



ANNISUL HUQ, president of the Federation of Bangladesh Chambers of Commerce and Industry, along with his colleagues in the chamber inspects the prices of essentials at New Market Kitchen Market in Dhaka yesterday. Except for sugar, the apex trade body has expressed its satisfaction over the declining prices of essentials. (Story on B1)

## Minister assures salinity-hit farmers of protecting their interests

STAR BUSINESS REPORT

The commerce minister yesterday said that the government will do everything to protect the interests of the people who have been facing harsh economical and social fallout from the increased salinity and diminished fertility of lands.

"We have been discussing the draft National Shrimp Cultivation Policy 2009 in the parliament, and we would further discuss it in the parliamentary standing committee. Nevertheless, we would not take any decision against the people," said Faruk Khan at a seminar in Dhaka.

Held at the LGED auditorium, the seminar on 'Commercial Shrimp Cultivation: Food Security, Social and Environmental Effects' was jointly organised by Association for Land Reform and Development (ALRD), Human Development Research Centre (HDRC), Nijera Kori and Bangladesh Environmental Lawyers Association (BELA).

The minister pointed to the fact that ecological damage as a result of the saline-water-based shrimp cultivation in the coastal belt fertile lands is huge. "Bangladesh fetches around Tk 3 crore a year from shrimp exports. On the other hand, the natural resources damage is double the amount the country earns from the item's exports," Khan said. Speakers from the partner organisations described the shrimp farming's harsh impact on environment, livelihood and biodiversity in the coastal belts, especially southern part of the country. They urged the government to

seek opinions of the people from all walks of life, especially the people badly affected by shrimp cultivation, before finalising the draft National Shrimp Cultivation Policy 2009.

They also underscored the need to enact a law to protect arable lands from commercial shrimp cultivation. Presenting the keynote BELA Executive Director Syeda Rizwana Hasan said the draft policy lacks any cost-effective analysis how the farmers and landless people will be benefited.

"Besides defining environmental and social effects of shrimp cultivation, the policy should strongly control commercial shrimp culture," she said. Khushi Kabir, the coordinator of Nijera Kori presided over the seminar, also addressed by Quazi Kholiquzzaman Ahmad, president of Bangladesh Economic Association, Dr. Abul Barakat, professor of Economics at Dhaka University, Advocate Shorab Ali Sana MP from Khulna-6 and Nani Gopal Mondol MP from Khulna-1.

Polish Prime Minister Donald Tusk congratulated his country on Friday after the economy grew 0.5 percent in the second quarter, making it the only EU state to come through the crisis with flying colours.

"We are the only country in the entire European Union which can boast of a second quarter result on an annual comparison which is positive, even greater than anyone -- especially the sceptics -- had expected," Tusk said.

"Today we are the unquestioned leaders in fighting the crisis," he said. "Poland is combating the effects of the crisis the most efficiently, not only in our region... but also in the entire EU," he added.

Tusk was speaking at the Warsaw Stock Exchange against the backdrop of a large economic map of Europe showing Poland in green, symbolising economic growth in a sea of recession for other countries marked in red.

A European Union member since 2004, Poland avoided sinking into recession as the global economic crisis torpedoed the economies of its EU neighbours.

First quarter gross domestic product (GDP) growth was 0.3 percent, making it the only member of the 27-state EU to have enjoyed an expansion in that period.

### News in Brief

#### Toyota to end production at California plant

AFP, Tokyo

Toyota Motor said Friday it was abandoning a plant in California that it jointly owned with ailing US giant General Motors -- the first time the Japanese firm has ever pulled the plug on a factory.

The move, which affects 4,700 workers, follows GM's decision in June to drop its ownership stake in the joint venture, New United Motor Manufacturing Inc. (NUMMI), as it restructured under bankruptcy protection.

Toyota, the world's largest automaker, has never shut an assembly plant anywhere in the world before and the decision to pull out of California marks a dramatic turnaround for the group after years of rapid expansion.

"We have determined that over the mid- to long-term, it just would not be economically viable to continue the production," said Toyota's North America head, Atsushi Niimi. "We deeply regret having to take this action."

The plant in Fremont, California will end production for Toyota in March and shift output of Tacoma pick-ups to a factory in Texas, while Corollas will be manufactured in Canada and Japan for the North American market.

"Toyota's announcement that it will close the NUMMI plant is devastating news for thousands of workers in California," said Ron Gettelfinger, president of the United Auto Workers union.

#### Poland tops EU economy with Q2 growth

AFP, Warsaw

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#### PetroChina first-half profits fall 7.2pc

AFP, Hong Kong

PetroChina, the nation's largest oil producer, said Friday its net profit fell 7.2 percent year on year in the first half due to lower oil prices and weaker demand.

Net profit fell to 50.5 billion yuan (7.4 billion dollars) for the six months ending June 30, from 54.4 billion for the same period last year, the state-owned oil major said in a statement to the Hong Kong stock exchange.

Revenue dropped 24.7 percent to 415.3 billion yuan from 551.3 billion. The company said its profits were hurt by "the serious challenges and consequences" of the global financial crisis and shrinking domestic demand.

China's gross domestic product in the first quarter this year rose 6.1 percent from a year earlier, the worst quarterly growth in nearly two decades. Growth rebounded to 7.9 percent in the second quarter, largely boosted by Beijing's four-trillion-yuan stimulus package.

PetroChina's operating profit from the exploration and production business, the biggest earnings contributor, plunged 71.3 percent to 37.6 billion yuan due to a 55-percent drop in the average selling price of crude oil in the period.



Debashish Neogi, managing director of Marico Bangladesh Ltd, speaks at the company's IPO lottery at Bangabandhu International Conference Centre in Dhaka yesterday.

## Marico holds IPO lottery

STAR BUSINESS DESK

Marico Bangladesh Limited yesterday held a lottery for the allotment of shares in the initial public offering (IPO), the company said in a statement.

Marico has allotted 29,97,750 ordinary shares to general public, NRBs and mutual funds and 152,250 shares to its employees.

Refund warrants of unsuccessful applicants and allotment letters will be distributed from September 1 to 5.

The lottery was conducted at Bangabandhu International Conference Centre.

Debashish Neogi, managing director of the company, chaired the lottery

programme.

"We are thankful for the co-operation extended by the Securities and Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange," Neogi said.

Marico Bangladesh is a subsidiary of leading multinational group Marico that operates in consumer products and services in the beauty and wellness space in more than 21 countries.

The results of the lottery can be seen on MBL's official website - www.maricobd.com; and also on the official websites of IDLC Finance Limited (www.idlc.com), Equity Partners Limited (www.epblbangladesh.com), DSE (www.dsebd.org), CSE (www.csebd.com) and SEC (www.secdbd.org).



## Citi senior official in town

STAR BUSINESS DESK

Becky Lo, managing director and regional head of client delivery of Citi Group, arrived in Dhaka yesterday on a two-day official visit, the company said in a statement.

She is in charge of the group's account opening, implementation, trade and securities services, and servicing of cash management for corporate and financial institution clients in 18 countries across Asia Pacific. She is based in Hong Kong.

## Workers strike at Benapole

UNB, Benapole

A wildcat strike by Indian Petrapole land port workers suspended the export-import activities between Bangladesh and India through Benapole yesterday.

Sources said Indian CPM-backed workers called the strike following a clash between the workers of CPM and Congress at Kalitala parking of the port in the morning.

The strikers took position in the port area with sticks and blocked the main road, disrupting the port activities.

Hundreds of trucks loaded with export and import goods remained stranded on both sides of the frontier, causing huge revenue losses.

A tense situation was prevailing at the Petrapole land port.



Polish Prime Minister Donald Tusk (R) and Polish Minister of Finance Jacek Rostowski (L) give a joint press conference at the Warsaw Stock Exchange in Warsaw on Friday. Polish Prime Minister Donald Tusk congratulated his country after the economy grew 0.5 percent in the second quarter, making it the only EU state to come through the crisis with flying colours.

## Germany backs calls to limit banker bonuses

AFP, Berlin

Germany Friday threw its weight behind a scheme to limit bonuses for bankers as part of a drive towards greater financial market regulation to be debated at a key Group of 20 (G20) meeting next month.

"The federal government welcomes the French proposal for an international initiative on pay in the banking sector," Klaus Vater, a spokesman for Chancellor Angela Merkel, told a regular briefing.

"Compensation systems can contribute to systemic risks that can arise in banks. In Germany, we have already introduced a raft of measures to reduce excesses in managers' pay," he added.

French President Nicolas Sarkozy said Wednesday he would call for limits on bonuses for bank executives when he takes his campaign for greater regulation to the G20 summit in Pittsburgh on September 24-25.

## Wall Street building confidence

AFP, New York

With confidence rising of a recovery from recession, Wall Street faces historically its worst month of the year with memories still fresh from last September's financial market debacle.

The market streaks to a new month up some 50 percent from lows hit in March, but with investors beginning to turn cautious.

Some analysts say that even if the economy is on the mend from its brutal recession, the market will need to consolidate to avoid getting

overextended.

Others point out that further gains will only bring the market back to its levels a year ago before the financial panic deepened in the wake of the collapse of Lehman Brothers and rescue of AIG and others.

In the week to Friday, the Dow Jones Industrial Average managed a 0.4 percent gain to end at 9,544.20, near its highs for the year.

The technology-rich Nasdaq composite advanced 0.39 percent to 2,028.77 while the broad-market Standard & Poor's 500 index edged up 0.27 percent to 1,028.93.

The stock market remains in a twilight zone that provides ammunition for both bulls and bears.

The broad S&P index is up more than 50 percent from March 9 lows -- which would qualify as a roaring bull market -- but is still off some 34 percent from record highs in 2007, with recovery still elusive from a horrific bear market.

Some jitters are approaching meanwhile about the September effect.

This is the market's worst month, with an average loss of around one percent. Last year's financial market blowup and the failure of Lehman

Brothers and a freezup in credit dragged the S&P down by 9.2 percent for the month.

"The curse of the month of September, the weakest month of the year, is likely to bring in some selling before we even enter the month," said Al Goldman, strategist at Wells Fargo Advisors.

"Also, there is no clear evidence that the market has totally worked off its five-month, 50 percent rally. Fortunately, these are only very short-term problems. Much more important are the improving fundamentals and a reasonable (valuation) ratio."

## Dollar recovers some gains

AFP, New York

The dollar traded mainly higher Friday as currency traders turned more cautious in the face of a struggling stock market and mixed economic news.

At 2100 GMT, the euro fetched 1.4304 dollars compared with 1.4345 dollars late Thursday.

The dollar also gained against the Japanese currency, rising to 93.59 yen from 93.45 yen.

After a sharp rise Thursday to the upper limit of the range, the euro weakened despite fresh positive economic indicators that often have steered traders toward the European single currency.

A European Union survey showed business and consumer confidence in the eurozone firmed in August for the fifth month running, adding to a recent string of encouraging news for Europe's struggling economies.



Jafrul Alam Khan, national sales manager (retail SBU) of Transcom Electronics Ltd, inaugurates a showroom of the Transcom Digital at Badda in Dhaka recently.