

Minister urges businessmen to partner with Indian firms

STAR BUSINESS REPORT

Commerce Minister Faruk Khan yesterday urged entrepreneurs to form partnership with Indian business houses to explore potential areas for investment.

The business community of the two neighbouring countries should join hands and focus on electricity generation as both countries suffer power shortages, said Khan.

"We are all energy-hungry countries. It is a matter of shame that our kids in the villages still have to study lighting hurricane lanterns. If we work together we shall be able to ensure electricity for all," he said.

The minister spoke at the launch of the three-day India Invest-Trade 2011 at Hotel Ruposhi Bangla in Dhaka yesterday. As many as 48 companies from India are taking part in the fair.

The Indian Chamber of Commerce has organised the event with support from the Indian High Commission in Dhaka.

MK Saharia, chairman for North East Initiative of ICC, urged the business leaders of both countries to work on joint projects for investment as they will ease technology transfer.

Bangladesh is the most unexplored country in South Asia because it is strategically located in the region and has huge natural and human resources, said Saharia.

He urged the entrepreneurs of both India and Bangladesh to look for opportunities during one-to-one business meetings. "Sectors are many and scope is immense," he added.

Saharia proposed to Bangladesh for setting up a 'special economic zone' here, which



Commerce Minister Faruk Khan inaugurates a three-day trade fair, India Investrade 2011, at Ruposhi Bangla Hotel in Dhaka yesterday. The Indian Chamber of Commerce organised the event with support from the Indian High Commission in Dhaka.

will not only help boost Dhaka-Delhi trade but will also benefit the Saarc region.

The commerce minister has appreciated the idea and the government is actively considering the proposal.

On the transit question, Khan said Bangladesh can be the facilitator for providing transit to India, Bhutan and Nepal that will help boost regional trade and business.

Indian High Commissioner Rajesh Mitter

emphasised the formation of joint ventures to set up manufacturing plants in Bangladesh so that Bangladesh can export products to India and a third country after meeting domestic demand.

Highlighting the areas of cooperation between India and Bangladesh, he said around 500 megawatt of electricity would be coming to Bangladesh from India by early next year.

AK Azad, president of Federation of Bangladesh Chambers of Commerce and Industry, blamed the country's business community for the trade imbalance with India. "It is our inefficiency. We need to be more active to reduce the trade gap," he said.

He urged the Indian entrepreneurs to invest in Bangladesh. "We will give you land. Give us technology," he said.

Amjad Khan, president of Metropolitan Chamber of Commerce and Industry, emphasised the economic integration of India and Bangladesh for the betterment of the people of both countries.

He said sharing electricity among Bangladesh, India, Bhutan and Nepal would bring equal benefit to all. He cited cooperation between Canada and USA in this regard.

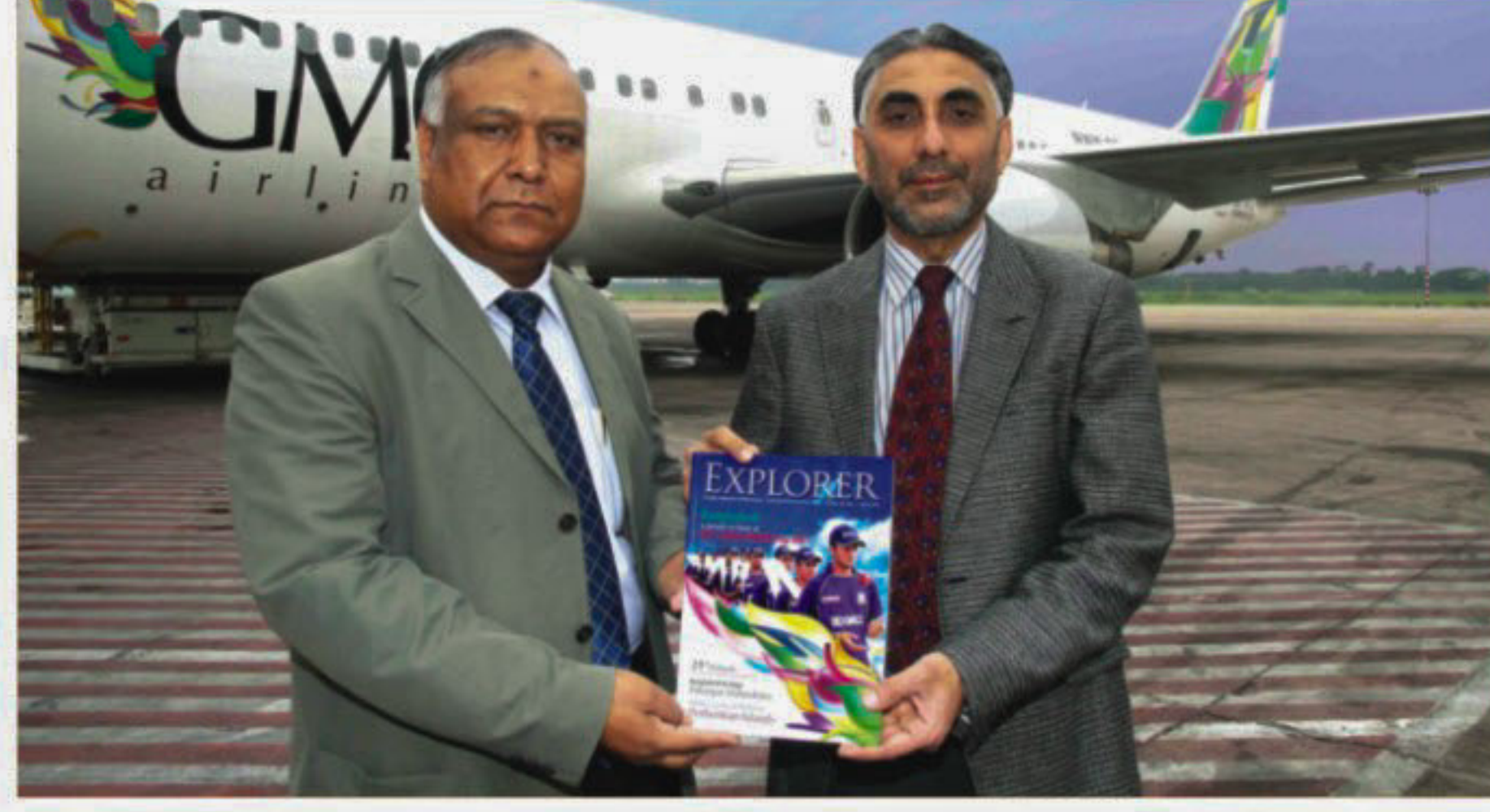
Abdul Matlub Ahmad, president of India-Bangladesh Chamber of Commerce, said Bangladesh is now looking at a tri-nation project to produce hydro-power.

He urged the Indian entrepreneurs to join hands with Bangladeshi business houses in the power sector to jointly avail of the excellent opportunities that prevails in the power sector of Bangladesh.

Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry, said the electricity crisis is the key obstacle to development here, which should be addressed urgently. "We need cooperation in the power sector between Bangladesh and India to resolve the crisis."



Chris Tobit, chief executive officer of Airtel Bangladesh, and Syed Mahbubur Rahman, CEO of BRAC Bank, sign a deal at the corporate head office of the bank recently. The bank will enjoy customised call tariff and value added services of the mobile operator.



Shahab Sattar, right, managing director of GMG Airlines, and Kazi Wahidul Alam, chairman of Triune Group, pose with the airline's quarterly in-flight magazine, Explorer, at its launch in Dhaka recently.

Apple nears cloud music service with label deals

REUTERS, New York

Apple Inc is close to launching an online music storage and streaming service after reaching deals with three of the four major labels and is expected to wrap up the fourth in a few days, according to several people familiar with the plans.

The iPhone and iPad maker completed work on the new service a while back, according to two people, and will beat Google Inc and Amazon.com Inc in the bid to launch a comprehensive 'cloud' music service. The iTunes cloud-based service will offer users the ability to buy, store and stream favourite songs and albums wherever they have an Internet connection on any device.

Warner Music Group Corp was the first to reach a cloud deal with Apple more than two weeks ago and was followed by EMI Group and Sony Corp's Sony Music Entertainment more recently, according to three people with knowledge of the talks. Vivendi SA's Universal Music Group, the largest music company in the world, is "within days of putting pen to paper on the new cloud service," said a fourth person.

Spokespeople for Apple and the labels all declined to comment.

The big technology companies are vying to be leaders in new ways for fans to access songs and videos. As the sales of physical media such CDs and DVDs fall rapidly, the tech giants are betting they can sell media subscriptions, software and innovative devices linked to these services.

While Amazon is the leading e-reader maker, Apple and Google are competing on mobile platforms for smartphones and tablet devices.

Apple has discussed plans for a cloud-based iTunes service on and off over the last year with the labels. It stepped up negotiations recently, according to these people. It is now expected that Apple will likely be in a position to announce its cloud music plans in time for the Apple Worldwide Developers Conference on June 6.

Steve Jobs, Apple's founder, has in the past unveiled

Rising dollar threatens stocks' gains

REUTERS, New York

Signs of a Wall Street sell-off are all over the place, but US stocks might well survive another week relatively unscathed if investors keep betting on sectors less vulnerable to an economic downturn.

Pressure for a correction in the stock market has been building up in the past few weeks as the euro and oil prices fell in tandem, knocking down shares of energy companies and dollar-sensitive multinationals.

Still, investors have averted a broad sell-off by diving into shares of companies that are less vulnerable to the economic cycle, including well-known defensive sectors such as utilities and household products, but also large-cap companies with steady earnings performance.

That strategy may hold the market afloat for a little longer. But with the end of the Federal Reserve's easy money policies just around the corner, investors are becoming more sensitive to risk in general.

"There is good reason for a pause, there is good reason to be conservative in here, and there is good reason to raise some cash ahead of a summer correction and a better buying opportunity," said Richard Ross, global technical strategist with Auerbach Grayson in New York.

The sharp sell-off in commodities markets earlier this month was seen by many as the first warning sign of a coming market correction. The U.S. dollar has been strengthening since then, in another sign that appetite for risk is dwindling.

Flower farms a budding investment in India

REUTERS, Satara, India

A decade ago, Rahul Pawar made an unusual and risky choice -- to grow flowers in the centre of India's biggest sugar-producing state Maharashtra. Now he's reaping the rewards of his 1.1 million rupee investment as increasingly affluent Indians want his bright blooms for their weddings and festivals.

"Every year we are seeing a rise in demand. People are using more and more flowers at functions like weddings," Pawar said. "They are ready to pay for flowers like gerbera and gladioli, which are new to them," he added, holding a fluorescent bird of paradise bloom in his weather-beaten hands.

Pawar grows orange and red gerberas under polythene in climate-controlled conditions to shield them from Maharashtra's scorching summer, when temperatures can top 48C.

The hardier birds of paradise plants flourish in the field and take three years to reach production of 30 flowers each. They will flash their orange and purple crests for 20 years.

The central belt of Maharashtra is

prime sugar cane country, producing over nine million tonnes of the sweetener -- or about 40 percent of India's total output.

The government guarantees minimum prices for farmers, currently at 139.12 rupees per 100 kilogrammes, for sugar cane. Sugar is an important source of food energy for a country where over 42 percent of the 1.2 billion population are below the poverty line.

But farmers like Pawar are experimenting with crops such as flowers, a luxury item where more money can often be made.

"Flowers are giving much higher returns than other traditional crops. But the initial investment is very high. You have to wait for four to five years for breakeven," Pawar said.

Flower production has boomed in India, as its eight percent annual growth boosts incomes in the middle class. Wedding halls are often crammed with blossoms and frequent festivals are seen as an occasion for garlanding with hot-hued blooms.

"Previously, people had been using flowers only for big functions. But now, even for a small function they are buying," said Kiran Nanavare, a 31-year-old flower trader based in Pune in Maharashtra.



A worker packages yellow gerberas to prepare them for delivery to city-based retailers in Satara district, about 285km south of Mumbai.

Stocks claw back ground

STAR BUSINESS REPORT

Stocks returned to the black, snapping a five-week bearish trend, after the government moved to reform the Securities and Exchange Commission.

Week on week, the benchmark general index of Dhaka Stock Exchange gained 105 points, or 1.88 percent, to close at 5,718.07 points. The selective categories index of Chittagong Stock Exchange slumped 126 points, or 1.21 percent, to 10,257.

Prof M Khairul Hossain, who was the chairman of state-run Investment Corporation of Bangladesh, took the reins of the SEC as chairman on May 15.

"The SEC will work to boost the morale of investors in an effort to stabilise the market," Hossain told The Daily Star.

"The SEC will take up new plans after restructuring the commission," he added.

The week counted only four trading sessions, as the market was closed on Tuesday because of Buddha Purnima, a public holiday.

Some investors, including institutions, adopted a wait-and-see approach apparently because of a credit crunch, said a market insider.

"The government should not impose tax on capital gains to increase the participations of investors," said Fakhor Uddin Ali Ahmed, president of Chittagong Stock Exchange.

It is not possible to collect tax identification numbers for general investors such as housewives or students so it will be better if the government do not make it mandatory for every investor, he added.

Of 259 issues traded during the week, 164 advanced and 91 declined while four remained unchanged.

Most of the major sectors advanced during the week: non-bank financial institutions rose 4.26 percent, life insurers 6.66 percent and general insurers 5.68 percent.

Banks and pharmaceuticals gained 0.42 percent and 1.08 percent respectively, while telecoms and fuel and power sectors closed nearly flat.

Beximco topped turnover leaders with weekly transactions of Tk 72.21 crore.

Northern General Insurance Company Ltd was the biggest gainer of the day, posting a 30.95 percent rise. Janata Insurance was the worst loser, slumping by 51.71 percent.



Rashed Maqsood, managing director and Citi country officer for Bangladesh of Citibank, NA, and Farman R Chowdhury, managing director of One Bank, sign an expanded correspondent banking deal in Dhaka recently. The agreement will facilitate transactions of the valued corporate clients of Citibank through all the branches of One Bank across the country.