

Novoair to debut flights on domestic routes tomorrow



SUMAN SAHA

NOVOAIR, a new private airline, is set to spread its wings tomorrow on domestic routes with promises of better services and competitive fares.

Starting from Dhaka, the carrier will initially operate four flights to Chittagong, one flight to Cox's Bazar and one to Jessore.

The airline will soon add two more destinations -- Rajshahi and Syedpur, as it plans to increase the number of daily flights to 10 in two months, said Mofizur Rahman, managing director of the airline.

"Demand for domestic flights is on the rise due to a gradual increment of people's income," said Rahman. "But the local airlines are yet to tap the full potential. So we want to give another option for the local air travellers."

Novoair intends to provide premium services for business and leisure travellers in Bangladesh and to maintain on-time schedule, Rahman said.

The carrier will operate its passenger flights with two 49-seater Embraer EMB-145 jets.

The fares for a one-way trip to Chittagong will be Tk 4,949 for early

bookings and Tk 6,949 for regular bookings.

One-way fare on the Dhaka-Cox's Bazar route is Tk 5,728 to Tk 7,728, while a one-way ticket to Jessore will cost Tk 3,000 to Tk 4,500.

Air traffic has been gradually increasing on local routes in the recent years, as business and industrial activities expanded depending on the booming domestic tourism.

Local airlines carried 6.27 lakh passengers on domestic routes in 2011, up by 20 percent than the previous year, according to data from the Civil Aviation Authority, Bangladesh.

At present, three local carriers -- Biman Bangladesh Airlines, United Airways and Regent Airways -- operate flights to different domestic destinations. Regent is the market leader in terms of passengers carried by the local airlines.

Novoair may launch international flights after one year of domestic operation, Rahman said.

Since the beginning of its journey in 2007, Novoair was engaged in multiple facets of aviation services, like representing China Southern Airline and Tiger Airways, Singapore as general sales agent for Bangladesh.

Regent looks overseas with two Boeing aircraft

STAR BUSINESS DESK

REGENT Airways, a private airline in Bangladesh, is set to expand its fleet with two Boeing Next Generation 737-700 aircraft as it prepares to start international operations in May.

The airplanes will join Regent's fleet of two Bombardier Dash-8-Q300 aircraft in April and May under a six-year lease from International Lease Finance Corporation (ILFC), the airliner said in a statement yesterday.

The aircraft will initially be deployed on flights to Hong Kong, Kuala Lumpur and Abu Dhabi, among others, out of the airline's base in Dhaka, Bangladesh, according to the statement.

The 737-700 aircraft was evaluated to be the best from the options available to choose from in the 120-140 seat category of airplanes, and it promises to deliver the best economics and reliability in its class, said Imran Asif, chief executive officer of the airline.

"We are honoured that Regent Airways



selected the 737-700 and look forward to building our new partnership," said Marty Bentrott, vice president for sales for the Middle East, Russia and Central Asia of Boeing Commercial Airplanes.

"The Boeing 737-700 aircraft for Regent Airways are equipped with fuel-saving

winglets, and will be configured with 126 seats comprising of 12 business and 114 economy seats," according to the statement.

ILFC is a leasing company, which has a portfolio of over 1,200 airplanes, and the aircraft being leased are of an average age of just around six years.

Lenovo to release 27-inch 'coffee table PC'

AP, Las Vegas

DISMAYED that family members are spread out over the house, each with a separate PC or tablet? Lenovo has something it believes will get them back together: a PC the size of a coffee table that works like a gigantic tablet and lets four people use it at once.

Lenovo Group Ltd, one of the world's largest PC makers, is calling the IdeaCentre Horizon Table PC the first "interpersonal computer" -- as opposed to a "personal computer."

At first glance, it looks like a regular all-in-one machine in the vein of the iMac: It's a 27-inch screen with the innards of a Windows 8 computer built into it, and it can stand up on a table.

But you can pick it up off the table, unhook the power cord and lay it flat for games of

"Monopoly." It's big enough to fit four people around it, and the screen can respond to ten fingers touching it at the same time.

As a tablet, it's a monstrosity. The screen is the size of eight iPads stitched together, and it weighs 15 pounds. It's almost as homebound as a flat-panel TV.



The Table PC will include plastic "strikers" for "Air Hockey," and joysticks that attach to the screen with suction cups for other games, including multiplayer shooter "Raiding Company." In a demonstration at the International

CES on Sunday, photos and videos could be rotated with fingers. Spreading five fingers at once on the screen cleared the screen of clutter, while squeezing them together brought the photos and videos back.

Lenovo, a Chinese company that owns IBM Corp.'s former PC business, said the Table PC will go on sale this summer starting at \$1,699.

Microsoft Corp. pioneered the idea of a table PC with the Surface, a PC with a 30-inch touch-sensitive screen released in 2008. It was designed for store displays and other commercial applications. The concept is now called PixelSense, as Microsoft started using the "Surface" name for an unrelated tablet computer last year.

More recently, Sony Corp released the Tap 20, an all-in-one PC that can also be laid flat. But it's smaller than the Lenovo model, at 20 inches diagonally, and doesn't have as much table-oriented software as the Table PC.

India's corporate governance cleanup is welcome

ANDY MUKHERJEE

INDIA'S corporate culture is about to witness a shakeup. A new law will make it mandatory for most Indian companies to separate the role of the chief executive and the chairman of the board. The shift, already the norm in the United Kingdom but long resisted elsewhere, should help to narrow India's governance discount.

The change is far from cosmetic. The CEOs of about half of India's top 50 listed companies double up as chairmen. Those that want to continue combining the roles will need the explicit approval of their shareholders.

The country's securities regulator is also getting in on the act. The Securities and Exchange Board's proposed governance norms for publicly traded companies are actually tougher than corporations face in more advanced economies. For instance, India may require independent directors resigning their position to publicly disclose the reason for their departure -- and "personal reasons" won't be considered a satisfactory answer if directors are only giving up one of multiple directorships.

The regulator also wants to explore the viability of requiring companies above a certain size to appoint at least one independent director from among small shareholders. The idea is worth a try. Company founders in India encounter little or no opposition from eager-to-please boards. A particularly egregious instance was the way independent directors of Satyam Computers rubber-stamped the former CEO's desperate attempt to cover up fraud in December 2008.

Of course, changing the rules is no guarantee of future good behaviour. Even boards that boast of independent leadership can do better. Infosys Technologies, the only Indian entry last year in CLSA's selection of 20 large Asian companies with best corporate governance, lists KV Kamath, a former banker, as a non-executive chairman. But a former Infosys CEO holds the position of executive co-chairman. Meanwhile, Kamath continues to be "independent" chairman at ICICI Bank, even though he was its founding CEO.

In Asia's corporate governance rankings, India lags behind Singapore, Hong Kong, Taiwan, Malaysia and Thailand, but ahead of China, South Korea, the Philippines and Indonesia, according to CLSA. Moving up the ladder should make the market more attractive to overseas investors.



An Indian vegetable and fruit vendor rides a tricycle rickshaw with his supplies on a cold and foggy morning in New Delhi on January 2.

Left to their own devices, companies would be reluctant to change, as they have been in the United States. And while an overly legalistic approach can backfire, using regulation to give companies a nudge forward is a sound idea.

HIGHLIGHTS

- The Securities and Exchange Board of India, the country's market regulator, unveiled a set of proposals on January 4 seeking to boost corporate governance standards for publicly traded companies.

- The proposed measures include separating the roles of the chief executive and the chairman of the board. The regulator's move follows in the path of the new Companies Bill, which was recently passed by the lower house of parliament.
- Once the bill becomes law, most companies that continue to vest both responsibilities in one person will need to amend their constitutions with shareholders' approval.

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Egypt steeped in economic woes as IMF talks due

AFP, Cairo

Arising budget deficit, falling foreign exchange reserves and a sliding currency are adding to the woes of Egypt's fragile government even as it battles a raft of political and social problems.

It is against this background that Cairo is to resume talks on Monday with the International Monetary Fund for a \$4.8 billion loan, which many see as a prerequisite for the country's recovery.

Islamist President Mohamed Morsi has set a tough task for his government, headed by Prime Minister Hisham Qandil, which he fine-tuned in a Sunday reshuffle that saw the appointment of 10 new ministers including that of finance.

The government must "accelerate efforts to revive the economy and growth, attract investment, strengthen exports, promote tourism, create new jobs and improve public services," Morsi said last month.

Egypt's economic indicators however paint an "alarming picture", said economist Ahmed el-Naggar of the Al-Ahram Centre for Studies.

"Previously tourism brought \$13 billion every year, now it is around \$8.8 billion."

Egypt's unemployment has grown to 12 percent in two years, he said, adding that official estimates are far less than the actual figures in a country where 40 percent of the population lives on \$2 or less per day.

And the latest sign of concern is the fall in Egyptian pound which has dropped to around 6.4 pounds to the dollar, a record low.

The central bank has acknowledged that its foreign exchange reserves have reached a "critical minimum" level.

The reserves fell to \$15 billion from \$36 billion in two years and are enough to cover only three months of imports.

Egypt is reported to have extensively used its reserves to support the pound and to secure vital imports such as wheat and fuel.

Planning Minister Ashraf Abdel Fattah al-Arabi has declared in the media that the budget deficit could rise to 50 percent -- 200 billion pounds (\$31 billion) -- in the fiscal year 2012-2013 "if

strict economic measures are not implemented".

Given the bleak economic scenario, securing the \$4.8 billion IMF loan is now considered by many as essential to fuel recovery.

The talks will be in Cairo with Massod Ahmed, IMF representative for the Middle East and Central Asia.

Discussions will focus on "the most recent economic developments, their policy plans for addressing Egypt's economic and financial challenges, and possible IMF support for Egypt in facing these challenges," the Fund said on Sunday.

"For the system to work, confidence needs to be restored quickly, starting with agreement on an IMF programme," ratings agency Fitch said on January 3.

Finance Minister Al-Morsi al-Sayed Hegazi, an academic specialising in Islamic finance, said during his inauguration that he is "ready to finalise consultations with the IMF to conclude such a loan".

The IMF package is expected to unlock other international funding and support for undertaking difficult reforms in Egypt.

But the IMF programme is expected to come with austerity measures, especially a revision of costly state subsidies for fuel and/or several low priced food items.

Parliamentary elections scheduled in about two months could also influence the ability to carry out reforms amid fears of social tensions.

In December, Morsi suspended tax rises on a range of products, including alcohol and cigarettes, amid a dire political crisis "so as not to increase the burden on citizens."

The tax hikes, also affecting steel, cement and other products, were part of budget efforts Egypt had agreed to make to secure the IMF loan.

"The next few months are going to be critical in terms of foreign exchange reserves and trying to turn around the foreign direct investments in Egypt," said Angus Blair, head of Signet Institute in Cairo.

"I would hope that the new new finance minister might come with a more creative economic plan, but the issue is he will have to work in an environment which is very much limited."