

# Imports from India ease sugar prices

SOHEL PARVEZ

Increased imports from India reduced sugar prices at the wholesale level, traders said yesterday.

Sugar traded below Tk 62-63 a kg, down from Tk 63-64 at the end of the previous week as supply rose due to imports, according to wholesalers.

"Overall supply is good enough to cool down the prices," said Abul Hashem, vice-president of Bangladesh Sugar Merchants Association, based in Moulvibazar, a major wholesale market in Dhaka for sugar and cooking oil.

Wholesale prices of the sweetener fell Tk 1 a kg in the last three-four days, he said.

At city markets, retail prices however remained unchanged at Tk 66-68 a kg yesterday from a week ago, according to Trading Corporation of Bangladesh.

The decline in wholesale prices discouraged some distributors to buy

sugar from the private refiners that increased mill gate prices by Tk 4 to Tk 64 a kg, claiming a rise in import costs.

Hashem said some distributors are less interested to buy sugar at hiked mill gate rates as wholesale prices fell below the millgate rate due to imports from India.

Some 7,500 tonnes of sugar entered Bangladesh from India through Benapole Land Customs Station since September 14, said its Assistant Commissioner Md Mushfiqur Rahman.

The price quoted by some importers was \$790 a tonne, he said. It means that import cost of sugar stood at 79 cents or Tk 59.44 a kg.

Hashem said 10,000-12,000 tonnes of sugar are awaiting shipment from India.

A steady fall in the prices of sugar on the international market added further concerns, said another wholesaler Mohammad Ali Bhutto of Shahnewaz

Enterprise at Moulvibazar.

Over the past one month, sugar prices fell as high prices resulted in demand erosion. An speculation of increased output in the world's second biggest producer India and signs of increased output in Brazil, world's largest producer and exporter.

On September 16, ICE October raw sugar futures tumbled 1.98 cents, or 6.7 percent, to finish at 27.52 cents each pound or \$606 a tonne (2204 pound = One tonne).

Raw sugar for October delivery closed at 28.16 cents a pound or (\$620 a tonne) at the beginning of August.

An addition of around \$110 as freight and other costs with mid September price, the landing price of a kilogram of raw sugar stands at Tk 53.87 a kg at Chittagong Port.

Based on August 1 prices of raw sugar on the international market, landing price stands at Tk 54.93.

## Banglalink to pay Tk 1,980cr for licence renewal

STAR BUSINESS REPORT

Orascom Telecom Holding said its Bangladeshi subsidiary Banglalink will pay about Tk 1,980 crore (\$26.3 crore) over the next three years as spectrum and licence renewal fees.

Banglalink, the country's second largest mobile phone operator with 21.62 million subscribers, has received the final 2G (second generation) licence renewal guidelines, Orascom said in a statement.

Ahmed Abou Doma, chief executive officer of Orascom Holding, said: "We are very pleased with the fruitful outcome of the one-year-long negotiations with the Bangladeshi government regarding the 2G licence renewal guidelines."

"We consider the outcome beneficial to all parties and a positive indication to continue investing in the telecommunication industry in Bangladesh which in turn will benefit the end-users."

"We remain committed to providing our customers with the latest technology and exceptional quality services," the statement quoted Doma as saying.



HFCL  
Mohammed Lakiotullah, executive director of Hajj Finance Company Ltd, and M Moshraf Hossain, managing director of Prime Finance Capital Management Ltd, exchange documents after signing a deal at a programme in Dhaka recently. Prime Finance will be the issue manager for the forthcoming initial public offering of Hajj Finance.

## Gold eyes biggest 3-day fall in 28 years, investors flee

REUTERS, London

Gold pared some of Monday's losses by midday in Europe but was still on course for its largest monthly slide in three years, as investors scrambled for cash in the face of mounting fear over the impact of a potential Greek debt default.

European policymakers began working on new ways to stop fallout from Greece's near-bankruptcy from inflicting more damage on the world economy after stinging criticism for failing to stem the debt crisis.

Industrial commodities such as silver and base metals bore the brunt of investor desire for liquidity in the face of mounting uncertainty.

In the last three days alone, gold has fallen by nearly 9 percent in its largest three-day slide since October 2008 and implied volatility has risen to a 2-1/2 year high.

Spot gold was last down 1.7 percent on the day at \$1,628.29 an ounce by 1144 GMT, having fallen earlier by as much as 7.4 percent, putting the difference between the intraday high and low at \$128.40, the largest daily price swing on record.

"It shows you that at times of extreme stress, there is not a suitable substitute to liquidity and although gold is liquid by metal standards, in comparison to treasuries, when you get this kind of flight to cash, then it really is cash that counts and that means US

## GE boss sees no world recession

AFP, BANGALORE, India

The boss of giant US conglomerate General Electric said Monday that the growing economies of emerging countries would help prevent another global recession.

GE chairman Jeffrey Immelt made the comments during a visit to India, where he announced a \$200-million investment in a new manufacturing facility in the western city of Pune that will create 2,000 jobs.

Another world recession "is not what we see today. I don't think it is what most businesses are seeing today. I think it is a mixture of different sentiments that are going on", Immelt told reporters.

"Clearly, in the developed world -- Europe, the US and Japan -- the economy is slower, but there is reasonable activity there and the emerging world is still quite strong," he said.

Immelt said emerging markets were critical for GE "just as it is for Siemens, United Technologies or Rolls-Royce or any other industrial company."

GE employs about 14,000 people in India and hopes to increase this to 20,000 over the next two to three years.

## Euro at new 10-year yen low on eurozone debt woes

AFP, Tokyo

The euro sat around eight-month lows against the dollar on Monday and hit a new 10-year bottom against the yen as investors shunned the European unit due to the continent's debt problems.

The single currency at one point logged \$1.3390, slightly off the \$1.3385 it hit Thursday, it's lowest level since January. The euro also fell to 102.18 yen in Tokyo afternoon trade from 103.31 yen in New York late Friday, its worst showing since June 2001.

The dollar edged down to 76.38 yen from 76.50 yen. A meeting late last week of finance chiefs from the Group of 20 leading economies could not quell financial market concerns that Greece's debt prob-



MERCANTILE BANK  
Syed Mahbubur Rahman, managing director of BRAC Bank, and AKM Shahidul Haque, managing director of Mercantile Bank, exchange documents after signing a strategic business agreement, at a programme in Dhaka recently. People can now get the services of MoneyGram International through the banks.



YKK  
Kosuke Miimi, managing director of YKK Bangladesh, global zipper manufacturer, attends the sixth Global Marketing Forum, organised by YKK Bangladesh, at The Westin Dhaka on Sunday.

## Eurozone damps talk of rapid debt crisis steps

REUTERS, Brussels

Eurozone officials played down reports on Monday of emerging plans to halve Greece's debts and recapitalise European banks to cope with the fallout, stressing that no such scheme is yet on the table.

Europe came under fierce pressure from the United States and other major economies at weekend talks in Washington to take swift, decisive action to stop the Greek debt crisis engulfing bigger eurozone states and derailing world economic recovery.

But officials said media reports that planning was already in place for a 50 percent writedown in Greek debt and a vast increase in the euro zone rescue fund, the EFSF, were highly premature.

"There is no change to the framework we are working on," said a eurozone official who is involved in decision-making on financial assistance to Greece, Ireland and Portugal.

"All this talk of a specific haircut for Greece or an enlargement of the EFSF, it is all just speculation. We are not working along those lines," said the official.

German Chancellor Angela Merkel, struggling to convince her fractious centre-right coalition to back a strengthening of the EFSF in a crucial vote on Thurs-

day, said on Sunday that letting Greece default would destroy investor confidence in the euro zone.

Diplomats said any talk of a fallback plan for Greece that would raise the cost to German taxpayers could only make her task more difficult in parliament this week.

Private economists and Brussels think-tanks are forecasting a Greek debt default within months or sooner, coupled with a capital injection for European banks and a 'leveraging up' of the EFSF so that it can handle fallout in Italy and Spain.

Eurozone officials acknowledge that such policy ideas are circulating and some could constitute a longer-term response to the 20-month debt crisis. But they insist no specific plans are yet in the works.

Instead, planning continues on the basis that Greece's debt burden, which is close to 160 percent of GDP, can be sustained as long as the government fully implements austerity measures demanded by the European Commission, the European Central Bank and the IMF, the so-called troika.

US Treasury Secretary Timothy Geithner highlighted global concerns about deficient European crisis management, saying on Saturday: "The threat of cascading default, bank runs and catastrophic risk must be taken off the table."

## Welsh investors keen on Bangladesh

STAR BUSINESS REPORT

Entrepreneurs from Wales yesterday expressed their keen interest to invest in agriculture and food processing, manufacturing, power generation and textile.

They met with Bangladeshi entrepreneurs at the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in Dhaka.

Dilabor Hussain, chairman of the Welsh-Bangladesh Chamber of Commerce, said the delegates are visiting Bangladesh to look for potential sectors to invest in.

"Bangladesh is a potential destination for investment. We are interested in direct investment or joint-venture investment in different sectors in Bangladesh," Hussain said.

The Welsh entrepreneurs are interested to invest in the sectors like financial services, power generation including solar power, property development, food production, food production, linen industries, education, IT, media and printing sectors.

AK Azad, president of FBCCI, urged the visiting entrepreneurs to invest in port development, hospital and medical facilities, nursing training institute, ship-

building, industrial park, agro-processing, catering institute, call centres, language training institute and special economic zones.

He said the export value of Bangladesh will be double in five years as the overseas trade of Bangladesh has been on the rise at a commendable rate over the last few years. The country exported \$24 billion worth of goods last fiscal year registering more than 41 percent growth, he said.

"The Welsh entrepreneurs can take the opportunity to invest in the proposed 11 SEZs. We have a low-cost labour force," he said.

In fiscal 2010-11, Bangladesh's exports to the UK were \$2.06 billion and import was \$333.1 million. The major export items to the UK were knitwear, woven garment, frozen foods, chemical products, agro-products and jute goods.

The major import items were road vehicles, transport equipment, textile articles, manufactured metal goods, power generation machinery, special industrial machinery, and electrical machinery.

A 24-member business delegation from Wales is now visiting Bangladesh with an aim to foster trade relations between the two countries.



NCC BANK  
Md Nurun Newaz Salim, chairman of NCC Bank, opens the bank's 82nd branch in Brahmanbaria yesterday. Mohammed Nurul Amin, managing director, was also present.



PRIME BANK  
Prime Bank Chairman Md Shirajul Islam Mollah inaugurates the 59th ATM booth of the bank at Motijheel in Dhaka yesterday. Managing Director Ehsan Khasru was also present.



SIBL  
A Jabbar Mollah, director of Social Islami Bank, opens the bank's 71st branch on Katpatty Road in Barisal on Sunday. Muhammad Ali, managing director, was also present.