

Stocks finish flat on buying spree

STAR BUSINESS REPORT

Stocks ended flat yesterday with an advance in turnover as investors went on a buying spree in anticipation of calm environment on the political frontier.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,073.63 points, after gaining 2.47 percent or 0.06 percent.

Turnover, the most important indicator for the market, advanced 20.68 percent to Tk 516 crore, compared to the previous day.

Continuous pressure from foreign diplomats on political parties to ease up the political frontier knocked investors' sentiment positively during the trading session, IDLC Investment said in its analysis.

"This acted as a core catalyst for opening hype of 46 points in the first two hours. But, the situation inverted and index continued to slide in the remaining session over profit booking."

In the meantime, the news of High Court's repeal of postponement order on RN Spinning Mills' dividend declaration attracted some of the participants to it and

thus made a spike in the textile sector's turnover and return, the investment banker said.

As a result, textile accounted for 25.35 percent of total market turnover in line with 4.17 percent sectoral gain.

Besides, tannery gained 2.29 percent and foods 1.53 percent, whereas bank declined 0.76 percent, non-bank financial institutions 0.72 percent and non life insurance 0.61 percent.

A total of 1.24 lakh trades were executed with 10.76 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 293 issues that traded on the DSE, 140 advanced, 122 declined and 31 remained unchanged.

RN Spinning Mills featured in the most traded stocks chart with 15.45 lakh shares worth Tk 50.58 crore changing hands.

Bangladesh Submarine Cable Company and Grameenphone were the next popular stocks of the day.

Jute Spinners rose 10 percent to become the biggest gainer of the day, while Rangpur Foundry fell 8.22 percent to end up as the worst loser.

Etihad Airways offers in-flight childcare

STAR BUSINESS DESK

Etihad Airways, the national airline of the United Arab Emirates, has launched a dedicated in-flight childcare assistance programme, by introducing flying nannies on long-haul flights.

Identified by bright orange aprons, each flying nanny aims to provide a 'helping hand' to families and unaccompanied minors, the airline said in a statement yesterday.

The nannies will also introduce children to the collectable Etihad characters—Zoe the bee, Jamool the camel, Kundai the lion, and Boo the panda—who will accompany

them on their trip.

During the past two months 300 Etihad Airways cabin crew members have completed enhanced training for the role. A further 60 will be trained in September and 500 flying nannies will be working across Etihad Airways flights by the year-end.

"Flying with a young family can be a daunting task, even for the most experienced travellers, and the flying nanny role demonstrates our understanding of our guests' needs and our commitment to making the journey as relaxing and comfortable as possible," said Aubrey Tiedt, Etihad Airways' vice president of guest services.

Indian car sales jump 15pc

AFP, New Delhi

India's car industry sales rebounded by 15 percent in August on a monthly basis, data showed Tuesday, but the industry still expects to contract in 2013/14 for the second year in a row.

Carmakers sold 133,486 cars in India in August, up by 15.4 percent from the same month in 2012, snapping a record nine months of declining sales, the Society of Indian

Automobile Manufacturers (SIAM) said.

But the increase came off a low base due to weak output in the same month in 2012 caused by the temporary shutdown of a key car manufacturing plant.

"This is not a turnaround, it's going to be another year of negative growth in car sales," SIAM Deputy Director General Sugato Sen told AFP. "That rise in the car sales headline figure is an illusion -- it does not reflect market realities."



Dipu Moni, foreign minister, attends the opening ceremony of the head office of NRB Global Bank at the Westin hotel in Dhaka on Monday. Nizam Chowdhury, chairman of NRB Global, was also present.



Mashiur Rahman, economic affairs adviser to the prime minister, attends the inauguration of the country's first biotech company Bangladesh AFC Agro Biotech at Shoilmari in Khulna recently. Golam Mostofa, chairman of AFC Biotech, was also present.

India's exports jump as investors turn optimistic

AFP, New Delhi

Indian exports climbed by nearly 13 percent in August on a 12-month basis in a sign the falling rupee is starting to help Asia's third-largest economy, data showed Tuesday.

In other positive news, shares climbed by nearly four percent and the currency continued to gain in value against the dollar after hitting a string of record lows in recent months.

The trade deficit in August fell to \$10.9 billion from \$14.17 billion in the same month a year earlier, according to commerce ministry figures.

Merchandise exports climbed by 12.97 percent in August to \$26.14 billion from a year earlier while imports fell by 0.68 percent year-on-year to \$37.05 billion.

"Exports are on a firm, positive terrain now. I remain optimistic about exports being in positive territory," Trade Minister Anand Sharma said as he released the figures.

The rupee slid to a lifetime low of 68.85 against the dollar last month on concern about India's capacity to fund a record current account deficit -- the broadest measure of trade.

But the currency began rallying last week after the appointment of a new central bank governor, Raghuram Rajan, a former International Monetary Fund chief economist.

Rajan sought to reassure markets, saying India faced tough challenges but its economy was "fundamentally sound" despite growing at five percent last year -- its slowest pace in a decade due to high inflation and borrowing costs as well as

weak business confidence.

India's currency jumped 1.5 percent Tuesday from the previous trading day to 64.28 rupees to the dollar and is now down around 15 percent this calendar year.

The rupee has also been lifted by weak US jobs data that has eased worries that the US Federal Reserve may start rolling back economic stimulus that has fuelled investor fund flows to emerging markets.

Shares leapt nearly four percent, or 728.58 points, to 19,998.64 points.

Separately, India's car industry sales rebounded by 15 percent in August on an annual basis, but the industry said the reprieve was temporary and that the sector was expected to contract for a second straight year.

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But the increase came off a low base due to weak output in the same month in 2012 caused by the temporary shutdown of a key car manufacturing plant.

"This is not a turnaround, it's going to be another year of negative growth in car sales," SIAM Deputy Director General Sugato Sen told AFP.

"That rise in the car sales headline figure is an illusion -- it does not reflect market realities," Sen said.

"We are still stuck in a tough market... the mood of consumers remains bad," he added.

Last year, domestic passenger car sales fell by 6.7 percent to 1.89 million from a year earlier -- the first contraction in a decade.

EU to promise telecoms shake-up, end to roaming charges

AFP, Brussels

The EU presents a radical telecoms industry shake-up on Thursday, aiming to create a single, fully connected European market and remove unpopular mobile phone roaming charges it claims are unjustified.

The plans are controversial, however, and last-minute wrangling over the details led the European Commission on Tuesday to reschedule a planned announcement Wednesday. "Everything is postponed to Thursday," Commission spokesman Olivier Bailly said.

Bailly did not give a reason for the delay and downplayed the issue, insisting the Commission package would serve the "general interest" and that the reforms had been worked on for years in Brussels.

An EU source said the delay was largely due to the complexity of the issues involved in an "ambitious package."

The source cited in particular 'net neutrality' -- the principle that the Internet should be an open system -- with companies barred from deals, for example on higher data transmission speeds, which could in practice restrict access by their rivals.

In July, EU anti-trust officials launched probes of several firms suspected of abusing their positions in Internet services, including Orange, Deutsche Telekom and Telefonica.

The headline proposal in the telecoms shake-up is to end roaming charges, the hugely unpopular extra costs incurred when customers use their mobile phones or portable devices while abroad.

EU Digital Agenda Commissioner Nellie Kroes has managed to reduce the levies but her plans to abolish them alto-

gether from 2014 have been knocked back, with 2016 now the Commission's target date.

Telecoms companies say the charges are crucial for profits and so help fund the huge investments needed in new technology.

Kroes says it is essential the EU make the changes now or risk losing out on economic benefits estimated at 110 billion euros annually that a fully liberalised single market offers.

Last month, a Kroes report showed that the cost of making mobile phone calls in the EU was like a lottery, with huge discrepancies across the 28 member states.

The average cost per minute for national mobile calls in 2011 varied from 1.9 euro cents (2.5 US cents) in Lithuania to 14.7 cents in The Netherlands.

"As these numbers clearly show, the 28 national telecoms markets in Europe today are not benefiting consumers like a single market" should, Kroes said, lamenting how far it was from being a "truly connected continent."

To address the problem, the Commission wants companies to offer mobile deals covering more than one country and to encourage them to form alliances like those in the airline industry aimed at sharing resources to cut costs.

A key option in the roaming charge campaign will be to allow clients to freely switch operators when abroad.

The long-anticipated package will range widely -- regulation is likely to be simplified to set up a 'one-stop' shop for operators to boost market efficiency.

Connectivity will be improved by better coordination of access to frequencies, controlled by governments, so as to better develop next generation 4G services.



Shahidul Alam, chairman of Union Bank, attends the bank's statutory meeting at the bank's head office in Gulshan, Dhaka recently. Abdul Hamid Mia, managing director, was also present.



Khalilur Rahman, chairman of Pragati Life Insurance Ltd, attends the company's 13th annual general meeting at Jamuna Resort on Saturday. The company announced 7 percent cash and 5 percent stock dividend for 2012.



Belayet Hossain, chairman of Dhaka Mercantile Cooperative Bank, presides over the bank's annual general meeting for 2012 held in Dhaka recently. Shamsun Nahar, managing director, was also present.

GM's Chevrolet to fill void as rival moves upmarket

AFP, Frankfurt

Chevrolet, a unit of General Motors, is looking to fill the gap in Europe as its closest rivals move upmarket, the new head of Chevrolet Europe, Thomas Sedran, said Tuesday.

Chevrolet, which Sedran said was the "fourth biggest brand on the planet" with close to 5.0 million sales globally, was only launched in Europe in 2005 and has sold 1.5 million vehicles since then.

It suffers from "comparatively low brand-awareness" in the region, Sedran told reporters on the sidelines of the IAA auto show which opens here this week. "Unaided brand awareness is in the single digits," he said.

Chevrolet's closest competitors were the South Korean groups Hyundai and Kia and Skoda, the Czech arm of European giant Volkswagen.

"When I look at the content and pricing of Hyundai and Kia, it feels like they're trying to move up. And I think this is where there is also additional opportunity for us," Sedran said.

"I think there's a significantly growing market of customers who are looking for cars priced at 10-15 percent below classical mainstream," such as Chevrolet's sister brand within the GM group, Opel.

"In terms of pricing, we are there today already," Sedran said. "There's nothing wrong with cheap and cheerful."

Apple expected to unveil iPhone to drive emerging market sales

REUTERS, Cupertino

Apple Inc is expected to introduce a cheaper version of the iPhone on Tuesday, bringing one of the industry's costliest smartphones within reach of the masses in poorer emerging markets.

The world's most valuable technology company, which many expect to unveil an iPhone 5C in several colors alongside the latest high-end iPhone 5S, is trying to beat back rivals like Samsung Electronics Co Ltd and Huawei Technologies Co Ltd in markets like India and China, where it is fast losing ground.

Wall Street approves of the move to offer a more basic version of the device, although some investors warned initially it will dilute margins and potentially tarnish a brand that has been linked to premium users since its 2007 inception.

Now, they hope a bigger emerging-market presence can help reverse a 29 percent fall in the company's share price since it hit a record high of \$702.10 a year ago. The selloff was fueled by fears of slowing growth and a perception that its ability to innovate and shake up industries was dwindling.

Industry observers said Apple has not turned out a category-defining electronic device since late co-founder Steve Jobs made a bet on the iPad in 2010. Speculation revolves around a smartwatch—along the same lines as Samsung's recently introduced Galaxy Gear—or some sort of TV product.

South African auto industry counts cost after strike

AFP, Port Elizabeth

The crippling three week strike in South Africa's motor sector cost manufacturers 50,000 cars in lost production, an industry representative said Tuesday.

Thousands of strikers returned to work after accepting a 11.5-percent wage increase, but on Monday employees at component manufacturers downed tools, which the industry says will again hurt production.

"They have to make up for the lost production of 50,000 vehicles," said Nico Vermeulen, director of the National Association of Automobile Manufacturers of South Africa (Naamsa).

Throughout the manufacturing chain these losses may add up to 20 billion rand (\$2 billion), he added.

"Although the vehicle manufacturers strike has just ended, the industry still faces a tragic and worrying situation with the starting of the other (strike) in the components sector," he told a press conference in southern city Port Elizabeth.

"It maybe a question of days again before production grinds to a halt due to lack of components."

Component builders, mechanics and petrol attendants that are members of the National Union of Metalworkers of South Africa (Numsa) have been striking since Monday demanding "double-digit" raises. The union represents around 70,000 labourers -- around a third of the industry's total.

Govt to seek WB funds to fix crunch in state banks

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Before giving the capital, the panel will evaluate the banks' performance indicators every three months.

The WB also recommended picking independent directors for private banks from the list to improve the governance of the overall banking sector.

After the present government assumed office, large-scale politicisation in selecting the state banks' directors, and corruption took a huge toll on the financial health of the banks. The BB also alerted the finance minister to the wrongdoings on various occasions.

However, the Banking Division informed the WB team that some steps have already been taken to bring changes to the top management and boards of the banks.