

The company declared 40 percent cash dividend and 25 percent stock dividend for the year ended March 31, 2009.



Md Yeasin Ali, managing director of Dutch-Bangla Bank Ltd, inaugurates the bank's 73rd branch at Bhairab in Kishoreganj yesterday.

Citi named Euromoney's best bank in Asia

UNB, Dhaka

Citi has been awarded the title of best regional bank in Asia by the editors of Euromoney magazine for the tenth year running.

Citi also picked up best bank in Singapore, best at cash management in Asia Pacific and best Hong Kong equity house, said a press release yesterday.

Commenting on the awards, the editors of Euromoney said: "Citi is still the region's largest, most complete international bank. During the Euromoney awards period no other institution offered clients the same breadth of products across such a wide swathe of Asia."

Holcim to acquire Cemex Australia

STAR BUSINESS DESK

Holcim Group is set to acquire Cemex Australia, a company with operations in aggregates, ready-mix concrete and concrete products business in Australia, says a press release.

Holcim, a leading supplier of cement and aggregates, is to take full ownership of Cemex Australia under a "contractual agreement".

Pak share in global market down 33pc

ANN/THE NATION

The Federal Cabinet, in a meeting chaired by Prime Minister Syed Yousuf Raza Gilani, approved Monday the Trade Policy 2009-12, projecting the country's export target to US\$19 billion while maintaining the imports at \$28 billion for 2009-10.

Presenting a 3-year Trade Policy 2009-12 Commerce Minister Makhdoom Amin Fahim on the state-run media said that during the three-year period Strategic Trade Policy Framework (STPF) and exports growth would be projected by 6 percent in 2009-10, 10 percent in 2010-11 and 13 percent in 2011-12.

Makhdoom said taking a long-term view of Pakistan's export performance over the last ten years, Pakistan's share in the global market, according to WTO data, had declined by more than one third to 0.13 percent in 2009 from 0.21 percent in 1999.

The trade minister further stated that due to energy crises, poor law and order situation, unprecedented economic downturn especially in major markets like the US and European Union, Pakistani exports declined to \$17.8 billion in 2008-09 as compared with \$19.1 billion in 2007-08. Imports also witnessed a decline of 13 percent and stood at \$34.9 billion during the last fiscal year

against \$40.9 billion in 2007-08, he said.

Similarly, the textile exports also dropped from \$10.6 million to \$9.6 million in 2008-09. While the share of non-textile manufactured in total exports went down from \$5.83 million in 2007-08 to \$3.12 million in 2008-09. In order to address strategic objective of pursuing greater market access through extensive trade diplomacy, the government aims to engage with the larger trading partners like the US and the EU for greater market access and utilize the Reconstruction Opportunity Zones (ROZs) for providing zero duty facility for exports to the US.

According to the policy it is expected that by 2012, the competitiveness ranking of Pakistan will improve from 101 to 75; the share of engineering exports would increase from 1.5 percent to 5 percent; value addition of cotton to increase from \$1,000 to \$1,500 per bale; and regional trade to expand from 17 percent to 25 percent. In the new trade policy it has been decided to create a Fund to hedge fund markup rate hikes and the Commerce Ministry would work with the Ministry of Finance and State Bank of Pakistan towards that end.

Presently, the businesses need short to medium-term certainty in the interest rate for investment. The fair will be open daily from July 30 to August 1 from 10am to 8pm.

Ctg tourism fair starts today

Chittagong Travel Mart-'09

STAR BUSINESS DESK

Galileo Chittagong Travel Mart-2009, a three-day international tourism fair, kicks off in Chittagong today, says a press release.

Mosharraf Hossain MP, chairman of the parliamentary standing committee on civil aviation and tourism ministry, is expected to inaugurate the fair at the Peninsula Chittagong as the chief guest.

MA Abdul Malek, editor of Dainik Azadi, will be the chief guest on the occasion.

A total of 19 participants from home and abroad, including airlines, tour operators, hotels, resorts, amusement parks, will be exhibiting their products and services at the fair.

The Bangladesh Monitor, a travel journal of the country, is arranging the fair.

Galileo Bangladesh Limited is the title sponsor of the fair, where Eastern Bank Ltd is the premium partner, Concord Entertainment Co Ltd and The Peninsula Chittagong, the hospitality partner, and Channel i, Radio Foorti and Chittagong's Daily Azadi are the media partners.

The fair will be open daily from July 30 to August 1 from 10am to 8pm.

News in Brief



Former US secretary of state Henry Kissinger (L) greets Chinese State Councillor Dai Bingguo after introducing him to address the US-China Business Council dinner in his and Chinese Vice Premier Wang Qishan's honour in Washington at the end of the US-China Strategic and Economic Dialogue on Tuesday. The US and China pledged to work together to promote free trade.

Dollar sluggish in Asia after weak data

AFP, Tokyo

The dollar eased against the yen in Asian trade on Wednesday as a weak US consumer confidence survey dented hopes for a quick recovery in the world's largest economy.

The dollar was quoted at 94.22 yen in Tokyo afternoon trade, down from 94.60 yen in New York late Tuesday. The euro held steady at 1.4166 dollars while falling to 133.49 yen from 134.01.

The weak US consumer confidence data weighed on share prices and offset the positive sentiment generated by strong new home sales data earlier this week, Barclays Capital analysts wrote in a note to clients.

The Conference Board, a business research firm, said its confidence index fell to 46.6 from 49.3 in June, missing analyst forecasts for a figure of 49.0.

The report underscored fears that while the US economy is showing signs of recovery from recession, rising unemployment could dampen any revival by hurting consumer spending.

But the weak data is probably "a dent to sentiment rather than trend changers," Barclays wrote.

Investors were waiting for the Federal Reserve's Beige Book survey due out later in the day for a snapshot of the health of 12 major US economic regions.

Fewer eurozone banks are tightening credit: ECB

AFP, Frankfurt

The percentage of eurozone banks tightening loan conditions to business and households has more than halved in the past three months, the European Central Bank said on Wednesday.

The ECB's lending survey for the second quarter of 2009 determined that the net percentage of banks tightening credit standards had dropped to 21 percent from 43 percent in the first quarter.

That nonetheless meant a majority of the 118 eurozone banks polled were in general still making it harder to obtain credit, mainly because of their own access to market financing and efforts to improve their cash reserves.

The survey also suggested the credit squeeze might ease more in the next three months.

The report came as the ECB's vice-president Lucas Papademos urged banks to increase lending to boost the eurozone economy as concerns grew that tight credit could choke off a gradually emerging upswing in the 16-country zone.

"Banks must realise that to help the economy sufficiently is in their long-term interests," Papademos told German business daily Handelsblatt.

"It is important that banks find the right balance between reinforcing their balance sheets and providing ample credit," he said.

Chinese banks aim to slow lending pace

AFP, Shanghai

Two top Chinese banks have set ceilings for new loans this year to rein in a spate of aggressive lending, as regulators raised concerns over credit risks, domestic media reported.

Industrial and Commercial Bank of China (ICBC) aims to issue one trillion yuan (146 billion dollars) this year while smaller rival China Construction Bank has set a target of 900 billion yuan, the Caixin magazine reported on its website Tuesday, citing unnamed banking sources.

The ceiling on new loans is "to prevent potential deterioration in assets quality due to unusual lending growth", an unnamed official with China Construction Bank was quoted as saying.

If put in place, the full-year lending ceilings would imply the two banks have already issued around 80 percent of their total lending for the year.

ICBC and China Construction Bank extended 825.5 billion yuan and 709 billion yuan in new loans in the first half of the year respectively, according to the report.

New yuan loans issued by Chinese banks hit a record 7.4 trillion yuan in the first half, raising concerns that some loans have been funnelled into the stock and property markets.

Time Warner posts smaller Q2 net, affirms outlook

AP, New York

Media conglomerate Time Warner Inc. said Wednesday its second-quarter profit shrank 34 percent as revenue dropped in the company's publishing, movie and online properties.

But the New York-based company affirmed its full-year adjusted earnings projection of roughly \$1.98 per share, or flat year-over-year.

Time Warner, which owns the Warner Bros. movie studio, the HBO and Turner cable networks, Time Inc magazines and the AOL Internet portal, earned \$519 million, or 43 cents per share, in the three months ended in June. That's down from \$792 million, or 66 cents per share, a year earlier.

Last year's results include earnings from its recently spun-off cable unit. Earnings from continuing operations, which exclude results from Time Warner Cable, fell 8 percent.