

No let-up in mounting inflation: MCCI

STAR BUSINESS REPORT
The growing inflationary pressure is expected to persist due to rising food prices on both local and international markets, said the Metropolitan Chamber of Commerce and Industry (MCCI) yesterday.
In its Review of Economic Situation in Bangladesh from October to December 2010, the leading chamber said the pressure is likely to continue in the coming months because the inflation rate still remains high.
The annual average rate of inflation slightly increased to 8.14 percent in November 2010 from 8.12 percent in October 2010.
Containing the food prices and improving the power supply are now the most important tasks of the government, otherwise Vision-2021 may remain elusive, MCCI warned.
The chamber advised the government to be proactive in renewing strategies and

approaches to implement its investment programmes and respond to the challenges of inflation, unemployment and growth.
The price of food is a sensitive issue for Bangladesh as over 50 percent of people spend more than 70 percent of their expenditure on buying food. The recent price rise has pushed even a portion of the lower-middle class people line up in the open market sales queue to procure rice at a lower price.
The report said the government should maintain price stability by measuring demand and supply because a steady recovery from the global recession would increase demand for investments, which might eventually contribute to demand-pull inflation.
Rising food and energy prices have triggered inflation in the USA, Europe and China during the past six months. Analysts predict that inflation could be the world's next economic pressure point as prices of

essentials are going up everywhere.
Emerging and developing economies face the biggest threat as inflation rose sharply this year in China, Brazil, India, Indonesia, Thailand, Malaysia, Vietnam and Argentina. In Europe, inflation has jumped because of the rising food and energy prices.
However, the report indicated that the performance of Bangladesh economy was mixed during the second quarter (Q2) of this fiscal year (FY11).
On the domestic front, there are indications of strong production performance in the crop sector as well as a positive turnaround in industrial investment, underpinned by a higher credit flow and enhanced imports of capital goods and industrial raw materials.
The annual development programme (ADP) implementation remained low in the second quarter, the report said. Critical sectors such as energy and power

lagged behind the others. A silver lining in the fiscal sector was, however, the strong revenue performance of the National Board of Revenue.
On the external front, exports in the second quarter grew by 53.53 percent, which was 30 percent in the first quarter. During Q2, several items such as knitwear, woven garments, home textiles, footwear, frozen foods, jute goods (excluding carpet), agricultural products, raw jute and leather were exported to Asian and NAFTA markets.
Import growth was positive, showing 35.8 percent growth, which was 37.10 percent in the July-September quarter. The increase was mainly due to larger imports of food grains and other consumer goods, fuel oils, capital machinery, and industrial raw materials.
The inflow of remittances in the second quarter of FY11 increased only slightly by \$8.27 million over the same period of the previous year.



EASTERN BANK
Eastern Bank has recently distributed blankets among poor and aged people in Lalmonirhat, Nilphamari and Dinajpur districts. Mahbulul Alam Tayiab, head of internal control and compliance of the bank, was present on the occasion.

New chairman for Expatriate Welfare Bank

STAR BUSINESS DESK
Expatriates Welfare and Overseas Employment Secretary Jafar Ahmed Khan has been appointed chairman of the board of directors for Expatriate Welfare Bank, says a statement of the government's information department.
A circular issued by the banking and financial institution division under the finance ministry on Monday made the appointment.
An official of the 1982 special Bangladesh Civil Service (BSC) batch, Khan was the deputy commissioner of Rangamati district and commissioner of Sylhet division.
He also served BSC Administration Academy and Bangladesh Public Administration Training Centre in Dhaka.
He was the director general of the Department of Environment before taking charges of a secretary to

Mitsubishi global chief due in town

STAR BUSINESS DESK
Global President of Mitsubishi Motors Corporation Osamu Masuko is scheduled to arrive in Bangladesh for a three-day visit today, Rangs Group said in a statement yesterday.
Masuko will meet Industries Minister Dilip Barua, Chairman of Rangs Group Abdur Rouf Chowdhury and other high officials of the government.
He joined Mitsubishi Corporation in the motor vehicle and rolling stock department after completing his graduation from Waseda University in Japan in 1972.



Danaher to buy Beckman Coulter for \$5.8b

REUTERS, New York
Danaher Corp agreed to buy medical diagnostics company Beckman Coulter Inc for \$5.8 billion cash, moving further into its growing medical technology business.
The \$83.50-per-share deal represents an 11 percent premium to Beckman's closing price on Friday, and a roughly 45 percent premium over its price in December before rumors of a deal entered the marketplace, according to Beckman.
Beckman shares jumped 9.8 percent to \$82.55 in premarket trading, while Danaher rose to \$49.56.
The transaction is valued at about \$6.8 billion, including assumed debt, the companies said. The deal is expected to close in the first half of 2011.
About a quarter of the funding comes from cash on hand, 15 percent from equity and 60 percent from new assumed debt, Danaher said on a conference call with analysts. Beckman is growing at 25 percent a year in China, Danaher said.
An aging population and more emphasis on preventive medical care, along with growth of medical technology, make clinical diagnostics an attractive

Sony aims to sell more TVs in 2011/12

REUTERS, Tokyo
Sony Corp aims to boost flat TV sales in the next business year from April and will vary its procurement of LCD panels to help lower costs and turn its struggling TV operations profitable, a top executive said.
Raising sales will be a challenge, given that Samsung and LG of South Korea, the world's top two makers of flat TVs, have just set ambitious targets for the year and with market growth expected to slow.
Last week Sony cut its flat TV sales forecast for the year to March by 2 million sets to 23 million, hit by weaker-than-expected demand during the holiday shopping season and a delay in the launch of new models.
Sony aims to beat that lower target in the next year to March 2012, chief financial officer Masaru Kato told Reuters.
"We must keep in line with growth in the market," Kato said in an interview at the company's Tokyo headquarters, declining to give a target figure because the plan is still under discussion.



AIRTEL
Airtel Bangladesh recently rewarded its SMS contest winners at a ceremony at its head office at Banani in Dhaka. Rubaba Dowla, chief service officer of Airtel Bangladesh, and Nauman Fakhar, head of marketing, were present on the occasion.



KATALYST
Civil Aviation and Tourism Minister GM Quader inaugurates a souvenir exhibition at Drik Gallery in Dhaka on Saturday. The six-day show remains open for all from 3pm to 8pm everyday.

Energy riches, fear contain Central Asia dissent

REUTERS, Almaty
Central Asia's authoritarian leaders, having crushed dissent during decades in power, are likely to use a mixture of oil and gas revenues, repression and cosmetic reforms to meet any threat of Egyptian-style protests.
Few in the strategic ex-Soviet region, which covers an area twice the size of Saudi Arabia, expect their entrenched and ageing leaders to succumb to the wave of public anger sweeping parts of the Arab world.
However, in a region riven by ethnic tensions and poverty, where one country -- Kyrgyzstan -- has twice overthrown a president, authorities would be remiss in ignoring this warning, political analysts and opposition politicians say.
"The most important lesson? Don't take your country to the brink," said Mukhiddin Kabiri, chairman of the opposition Islamic Revival Party of Tajikistan.
Authoritarian presidents rule four of the five ex-Soviet states in Central Asia, a resource-rich and majority Muslim region between China, Russia and Iran, which serves as a key supply conduit for US military operations in Afghanistan.
Kazakhstan holds slightly more than 3 percent of the world's recoverable oil reserves,

while the world's fourth-largest reserves of natural gas lie under the desert of Turkmenistan.
These resources generate prosperity. Kazakhstan, the region's largest economy, boasts per capita gross domestic product of more than \$9,000, four times that of Egypt.
In Ashgabat, capital of Turkmenistan, low utility bills help appease a population in a country where political dissent is not tolerated. "We have free gas, water and lighting," said Aibibi, 34, a bookseller in an Ashgabat market.
Inflation remains a region-wide threat. Unrest in Kyrgyzstan led to a colossal 19.2 percent surge in prices last year, while in Kazakhstan food prices rose 3 percent in January alone.
Turkmen pensioner Gulsenem, 57, said: "To cook with our free gas, we also need meat -- and that's becoming more expensive."
The riches of Kazakhstan and Turkmenistan can be spread among relatively small populations, but Uzbekistan, a top-10 world gold miner and major cotton exporter, is home to 28 million people.
State figures portray a robust economy and the International Monetary Fund forecast 8 percent GDP growth in 2010. However, perhaps nowhere in Central Asia are

fear and repression more apparent.
President Islam Karimov, 73, says tough measures are needed to curb the threat of Islamist militancy. Human rights activists speak of religious persecution and torture.
Mukhammad Salikh, 61, stood against Karimov in a 1991 election. He now lives in exile in Norway.
"The danger of a social explosion has not only existed for the last 20 years. It has grown bigger with every year," Salikh said in a recent interview with Ferghana News Agency, a private, Russian-language agency covering Central Asian affairs.
Could an "explosion" take place in Uzbekistan, immune to Western criticism of its rights record, where state television is strictly controlled and a mainly rural population has limited access to the internet?
UN data show 36 percent of Uzbekistan's population is urbanised, compared with 43 percent in Egypt. In Tunisia, whose president was ousted in a popular uprising in January, the figure is 67 percent.
Fear is a strong deterrent to would-be demonstrators. Uzbek government troops shot into crowds that took to the streets of Andizhan in 2005. Witnesses say hundreds were killed.
In Tajikistan, protests in

Dushanbe in 1992 lit the fuse for a five-year civil war in which tens of thousands of people were killed. Taxi driver Turakul, 55, would rather swallow his discontent with President Imomali Rakhmon than risk a repetition.
"I'll never go out on the streets," he said. "I have food on the table and my four sons work in Russia. We'll tolerate this as long as we have our small wages."
Tajikistan, where the average monthly wage of \$80 is less than one-sixth of that in Kazakhstan, relies heavily on remittances from about 1 million migrant workers. Many young men, the core demographic for protest, live abroad in Russia.
Zardusht Alizade, an independent analyst in Baku, says developments in Moscow are more likely to define the direction of post-Soviet states than events in the Middle East.
"If people in Russia decide to raise their voices against the ruling elite, there will be a chain reaction," he said.
Kyrgyzstan is the odd man out in Central Asia. The overthrow of President Kurmanbek Bakiyev last April was its second revolt in five years. As political tension simmers, the country is experimenting with the region's first parliamentary democracy.
Widely acknowledged to have the region's most politically

active population, Kyrgyzstan had a vibrant opposition ready to seize on discontent with the pervasive cronyism of Bakiyev's rule. A sudden rise in utility bills was the last straw.
"How do you grab power in Kyrgyzstan? Gather your relatives, friends and the unemployed. Regional frictions become revolutionary movements where there is no premise but the hatred of authority," said Bishkek-based analyst Toktogul Kakchikeyev.
By comparison, political activism elsewhere is muted. Uzbek and Turkmen dissidents voice their opposition from abroad. Some countries, perhaps pre-empting the risk of popular discontent, have taken steps towards reform.
In Kazakhstan, 70-year-old President Nursultan Nazarbayev called snap elections after rejecting a referendum to let him rule unopposed for a third decade, winning US praise.
In Turkmenistan, where schoolchildren and workers still line the streets to greet Kurbanguly Berdimukhamedov, the president has given a superficial nod to democracy by advocating the creation of an opposition party.
Ashgabat resident Maksat, 32, said: "Tajikistan and Egypt have shown there's only a short leap between love and hate."



BKB
Khondkar Ibrahim Khaled, Bangladesh Krishi Bank chairman, speaks at the half-yearly review meeting of the bank's regional chiefs and corporate branch managers in Chittagong on Friday. Md Mukter Hussain, managing director, was also present.



SUMMIT
Summit Bibiyana-1 Power Company and Summit Bibiyana-2 Power Company recently signed a deal with IDLC Finance to raise a \$115 million fund through the investment promotion and financing facility under public-private partnership projects of Bangladesh Bank. Ayesha Aziz Khan, Summit Group director, and Selim RF Hussain, chief executive officer of IDLC Finance, signed the agreement at a programme in Dhaka.