

Stocks end flat

STAR BUSINESS REPORT

Share prices at the Dhaka Stock Exchange ended flat yesterday as political worries dented investors' confidence.

DSEX, the benchmark general index of the Dhaka bourse, finished the day at 3,571.26 points, after falling 1.42 points or 0.04 percent.

The price of some listed companies rose unusually without any price sensitive news, insiders said.

The DSE asked CVO Petrochemicals Refinery, Pharma Aids, Bangas and Mithun Knitting to explain the reasons behind the unusual price hike of the shares of the companies.

The four companies said there is no undisclosed price sensitive information for the hike, according to the DSE website.

The Dhaka bourse will include four new companies in the DSE Broad Index -- DSEX -- from Sunday, according to the DSE.

The companies are: Summit Purbanchol Power Company, Envoy Textiles, Argon Denims and Generation Next Fashions.

"Political worries continued to put a drag on market sentiment, which still remained downbeat," said IDLC Invest-

ments in its daily market analysis.

However, turnover reached Tk 203 crore with a 19.02 percent gain from the previous day, mostly riding on the quarterly expectations driven movements, the stockbroker said.

Meanwhile, new listings continued dominance in trade as Orion Pharma, Bengal Windsor Thermoplastic, Summit Purbanchol Power Company and Aragon Denims accelerated 14.88 percent of the total turnover.

Investors executed 0.81 lakh trades with seven crore shares and mutual fund unit changing hands on the DSE.

Of the 275 issues that traded on the DSE, 155 advanced, 97 declined and 23 remained unchanged.

Titas Gas topped the turnover leader with 15.02 lakh shares worth Tk 10.76 crore changing hands.

Bengal Windsor Thermoplastic was the biggest gainer of the day, as it posted a 10.26 percent gain. City General Insurance was the worst loser, plunging by 7.52 percent.

Among the major sectors, banks lost 0.15 percent and non-bank financial institutions 0.02 percent while power and telecoms rose 0.42 percent and 0.29 percent respectively. Pharma ended flat.

18th Annual General Meeting 18 April 2013



Dhaka Bank Chairman Reshadur Rahman presides over the 18th annual general meeting of the bank at Bashundhara Convention Centre in Dhaka yesterday. The bank announced 16 percent stock dividends for 2012. Managing Director Khondker Fazle Rashid was also present.

Keep calm and carry on in India's slumping car market

REUTERS, Mumbai

Don't tell Hironori Kanayama that investing almost \$500 million in a market enduring its worst slump for 12 years is a questionable business decision. Honda Motor Co's India head sees only one way forward: Keep calm and carry on.

Global carmakers such as General Motors Co and Volkswagen AG that have between them poured billions of dollars into factories, product development and marketing in India's once-booming car market are now struggling as slow economic growth, high interest rates and rising fuel prices keep their target customers from parting with their cash.

Still, automakers like Honda say they can only grit their teeth and continue to invest - or risk missing out on what experts expect to be the world's third-biggest car market by 2020 and a foothold in an emerging global small-car export hub.

"If there was any worry, we would never have done this," Kanayama said in an interview in Mumbai. "Of course it's a pity that the economy is sluggish, but it doesn't worry us at all."

Honda said on April 2 - two days after the end of the worst financial year for Indian car sales since 2001 - that it was spending 25 billion rupees to double its output capacity in the country to 240,000

cars per year by 2014.

"The potential is very high here," Kanayama said. "Our investment is based on such long-term projections."

To read story -- Car sales fall 7 percent in FY13, first drop in a decade, click here

Honda is not alone in appearing to be throwing good money after bad in India's sagging automotive market.

Ford Motor Co is spending \$1 billion on a new factory even as its current plant runs at only 60 percent of capacity. Maruti Suzuki India Ltd, controlled by Japan's Suzuki Motor Corp & 269. T, is spending around \$750 million to add 250,000 cars annually.

Carmakers say India's huge population, low car penetration and rising incomes mean sales can only go up in the long run, while the opportunity to export to Africa and the Middle East makes for a compelling investment case. Sales fell 7 percent in the last fiscal year.

"Clearly we believe the macro conditions are a short-term blip," said Nagesh Basavanahalli, managing director of Fiat SpA and its Chrysler unit in India.

Basavanahalli, who took the reins at the Italian and U.S. carmakers this month, has been tasked with trying to re-launch the Fiat brand and introduce its Jeep and Abarth lines in India even as well-established names like India's own Tata Motors Ltd see sales plummet.

Swiss business team due in town Sunday Bilateral trade relations will get focus

DIPLOMATIC CORRESPONDENT

A Swiss business delegation will arrive in Dhaka on Sunday for a two-day official visit to explore business and trade and to provide fresh impetus to the growing trade relations between the two countries.

This will be first ever Bangladesh visit by a business delegation from Switzerland, the Swiss embassy said in a statement yesterday.

The delegation will be led by Ambassador Eric Martin, head of bilateral economic relations of the State Secretariat for Economic Affairs of Switzerland.

The delegation is scheduled to meet the industries, commerce and foreign ministers of Bangladesh and the executive chairman of the Board of Investment and other senior government officials.

In these meetings, the delegation will try to find more ways to support the Swiss

private sector interested in doing business with Bangladesh.

The delegation will also exchange views with the Swiss companies who are doing business in Bangladesh and meet the Bangladeshi business leaders, chamber presidents, media and civil society members with an aim to strengthen bilateral economic ties.

Switzerland-Bangladesh economic relations have been growing rapidly over the last years. In 2012, the bilateral trade between Bangladesh and Switzerland stood at CHF 387 million (or \$406 million), marking a growth of around 26 percent over 2011.

The main Bangladeshi export items to Switzerland are readymade garments and leather products, while Switzerland mainly exports industrial machinery, chemical and pharmaceutical products to Bangladesh.



Syed Abdul Mayeed, adviser to United Power Generation and Distribution Company Ltd, speaks at a roadshow organised by the company at Lakeshore Hotel in Dhaka on Wednesday for price discovery of its shares under book building method. Story on B1

Ruposhi Bangla set for wholesale renovations

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However, no employees will lose their jobs due to the closure, said Faruk Khan, civil aviation and tourism minister, adding that all employees including contractual ones will continue to receive their existing pay packet and benefits during the renovation period.

Ruposhi Bangla now employs 600 officials, of whom 350 are permanent.

The majority of employees will be relocated to Bangabandhu International Conference Centre, which is being managed by BSL since July 2012, while the technical and logistical staff will remain at the hotel for project-related activities.

Opportunities also exist for many employees to enhance their skills by being deployed in IHG-managed hotels abroad, as well as cross-exposure training at other IHG properties in the region, said James McDonald, general manager of Ruposhi Bangla Hotel.

All employees will return to the hotel prior to its re-opening as InterContinental Dhaka, he added.

Assets of Ruposhi Bangla Hotel which are acceptable to IHG will be retained for use in InterContinental Dhaka.

Other assets of the hotel will be offered to Bangladesh Parjatan Corporation for use in their various properties.

Remaining disposable items will be auctioned through open tender.

The redecoration works were scheduled to start in June this year as per the

agreement signed with IHG on February 19 last year, but the government postponed it for ICC World Twenty20 tournament, which is due to be held in March next year.

IHG, a UK-based leisure company, ran the historical property from 1966 to 1983, followed by Sheraton, a concern of Starwood, until 2011.

Upon completion of Sheraton's tenure, BSL took over the management and renamed the hotel to Ruposhi Bangla.

IHG will take 2 percent of the hotel's total revenue in the first 3 years, 2.5 percent for the 4th and 5th years and 3 percent from then on in management fee, according to the management deal with BSL.

It said the UK-based hotel group will also get up to 10 percent of the net profit as incentives.

Ruposhi Bangla posted Tk 125.8 crore in gross revenue and Tk 46 crore in net profit in 2012, up from Tk 111 crore in gross revenue and around Tk 35 crore in net profit in 2011, Shahidus Sadeque, marketing and communications manager of the hotel, told The daily star.

IHG is the largest hotel chain in the world in terms of the number of rooms, which currently stands at 658,000. It has 4,480 hotels in nearly 100 countries and territories around the world.

It operates seven hotel brands -- InterContinental, Crowne Plaza, Hotel Indigo, Holiday Inn, Holiday Inn Express, Staybridge Suites and Candlewood Suites.



Ahmed Soeb Sohel, panel mayor of Comilla City Corporation, and Mohammad Abdul Mannan, managing director of Islami Bank Bangladesh, attend the opening of Comilla branch of the bank at its own premises recently.

Volvo Cars to post big Chinese losses for 2012

AFP, Stockholm

Volvo Cars, owned by the Chinese auto maker Geely, is expected to post heavy losses in 2012 in China where sales were weaker than expected while investments were substantial, daily Svenska Dagbladet reported Thursday.

The paper, citing "well informed sources", said that Volvo Cars would report losses of two to four billion kronor (240 to 480 million euros, \$307 to \$615 million) in China for the year.

Volvo Cars was acquired by Geely in 2010, but the Swedish brand has seen its market share decline and profits dwindle since then while Geely, which sells the cheaper brands Geely, Gleagle, Emgrand and Englon, remains in good health.

Volvo Cars has been struggling in western Europe, its biggest market, and has had a hard time breaking into China, the world's biggest auto market.

In March, Volvo said it had discovered problems with its sales figures in China, implying that they had been exaggerated. Officially, the company sold 11 percent fewer cars in 2012 than in 2011.

Volvo Cars does not announce in advance the publication date for its earnings reports.

In the first quarter of 2013, it sold 8.0 percent fewer cars than in 2012, but reported a rise of 27

Nokia losses narrow but shares tumble on sales dip

AFP, Helsinki, Finland

Finnish mobile phone giant Nokia posted Thursday narrowing losses and said its flagship Lumia phone was gaining traction, but shares in the company tumbled after sales of low-end phones fell more than expected.

The troubled company reported a 272 million euro (\$355 million) net loss in the first quarter of the year, down from a 928 million euro loss in the same period last year.

But sales of 5.852 billion euros were down 20 percent from a year earlier as basic, low-end phones faced competition from affordable smartphones in emerging markets.

"While operating in a highly competitive environment, Nokia is executing our strategy with urgency and managing our costs very well," chief executive Stephen Elop said in a statement.

Analysts polled by Dow Jones Newswires had anticipated a net loss of 434 million euros and net

GDP growth to slip below target

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He said the country has so far managed macroeconomic stability reasonably well. This is quite important and needs to be highlighted to show how critically important macroeconomic stability is.

The UN official said political stability is another critical issue for the country as well as the economy.

The economic impact of the current political impasse is often ignored or underestimated by the political parties, he added.

"It will be really good to see them speaking towards the conditions for elections and finding the kind of the election time government under which the election will take place."

The ESCAP estimates that economic policy uncertainty in the eurozone and the United States since the onset of the global crisis has shaved 3 percent off regional GDP -- a loss of \$870 billion in output.

"The 2013 survey reminds us that this is no time for complacency, as the need for a more inclusive and sustainable pattern of economic and social development continues to be critical," said Noeleen Heyzer, UN under-secretary-general and executive secretary of ESCAP, in her preface to the survey.

The survey report said the Asia-Pacific economies would see subdued growth in 2013 after last year's sharp slowdown caused by external factors.

Kazi Ali Reza, officer-in-charge of UN Informa-



Artists perform at a three-day programme to celebrate the seventh anniversary of Mojo, a soft drink brand of Akij Food and Beverage, and Pahela Baishakh, the first day of Bangla year, at Kalabagan playground in Dhaka on April 12.



Shaiikh Abdul Aziz, managing director of Uttara Bank, attends the second zonal heads' conference 2013 of the bank at the bank's head office in Dhaka yesterday.



Abul Barkat, chairman of Janata Bank, speaks at a programme to honour 51 freedom fighters of greater Mymensingh in the district yesterday. SM Aminur Rahman, managing director, was also present.