

Collectors and bankers flock to Art Basel in search of a bargain

AFP, Basel, Switzerland
The halls of Art Basel, the world's largest contemporary art fair, brim with elegantly dressed collectors all searching for something special -- and, increasingly, financial investors just after a good deal.

The event opens to the public on Thursday, but special VIPs got an advance peek at the vast array of artworks by 20th century masters like Picasso, Calder and Warhol, mixed in with today's cutting edge creations, on Tuesday.

The fair, which last year drew nearly 100,000 visitors from around the world, attracts representatives from museums, large and smaller-scale private collectors and a growing crowd of financial buyers looking for a savvy investment.

"In a world where interest rates are very weak, people are looking for solid value" and are increasingly turning to art, said Juerg Zeltner, head of wealth management at Switzerland's largest bank UBS.

Seated among plush cushions in

Art Basel's luxurious VIP lounge, the head of UBS's art sponsorship, Peter Dillon, said the bank -- a long-time backer of the fair and a collector with 30,000 pieces to its name -- tried to keep its finger on the pulse of the global art market.

"Art education is very important for us internally," he said, adding that UBS aimed to make its employees "fluent with art and the art market".

But not everyone appreciates the detached investor's take on art exhibited at the fair. "People are shopping...It's heightened commercialism on an extreme level," renowned British artist Tracey Emin told AFP.

"I don't like people who buy the work and then flip it," she said, standing next to a large printed sketch of what looked like a rape scene with the words "Is this a joke" written above it -- one of three of her works on display at the Lehmann Maupin booth.

Art Basel director Marc Spiegler also advised against buying works purely with an eye on financial returns.

"My advice for people who want

to invest in the art market is buy works that you like, because that way, even if it loses value, you have a work that you like," he told AFP.

That said, there are hefty profits to be made in a sector that is seeing auction prices go through the roof.

Picasso's "The Women of Algiers," for instance, sold for a record \$179 million at a Christies auction in London last month, six times what it went for in 1997.

The Art Basel show this year also boasts a number of pricey masterpieces, including a Mark Rothko at the Helly Nahmad gallery booth, carrying a price tag of \$50 million.

While the show is important, Spiegler said the value of all the works combined there was "only" around \$2.0 billion, a fraction of the estimated \$51-billion global annual art market. But, for the galleries, the fair is a highlight of the year.

"Sales are extremely strong," enthused Bona Colonna Montagu of the Skarstedt Gallery, pointing out a large Keith Haring painting from 1984 featuring myriad red

interlocking figures that just sold for around \$5.0 million.

She stressed, however, that she refuses to sell works to people only interested making a quick buck, adding: "We don't want to see the piece show up at the auctions in six months time."

Still, Art Basel is not only for the big spenders. Susanne Milberg, a 52-year-old German national, said she had already snapped up a nice "small-scale" piece for her private collection. "You can find good, affordable art here too," she said.

For visitors more interested in looking than buying, a whole 15,000-square metre hall is reserved for the "Unlimited" collection of 74 large and sometimes astonishing works that are not for sale.

Among them is German artist Julius von Bismarck, whose gut-wrenching installation "Egocentric system" shows him sitting, lying and glancing at his mobile phone for hours on end at the heart of a large, spinning concrete bowl, his long beard flowing in the wind.



Habibur Rahman, deputy managing director of Prime Bank, and Ashwani Nayar, general manager of Le Meridien Dhaka, exchange documents of a deal at a programme at the hotel yesterday. Prime Bank's JCB cardholders will get buy-one-get-one-free offer on the hotel's buffet Iftar and sehri services during Ramadan.



Rupali Chowdhury, managing director of Berger Paints Bangladesh, opens its office -- Berger Home Décor -- at sector 13 of Uttara in Dhaka recently. Mohsin Habib Chowdhury, senior general manager for sales and marketing, was also present.



Syed Gias Hussain, additional managing director of Apex Footwear, and Tamzid Siddiq Sponon, managing director of Zanala Systems, attend the signing of an agreement for a smart customer interface solution through 40-inch touch screen kiosk at Apex Footwear's Bashundhara outlet recently.



Md Nurun Newaz Salim, chairman of NCCB Securities and Financial Services, presides over the company's fifth annual general meeting at NCC Bank's head office in Dhaka on Tuesday. Md Abdul Bari Sarker, chief executive, was also present.

Govt to spend Tk 50,000cr on farm sector revamp

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Speaking at the meeting, the agriculture minister expressed worry about a 'brain drain' of agricultural scientists.

If the government fails to provide agricultural scientists with better salaries and incentives and cannot yield benefits of biotechnology because of brain drain, the farm sector would not reach a higher growth level, she said.

Matia cautioned against overexploitation of groundwater and said she would rather ban cultivation of irrigation-fed boro in the Barendra region and encourage maize and wheat farming instead, so that less groundwater is mined.

On fast depletion of farmland, the water resources minister said there is a huge prospect of land reclamation. "It will take only Tk 400 crore if we want to reclaim a 150 square kilometre of land by building a dam in Urir Char."

Mahabub Hossain, an adviser to Brac, emphasised resource allocation in promising sub-sectors like livestock and fisheries. Participants also stressed the need to invest more on agricultural research and development so that farmers can grow more from the diminishing croplands.

Four banks pay nearly \$1b to settle forex rigging suit

AFP, New York

Four major banks have reached separate agreements to settle a US civil lawsuit over alleged foreign-exchange rigging in deals totaling nearly \$1 billion, sources close to the situation said Wednesday.

The agreements by Goldman Sachs, French bank BNP Paribas and British

banks Barclays and HSBC are preliminary and could change, the sources said, confirming a report on the settlements in The Wall Street Journal that cited people familiar with the matter.

The four banks' pending agreements would settle the civil lawsuit filed by Scott & Scott and Hausfeld that alleges their traders manipulated the forex market to boost the banks' profits.

Banks take a hit as private sector remains passive

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The return on the call money rate has come down to just 5.25 percent, making that window less attractive for the bankers as well.

Bangladesh Bank has kept the auction of treasury bonds on hold since the first week of May after it found that the government had Tk 11,000 crore in excess funds, earned mostly by selling high-cost savings certificates to the public.

"We could have made some profit by investing our surplus funds in the government bonds, but that is not an option right now. Also, there is hardly any demand for money in the call money market," said Shafiqul Alam, managing director of Jamuna Bank. Jamuna Bank's consolidated net profit between January and March was down to Tk 3.84 crore from Tk 7.88 crore earned in the same period last year.

Net investment in savings instruments rose 184 percent to Tk 21,184 crore in the first nine months of the outgoing fiscal year compared to Tk 7,461 crore for the same period a year ago, according to the Directorate of National Savings.

People parked their money in the savings tools as the rate of return against deposits in banks had been declining for the past two years. Banks now offer a 7-9 percent interest rate on the fixed deposit schemes, while the savings tools offered

between 12.59 percent and 13.45 percent returns until May. "This gap of 4-5 percentage points lured people to buy savings tools increasing the government's interest payments," a senior BB official said.

Bankers said lending rates have been reduced by 2 to 3 percentage points in the last year, while interests on deposits went down further. Corporate and term-loans now cost 12 to 13 percent, down from 15 percent a year ago. "A good borrower can borrow at less than 12 percent," said the Jamuna Bank CEO. Even then, the industries are reluctant to borrow from the banks.

Private sector credit growth was down to 13.26 percent in April from 13.6 percent a month ago, according to Bangladesh Bank.

Prime Bank's consolidated net profit stood at Tk 78.21 crore for the January-March quarter, almost half of the bank's income in the same period last year.

Foreign currency loans taken by local enterprises are also squeezing the banking sector's business space, said Ahmed Kamal Khan Chowdhury, managing director and CEO of Prime Bank.

Foreign loans are typically available at 4.5-5 percent interest, data shows. Many local companies have used these low-cost loans to pay off their outstanding loans with the local banks ahead of schedule, cutting the local banks' stream of future earnings.

Stocks fall marginally

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Among the major sectors, the engineering and pharma sectors were up 1.27 percent and 0.37 percent, while cement declined 1.84 percent followed by telecom 1.07 percent, non-bank financial institutions 0.82 percent and banks 0.28 percent.

Hakkani Pulp and Paper was the day's best performer, advancing 10 percent, while Samata Leather Complex was the worst loser, slumping 9.44 percent.

Chittagong stocks fell slightly yesterday with the bourse's benchmark index, CXCX, eroding 10.35 points to stand at 8,458.62.

Losers beat gainers as 117 declined and 94 advanced while 29 closed unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.11 crore shares and mutual fund units, generating a turnover of Tk 31.84 crore.

7pc GDP growth achievable: ICAB

FROM PAGE B1
Syful Islam, another former president, said participation from all sectors is the key to implementing the budget properly, as the government alone cannot do it.

He said the budget has given proper attention to every sector.

Abbas Uddin Khan, another former president, said the quality of development spending has to be raised. Otherwise, there might be a backlog of projects as in previous years.

Shahadat Hossain, a councillor of ICAB, said the government's bank borrowing target might not have any impact on private sector credit growth.

Correction

In a report headlined "VAT on e-commerce draws flak from business leaders" published yesterday, it was mistakenly written that MA Hakim is the country manager of MasterCard Bangladesh. Actually the name of the country manager of MasterCard Bangladesh is Syed Mohammad Kamal. We regret the error.

Four firms bid for satellite project

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Razzaque said the proposals from the four companies have been forwarded to the technical committee for evaluation.

"This is the biggest technical evaluation in the country's history -- we will be more rigorous with it. So, it may take some time," said ATM Monirul Alam, head of the technical committee.

The country plans to launch the Bangabandhu-1 satellite on the 119.1 east longitude orbital slot, which was earlier purchased at \$28 million from the Russian company Intersputnik, on December 16, 2017.

But Razzaque said the launch might be delayed. The project will cost Tk 2,967 crore, of which Tk 1,652.44 crore will come from foreign loans and the winning bidder has to arrange 85 percent of that sum.

The remaining Tk 1,314.56 crore will come from the government.

At present, the country's demand for a satellite is met by renting bandwidth from different operators, which costs almost \$14

million a year, with the amount increasing progressively.

This amount will be saved with the launch of the satellite, and the Bangladesh Telecommunication Regulatory Commission is optimistic that the project will take only seven years to reach the breakeven point.

The satellite will narrow the digital divide as it will take broadcasting and telecom services to rural areas, according to project documents.

After the launch, the satellite will be maintained by a company that needs to be formed, Alam said.

BTRC has selected two locations for ground handling: Telecom Staff College in Gazipur and Betunia Earth Station in Rangamati.

Once launched, Bangabandhu-1 will serve the Saarc countries, Indonesia, the Philippines, as well as countries such as Turkmenistan, Kyrgyzstan and Tajikistan, if the frequencies are properly coordinated.

Vegetable prices soar as Ramadan comes

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"The prices of brinjal have gone beyond our reach," said Golam Kabir, a retired government official.

At a kitchen market at Shukrabad in the city, prices of koral fish went up to Tk 650 a kg from Tk 500 a week ago, and ruhi Tk 330 from Tk 280-Tk 300.

However, Habib Hossain, a customer at the market, said the prices of two popular items -- gram and date -- were almost stable.

Prices of potato and onion went up by Tk 4-Tk 5 a kg compared to the previous week, according to Trading Corporation of Bangladesh.

Retailers blamed the soaring prices of vegetables on a supply shortage. But Hossain said traders are making excessive profits in the name of a supply crunch.

In every Ramadan, prices of some vegetables and food items go up unusually as their demand increases and some wholesalers and retailers cash in on the situation.

The Federation of Bangladesh Chambers of Commerce and Industry, the apex trade body, always urges the traders not to hike prices excessively but to no avail. Consumers rights activists blame weak monitoring by the government for the price hike.



Masudur Rahim, a director of TNT Bangladesh, an associate of TNT NV, presents a raffle draw gift to a customer during TNT Customer Night held in Dhaka recently.



Reshadur Rahman, chairman of Dhaka Bank, opens the bank's relocated branch on Suhrawardy Avenue in Baridhara, Dhaka on Wednesday. Niaz Habib, managing director, was also present.



Atif Bajwa, chief executive of Bank Alfalah, and SAA Masrur, country head for Bank Alfalah Bangladesh, attend an event to unveil the bank's new brand identity recently.