

DCCI seeks swift steps from stock regulator

STAR BUSINESS REPORT
Dhaka Chamber of Commerce and Industry (DCCI) yesterday urged the regulatory bodies to control artificially-inflated share prices at any cost to bring back investors' confidence in the capital market.

"We see an extensive instability in the country's capital market," said Asif Ibrahim, president of DCCI. "So we urge the Securities and Exchange Commission, Bangladesh Bank and finance ministry to restore shareholders' confidence by adopting mid-and long-term plans."

The newly elected DCCI president observed that bubble economy has emerged in the market. "The market lacks investors' confidence which was gained over the last two to three years."

"Capital market should be built in such way that it matches with industrial development and productivity, and can be identified as a barometer of industrialisation," said Ibrahim.

He sought pragmatic guidelines from the regulatory agencies to ensure the proper valuation of share price, so that small investors cannot be cheated.

The DCCI chief said Bangla-

desh has the potential to become one of the 30 economically-strong countries by 2030.

Ibrahim said the chamber would form a strategy committee comprising representatives from public and private sectors to properly implement the recommendations from the Bangladesh 2030: Strategy for Growth conference held recently.

"We'll form a research team titled Research and Development Bangladesh to cooperate with the strategy committee to ensure its smooth operation. We seek donors' support in this regard."

DCCI identified a number of growth drivers for the last year like readymade garment, remittance and policy reforms which will be given priority in the chamber's activities, said Ibrahim.

He urged the government to remove existing barriers so that Bangladeshi entrepreneurs can invest in the international market. "There is ample scope for investment in agriculture in different countries."

The chamber will work to convert human resources into human capital. There are some priority areas like removal of infrastructural deficiency, expe-

ditioning decision making, maintaining political stability and good governance where joint efforts are needed to accelerate economic growth, he added.

Ibrahim also unveiled a plan to turn DCCI into an e-chamber to provide better services. The trade body will create online networking with different agencies of the government so that the members can disseminate information.

The chamber's Senior Vice President TIM Nurul Kabir, Vice President Nasir Hossain and directors were also present at the press briefing.



Abdul Awal Mintoo (C), chairman of Pragati Insurance, speaks at the launch of the company's new health care insurance in Dhaka recently.

Pragati launches new health care plan

STAR BUSINESS DESK
Pragati Insurance Ltd has launched its new range of health care insurance plans with reinsurance and technical support from ICICI Lombard GIC Ltd of India, said a statement.

The plan covers individuals, their spouses/dependants and corporate clients aged between 3 months to 60 years for medical expenses incurred during hospitalisation for more than 24 consecutive hours in various hospitals in Bangladesh and India.

It will provide three levels of coverage from 5 lakh, 8 lakh and 12 lakh respectively and will give benefits for expenses incurred on 30 days pre-hospitalisation and 60 days post-hospitalisation period.

Abdul Awal Mintoo, chairman of the company, said, "By offering this plan we would be able to save a substantial amount of foreign exchange drained out of Bangladesh every year as we travel to foreign countries, especially India, for medical treatment without any insurance."

The other features of this plan include repatriation of remains from India, domestic ambulance cover, air travel cover, free health check-up and

Deadline for essay competition extended

STAR BUSINESS DESK
Dhaka University Economics Department Alumni Association (DUEDAA) has extended the deadline for its essay competition to February 28.

As part of its initiative Linking Youth to Economics, DUEDAA had earlier launched the essay competition for under-25 on a topic, Economic Future of Bangladesh: Next Ten Years.

The 1,500-word submissions will be reviewed by a jury. Winners of first, second, and third prizes will receive Tk 1 lakh, Tk 50,000 and Tk 25,000 at a gala event set for April.

Submissions will be accepted in Bangla or English. For more, log on to www.duedaa.org or contact hossain.rahman@gmail.com,

Minister pushes carriers for better services

GMG adds new aircraft to its fleet

STAR BUSINESS REPORT
The country's air travel market growth will get a boost if the local carriers' fleet and services are strengthened, said the civil aviation minister yesterday.

"Our passengers will be benefited only when our national carrier and other private airlines increase their fleet and ensure international standard services," said GM Quader.

"Simultaneously, a healthy competition among airlines will help attract more passengers that will eventually boost the air travel market."

He was speaking at a Boeing 767-300 aircraft delivery receiving ceremony of a private carrier GMG Airlines at Shahjalal International Airport in Dhaka.

Quader also stressed the necessity of introducing open sky policy to ensure better services through creating competition in the industry.

Open sky is an international policy concept, which calls for



GM Quader, civil aviation and tourism minister, and Salman F Rahman, vice-chairman of Beximco Group, launch the second Boeing 767 aircraft in GMG Airlines' fleet at Shahjalal International Airport in Dhaka yesterday. Shahab Sattar, managing director of GMG, was also present.

the liberalisation of rules and regulations of international aviation industry, opening a free market for the airlines.

With the introduction of the new aircraft that can accommodate 250 persons, the fleet size of

GMG now stands at eight. The aircraft has been leased from GE Commercial Aviation Services (GECAS) for 36 months.

GECAS usually leases Airbus and Boeing manufactured aircraft and associated equipment

to airlines for three to five years on dry lease contracts.

GMG plans to add another 767 to its fleet by July, said Salman F Rahman, vice-chairman of Beximco Group of Companies that owns half of GMG.

"Our local aviation market is not small, but we cannot utilise it at its best due to aircraft shortage and poor service. However, GMG has plans to tap the opportunities to boost the market."

"We have plans to increase our fleet further and introduce newer international routes soon. Simultaneously, we have a target to surpass the performance and revenue size of Biman by this year," he added.

Answering a query on the recent increase in fares, Rahman said the company has to adjust the fuel surcharge according to the international fuel price.

"If fuel prices decline in the international market, we'll adjust the fare accordingly."

Started in 1998, GMG Airlines now operates flights to eight international and five domestic routes, and runs 234 flights a week.

Shayan Fazlul Rahman, chairman of GMG, and Shahab Sattar, managing director, were also present.

Ericsson sales boosted by mobile broadband

AFP, Stockholm
Sweden's mobile network giant Ericsson said Tuesday it booked increased sales and sharply boosted its net profit thanks to mobile broadband sales, although earnings slightly missed expectations.

Ericsson, the world's biggest mobile network maker, saw its fourth quarter sales grow 8.0 percent to 62.8 billion kronor (7.0 billion euros, \$9.6 billion), significantly above the 2.0 percent hike expected by analysts surveyed by Dow Jones Newswires.

Ericsson CEO Hans Vestberg explained the strong recovery of sales was "mainly driven by a strong development in mobile broadband" in the fourth quarter after a largely disappointing 2010.

"Mobile data traffic is forecasted to almost double annually over the coming years," he added.

The company's fourth quarter net profit attributable to shareholders was of 4.32 billion kronor against only 314 million in the same period a year earlier, but was slightly below analysts' expectations of 4.84 billion kronor.

The company's results were thus "mixed," summed up Redeye analyst

Greger Johansson.

"What was very positive is that they show pretty good sales growth, better than in many (previous) quarters and years," he told business daily Dagens Industri.

Investors reacted positively to the company's earnings report, with shares up 3.72 percent to 76.60 kronor at 0930 GMT.

Sales in the fourth quarter increased the most North America, growing 49 percent compared to the same period in 2009 thanks to "organic growth as well as the acquisition of Nortel assets," Ericsson said, adding it became the largest player in the region in 2010.

China and North East Asia posted sales up 28 percent, Northern Europe and Central Asia sales were up 38 percent, but sales in Western and Central Europe and in the Mediterranean were still negative, falling 4.0 percent and 2.0 percent respectively.

For all of 2010, the company's net profit increased threefold to 11.15 billion kronor, compared to 3.67 billion a year earlier, when earnings were dragged down by heavy restructuring costs.

Sales in 2010 decreased 2 percent to 203.3 billion kronor compared to a year earlier, dragged down by a sluggish economic context and a component shortage problem.

India hikes rates again to combat inflation

AFP, Mumbai
India on Tuesday hiked interest rates to their highest level since early 2008, joining South Korea and Thailand in increasing borrowing costs this month, amid mounting concern about inflation across Asia.

India's central bank has been the most aggressive in the region in raising rates as the nation powers out of the financial downturn with economic growth of nearly nine percent.

The seventh rate hike in less than 12 months pushed the repo -- the rate on loans the central bank makes to commercial banks -- to 6.5 percent, and the reverse repo -- the rate it pays to banks for deposits -- to 5.5 percent.

Reserve Bank of India governor Duvvuri Subbarao said inflation remained at "elevated levels" in Asia's third-largest economy, requiring steps to curb prices and lower "inflationary expectations".

"The prospects of food and fuel price rises spilling over to the general inflation process is rapidly becoming a reality," Subbarao warned.

The move followed advice from the International Monetary Fund in its world economic report that policymakers in emerging economies should take steps to keep overheating pressures in check.

Subbarao said that inflation could emerge as a "global concern" this year.

Wages in India are already on the rise to offset annual inflation which surged in December to 8.43 percent, up nearly a percentage point from the previous month, stoked by a surge in food prices.

Pressure has been mounting on the central bank and the government to contain inflation as Premier Manmohan Singh and his Congress party gear up for nine state elections over the next year-and-a-half.

High food prices have added to public anger over a series of massive corruption scandals, creating a toxic mix for Singh's administration just 18 months into its second term.

The price of onions, for example -- a staple on family shopping lists and known as a politically potent issue -- has tripled to 80 rupees (\$1.75) a kilogramme in a few months.

"The governor of the Reserve Bank has taken appropriate steps to control inflation," said Finance Minister Pranab Mukherjee.

Economists said more rate hikes were in the offing.

Oil down in Asian market

AFP, Singapore
Oil prices fell in Asian trade Tuesday in the wake of OPEC powerhouse Saudi Arabia saying the cartel may boost crude output in tandem with a projected demand increase this year.

New York's main contract, light sweet crude for March delivery, dipped 37 cents to \$87.50 per barrel in afternoon trade.

Brent North Sea crude for March was down 24 cents at \$96.37.

"Markets have been reacting to the Saudi oil minister," said Victor Shum, senior principal for Purvin and Gertz international energy consultants in Singapore.

"The Saudi oil minister pushed oil prices lower when he suggested that they could increase production even though (there was) no commitment to do so, and in Asia today, we continue to see that trend," he told AFP.

The Organization of the Petroleum Exporting Countries (OPEC) could raise output to meet a two percent increase in demand during 2011, Saudi's oil minister Ali al-Naimi said on Monday.

As non-OPEC oil producers are expected to increase output, OPEC countries will also have the opportunity "to boost their supplies to the global market to meet the rising global demand," said Naimi.

Volvo unveils China HQ

AFP, Shanghai
Volvo on Tuesday opened a new China headquarters in Shanghai as it seeks to expand its market share in the country following Chinese group Geely's purchase of the Swedish carmaker last year.

Volvo president and chief executive Stefan Jacoby said the company's Chinese presence had gone from being a sales arm to a full-fledged research and manufacturing operation within months.

"I am glad to see the China operations team has been set up and has made a huge progress over the last few months, expanding our business presence in China," Jacoby said in a company statement.

The new headquarters on Shanghai's northern outskirts will also include a technology development centre, the company said. Volvo officials declined to say how much the carmaker was investing in the facilities.

Geely bought Volvo from Ford in August for \$1.5 billion (1.2 billion euros), and the Chinese carmaker aims to sell 800,000 Volvos in 2020, including 300,000 in China.



Kazi Akramuddin Ahmed, chairman of Standard Bank, Ferdous Ali Khan, vice-chairman, and SA Farooqui, managing director, attend the bank's annual managers' conference at Radisson Hotel in Dhaka recently.



Khulna City Mayor Talukder Abdul Khaleque inaugurates a handicrafts fair co-organised by Adore and Uddomy in the southwestern city recently. Women entrepreneurs have showcased products at the four-day event.