

Political turmoil continues to weigh down stocks

STAR BUSINESS REPORT
Stocks dropped for the second day owing to the political commotion, which swayed investors into profit-booking. DSEX, the key market tracking index of Dhaka Stock Exchange (DSE), finished the day at 4,265.09 points, after falling 21.23 points, or 0.49 percent.

The day started on a flying note, with investor participation in full swing despite the countrywide strike enforced by Jamaat-e-Islami.

Turnover, an important indicator for investors, advanced 10.08 percent from the previous day to Tk 499 crore.

Owing to the ongoing political turmoil, profit-taking took over to send the market gauge on a descent, IDLC Investments said.

"Earnings expectations enhanced scrip-wise movement in the bourse," the investment bank said.

The premier bourse yesterday introduced the bangla version of its website for enhanced communication.

A total of 1.19 lakh trades were executed,

with 12.51 crore shares and mutual fund units changing hands on the Dhaka bourse. Of the 275 issues traded on the DSE floor, 80 advanced, 165 declined and 30 remained unchanged.

Among the major sectors, only power ended in the black, gaining 0.68 percent, while non-bank financial institutions and bank dropped 1.09 percent and 0.96 percent respectively.

United Airways was the most traded stock of the day, thanks to its transaction of 2.7 crore shares worth Tk 62.67 crore.

Summit Purbanchol Power Company and Unique Hotel and Resorts were the next popular stocks of the day.

Purabi General Insurance, which went up 9.91 percent, was the biggest gainer of the day, while Meghna Pet Industries was the worst loser, dropping 6.94 percent.

Chittagong Stock Exchange's selective categories index, CSCX, dropped 47.24 points, or 0.55 percent, to close the day at 8,505.88 points.

The port city bourse traded 1.41 crore shares and mutual fund units with a turnover of Tk 52 crore.

Thai economy picks pace in Q4

BBC NEWS

Thailand's economic growth exceeded expectations in the last three months of 2012 as it continued to recover from the previous year's devastating floods.

Gross domestic product surged 18.9 percent in the October-December period, from a year earlier. Most analysts had forecast a figure close to 15 percent.

Compared with the previous quarter, the economy grew by 3.6 percent.

Analysts said the data may lessen the pressure on the central bank to ease its monetary policies to spur growth.

"Overall, the Thailand economy is in a pretty good shape right now," Rahul Bajoria, an economist with Barclays Capital told the BBC.

"It is unlikely that the central bank will cut rates anytime soon. The numbers clearly indicate that there is no urgent need to do that."

The floods in Thailand had an impact on some of the biggest industrial areas and resulted in many factories being shut.

That hurt Thailand's exports, one of the biggest drivers of its economic growth.

To make matters worse, a slowdown in

demand from key global markets also hurt the export sector.

As a result, Thailand's government implemented various steps to help stoke domestic demand in an attempt to offset the decline in exports and sustain growth in the economy.

It raised minimum wages in various parts of the country, in some areas by as much as 40%.

The government also announced plans to spend 2tn Thai baht (\$65bn; £40bn) on infrastructure projects after the devastating floods.

For its part, Thailand's central bank, the Bank of Thailand, cut interest rates in October last year, bringing down its key rate to 2.75 percent from 3 percent.

Analysts said that given the strong domestic demand and increased government spending, a rise in consumer prices remained a concern and may prompt the central bank to keep rates on hold in the short term.

"Domestic demand momentum is certainly picking up and this will spill over into 2013," said Eugene Leow of DBS Bank.

"The focus will likely turn towards inflation, especially considering the robust growth numbers."

DuPont official in town

STAR BUSINESS DESK

Rajeev A Vaidya, president of DuPont for south Asia and Asean, is now in Dhaka for a two-day official visit.

DuPont is focused on growth in emerging markets and the visit marks the company's efforts to strengthen its presence in Bangladesh, the company said in a statement yesterday.

During the visit, Vaidya will meet with business leaders, partners, customers and other thought leaders of the country.



EU privacy regulators take aim at Google privacy policy

REUTERS, Brussels

European data watchdogs said on Monday they plan to take action against Google by this summer for its privacy policy, which allows the search engine to pool user data from across all its services ranging from YouTube to Gmail.

The move is the latest in a skirmish between the web giant and Europe's data protection regulators who view the privacy rules put in place in March by Google as "high risk," although have stopped short of declaring them illegal.

Regulators view the bundling of data on users as potentially constituting a high risk to individuals' privacy.

Google last year consolidated 60 privacy policies into one, combining data collected on individual users across its services, including YouTube, Gmail and social network Google+. Users cannot opt out.

In October, Europe's 27 data regulators gave Google four months to change its approach, listing 12 "practical recommendations" for it to bring its privacy policy into line.

On Monday the French privacy regulator, which last year led an initial inquiry into the tech giant's new policy, said it would set up a further inquiry because

Hong Kong Disneyland turns a profit for first time

AFP, Hong Kong

Hong Kong's struggling Disneyland said Monday it made a profit in 2012 for the first time since opening eight years ago, thanks to a surge in revenue as it welcomed a record number of visitors.

The park made HK\$109 million (\$14.06 million) in the fiscal year ending September 29, 2012, compared with a net loss of HK\$237 million the year before.

The result was fuelled by a 13 percent jump in attendance to a record 6.73 million people, providing relief for the resort, which has been battling lower-than-expected numbers since opening in 2005.

Visits by Hong Kong residents posted a record growth of 21 percent while visits by mainland visitors expanded by 13 percent. Revenue meanwhile grew 18 percent to HK\$4.27 billion.

"We are all very excited about the milestone that we have achieved. This is a very significant milestone," Hong Kong Disneyland Resort's managing director

EBL branches out into Hong Kong

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A foreign bank charges \$250-\$300 for advising on each LC, but EBL wants to render the services at much lower rates.

Last year, China and India accounted for nearly \$1 billion of Bangladesh's imports, followed by Hong Kong at \$1 billion.

"We have plans to launch the same type of company in China soon," said Iftekhar, adding that the newly-opened market of Myanmar is also in the horizons.

EBL wants to go global, but the central bank's restriction on Bangladeshi companies' investments abroad is getting in the way.

"Local companies can be allowed to invest in foreign countries and the central bank can set criteria for that," said the EBL managing director.

According to him, investing abroad and repatriating the money would be good for the economy.

DSE set to improve surveillance

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Rahman said the DSE introduced its Bangla website to provide market information in mother tongue to investors.

"The investors now can see and understand company and market-related all information in Bangla that will help them taking the right investment decision," he said.

There are many investors who like to get or see the market information in Bangla, he said. "The intention is also to prioritise the mother tongue."

To see the website in Bangla, people have to click "Bangla sankskoron" (Bangla version) button on the top-right corner of the website or browse <http://bangla.dsebd.org> or <http://bangla.dse.com.bd>.

Apart from getting daily stock updates, investors can find the history of the stock exchange, investor guidelines, profiles of the market, functionalities and activities, trading system, corporate news, indices methodology and computation in Bangla.

However, the securities laws were not translated into Bangla. The existing English website was launched in 2003.

The liquidity flow into the market will increase automatically if investors' confidence can be restored,



NOVO NORDISK
A Rajan Kumar, managing director of Novo Nordisk Bangladesh, releases balloons to mark the 90th anniversary of the first treatment of diabetic patients with the company's insulin at a ceremony in Dhaka recently.

Novo Nordisk celebrates 90th anniversary

STAR BUSINESS DESK

Danish pharmaceutical company Novo Nordisk has recently celebrated the completion of 90 years since the first diabetes patients were treated with the company's insulin.

Novo Nordisk Bangladesh arranged a daylong programme at its head office at Banani in Dhaka to celebrate.

A Rajan Kumar, managing director, inaugurated the function by releasing balloons along with his management team.

To mark the occasion, company employees will be offered 20 shares, which will mature by 2016. The programme includes all employees as per 1 January 2013, apart from employees in the separately operating affiliates NNE Pharmaplan and NNIT.

Novo Nordisk with its local partner Eskayef Bangladesh Ltd has established a high-tech dedicated plant exclusively for Novo Nordisk's insulin to cater to increasing local demand.

Novo Nordisk provides therapeutic treatments for an estimated 23 million people with diabetes worldwide, and produces approximately 50 percent of all insulin in the world.

Novo Nordisk employs approximately 35,000 employees in 75 countries and markets its products in more than 180 nations.

China takes over Pakistan port from Singapore

AFP, Islamabad

China took control Monday of a strategic Pakistani port on the Arabian Sea, as part of a drive to secure energy and maritime routes that also gives it a potential naval base, sparking Indian concern.

The Pakistani cabinet approved the transfer of Gwadar, currently a commercial failure cut off from the national road network, from Singapore's PSA International to the state-owned China company on January 30.

It had not been clear when the actual handover would take place, but Pakistani President Asif Ali Zardari presided over the signing of a memorandum of understanding on Monday that was broadcast live by local television.

"The contract of operation of Gwadar port is formally given to China. Today, the agreement is transferred from the Port of Singapore Authority to China Overseas Ports Holding Company Limited," Zardari announced.

"The award of this contract opens new opportunities for our people... It gives new impetus to Pakistan-China relations."

The Pakistanis pitched the deal as offering an energy and trade corridor that would connect China to the Arabian Sea and Strait of Hormuz, a gateway for a third of the world's traded oil, overland through an expanded Karakoram Highway.

Experts say it would cut thousands of kilometres off the distance which oil and gas imports from Africa and the Middle

East have to travel to reach China.

"Gwadar port will enhance trade and commerce not only between Pakistan and China but also in the region," said Zardari.

China paid about 75 percent of the initial \$250 million used to build the port but in 2007 PSA International won a 40-year operating lease.

Then-ruler Pervez Musharraf was reportedly unwilling to upset Washington by giving control of the port to the Chinese.

On February 6 Indian Defence Minister A.K. Antony said New Delhi was concerned by Pakistan's decision to transfer management of the deep-sea port to China, which has interests in a string of other ports encircling India.

Pakistan foreign ministry spokesman Moazzam Ahmad Khan dismissed those concerns last week, telling reporters: "This is not something that any other country should have any reason to be concerned about."

Gwadar is part of the southwestern province of Baluchistan, the most deprived part of Pakistan despite being rich in oil and gas deposits. The province is gripped by a separatist insurgency and record levels of sectarian violence.

On Saturday, a bomb killed 89 people in a Hazara Shiite Muslim neighbourhood of the provincial capital Quetta, barely a month after twin suicide bombers killed 92 people at a Hazara snooker hall elsewhere in the city.

Zardari said the building of infrastructure around the port will also promote

economic activity in Gwadar and Baluchistan.

But some analysts warn that it may be some time before Pakistan can benefit from China's takeover of Gwadar, stressing that the connecting roads and an expanded Karakoram Highway still need to be finished.

They also suggest that security concerns have made China more cautious about big investment projects in Pakistan.

In 2004, three Chinese engineers helping to build Gwadar were killed in a car bombing. The same year, two Chinese engineers working on a hydroelectric dam project in South Waziristan were kidnapped and one of them died.

Gwadar is the most westerly in a string of Chinese-funded ports in Nepal, Sri Lanka, Myanmar and potentially Bangladesh that encircle its big rival, India.

The ports were dubbed China's "string of pearls" -- or potential naval bases similar to those of the United States -- but some analysts pour cold water on suggestions that Beijing is scouting for naval bases in the Indian Ocean.

Andrew Small, an expert on China-Pakistan relations, believes that most of Beijing's concerns can be resolved through cooperation, but that Gwadar is the most likely port to be developed by China for naval use.

"Pakistan is probably the only government where the level of trust between the two militaries is high enough to make that a completely reliable prospect," he told AFP recently.



RFL
Mahatabuddin Ahmed, chairman of Rangpur Foundry Ltd (RFL), attends the company's annual dealer's conference at RFL Industrial Park in Gazipur recently. Ahsan Khan Chowdhury, deputy managing director, was also present.



KOHINOOR CHEMICALS
Rezaul Karim, managing director of Kohinoor Chemicals, attends the distributors' night organised by the company in Savar on Friday. MA Khair, director for corporate affairs, was also present.



SONARGAON
Officials of Hotels International Ltd, owner of Sonargaon Hotel, attend the company's annual general meeting for 2011 in Dhaka recently. The company's net profit after tax stood at Tk 27.66 crore.