

Hong Kong investors keen on investment in leather sector

STAR BUSINESS REPORT
Hong Kong-based investors proposed for a special industrial zone for composite leather to the government of Bangladesh. "We strongly believe we would be able to bring great benefits to the economy of Bangladesh by way of local employment opportunities and contributions to the gross national export," said Andy Wong, president of Hong Kong New Territories Manufacturers Association. The association consists of more than 100 members, who, collectively, are responsible for supplying 90 percent of the global leather goods market via their concerns in China. He spoke at a programme on the prospects of foreign investment in Bangladesh's leather and leather goods manufacturing sector, organised by Oishi Glove and Trading Company at the capital's Pan Pacific Sonargaon Hotel. Wong, who is on a three-day tour of Ban-

gladesh to scout for investment opportunities, visited the Ashulia industrial belt and the leather processing zones in Hemayetpur and Savar, to inspect the infrastructure. He urged the government to speed up the process of setting up the leather processing zone in Savar. Wong had suggestions, too, for the government, such as issuance of bonded warehouse licence with easy terms for foreign investors, uninterrupted power supply, the same facilities for investors outside the export processing zones and simplification of tax payment and registration processes for companies of foreign investors. "The cost of doing business in Bangladesh is very low. Plus, we provide good policy support to the foreign investors," said Nabhash Chandra Mandal, additional secretary of the Board of Investment. "We have stable economic growth for the last three decades," he said, while adding that the local leather sector could do with some foreign investment.

Stocks end week in the red

Benchmark index loses 20.82 points

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Stocks declined for the second day yesterday, as investors sold shares and mutual fund units to take profits. DGEN, the benchmark general index of Dhaka Stock Exchange, finished the week at 4,646.07 points, after losing 20.82 points or 0.44 percent. "Profit-taking selling pressure of investors pushed down the market," said Md Moniruzzaman, managing director of IDLC Investments. Turnover declined 36.54 percent to Tk 663 crore than the previous day thanks to the low volume of buying and selling of shares, said Moniruzzaman. A total of 1.53 lakh trades were executed with 17.36 crore shares and mutual fund units changed hands on the Dhaka bourse. Of the 278 issues that traded on the DSE floor, 105 advanced, 159 declined and 14 remained unchanged. All the major sectors saw red on the day while pharma declined 0.7 percent, non-bank financial institutions 0.41 percent, telecom 0.33 percent, banks 0.28

percent and power 0.11 percent. Mutual funds dominated the top 10 gainers' list where most of them gained by more than 9 percent. For the second consecutive day, information sector was the most affected one, went down by 5.26 percent. United Airways featured in the most traded stocks chart with 1.7 crore shares worth Tk 47.62 crore changing hands. Jamuna Oil and Titas Gas were the next popular stocks of the day. Prime Finance First Mutual Fund was the biggest gainer of the day, as it posted a 9.92 percent gain. Investment Corporation of Bangladesh was the worst loser, plunging 19.30 percent. CSCX, the selective categories index of Chittagong Stock Exchange, finished the week at 8,949.74 points, after falling 11.23 points or 0.12 percent. Losers beat gainers 130 to 69 with nine securities remained unchanged on the port city bourse that traded 2.15 crore shares and mutual fund units with Tk 79.38 crore in turnover.



UNITED HOSPITAL
Jeffrey R Immelt, chairman and CEO of General Electric (GE), and John Flannery, president and CEO of GE for India and South Asia, visit United Hospital in the capital on Wednesday. Faridur Rahman Khan, managing director of the hospital, and Najmul Hasan, CEO, were also present.

HP's outlook disappoints

REUTERS, San Francisco
Hewlett-Packard Co's shares plunged to a nine-year low on Wednesday after Chief Executive Meg Whitman warned of an unexpectedly steep earnings slide in 2013, with revenue set to fall in every business division except software. Wall Street had hoped for quicker signs of progress on Whitman's turnaround plan, which centers on transforming the former industry powerhouse into an enterprise computing corporation that can take on IBM and Dell Inc. Whitman, who took the helm of HP just over a year ago after a failed bid to become governor of California, told investors that the company's recovery would start to become visible only in fiscal 2014, when investments begin to pay off. She blamed unprecedented executive turnover in past years for dragging out the Silicon Valley company's turnaround. Analysts say HP is struggling to shore up its credibility on Wall Street while battling crumbling margins in an increasingly cut-throat PC arena, tapering-off of IT spending, and an internal organizational overhaul that involves thousands of layoffs. "I was surprised that nothing new was really said in terms of strategy, and the problem here is there is lack of investor confidence in the current strategy," said Shaw Wu, an analyst with Sterne Agee. Shares of HP, the largest U.S. technology company by sales, tumbled 13 percent on Wednesday in



NCC BANK
Lutfur Rahman, mayor of Tower Hamlets, UK, opens the NCCB Exchange (UK) Ltd, a subsidiary of NCC Bank, on Vallance Road in UK recently. Md Nurun Newaz Salim, chairman of NCC Bank, and Mohammed Nurul Amin, managing director, were also present.



BEXIMCO
Mark Green, executive vice president of American apparel company PVH, leads a delegation to Beximco Industrial Park in Gazipur. ASF Rahman, chairman of Beximco Group, and Syed Naved Husain, CEO, were also present at a programme yesterday.

Facebook reaches 1b monthly active users

REUTERS
Social media company Facebook Inc reported on Thursday it reached the 1 billion user mark last month, while Chief Executive Mark Zuckerberg said it would keep pursuing growth through mobile devices. The No. 1 social network has faced a rough road since its May initial public offering. Investors and analysts have fretted over a sharp slowdown in revenue growth and questioned how Facebook will make money from users as people access its site on mobile devices. Facebook shares have lost more than 40 percent of their value since the stock debuted at \$38. Facebook, based in Menlo Park, California, hit the 1 billion milestone on September 14 at 12:45 p.m. Pacific time, the company said on its website. This is up by 45 million users since June. It said it had 600 million mobile users, according to a fact sheet the company posted. In an interview on NBC's "Today" show broadcast on Thursday, Zuckerberg was asked by co-anchor Matt Lauer about how, with 1 billion users, the company wasn't "killing

China's currency foray augurs geopolitical strains

REUTERS, Bahrain
"It's our currency and your problem," US Treasury Secretary John Connally famously said of the dollar in 1971. More than 40 years later, China is doing something about it. Fed up with what it sees as Washington's malign neglect of the dollar, China is busily promoting the cross-border use of its own currency, the yuan, also known as the renminbi, in trade and investment. The aim is both narrowly commercial - to reduce transaction costs for Chinese exporters and importers - and sweepingly strategic. Displacing the dollar, Beijing says, will reduce volatility in oil and commodity prices and belatedly erode the 'exorbitant privilege' the United States enjoys as the issuer of the reserve currency at the heart of a post-war international financial architecture it now sees as hopelessly outmoded. Zha Xiaogang, a researcher at the Shanghai Institutes for International Studies, said Beijing wants to see a better-balanced international monetary system consisting of at least the dollar, euro and yuan and perhaps other currencies such as the yen and the Indian rupee. Competition among major currency issuers and a wider menu of options when investing, trading or seeking a store of value would produce better results for the world economy, Zha argued. "The shortcomings of the current international monetary system pose a big threat

to China's economy," he said. "With more alternatives, the margin for the US would be greatly narrowed, which will certainly weaken the power basis of the US." Zha's comments were in a paper prepared for a seminar in Bahrain this week on the geopolitics of currencies organized by the International Institute for Strategic Studies, a London think tank. The great financial crisis, alongside the ascent of China and other emerging markets and the existential threat to the euro, is prompting policymakers in the West, too, to question the established monetary order. Change is in the air. But with no obvious alternative to the dollar for now, the timing and extent of any shifts in the existing order are inherently unpredictable, much like exchange rates themselves. While Beijing sees opportunities in using the yuan beyond its borders, others see risks - not least to China itself: relaxing capital controls so foreigners can reinvest their accumulated yuan in China's securities markets is one of the preconditions of reserve currency status. Yet allowing market-driven money flows to drive exchange and interest rates would weaken the ruling Communist Party's tight grip on two of the main economic levers, potentially sowing the very instability it abhors. John Williamson, one of the foremost academics on exchange rates, went back to basics and questioned the assumption that

HSBC scales back Islamic finance

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HSBC Saudi Arabia Ltd, in which HSBC Holdings indirectly holds a 49 percent shareholding, will offer Islamic investments and wholesale Islamic financial products to customers globally. HSBC is the market leader in Sukuk issuance. The announcement represents further progress in HSBC's execution of its global strategy set out in May 2011. It also demonstrates the group's plans to drive growth and improve profitability by restructuring or exiting businesses that do not meet its investment criteria. Out of its 13 branches in Bangladesh, one is for Amanah. The HSBC official said the bank has decided to stop opening Amanah accounts in the six countries as its business of Shariah-compliant products did not fare well. "It, however, does not mean that we will close down all the existing accounts immediately. We will talk to our Amanah clients and sort the issue gradually through discussion," he said. Transferring the accounts of the bank's Amanah clients in Bangladesh to other banks could be one of the options, he said. He also said the branch would not be closed and employees at the branch would be redeployed at the bank's other branches in the country. There will be no job cuts, he said.

Call to use modern agro tech

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Wais Kabir, executive chairman of Bangladesh Agricultural Research Council, called for strengthening regulations and capacity of the related agencies so that farmers get quality seeds. RF Malik, president of Bangladesh Seed Association, said higher interest rate on bank loans holds the private seed companies back from investing in research and development. Anwar Faruque, director general of the seed wing under the agriculture ministry, said newer technologies are necessary to ensure water efficiency in irrigation and reduce post-harvest losses. Proper value addition will allow farmers to get fair prices, he said.

Correction

In a report, headlined "Mini packets of seeds to poor farmers' rescue" published on B3 yesterday, we said Lal Teer sold 1.5 crore mini packets until September. Actually, the figure was 1.5 million. We regret the mistake.



SIBL
Social Islami Bank Chairman Nasir Uddin inaugurates the 78th branch of the bank at Dewanhat Mor in Chittagong recently. Managing Director Muhammed Ali was also present.



ASTALIFT
Farhana Monem, chairman of Astalift Bangladesh, and Akmal Siddiquee, assistant general manager for business development, attend a programme recently where the company awarded the winners of a raffle draw of its month-long Ramadan campaign.



MERCANTILE BANK
Md Abdul Jalil MP, chairman of Mercantile Bank, opens the bank's Niamatpur branch in Naogaon recently. Monindra Kumar Nath, deputy managing director, was also present.