

# Bangladesh urges India to help open business offices

PALLAB BHATTACHARYA, New Delhi

Bangladesh yesterday asked India to facilitate opening of corporate offices of its businessmen in the next-door neighbouring country to enhance the flow of trade and investment between the two countries.

Ghulam Hussain, commerce secretary, who led a business delegation in New Delhi, said the Reserve Bank of India rejected applications of Bangladeshi companies to open offices in India.

"There is some problem regarding opening up offices by Bangladeshi companies in India. The RBI is not allowing Bangladeshi companies to have offices here," Hussain said at a function organised by the Confederation of Indian Industry (CII) here.

About 40 Indian companies, including Liberty Shoes, have

their outlets or offices in Bangladesh, he added.

Tariq Ahmad Karim, Bangladesh high commissioner to India, said India does not encourage Bangladeshi businessmen to open their offices here for security reasons.

"I know one or two (Bangladeshi) companies which had applied (to set up their offices) and was rejected because of that (security reasons)," he said.

Karim said Indian government should facilitate these companies to set up their offices here as India holds huge business potential.

Trade between the two countries stood at \$4 billion in 2010-11.

Talking about boosting trade within the South Asian Free Trade Area (Safta) region, Arvind Mehta, joint secretary of India's commerce ministry,

said: "There are two major economies in Safta -- Pakistan and Bangladesh. I would urge both to reduce peak tariffs to encourage trade within the region."

Besides, he said, it would make the region more competitive than the rest of the world.

Replying to it, Hussain said: "Our rates are a bit high and this should be recognised. We take note of this. Tariff should be lowered for smooth flow of goods."

He, however said, for a country like Bangladesh tariff is an important instrument to earn revenue and use the funds for developmental work.

Safta was signed in January 2004 aimed at gradually eliminating tariffs on a maximum number of products. Its members are Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Afghanistan and Sri Lanka.

# Stocks climb for third day

STAR BUSINESS REPORT

Stocks gained for a third day yesterday with the highest turnover in the last three months as investors gained confidence.

The benchmark General Index, DGEN, finished the day at 4,939 points, after gaining 75.51 points or 1.55 percent.

"The market seems upbeat at this moment as the market gained for the third consecutive session. The DGEN has already crossed the 4,900 level and is aiming for 5,000, with turnover crossing Tk 750 crore," IDLC Investments Ltd said in its daily market analysis.

Simultaneously, profit-taking and investment positioning are apparent in the market, with a trading boost in the bank and fuel sectors, the stockbroker said.

The price-to-earnings ratio of the market is 15.89. Turnover gained 8.84 percent from the previous day.

A total of 1.77 lakh trades were executed, generating a turnover worth Tk 752 crore with 15.06 crore shares and mutual fund units changing hands on the

Dhaka bourse.

Prices of 139 issues advanced, 107 declined and 20 remained unchanged.

All major sectors closed positive. The banking sector gained 2.63 percent, fuel and power 2.16 percent, non-bank financial institutions 1.29 percent and pharmaceuticals 1.22 percent. Textiles, however, declined by 0.93 percent.

Beximco topped the turnover chart with 30.60 lakh shares worth Tk36.24 crore changing hands.

Kohinoor Chemicals, the biggest gainer of the day, rose 9.52 percent. AB Bank First Mutual Fund was the biggest loser of the day, slumping 7.84 percent.

The Chittagong Stock Exchange also gained yesterday due to a buying pressure from the investors. The Selective Categories Index of CSE closed at 9,180.09 points, gaining 177.31 points or 1.29 percent.

Advancers beat losers 94 to 92 with 10 securities remain unchanged on the port city bourse that traded more than 1.7 crore shares and mutual fund units with Tk71.24 crore in turnover.



CRYSTAL INSURANCE  
MA Latif Miah, managing director of Crystal Insurance Company Ltd, and Khairul Bashar AT Mohammed, chief executive officer of MTB Capital Ltd, sign a deal at a programme on Sunday to appoint MTB Capital as the issue manager for the initial public offering of Crystal.

# GMG to fold all flights

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However, people informed of the matter said the carrier was incurring losses in recent times mainly due to a hike in fuel prices on the international market.

This is also a major reason behind the closure of its five international routes, they said.

"Now we are experiencing serious financial crunch due to a rise in fuel costs in the recent months. And we could not impose the excess costs on passengers, which deepened the problems," said another official of GMG requesting not to be named.

He said the company plans to revamp the entire operations by bringing in new aircraft and new expertise, mostly from abroad, to make the carrier a profitable one.

Also, the airline still has debt worth Tk45.93 crore to the Civil Aviation Authority of Bangladesh and Tk 18 crore in travel tax to the National Board of Revenue as of July 2011.

Earlier this month, the International Air Transport Association (IATA) has suspended GMG from its billing and settlement plan as the carrier failed to pay dues to the internet-based system of the association.

Due to the suspension, all travel and ticketing agents and general sales agents removed the airlines' ticketing authorities from their systems.

The IATA provides services for the settlement of financial transactions between travel agents and airlines. In 2009, Beximco Group got the lion's share of

# Ban on aromatic rice exports goes

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This boro season (December-April) 49 lakh hectares of land came under rice cultivation, which is two lakh hectares more than the targeted 47 lakh hectares. So, any food shortage is unlikely, the meeting observed.

The government banned exporting aromatic rice on May 19, 2009 as the food stocks were not so healthy then, while food prices were also going high.

"There was also fear that businesses could export normal rice in the name of aromatic rice. But now there is no such fear," he said, referring to the meeting resolution.

The UK, USA, Italy and the United Arab Emirates were the major importers of aromatic rice. Annually, the export quantity used to be 50,000-100,000 tonnes.

A ministry press statement said the FPMC meeting decided the wheat price at Tk24, considering its production price at Tk21 this season.

"Public procuring of wheat from the domestic market would not have any impact on the market," the meeting said.

Wheat production is good this season, but far below the annual demand for 40 lakh tonnes. Annual production of wheat is around 10 lakh tonnes now, and the rest is imported.

The government has set a target of importing nine lakh tonnes of wheat under state arrangements.

Last year, the government did not buy any wheat from the local market. In 2010, it had decided to buy

# Hitachi to chop annual costs by \$5.43b

AFP, Tokyo

Japanese high-tech firm Hitachi on Tuesday said it plans to slash its annual costs 5.0 percent by 2015, or about \$5.43 billion a year, to compete with rivals including General Electric.

The announcement by Hitachi, whose products range from microchips to railways, comes after the company said last month that its nine-month net profit dived more than 61.0 percent year-on-year, amid a strong yen and weaker demand from Europe and China.

Its full-year sales and operating profit forecast remained unchanged at 9.5 trillion yen (\$115 billion) and 400 billion yen respectively.

On Tuesday, Hitachi executive officer Makoto Ebata said the firm would boost the purchase of raw materials overseas and merge overlapping units, saying its "high-cost structure" was tied largely to



BKASH  
Kamal S Quadir, chief executive officer of bKash, and M Nurul Imran Chisty, managing director of Continental Courier Services, sign a deal for nationwide mobile financial service distribution, at a programme in Dhaka yesterday. Syed Mahbubur Rahman, managing director of BRAC Bank, was also present.



FSIBL  
Md Abul Quasem, deputy governor of Bangladesh Bank, and AAM Zakaria, managing director of First Security Islami Bank, attend the launch of the bank's new mobile financial service -- FirstPay SureCash -- at Hotel Purbani International in Dhaka yesterday.

# Apple CEO on China mission to clear up problems

REUTERS, Hong Kong/Beijing

Apple chief executive Tim Cook on Tuesday held talks with government officials in China, where development of the company's biggest potential market is clouded by issues ranging from a contested iPad trademark to treatment of local labour.

Cook, on his first trip to the country since taking over from Steve Jobs in August, has said Apple has merely scratched the surface in China as it looks to expand.

Apple has only five stores although it also retails through more than 100 resellers.

China is the world's largest mobile market and already Apple's second-biggest market overall, but Apple has been losing ground to arch rival Samsung Electronics in smartphones and has yet to introduce the latest version of its top-selling iPad to the country.

In the last quarter of 2011, Apple captured three quarters of China's tablet PC market, while its iPhone ranked fifth in the country's smartphone sector, industry figures show.

Cook's closely guarded itinerary in China, his company's biggest manufacturing hub, has included talks on Monday with Beijing's mayor and a visit to one of Apple's two stores in the capital.

"Tim is in China meeting with government officials. China is very important to us and we look forward to even greater investment and growth there," said Carolyn Wu, China spokeswoman for the maker of iPhones, iPads and iPods.

She declined to give details but industry sources said Cook met with Vice Premier Li Keqiang, a vice commerce minister and officials of the National Development and Reform Commission.

Apple has tie-ups with China Telecom and China Unicom to sell its iPhone, with the only other Chinese carrier, China Mobile, also looking to clinch a deal.

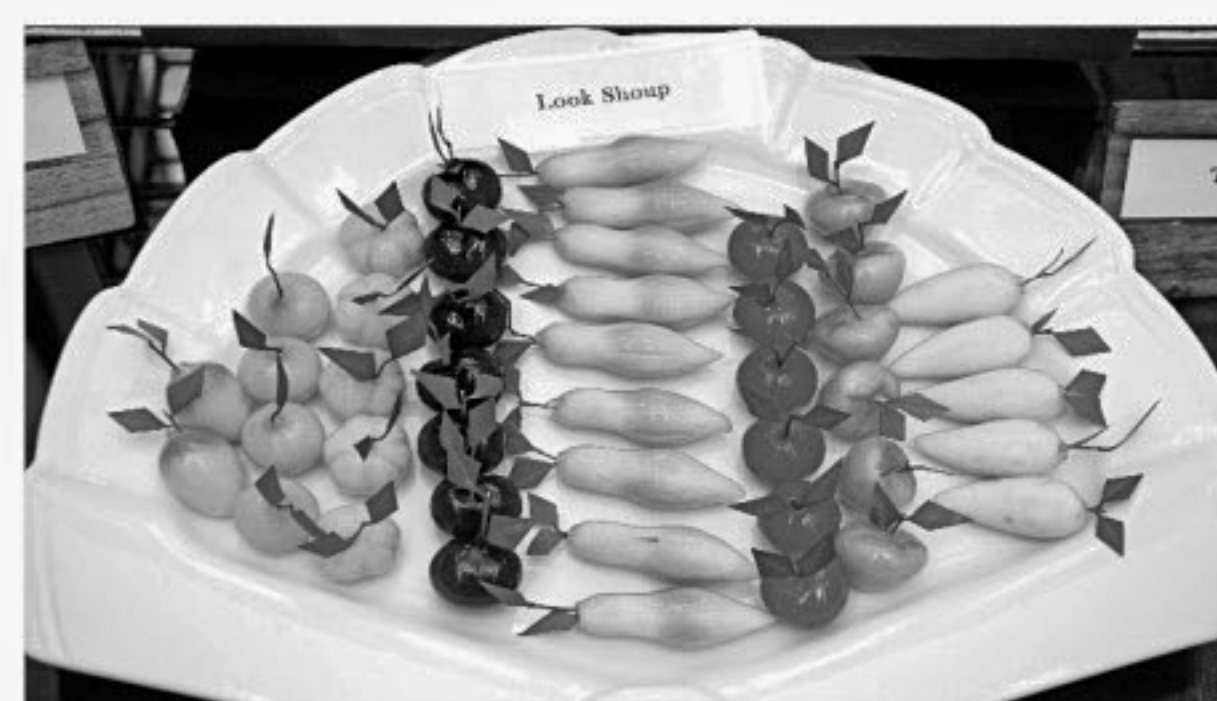
# Thai food festival begins today

STAR BUSINESS DESK

A seven-day Thai food festival and cultural show begins at Sonargaon Hotel in Dhaka today.

The hotel in association with the Thai Trade Centre and Thai Airways International, Dhaka are organising the show, according to a statement of Sonargaon Hotel yesterday.

A team of professional Thai chefs from Bangkok will fly to Dhaka to prepare Thai cuisine to bring in the real flavours of Thailand,



the hotel said.

Some of the exclusive dishes in the extended menu will be: Tom yam soup, mixed vegetable and sour soup with

shrimp, green chicken curry, sautéed beef with red curry.

A group of Thai dancers will also fly from Thailand to perform Thai

dance every day.

The festival will cater buffet lunch at Tk 3,000 (all inclusive) and dinner at Tk 3,000 (all inclusive) with 50 percent discount for children at Café Bazaar Restaurant which will continue throughout the week.

Commerce Minister GM Quader is likely to inaugurate the festival as the chief guest where Civil Aviation and Tourism Minister Faruk Khan is expected to be the special guest.

# Kingfisher stops flying to many destinations

REUTERS, New Delhi

Ailing carrier Kingfisher Airlines said on Tuesday it has temporarily suspended operations to several destinations as per its revised flight schedule, and has asked most employees at those places to "stay at home."

"We are in a 'holding' pattern right now and are waiting for various deci-

sions from the government and our consortium of bankers on FDI (foreign direct investment) policy, working capital funding, etc," Kingfisher said in a statement.

"All of these will have a major impact on the staffing decisions we will have to make," the statement said.

Kingfisher said the employees will remain in its rolls until it can recap-

italise the company and resume operations to the affected destinations.

Cash-strapped and debt-laden, Kingfisher has slashed its operating schedule and is scrambling for financing from creditors as its losses grow in India's fiercely-competitive airline industry.

Kingfisher will operate about 120 flights with 20 planes this summer,

according to its revised schedule, the statement said, a far cry from operating 370 daily flights with 64 planes just last September.

The union government's plans to allow foreign airlines to invest up to 49 percent in local carriers - for which Kingfisher has lobbied hard - has not yet materialised, adding to its fund constraints.



BASIC BANK  
Sheikh Abdul Hai Bacchu, chairman of BASIC Bank, and Kazi Fakhru Islam, managing director, attend the opening of the 49th branch of the bank at Kotalipara in Gopalganj yesterday.



EBL  
Ali Reza Iftekhar, managing director of Eastern Bank, launches a new product of the bank -- Student Banking -- at a press meet at Sonargaon Hotel in the capital yesterday. Students of all ages will be able to take various banking facilities through the product.



IFIC BANK  
Syed Naved Husain, Beximco Group director and chief executive officer of Bextex Ltd, and Muth-ul Hasan, deputy managing director of IFIC Bank, open an ATM booth of the bank at Beximco Industrial Park at Kasimpur in Gazipur on Sunday.