ESKAYEF

Latifur Rahman, chairman of Eskayef Bangladesh Ltd, attends the annual conference of the company at Bangabandhu International Conference Centre in Dhaka on December 21. Managing Director and CEO Simeen Hossain and directors Shahnaz Rahman, Atiqur Rahman, Arshad Waliur Rahman, Shahzreh Haq and Ahmed Shafi Chowdhury were also present.

Eskayef sales jump manifold

STAR BUSINESS DESK

Annual sales of Eskayef Bangladesh Ltd, a leading pharmaceutical company, crossed the Tk 1,000-crore mark in 2015, according to a statement.

Sales of Eskayef, a concern of Transcom Group, were worth Tk 1 crore in 1990 when it started its journey.

Besides manufacturing for the local market, the company is now exporting its medicines to 21 countries across Europe, Australia, Asia and Africa.

"It is not possible for a company to survive for a long time without successful business. But Eskayef did not prefer an easy way to achieve accomplishment in business," said Latifur Rahman, chairman of the pharmaceutical company, at an annual conference at Bangabandhu International Conference Centre in Dhaka on December 21.

"From the very first day of its journey, honesty, ethics and values have been maintained. We believe if one can earn trust of people through quality services and products, success in business is inevitable."

Managing Director and CEO Simeen Hossain said: "2015 is one of the successful years for Eskayef. Several new products have been introduced this year. Apart from maintaining the utmost quality, innovation has also been considered as a priority. That is why, the annual growth of Eskayef has surpassed the market growth."

Matiur Rahman, editor of Prothom Alo, a leading Bangla-language daily, delivered a motivational speech as a guest speaker at the event. He said: "Most of the companies of Transcom Group are in leading positions in their respective fields maintaining the highest level of business ethics and values. The amazing success in the recent past indicates that Eskayef will continue to be one of the leaders in the pharmaceutical industry."

Another guest speaker, Mahbubur Rahman, president of International Chamber of Commerce Bangladesh, said, "Eskayef and the other Transcom concerns have proved that it is possible to be successful in business even by maintaining honesty and ethics."

Mohammad Mujahidul Islam, general manager for marketing at Eskayef; Mir Mostafizur Rahman, general manager for sales, and Ikhtiar Hossain, general manager for technical services, were also present.

Survival of fittest for commodities shipping firms in 2016

REUTERS, *London*

SHIPPING companies that transport commodities such as coal, iron ore and grain face a painful year ahead, with only the strongest expected to weather a deepening crisis caused by tepid demand and a surplus of vessels for hire.

The predicament facing firms that ship commodities in large unpackaged amounts - known as dry bulk - is partly the result of slower coal and iron ore demand from leading global importer China in the second half of 2015.

The Baltic Exchange's main sea freight index - which tracks rates for ships carrying dry bulk commodities - plunged to an all-time low this month.

In stark contrast, however, tankers that transport oil have in recent months enjoyed their best earnings in years. As crude prices have plummeted, bargain-buying has driven up demand, while owners have moved more aggressively to scrap vessels to head off the kind of surplus seen in the dry bulk market.

Symeon Pariaros, chief administrative officer of Athens-run and New York-listed shipping firm Euroseas, said the outlook for the dry bulk market was "very challenging".

"Demand fundamentals are so weak. The Chinese economy, which is the main driver of dry bulk, is way below expectations," he added. "Only companies with very strong balance sheets will get through this storm."

The dry bulk shipping downturn began in 2008, after the onset of the financial crisis, and has worsened significantly this year as the Chinese economy has slowed. The Baltic Exchange's main BDI index - which gauges the cost of shipping such commodities, also including cement and fertiliser - is more than 95 percent down from a record high hit in 2008.

The index is often regarded as a forward-looking economic indicator. With about 90 percent of the world's traded goods by volume transported by sea, global investors look to the BDI for any signs of changes in sentiment for industrial demand.

"The state of the dry bulk market especially indicates that economies worldwide are likely to stay weak, much to the disappointment of central banks ... FX traders, miners, steel makers, trading houses, and commodity economies," said Basil Karatzas, head of New York consultancy and brokerage Karatzas Marine Advisors & Co.

Ratings agency Fitch downgraded the shipping sector to negative, from stable, this month due to slowing global trade and an economic slowdown in emerging markets, adding that dry bulk would remain under pressure.

Slowing demand and concerns over the health of the Chinese and global economies have pushed the 19-commodity Thomson Reuters/Core Commodity CRB Index, which tracks the prices of 19 commodities including oil and grains, to its lowest level since 2002.

"There is no doubt that the overall macro situation is one that does not engender a lot of confidence for increased trade flows in 2016 and beyond," said Khalid Hashim, managing director of Precious Shipping, one of Thailand's largest dry cargo ship owners.

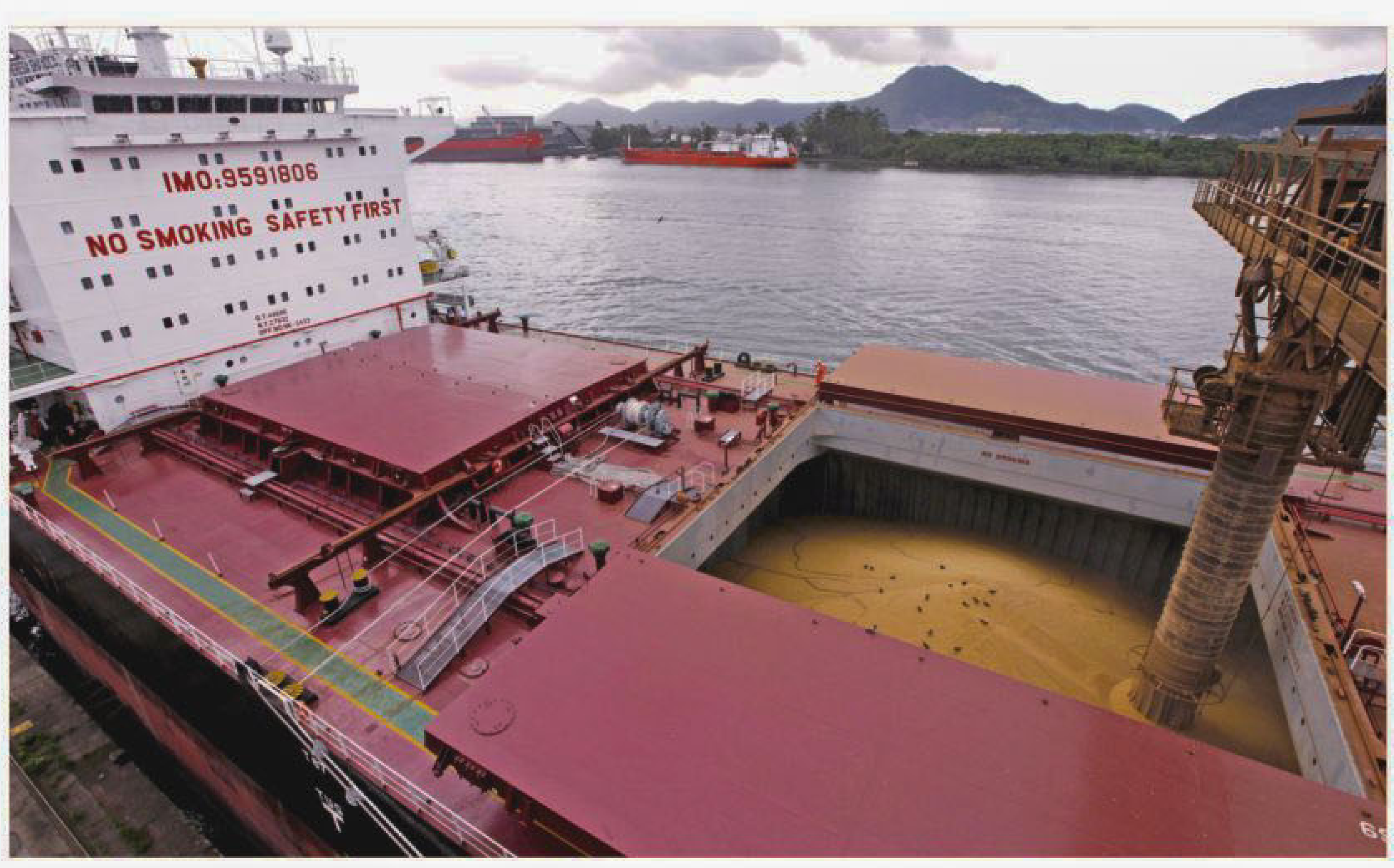
Worsening conditions have already claimed casualties.

In September, Japanese bulk carrier Daiichi Chuo Kisen Kaisha filed for protection from creditors, and private equity backed Global Maritime Investment Cyprus Ltd filed for Chapter 11 bankruptcy protection in the United States.

Smaller dry bulk ship owners are expected to struggle in coming months.

"There are clearly big problems for almost all dry bulk owners, certainly those who cannot subsidise dry bulk through ownership in tankers. Debt can only be serviced through reserves of capital and not from cash-flow," said Tony Foster, chief executive of British shipping asset manager Marine Capital.

"Public companies will issue discounted shares. Small private companies without obvious external support will be at the most risk."



REUTERS/FILE

A ship is loaded with soybeans at Santos port in Brazil.

Saudi posts record $98b deficit

AFP, *Riyadh*

Opec kingpin Saudi Arabia posted a record $98 billion budget deficit in 2015 due to the sharp fall in oil prices, the finance ministry said on Monday.

Revenues were estimated at 608 billion riyals ($162 billion), well below projections and 2014 income, while spending came in at 975 billion riyals ($260 billion), ministry officials announced at a press conference in Riyadh.

The budget deficit is the highest in the history of Saudi Arabia, the world's largest oil exporter, but was not as big as some expected.

The International Monetary Fund had projected the 2015 deficit to be around $130 billion and other reports also put it above $100 billion.

It was the second deficit year in a row for Saudi Arabia and Riyadh is expected to announce another shortfall when it unveils its 2016 budget later on Monday.

The kingdom has seen a sharp drop in revenues as oil prices have fallen by more than 60 percent since mid-2014 to below $40 a barrel.

Public revenues are the lowest since 2009, when oil prices dived as a result of the global financial crisis.

Income for 2015 was 15 percent lower than projections and 42 percent less than in 2014.

Oil income has normally contributed around 90 percent of total revenues.

Facebook founder urges free internet in India amid row

AFP, *New Delhi*

FACEBOOK founder Mark Zuckerberg urged India Monday to approve a controversial plan that would provide a free Internet service to the poor, his latest bid amid an escalating row with authorities.

The head of the social network tried to drum up support for the Free Basics service that offers people without the Internet free access to a handful of websites through mobile phones, in a column in the largest-selling English daily The Times of India.

"If we accept that everyone deserves access to the Internet, then we must surely support free basic Internet services," the chief executive wrote, comparing the Internet to a library, public health care and education.

"Surprisingly, over the last year there's been a big debate about this in India," he added.

"Instead of wanting to give people free access to basic Internet services, critics of the programme continue to spread false claims -- even if that means leaving behind a billion people."

Zuckerberg's personal appeal comes amid fierce criticism from net neutrality activists who say his plan violates the principle that the whole Internet should be available to all and unrestricted by any one company.

Earlier this month the Telecom Regulatory Authority of India ordered Reliance Communications, the sole mobile operator for the service, to suspend it temporarily without giving a reason, documents seen by AFP show.

Mark Zuckerberg

Some 3.2 million people have petitioned India's telecoms regulator not to ban Free Basics, formerly named Internet.org. It launched nationwide last month after being trialled in several states.

Several prominent Indian entrepreneurs and members of the tech community have spoken out against Free Basics, arguing that even for poor citizens, no Internet is better than a hand-picked and corporate-controlled web offering.

But in an attempt to counter claims "that this will make Internet more like a walled garden", Facebook has taken out billboards and full-page newspaper adverts defending the initiative.

Free Basics is "at risk of being banned" in India, Facebook said in the adverts, adding that the service aims to help a billion unconnected Indians -- mostly living in poor rural areas -- to get online.

Japan factory output slumps as recovery stumbles

AFP, *Tokyo*

JAPAN'S factory output declined in November, official data showed Monday, falling back after two months of gains as the economy struggles to mount a recovery.

The disappointing data -- industrial production fell 1.0 percent from a month earlier -- comes after separate figures last week showed persistently weak inflation and household spending.

The numbers underscore Tokyo's challenge in conquering years of deflation and tepid growth with the prime minister's "Abenomics" policy blitz.

Monday's decline in factory output was worse than market expectations for a 0.4 percent contraction.

Output is taking "one step forward and one step back," the ministry of economy, trade and industry said in a statement.

The government forecast stronger figures this month and in January.

"But we should not be so optimistic," said Yusuke Shimoda, an economist at Japan Research Institute.

"One big concern is a slowdown in the Chinese economy, which is pressuring Japanese companies."

On Friday, Japan said that core inflation, excluding volatile fresh food prices, ticked up 0.1 percent in November.

It was the first gain in five months but remains way below the Bank of Japan's 2.0 percent target, as officials struggle to convince cautious firms to usher in big wage hikes to stir spending.

In November, household spending fell 2.9 percent from a year ago, the third monthly decline.

Japan's economy saw a slight uptick in the July-September quarter, rising 0.3 percent -- and reversing an earlier forecast of a contraction that had risked putting the country into recession for the second time in as many years.

But a lacklustre global economy, marked by the slowdown in China and weakness in emerging markets, is also posing challenges to the recovery.

Tokyo has approved an extra spending budget to stimulate the economy.

A falling price spiral in Japan for years put consumers off buying in the hope of getting goods cheaper down the road, denting firms' expansion and hiring plans. That has weighed on growth in the wider economy.

This month, Japan's central bank announced an unexpected tweak to its 80 trillion yen ($665 billion) annual asset-buying scheme in a bid to power a recovery in the economy.

The central bank's stimulus, launched more than two years ago, is a cornerstone of Prime Minister Shinzo Abe's attempt to kickstart the long-lumbering economy.

REUTERS

People walk past construction cranes at a shopping district in Tokyo yesterday.