## International Business News

### Kraft wins bid for Cadbury, ending long battle

AFP, *New York*

Kraft Foods sealed a deal Tuesday for Cadbury as the famed British chocolate maker accepted a sweetened bid worth some 19 billion dollars creating a world leader in confections.

Ending a bruising months-long hostile takeover battle, Cadbury's board agreed to an improved offer valuing the British group at 11.5 billion pounds (18.9 billion dollars), or 840 pence per share, the companies said in a statement.

Under the agreement, Cadbury shareholders will also receive 10 pence per share via a special dividend, lifting Kraft's offer to 11.9 billion pounds (19.5 billion dollars).

The deal would make US-based Kraft, the world's second-biggest food company, one of the biggest global players in chocolate and confections, giving the US group the brands of Dairy Milk and Creme Egg to go along with Kraft's Toblerone, Milka, Suchard and Cote d'Or, among others.

Analyst Ildiko Szalai at Euromonitor International said the deal fits into Kraft's strategy of becoming a "global powerhouse in snacks, confectionery and quick meals."

"With this acquisition Kraft will gain a strong value share and leading position in many core emerging markets in Latin America, the Middle East and Africa and Asia-Pacific, such as India," the analyst said.

### IMF chief says Asia may need capital controls

AFP, *Hong Kong*

The IMF chief said Wednesday Asia may need to erect temporary capital controls, warning of the potential for new economic bubbles as speculative money floods into the region.

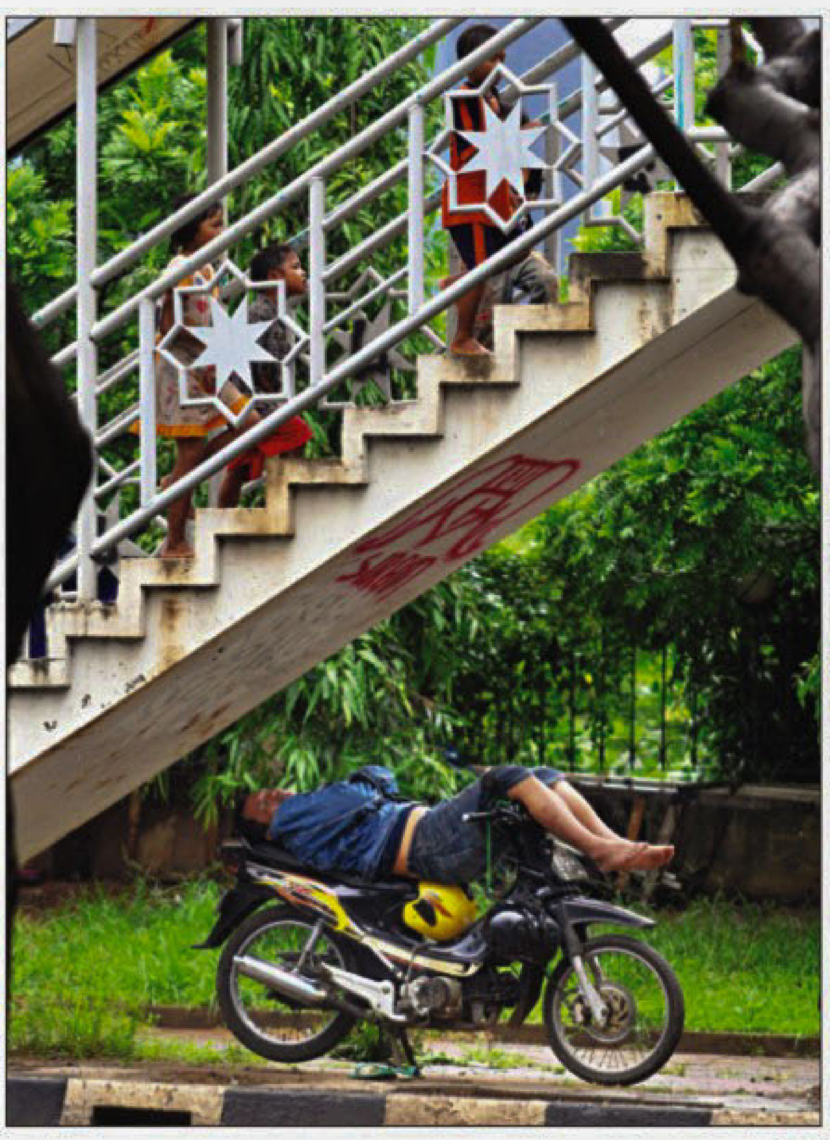
Dominique Strauss-Kahn said the global economy looked on course to beat the 3.1 percent growth forecast currently expected by the International Monetary Fund for 2010, as a post-crisis recovery accelerates.

Speaking in Hong Kong, the IMF managing director also reiterated his call for China to boost the value of its currency, the yuan, which critics say is kept artificially low to boost Chinese exports.

There is broad concern about the influx of foreign money pouring into Asia -- which has sent property prices rocketing in Hong Kong, Singapore and mainland China -- as the region leads the recovery.

Strauss-Kahn said the cash flowing into Asia was in stark contrast to the global financial crisis when the fear was of money drying up.

"Understandably, however, policymakers in recipient countries are concerned now with how to manage these flows -- their impact on exchange rates, domestic demand, financial stability -- and the danger of asset bubbles," he said.



AFP

**A man takes a nap on his motorcycle under a pedestrian bridge in Jakarta yesterday. Year-on-year core inflation, which excludes volatile food items and government-set prices, was 4.28 percent compared with 4.29 percent in November 2009. Clothing prices rose 0.95 percent on the month while processed food prices were 0.93 percent higher, agency chairman Rusman Heriawan told reporters, and transportation and communications prices increased 0.35 percent from November, housing and energy costs gained 0.28 percent and healthcare costs were 0.20 percent higher, he added.**

### Hong Kong remains world's freest economy

AFP, *Hong Kong*

Hong Kong remains the world's freest place to do business while the United States has lost its claim to an unrestricted economy, according to an annual report published Wednesday.

Hong Kong, a former British colony which was returned to China in 1997, edged out rival Singapore to claim top spot for the sixteenth consecutive year in the 2010 Index of Economic Freedom.

Australia and New Zealand grabbed third and fourth spot respectively.

The report is compiled by The Heritage Foundation, a conservative Washington-based think tank, and The Wall Street Journal.

Ireland, Switzerland, Canada, the United States, Denmark and Chile rounded out the top ten list, which is based on criteria including economic openness, trade, the efficiency of domestic regulators, and the rule of law.

SKINCARE SERVICES

# A glow from within

AMREEN AHMED BARI

Natasha Khan, 31, heard a couple of weeks ago that Kaya Skin Clinic was opening in Dhaka. Skipping a beat, she thought the news was too good to be true.

Natasha, who often suffers from adult acne, is fed up with experimenting with her skin. She has tried almost everything, with many treatments that only work temporarily. "The pimples keep coming back, leaving behind scars," she says.

"I have a friend who was suffering the same problem. She went to Kaya Skin Clinic in Kolkata, and by just two sittings, she had flawless skin," says Natasha.

"Inspired by my friend, I once visited the clinic in Kolkata on a hunch that I will be able to consult their dermatologists. But I was there only for three days and they could not fit me in their busy schedule," she adds. "It's not possible for me to go to Kolkata often."

Natasha represents hundreds of women who are eagerly waiting for services from the premium clinic, which launched operations on January 18. Despite being a new name in the market, potential clients are already aware of the brand, mainly because of Kaya's advertisements on Indian television and the dispersion of Indian satellite channels at almost every home in Bangladesh.

"We don't assure our clients of an instant quick fix, instead, we prescribe a course for skincare according to their requirements," says Sharmeen Neelia, clinic manager of Kaya in Dhaka.

A majority of the services rendered at the clinic will be by appointment, but clients can also receive services on a walk-in basis, she says.

The Dhaka clinic offered services by invitation at its premium clinic in Gulshan from January 10-16.

Mosharraf Ahmed Khasru, who has a fellowship in laser and cosmetic surgery from Bangkok, says: "It's very important to receive expert advice prior to undertaking skincare regimes. This is something completely different from the parlour business that renders more generic services, rather than customised."

"Services that are well-suited to the individual needs and backed by skin experts will definitely be better," adds Khasru, who is working at Apollo Hospitals Dhaka.

A clients' skin at Kaya is checked under wood's lamp, which emits ultraviolet light in the 365-nanometer range. It assists the clinic's dermatologist to diagnose various pigments and infectious disorders.

Kaya Skin Clinic is a sister concern of Marico Bangladesh Ltd, which is a subsidiary of leading multinational group Marico.

The group operates in consumer products and services in beauty and wellness in more than 21 countries.

The $477 million worth Marico is already a well-grounded player in the Bangladesh market, with its flagship brand, Parachute, which dominates over the Tk 300-crore coconut oil market. It is also marketing Aromatic, Camelia, Hair Code and Beliphool brands. The company launched its initial public offering last year with 1,492,100 ordinary shares of Tk 10 at an issue price of Tk 90 each, including a premium of Tk 80 a share, raising Tk 13.42 crore.

AMRAN HOSSAIN

**Laser technology is used in several of Kaya's services. With equipment approved by the Food and Drug Administration in the US, skin practitioners undergo meticulous training at its training centre in Mumbai prior to rendering services.**

According to the company prospectus, Marico Bangladesh Ltd has tripled its turnover in three years and 37.71 percent compounded annual growth over the past eight years.

The company brochure says: "By tapping into the minds of consumers and gaining a deeper insightful understanding of what they really seek, we're able to identify opportunities and create categories where none exist."

This model conceived Kaya Skin Clinic in Dhaka.

"The concept behind the premium clinic is that it is not an indulgence. It is about facing a concern before it becomes a problem," says Soumendra Sankar Das, head of marketing of Marico Bangladesh Ltd.

With beauty needs met by thousands of parlours across the country, Kaya is promising premium skincare services in aesthetic dermatology. Services are customised and recommended by its on-board dermatologists.

"There are a few laser clinics operating in Dhaka presently. But they all follow invasive procedures, like rhinoplasty or liposuction. We offer some laser procedures, but our services are not the same as theirs," Das adds. "Our services are divided into three parts -- enhancement, problem solution and ageless."

The one-stop skin clinic is currently in expansion mode. The clinic in Dhaka is the 101st for Kaya. It already has 83 outlets in India and 17 in the Middle East, with 80 percent of their clients being women.

The clinic on Gulshan Avenue is spick and span and ready to greet clients. The clinic has six fully operational service rooms with laser equipment, one for 'hair free' service and the other to meet client's skin needs, which are approved by US Food and Drug Administration.

A total of eight employees -- four skin practitioners, two dermatologists, one clinic coordinator and one clinic manager -- run the clinic. "Our employees, including our skin practitioners, are all local. Immediately after recruitment, they were sent to Kaya Training Institute, which is the centralised training cell for all of Kaya's staff, who also have to return to the training institute for refresher courses and training for new services," says Das.

"We are all locals but take expertise from India. We believe in 'think global, act local'," adds Das.

"The human body has five senses. We take good care of our eyes and ears, but we hardly take expert advice for our skin, which is the largest organ of our body," says Das.

Kaya has been in "expansion mode" for the past seven years, he says. "We are excited about our 101st clinic in Dhaka. We plan to open five clinics across Bangladesh in the next three years."

Refusing to reveal the initial investment in the Dhaka clinic, he says: "Can you put a number to a dream?"

To maintain the quality of services at the clinic, Das says, "Kaya tests all its services prior to offering those to clients. That is why Kaya lives up to its promise -- we want to get you back the skin you were born with."

The most popular service at other Kaya clinics is 'hair free'. It is a laser procedure that substantially reduces the re-growth of body or facial hair. The number of sittings required differs from person to person. "A client can take the hair free service for half legs, half arms and underarms together at not more than Tk 7,000."

"The clients can also enjoy our Kaya Glow Facial at no more than Tk 2,500. A similar facial at any other parlour will cost around Tk 1,800-Tk 2,000," says Das.

Clients can also easily treat dark circles at around Tk 2,500 at Kaya, adds Das, who has been with Marico for two years now. He was previously with Unilever for seven years in two terms. He is well connected to the beauty industry as he was heading Lakme in Bangladesh.

Kaya skincare products are also for sale. "Clients will also be able to purchase our products any time. However, some products, like our hand cleansers, are only for use in the clinic and are not for sale," says Sharmeen.

The products used are all manufactured in India and are also FDA approved, says Das.

People have a tendency to take care of only exposed parts of their body, says Das. "Skin renews itself every 28 days. Our skin looks dull if we do not exfoliate our dead skin."

Awareness is also another major factor in skincare, he adds. "People don't apply sun protection creams that make skin look dull. We sometimes think we are indoors but tube lights also emit a certain amount of harmful ultraviolet rays."

Natasha, who is eagerly waiting to book an appointment with the clinic, hopes that her skin health will improve over time.

Das says: "If you have it (good skin), flaunt it." And that is what Natasha expects to do.

amreenbari@thedailystar.net

### Clarification

The views expressed by Abu Saeed Khan in yesterday's column, *Mobile brings remittance boon*, were solely his own.

ACQUISITION

# India's energy giants in hunt for deals

AFP, *Mumbai*

Cash-rich Indian energy groups are looking to flex their new-found muscles with global acquisitions as the fast-growing country joins China in the hunt for vital resources, analysts say.

"India's oil and gas sector will be a force to reckon with this year for cross-border deals," said Sidharth Punshi, India head of global investment bank Jefferies.

Reliance Industries, controlled by India's richest man Mukesh Ambani, has generated two billion dollars via stock sales since September and is expected to keep raising cash to boost its reserves and fund eventual acquisitions.

The company, India's largest by market capitalisation, already has Netherlands-based chemicals group LyondellBasell in its sights.

But Lyondell, which does most of its business in the United States, has so far resisted a takeover offer from Reliance worth an initial 12 billion dollars.

"There is no doubt Reliance is looking to acquisitions (beyond Lyondell)," said energy analyst Deepak Pareek at Mumbai's Angel Broking.

A deal between Reliance and Lyondell, the world's third-largest chemicals maker, would create a global energy and chemicals giant, with annual revenues estimated at near 80 billion dollars.

Reliance had no comment to make on its future takeover strategy when contacted by AFP.

AFP

**Engineers from China Petroleum Pipeline (CPP) Material and Equipment Corporation weld carbon steel pipes as part of a gas pipeline for India's Reliance Industries Ltd at Medak some 175km from Hyderabad.**

But Pareek said the speed with which Reliance has raised money has raised eyebrows.

"Several local key projects have been completed, so Reliance can focus on acquisitions," he added.

For Reliance, an overseas acquisition would diversify its assets -- it is almost entirely focused on India at present -- and would launch it as a global competitor to established European, US or Chinese rivals.

"There are oil companies in the UK, Canada and Central Asian Republics with proven reserves, which could be attractive buy-out targets for Indian firms," said Bundeep Singh Rangar, chairman of advisory firm IndusView.

"The idea is to expand overseas and be one step ahead of global oil firms who are keen to enter India," he told AFP by telephone from his London office.

Indian companies would be following the lead of Chinese energy giants such as CNOOC and Sinopec, which have been on a buying spree in Africa and Central Asia.

India, which imports at least 70 percent of its oil needs, has like China been racing to find new energy sources to fuel its rapidly developing economy.

Reliance's rivals, state-run exploration firm Oil and Natural Gas Corp (ONGC), Cairn India and Essar Oil, are also on the lookout for acquisitions.

Essar Oil is in talks to buy out three Shell refineries -- one in Britain and two in Germany -- in exchange for a 10-percent stake in the British group.

Cairn India, controlled by British oil explorer Cairn Energy, has meanwhile begun pumping crude from a vast oilfield in the desert state of Rajasthan, which will eventually increase India's crude output by 20 percent.

Reliance itself became an Indian corporate giant by investing in its local refining and other operations, rather than through acquisitions.

It folded subsidiary Reliance Petroleum into its broader group -- the largest deal in India's corporate history -- in March last year.

Its Jamnagar refinery, the world's largest oil-processing complex in western India, now has a combined capacity to process 1.24 million barrels of oil a day.