FBCCI finds sugar, lentil prices high

STAR BUSINESS REPORT

Prices of essentials except sugar and lentil are showing a sliding trend because of an adequate supply of the items, apex trade body FBCCI said yesterday after a market watch.

During a visit to the city's Karwan Bazar kitchen market, Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the prices of sugar are still high as the item was selling at Tk 48-Tk 50 per kg at retail level.

He said price of fine quality lentil increased by Tk 2-Tk 3 per kg compared with last week's, while traders during the FBCCI visit said the item was selling at Tk 112-Tk 115 per kg compared with its last week's price at Tk 110-Tk 112.

"Prices of other pulses remained more or less stable, as the supply situation is good now," Huq said.

He said the prices of other commodities like vegetables, eggs, brinjal, powdered milk, edible oil, meat and potato are declining due to an abundant supply of the items and market monitoring by the government agencies and the FBCCI.

Meanwhile, the Trading Corporation of Bangladesh (TCB) bought 1,000 tonnes of sugar from refiners' association at a cost of Tk 39 per kg in an effort to contain the price of the item.

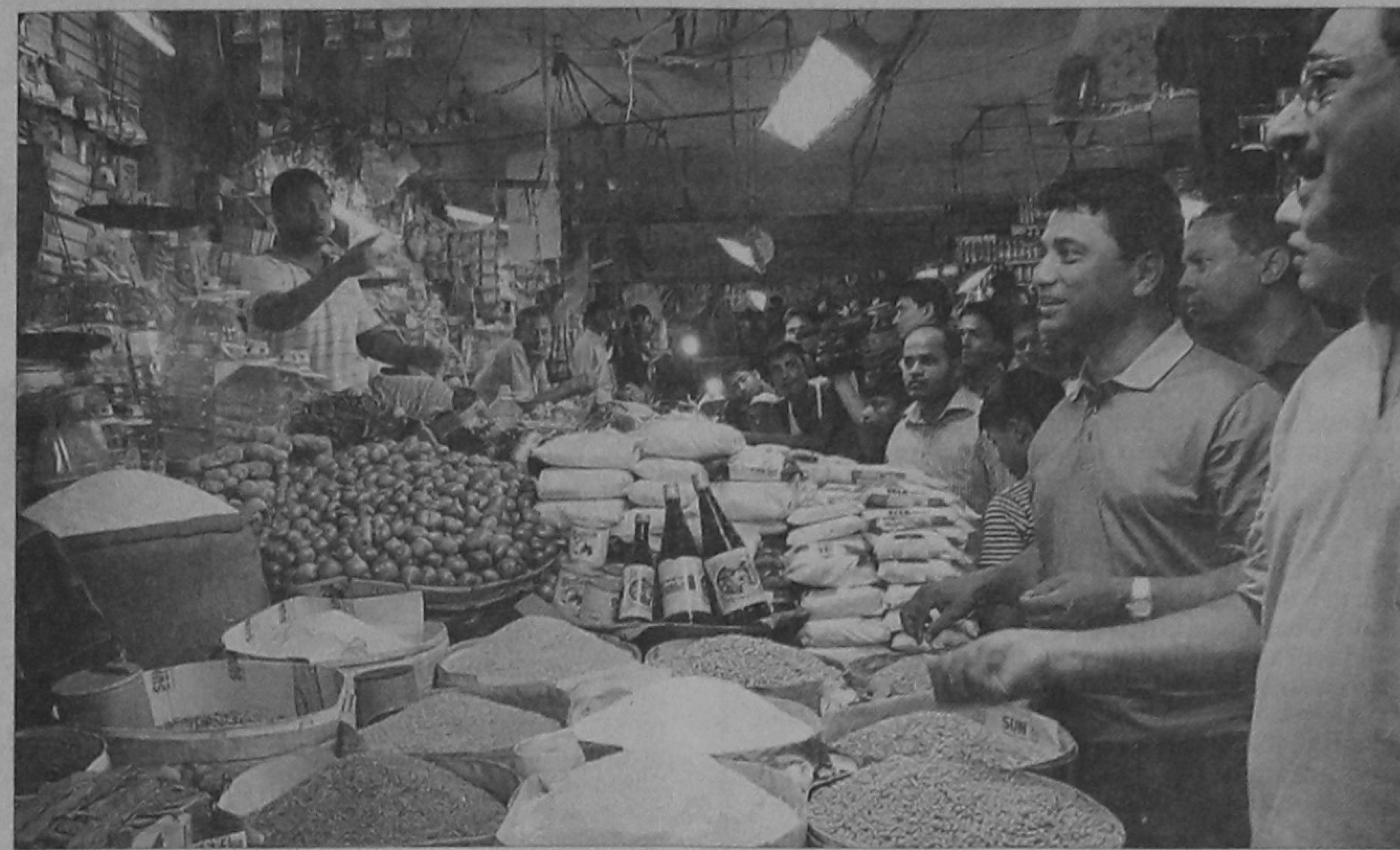
The TCB will sell the sugar to its appointed dealers in Dhaka city at Tk 39 per kg, which the dealers will offer at Tk 42 a kg to the retail-level customers.

Potato was selling unchanged at Tk 27-Tk 28 per kg yesterday, while Tomato at Tk 55-Tk 60, the FBCCI found.

Green chili was selling at Tk 60-Tk 80 per kg compared with its last week's prices at 80-Tk 100. Brinjal was priced at Tk 36-Tk 40, down from last week's Tk 60-Tk 80 per kg.

During the visit it was found that chickpea was selling at Tk 45-Tk 50 per kg, down from last week's Tk 52-Tk 55.

Edible oil prices remained stable, as state-owned TCB has been selling the item at fair price since the beginning of Ramadan, Huq said.



STAR

Annisul Huq, president of the Federation of Bangladesh Chambers of Commerce and Industry, checks the prices of essentials at Karwan Bazar kitchen market in Dhaka yesterday.

RAHIMAFROOZ

Mudasir M Moin, managing director of Rahimafrooz CNG Ltd, poses with a gift voucher at the launch of the company's Eid promotion campaign in Dhaka recently.

Brown to G-20: Economy is at 'critical juncture'

AP, *London*

British Prime Minister Gordon Brown called on world leaders to make a strong and clear commitment to further efforts to boost growth, saying Saturday that the global economy is at a "critical juncture".

Addressing finance officials from the Group of 20 rich and developing countries at the start of their talks here, Brown warned against "complacency or overconfidence" in the face of mounting signs of at least a modest economic upturn.

"We meet at a critical juncture for co-operation in the global economy," Brown told officials from countries representing 80 percent of the world's output. "The G-20 needs to agree a clear and unambiguous mandate for the G-20 to give priority to the resumption of global growth and to help countries achieve sustainable growth going forward."

Taking the unusual step of pulling rank on his Treasury chief Alistair Darling, the host of the London meeting, Brown also stressed the need for reform of the banking system to restrict bonus payments and called for sanctions against tax havens to be put in place early next year.

The G-20 finance officials are meeting in the British capital to debate the next steps for the recovering global economy and lay the groundwork for the G-20 leaders' summit in Pittsburgh on Sept. 24-25.

Japan, Germany, France and Australia all recording growth in the second quarter. Britain is widely expected to do so in the third quarter.

The International Monetary Fund has said that the global economy is beginning a sluggish recovery from its worst recession since World War II. The IMF last month increased its estimate for global economic growth in 2010 to 2.5 percent, from an April projection of 1.9 percent.

CITYCELL

Mohammed Irad Ali, deputy managing director of Intraco, and Anand Rajasingham, head of marketing of Citycell, pose after signing a deal in Dhaka recently. Under the agreement, Intraco will enjoy specially designed telecommunication packages and customised solutions from Citycell.

Small ROK businesses plan recruitment cuts

ANN/THE KOREA HERALD

Most South Korean big businesses plan to maintain or increase their numbers of new recruits from last year.

But small and medium-sized enterprises, which generate about 90 per cent of the country's jobs, plan to sharply cut their numbers of new recruits this year.

Samsung Group and LG Group said Thursday that they plan to hire more employees in the latter half than they did a year ago, with their bottom lines improving.

Top conglomerate Samsung Group plans to hire 4,400 new employees in the second half, up 18 per cent from the same period last year. The group previously planned to recruit 3,400 new employees in the latter half, but increased the number given the improved earnings of its affiliates, said Samsung Group's vice president Rhee In-yong.

LG Group, the No. 4 conglomerate, also plans to increase employment by 2,200 in the second half, up 15.8 per cent from last year's 1,900. Its flagship affiliate LG Electronics will hire 1,000 of them, up 40 per cent from 700 a year ago, its officials said.

In contrast, third-largest SK Group plans to cut its number of new recruits by a third to 800 this year. Hanjin Group also plans to reduce hiring to 200, from last year's 240.

Some 73 per cent of 600 listed companies plan to hire new employees at the same level of last year, according to a survey conducted by the Samsung Economic Research Institute.

SERI expected the local job market to start to recover in the latter half of this year, but the rebound will be moderate, Another poll conducted by online employment portal Incruit showed large businesses plan to hire 8,920 new employees this year, a 4.8 per cent drop from the same period last year.

Stocks finished up last week

STAR BUSINESS REPORT

Dhaka stocks finished slightly up last week, led by non-bank financial institutions (NBFIs) and insurance companies.

Speculation over the implementation of BASEL II was driving NBFIs up in the last couple of weeks, market insiders said.

Under BASEL II, NBFIs need to raise their capital, a phenomenon that was taken positively by investors.

In the insurance sector, almost all companies performed better on the news that the proposed insurance bill might be passed in the next parliament session, scheduled to begin Monday.

The benchmark index of Dhaka Stock Exchange, DSE General Index, rose 7.74 points, or 0.26 percent, to 2,985.46. The DSE All Share Price Index gained 8.24 points, or 0.33 percent, to 2,509.95.

The direct listing of Navana CNG Limited, a sister concern of Navana Group, was the major event of the week.

The CNG (compressed natural gas) conversion and re-fuelling company debuted on the two bourses on last Sunday.

It was the top turnover leader on the premier bourse with 90,13,700 shares worth Tk 188.53 crore being traded, accounting for 8.22 percent of the total turnover.

Advancers beat losers 127 to 113. A total of 12,42,58,793 shares traded on the prime bourse, marking a 20.98 percent fall.

Both total and daily turnover declined 21.18 percent to Tk 2,286.43 crore and Tk 457.28 crore last week.

Market capitalisation however increased by 0.83 percent to Tk 1,32,357 crore.

Apex Spinning, which was the biggest gainer for last week, advanced by 25.83 percent. Dandy Dyeing, which declined by 21.52 percent, was the top loser.

Chittagong stocks marked a slight rise last week. The CSE Selective Categories Index gained by 0.84 percent to 6,700.23 points. The CSE All Share Price Index declined by 0.88 percent to 10,482.25 points.

A total of 1,71,52,345 shares worth Tk 199.67 crore changed hands on the Chittagong Stock Exchange. Of the traded securities, 113 advanced, 68 declined and six remained unchanged.

Bextex topped the turnover leaders on the port city bourse with 31,35,599 shares worth Tk 19.65 crore being traded on the port city bourse.

Apex Spinning was biggest gainer that advanced by 21.72 percent on the CSE. Chittagong Vegetable was the top loser that declined by 18.25 percent.

90MW Fenchuganj power plant goes into operation in three months

UNB, *Dhaka*

Fenchuganj power plant project is likely to go into operation in the next three months, as the tax-related dispute between the Power Development Board (PDB) and Chinese contractor Harbin has been resolved recently.

PDB set up the power plant about a year before, but it could not be commissioned due to the dispute.

Harbin Power Engineering supplied and installed the 90 MW combined cycle plant in October last year and conducted a test run.

After the test run, PDB asked Harbin to start its operation for the national grid. But the contractor refused and demanded that the PDB pay back the money to Harbin what it paid to the National Board of Revenue (NBR) as tax for capital equipment import.

Harbin claimed the board should pay the taxes, as the equipment was the capital machinery.

On the other hand, PDB declined to pay the money back to Harbin claiming that as per the tender terms and conditions, the contractor should pay the tax.

Both sides remained adamant in their own positions, keeping the power plant idle.

In the meantime, PDB pursued the foreign ministry through the power ministry to negotiate the matter with the Chinese Embassy in Dhaka.

But the embassy supported the Harbin's position and claim.

The present government took a move to settle the issue. The power ministry recently sat with the Chinese contractor and reached an understanding accepting the contractor's claim.

Finally, the power ministry asked the PDB to pay back the money to Harbin.

Now Harbin is taking preparation to commission the plant in three months.

PDB Secretary Abul Kalam Azad, Chairman ASM Alamgir Kabir and other officials visited the plant to oversee the preparation yesterday.

Industry sources said two top leaders of the ruling party, who became new agents of the Chinese company, played a significant role in settling the dispute.

They said Harbin worked as contractor in a number of projects of the PDB, including 80 MW Tongi plant. It has disputed on other projects as well.

The company's nearly US$ 5 million performance guarantee (PG) was not returned despite the handover of the project.

Harbin was also selected for a contract for setting up a 100-MW simple cycle power plant in Chandpur.

But in the final stage of the deal signing process, the PDB suspended the project and cancelled its decision to award the contract to Harbin.

Honduras braces for full US aid freeze

AFP, *Tegucigalpa*

Honduran business leaders are drafting emergency measures to deflect the potentially devastating impact of a massive cut in US aid, a top industry insider said on Friday.

Spooked by Washington's announcement on Thursday that it would scrap around 30 million dollars in assistance to the coup-installed government, 62 members of the Honduran Council of Private Business were to meet on Friday to forge a battle plan.

"We have to be prudent and structure an emergency plan that would create jobs on a wide scale, even if it would be temporary," said former industry and commerce minister Norman Garcia.

In a bid to press coup leaders to restore ousted president Manuel Zelaya, the United States on Thursday cut direct aid to the military and several ministries, including cash for trade assistance.

Gold prices hit six-month highs

AFP, *London*

The price of gold raced higher this week, reaching almost 1,000 dollars an ounce as investors sought a safe-haven amid concerns over the strength of economic recovery, analysts said.

PRECIOUS METALS: Gold prices surged as high as 997.80 dollars an ounce, helping to lift silver and platinum to multi-month highs.

"Gold stole the headlines... as resurgent investment demand pushed the metal to its highs since February," said James Moore, an analyst for TheBullionDesk.com.

By late Friday on the London Bullion Market, gold was up to 989 dollars an ounce from 955.50 dollars a week earlier.

Silver jumped to 15.95 dollars an ounce from 14.54 dollars.

On the London Platinum and Palladium Market, platinum edged up to 1,244 dollars an ounce at the late fixing on Friday from 1,242 dollars.

Palladium grew to 290 dollars an ounce from 288.50 dollars.

BASE METALS: Base metals prices traded mixed as lead struck a 15-month high of 2,387 dollars a tonne while copper fell from one-year peaks reached a week earlier.

"Lead was again the standout performer rising almost eight percent (Thursday)... on heightened concerns about Chinese lead supply," said Barclays Capital analyst Gayle Berry.

By Friday on the London Metal Exchange, copper for delivery in three months dropped to 6,265 dollars a tonne from 6,518 dollars a week earlier.

Three-month aluminium slid to 1,847 dollars a tonne from 1,925 dollars.

Three-month lead rallied to 2,331 dollars a tonne from 2,130 dollars.

Three-month tin gained to 14,260 dollars a tonne from 14,175 dollars.

Three-month zinc advanced to 1,950 dollars a tonne from 1,887 dollars.

Three-month nickel fell to 18,000 dollars a tonne from 19,525 dollars.

OIL: Crude oil prices slid from above 70 dollars a barrel this week, tracking stock markets lower.

They continued to fall Friday after the world's biggest energy consumer the United States reported a rise in its unemployment rate and as traders booked profits before a long US holiday weekend.

The US unemployment rate jumped to 9.7 percent in August as 216,000 jobs were lost, the US government said Friday in a report suggesting steadying labour market conditions in the world's biggest economy.

The jobless rate rose three-tenths of a point to the highest level since June 1983, but the data nonetheless showed an easing of the massive pace of job losses in an economy struggling to emerge from recession.

Elsewhere, oil traders were gearing up for next week's OPEC ministerial meeting in Vienna to decide on the cartel's crude production levels.

Angola, 2009 president of the Organization of the Petroleum Exporting Countries, has said the cartel should maintain production at existing levels during the September 9 meeting.

OPEC has influence over global oil prices because the cartel pumps about 40 percent of the world's crude.

After falling sharply at the start of the week following heavy losses on the Chinese stock market, oil prices stabilised on Wednesday as official data showed US crude stocks had dropped by an expected 400,000 barrels.

The Department of Energy's report on last week also said that gasoline stockpiles had dropped by three million barrels, far steeper than expected by analysts.

Crude prices briefly hit 75 dollars last week, the highest level in 10 months but soon fell back again as analysts questioned the strength of demand for oil.

Oil market traders have looked to China to support an expected rebound in global oil demand in 2010, after two years of contraction.

Meanwhile news of a potential increase in supplies came Wednesday as British energy major BP said it had made a "giant" oil discovery in the Gulf of Mexico after drilling one of the industry's deepest-ever wells.

By Friday on London's InterContinental Exchange (ICE), Brent North Sea crude for delivery in October slumped to 66.89 dollars a barrel from 72.85 dollars a week earlier.

On the New York Mercantile Exchange (NYMEX), light sweet crude for October tumbled to 67.91 dollars a barrel from 72.70 dollars.

SUGAR: Sugar futures struck 28-year highs of 630 pounds a tonne in London and 24.85 cents in New York.

"The International Sugar Organisation has raised its 2009/10 global sugar deficit forecast and expects falling stocks to drive a further rise in prices from the 28-year peaks set earlier this week," said the commodities publication Public Ledger.

Global sugar prices are forecast to stay high in the coming year on tight supplies of the commodity in major consumer India.

By Friday on LIFFE, London's futures exchange, the price of a tonne of white sugar for delivery in December climbed to 591 pounds from 568 pounds for the now expired October contract a week earlier.

On the New York Board of Trade (NYBOT), the price of unrefined sugar for October rose to 23.61 US cents a pound from 23.15 cents.

GRAINS AND SOYA: Grains and soya prices dropped.

"Expectations of ample supplies and crop supportive weather conditions in the US midwest continue to weigh on grains prices and sentiment," said Barclays analysts in a note.

By Friday on the Chicago Board of Trade, maize for delivery in December fell to 3.10 dollars a bushel from 3.29 dollars a week earlier.

November-dated soyabean meal -- used in animal feed -- slipped to 9.35 dollars from 10.11 dollars.

Wheat for December decreased to 4.74 dollars a bushel from 4.95 dollars.

COCOA: Cocoa prices rebounded.

By Friday on LIFFE, the price of cocoa for delivery in December climbed to 1,894 pounds a tonne from 1,818 pounds a week earlier.

On the NYBOT, the December cocoa contract increased to 2,952 dollars a tonne from 2,792 dollars.

COFFEE: Coffee futures steadied amid expectations of a bumper Brazilian harvest, traders said.

By Friday on LIFFE, Robusta for delivery in November inched up to 1,413 dollars a tonne from 1,411 dollars a week earlier.

On the NYBOT, Arabica for December fell to 121.60 US cents a pound from 122.25 cents.

RUBBER: Malaysian rubber prices rose owing to tight supplies of the commodity caused by heavy rain, dealers said.

On Friday, the Malaysian Rubber Board's benchmark SMR20 climbed to 197.40 US cents a kilo from 195.80 cents a week earlier.