

HSBC's car loan campaign ends

The Hongkong and Shanghai Banking Corporation Limited (HSBC) in Bangladesh held its closing and prize distribution ceremony of the Car Loan Campaign for vendors recently, says a press release.

The campaign generated car loan references from the car dealers/vendors operating in Dhaka and Chittagong.

A number of car vendors participated in the campaign which started on December 1, 2002 and ended on February 28, 2003.

Mamoon M Shah, manager of Personal Financial Services, said "HSBC's car loan offers attractive rates and flexible repayment periods for its valued customers."

The winner Jashim Uddin Badal of Chittagong Car Centre was awarded a grand prize of a holiday package (Dhaka-Bangkok-Dhaka) for three nights in a five star hotel.

Oriental Bank's first Board meet held

The first meeting of the Board of Directors of The Oriental Bank Limited was held in the board room of the bank's head office in Dhaka on Saturday, says a press release.

Masum A Chowdhury, chairman of the Board, presided over the meeting.

Among others, Dr F M Rafiqul Islam, S S Nasim Afaz Chowdhury, Dr Shah Ahmed Iqbal, Brig Gen (Retd) Md Zakir Hossain, Shahedul Islam, Ismail Dobash, Directors, were present at the meeting.

C M Koyes Sami, managing director, Md Yasin Ali, general manager of Bangladesh Bank, Md Imamul Hoque, deputy managing director, Md Shafiquddin, senior executive vice president and Alamgir Kabir Samad, executive vice president and company secretary were present at the meeting.

The meeting reviewed the overall performance and future plans of the bank.

SEDF, Misami Garments sign MoU

South Asia Enterprise Development Facility (SEDF) signed a memorandum of understanding (MoU) with Misami Garments Limited to provide assistance in technical consulting and capacity building, says a press release.

SEDF, multi-donor funded facility, supports the growth of small and medium enterprises (SMEs) in Bangladesh, Nepal, Bhutan and Northeast India.

Misami Garments Limited, is a readymade garment company producing woven garments.

The MoU will help Misami successfully complete an industrial engineering project.

Anil Sinha, general manager, Deepak P Adhikary, programme manager, Business Development Services, and Raihana Rabbany, project officer of SEDF, and Miran Ali and Mishal Ali, directors, of Misami Garments Limited were present at the signing ceremony.

Cemex first quarter net sales up 2pc

Cemex, SA de CV (NYSE: CX) recently announced that its consolidated net sales for the first quarter of 2003 were US\$ 1.6 billion, which represents a 2 per cent increase in dollar terms compared with the first quarter of 2002, says a press release.

This growth was primarily due to the positive contribution of the company's newly acquired Puerto Rican unit, combined with higher volumes in Mexico, Spain, Central America and Caribbean operations.

Its global consolidated cement sales volumes during the quarter were 14.9 million metric tons, a rise of 5 per cent compared with the first quarter of 2002, while ready-mix volumes were 28 per cent higher.

Hector Medina, Executive Vice President of Planning and Finance, said, "We are pleased to see that our first quarter results are in line with full-year EBITDA that we provided at the start of the year. We remain optimistic about our major markets' medium to long-term economic outlook, as we firmly believe that we are in the bottom part of many of our markets' business cycles. Moreover, we expect that our diversified portfolio, the investments we've made in efficiency enhancement programmes, along with our continued cost-cutting initiatives, will further bolster our business model and improve our free cash flow generation going forward."

Khosru blasts EPB, BSCIC, suggests restructuring

STAR BUSINESS REPORT

Commerce Minister Amir Khosru Mahmud Chowdhury yesterday came down heavily on two key government institutions -- Export Promotion Bureau (EPB) and Bangladesh Small and Cottage Industries Corporation (BSCIC), saying export and growth of small industries cannot be ensured unless these bodies undergo major restructuring.

He said the capacity of such government bodies need to be enhanced by involving professionals from private sector and stakeholders if these organisations want to keep pace with competitive global market.

"I have already informed the Prime Minister that the EPB must be restructured with representation of exporters who know the nitty-gritty of world market mechanism and can rightly preserve interests of their community by taking right decision in right time," he explained.

The minister was addressing a seminar on 'Promotion of Small and Cottage Industries in Bangladesh: Prospects and Role of NASCIB' organised in Dhaka by National Association of Small and Cottage Industries of Bangladesh (NASCIB) to mark its 19th founding anniversary.

He said rather than being facilitators, EPB and

BSCIC are gradually taking figurehead role with their 100 per cent civil servants holding key posts, most of them lack expertise and practical know-how of complicated global trade regime.

"So civil servants must be mixed with private sector experts to get the right combination, who can be able to support private sector," he observed.

The minister asked the trade bodies to increase their capacity so that they can develop expertise in relevant fields and perform more professionally to improve their business.

Terming trade bodies not so active, he said they must appoint professional people to enhance their capacity in the areas of training, negotiation, financing and so on.

On financing small and cottage industries, he assured that funding would not be a problem if entrepreneurs come up with potential venture.

Lambasting private commercial banks (PCBs) for their rigidity in interest rate, he said if nationalised commercial banks can offer loans to small industries at seven per cent, why PCBs can not.

He urged PCBs to be flexible on interest rate for projects, which hold prospects.

FBCCI President Yussuf Abdullah Harun said the government should form a financing institution

exclusively for small and cottage industries.

He also urged the government to formulate a policy for small and cottage industries, which is deemed to be engine of economic growth.

He said the current industrial policy needs to be updated accommodating clear-cut guidelines for small and cottage industries which can generate huge employment in the country where 20 lakh people join fresh unemployed list a year.

NASCIB President Mirza Nurul Gani Suvon said BSCIC and NASCIB must work hand in hand to boost growth of small industries.

He urged the government to launch a credit guarantee scheme and ensure loans on easy condition for cottage industries.

He disclosed that NASCIB would organise a national conference within a few months, where the Prime Minister is expected to be chief guest.

NASCIB will also organise fairs every year in Dhaka and other cities, he said.

Industries Secretary ASM Sarwar Kamal, vice-presidents of NASCIB Prof Masuda M Rashid Chowdhury and Reza Shah Farukh, former president of NASCIB Md Habibur Rahman Sheikh and Enterprise and Human Development Specialist Syed Anwarul Azim also spoke at the function.

Information dearth hinders French investment

STAR BUSINESS REPORT

Lack of right information on trade and investment opportunities in Bangladesh hinders the desired flow of French investment," said Foreign Minister M Morshed Khan yesterday.

"Language barrier, lack of interaction and right information about opportunities in Bangladesh have led to a considerable reservations in the mind of French investors" the minister said while addressing a luncheon meeting of the France-Bangladesh Chamber of Commerce and Industry.

He said the Chamber can play an innovative and constructive role in increasing investment and trade between the two countries through dissemination of information to the entrepreneurs.

French businessmen as well as consumers know very little about Bangladeshi products other than RMG, he said at the meeting presided over by chamber president Gerard Marchand.

"We should take appropriate steps in

familiarising our range of viable products with the French business circle to rise export as Bangladesh is able to offer quality products at competitive prices" he added.

French investment in Bangladesh has been rather minimal considering its worldwide investment and he put stress on collaborative efforts to attract French investors in Bangladesh, the minister observed.

However, he said Bangladesh export to France has increased gradually over the years.

Despite global recession and the aftermath of the US September 11 tragedy, Bangladesh export to France reached all-time high during the July 2001 and 2002 period, amounting to 414 million US dollars while French export to Bangladesh was 83 million US dollars, he said.

The minister hoped that this trend would continue in the future as Bangladesh is the second largest exporter to France.

Replying a question from a business-

man regarding cumbersome laws hampering investment in the county, he said the Board of Investment has been reorganised to facilitate the investors so that they could invest bypassing the outdated laws.

The minister said that the European union's move to give duty free access would not facilitate Bangladesh up to the desired level due to its stringent rules of origin requirements. "We hope that France would support an initiative for relaxation of the rules of origin of the EU," the minister said.

He said several agreements signed between the two countries over the years would pave the way for fruitful cooperation between France and Bangladesh.

France Ambassador to Bangladesh Michel Lummaux said there is an huge trade gap between the two countries which need to be reduced.

Obaidur Rahman and Rifat Rashaid, vice-president and director of the Chamber, also spoke at the meeting held at hotel Sheraton.

Maggi cooking show held

The second cooking show of Maggi 1-Step Recipe Mixes was held recently at Dhaka Ladies Club, says a press release.

Nestle Bangladesh organised the show as part of its Maggi 1-Step Recipe Mix launch programme.

TV artistes Zinat Barkatullah and Bijori Barkatullah jointly inaugurated the event.

Maria Decker, head of Marketing and Sales, Shammii Rubayet Karim, brand manager-Maggi, and Ashraf-Bin-Taj, communication and consumer services manager, and other officials of Nestle Bangladesh were present.

The cooking show ended with a raffle draw.

Thai shrimp exports shrink as low-cost rivals surge

AFP, Bangkok

Thai shrimp exports fell more than 25 per cent in value last year from 2001 due to competition from regional rivals such as China and Vietnam, a report said Tuesday.

Thailand's total shrimp exports earned 73.95 billion baht (1.73 billion dollars) in 2002, down 25.06 per cent from the previous year, while export volume declined 17 per cent to 212,091 tonnes, according to customs department data cited by the Bangkok Post.

President of the Black Tiger Shrimp Farmers, Producers and Exporters Association, Somsak Panetattayasai, said shrimp exports would remain depressed this year due to stiff competition from rivals with lower production costs and tight European Union inspection policies, the paper said.

Exports to the EU plunged by 57.64 per cent in 2002 after it imposed systematic checks on shrimp imported from Thailand after traces of cancer-linked chemicals were found.

EU food safety experts agreed in January to revoke the checks in the 15 member states, saying Thailand had demonstrated "major improvement in the situation."

The Thai government was estimating 10 per cent growth in shrimp exports this year after last year's drop, but local exporters were worried Europe could reinstate the blanket inspections, the English-language daily said.

SIA cancels war surcharge on cargo

AFP, Singapore

Singapore Airlines (SIA) said Tuesday its cargo subsidiary will immediately cancel a war surcharge imposed at the start of the war in Iraq.

"Singapore Airlines Cargo is rescinding its war surcharge on affected flights through the Middle East with immediate effect," it said in a statement.

A surcharge of 25 US cents a kilogram (2.2 pounds) was imposed when the war in Iraq broke out to cover contingency costs such as added security and insurance charges.

Doel Group fails to pay Tk 7cr debenture debt

M SHAMSUR RAHMAN

After defaulting in dividend payment, two companies of Doel Group this time failed to pay principal and interest amount on debentures issued by two of its companies.

The Securities and Exchange Commission (SEC) officials said despite repeated notices, the trustees to the debentures failed to initiate any move to settle the claim from the debenture-holders.

In the letters, the SEC urged the trustees to take appropriate actions as prescribed in the trust deed. "In our board meetings, the SEC expressed dissatisfaction over the negligence of duties by the trustees," the SEC said in one of the letters to the trustees.

The two companies, Bangladesh Luggage and Bangladesh Zipper, raised a total of Tk 19 crore through issuing debentures. Bangladesh Luggage raised Tk 15 crore in September 1996 while Bangladesh Zipper raised Tk four crore in July 1995.

The total default amount of both the companies stands at Tk 7.18 crore - Tk 6.08 by Bangladesh Luggage and Tk 1.10 crore by Bangladesh Zipper.

Of the total default amount by Bangladesh Luggage, the company owes Tk 2.92 crore to Investment Corporation of Bangladesh (ICB) alone.

The SEC had received a number of

complaints from the investors, based on which it wrote to the trustees to the debentures.

"Debenture is secured on first paripassu charge on the fixed assets of the company," according to the registered deed of the company.

Debenture-holders will get priority over other creditors if the company goes into liquidation, the trust deed says.

But the SEC officials say that despite such clear guidelines in trust deeds, the trustees are failing to initiate any move against the company to settle the claims from the debenture-holders.

They say the board of trustees is appointed to make sure that the debenture amount is utilised according to the original terms.

"And they have also been given the power to change the chief accountants of the company if they feel that the money raised through debenture is not utilised in proper manner," a top SEC official said.

Pragati Insurance Limited is the main trustee to the debenture while National Credit and Commerce Bank Limited is the co-trustee.

Both the trustees in response to the SEC notices wrote to both the defaulting companies to settle dues of the debenture-holders.

"Everyday scores of debenture-holders request you for repayment of their overdue installments. We are also

receiving repeated reminders from them to take appropriate action as per provisions of the trust deed. We wrote you letters enclosing copies of the complaints of the debenture-holders, requesting you to arrange payments to them. But our letters remained unheeded."

"Under the circumstances we, we again request you to settle all the debenture-holders' dues without further delay. In the event of your failure to settle the dues immediately, we are afraid we will be compelled on the repeated insistence of the debenture-holders and the SEC to institute legal action as per provision of the trust deed," according to a letter of Pragati Insurance Limited to managing directors of both the companies on December last year.

But the SEC officials say the pressure tactic appears to be futile and the trustees should rather initiate move to dispose of the assets of the companies to settle the claims of the investors.

Despite repeated attempts, the company officials could not be reached for their comments.

The SEC has already filed a case with the Court of General Certificate Officer against four companies of Doel Group to realise a penalty amount it imposed on the companies for defaulting in dividend payment as well as in debenture principal and interest amount payment.



PHOTO: HAY ELECTRICAL INDUSTRIES
Mohammad Najmul Islam, managing director of Hay Electrical Industries Limited, speaks at a function organised in Dhaka on Monday to mark the handing over of ISO-9001: 2000 certificate to the company. Hay Electrical Industries received the certificate on quality management system from Bureau Veritas Quality International, UK.

RBI sees 6pc Indian growth next fiscal

AFP, New Delhi

India's central bank governor Bimal Jalan said Monday that India's economic growth was likely to be around 6.0 per cent in the financial year ending March next year.

"The GDP growth of 6.0 per cent is based on the Indian Meteorological Department's forecast of 96 per cent rainfall in the coming monsoon," RBI Governor Bimal Jalan told reporters here.

India's annual economic growth during the year ended March has been estimated at 4.4 per cent by the government.

Last fiscal year, a crippling drought hit agricultural production resulting in lower economic growth, despite a strong performance by the industrial sector.

The central bank governor said agricultural growth will be between 4.0

and 4.5 per cent in the current fiscal year as compared to a negative 3.1 per cent growth last year.

Jalan said inflation in the current fiscal year was likely to drop to between 5.0 and 5.5 per cent.

"The inflation will be around 6-6.1 per cent during the first quarter. We expect it to soften in the second quarter starting from July," Jalan said, adding that inflation was expected to end this fiscal year at about 5-5.5 per cent.

He said the assumption was based on a fall in oil prices following the Iraq war, resulting in lower prices even in the Indian market.

Inflation has risen to around 6.0 per cent in recent months following a sustained rise in oil prices since January.

India imports nearly 70 per cent of its oil needs from overseas and economists had forecast that a prolonged war in Iraq was bound to hold back Indian economic growth.

Computer sales in Asia up 10pc

AFP, Singapore

Personal computer (PC) sales in the Asia Pacific region increased nearly 10 per cent in the first quarter from a year earlier but the SARS outbreak threatens to dampen spending in the second three months, an industry monitor said Tuesday.

Preliminary data showed PC sales in the March quarter totalled 6.26 million units in the region, excluding Japan, up 9.5 per cent from 5.72 million in the same quarter in 2002, International Data Corp. said in a report.

However, sales in the three months to March were nine per cent lower compared with the December quarter, IDC said.

The improved sales came from strong demand in China, Australia and India, particularly from the government and education sectors, it said.

"The Asia Pacific region continued to steam ahead in spite of lingering uncertainties surrounding the global economy and the war in Iraq," said Bryan Ma, IDC's personal systems senior research manager.

Two Russian oil firms create world's 4th largest company

AFP, Moscow

Two of Russia's biggest oil producers, Yukos and Sibneft, announced a merger Tuesday creating a world powerhouse rivaling Total, Elf and Chevron Texaco.

The two companies said the deal, by far the largest merger in Russia's emerging market economy, will create the fourth-largest private oil producer in the world, a joint statement said.

Yukos, Russia's second largest oil producer behind LUKoil, will play the dominant role in the new company, to be called YukosSibneft Oil Company, after the agreed acquisition of Sibneft, ranked fifth.

The statement said shareholders from the two sides "have agreed in principle to combine the two businesses in the largest ever industrial transaction in Russia."

The statement added: "The com-

pared oil and gas groups will not only be the largest in Russia, but will also rank as the world's fourth largest private oil producer."

In a transaction to be completed by end 2003, Sibneft will sell Yukos a 20-per cent shareholding for three billion dollars cash (2.77 billion euros).

This will be followed by an exchange of the remaining Sibneft shares for shares in the new entity.

Yukos president Mikhail Khodorkovsky is to be responsible for executive management of the new group while Eugene Shvidler, his Sibneft counterpart, is to be proposed for chairman of the board of directors.

Khodorkovsky told a press conference the two companies "have some complex joint projects in the near future, in particular international diversification and regional development such as in eastern Siberia and the

Far East."

The merger would "create a new potential for Russian business," he said.

However the merger operation was "in its early stages and we cannot give you all the information," he stressed.

YukosSibneft will make "a fair offer" to minority Sibneft shareholders "after receiving a fairness opinion from an internationally recognised investment bank," the companies' joint statement said.

Including the reserves of Slavneft, the oil firm bought by Sibneft at the end of last year, the new group will hold reserves of 19.4 billion barrels of oil and gas equivalent.

Daily crude oil production including Sibneft's share of Slavneft will be approximately 2.3 million barrels, making YukosSibneft by far the largest producer of crude oil in Russia, the statement said.



PHOTO: HSBC
Mamoon Mahmood Shah, manager of Personal Financial Services of HSBC in Bangladesh, hands over a prize to Jashim Uddin Badal of Chittagong Car Centre, winner of the Car Loan Campaign for vendors which ended recently.