

BFFEA team leaves for Brussels exposition

A 22-member delegation led by Quazi Monirul Haq, president of Bangladesh Frozen Foods Exporters Association (BFFEA), left Dhaka for Brussels, Belgium on Sunday to attend the three-day European Sea Food Exposition (ESE)-2003 beginning there today, says a press release.

At the fair, the delegation will meet the importers, buyers and seafood industry people. The team will also participate in the seminar organised by Seafood Importers and Processors Alliance (SIPA), a Brussels-based international forum.

The leaders of BFFEA will also have separate meetings with the officials of European Commission (EC) and INFOFISH to highlight the efforts made by the exporters to improve the quality of the shrimps of the country.

Other members of the delegation are: Vice President M M A Salam, Secretary General Mahmudul Hasan, Executive Committee Members Towhidur Rahman and SM Amjad Hossain.

The members of the team will visit some other EU countries and Canada.

It may be mentioned that a stall at the ESE-2003 has been set up by the Export Promotion Bureau with the joint cooperation of the Bangladesh Embassy in Brussels, Belgium and BFFEA.

India to start flights to Kabul if Pak overflight ban goes

AFP, New Delhi

India is hoping to start flights to Afghanistan's capital Kabul should Pakistan as expected lift a ban on overflights by Indian carriers, Aviation Minister Shahnawaz Hussain said Monday.

He said he was hopeful that Pakistan would respond positively to India's offer last week to revive air links, 17 months after ties were severed. Islamabad has welcomed the move.

"We are waiting for a Pakistani response, expected in a fortnight, before planning further," Hussain was quoted by the United News of India as telling reporters in the southern Indian city of Madras.

Afghanistan's Ariana Airlines has been operating direct flights between New Delhi and Kabul for nearly a year, after the fall of the Taliban regime.

India has been developing close relations with Afghanistan's new government and has given three planes to Ariana over the past year as the airline had lost all its fleet in two decades of war.

However, state-carriers Indian Airlines and Air India have not been operating to Kabul because of the Pakistani ban on overflights.

Diplomatic ties and air, rail and road links between India and Pakistan were cut by India after an attack on its parliament in December 2001 which New Delhi blamed on militants supported by Pakistan.

Putin calls for CIS-Europe common economic area

AFP, YALTA, Ukraine

Russia and the other former states of the Soviet Union must "work towards the creation of a common economic area with Europe", Russian President Vladimir Putin said on Sunday.

Putin, speaking at a joint press conference with his Ukrainian counterpart Leonid Kuchma, said this would be a prominent topic at a European Union-Russia summit on May 31 in Saint Petersburg, also to be attended by the leaders of other nations in the 12-member Commonwealth of Independent States (CIS).

Italian Prime Minister Silvio Berlusconi, whose country takes over the EU presidency in July, has vowed to push for closer ties between the 15-nation bloc with Moscow.

Berlusconi, who has close personal ties with Putin, believes that bringing in Russia and other CIS states would turn the EU into a superpower on an equal footing with the United States.

Body to aid frozen food sector in the making

Iraq war, 'propaganda' exact high prices on export

RAFIQ HASAN

The government has decided to form a body to work out a bailout plan for the frozen food sector, dogged by war on Iraq and 'propaganda' in the international media.

Members of the committee, to be comprised of representatives from all stakeholders in the sector, will visit shrimp cultivation areas and processing units to observe the environmental, quality control and child labour issues.

They will also ensure quality of export items and formally send factual data to the international media, sources privy to the meeting said.

The decision to form the permanent committee, to be headed by

joint secretary (export) of commerce ministry, came at a meeting on Sunday.

A section of local non-governmental organisations are providing information to international media depicting a picture of child labour, poor quality control and other environmental hazards in the Bangladeshi shrimp sector, said frozen food exporters, who attended the meeting.

"The price of frozen shrimp has been dipping because of the war. And such propaganda may bring further disaster," said Quazi Monirul Haq, president of Bangladesh Frozen Food Exporters Association (BFFEA).

Commerce Secretary Suhel Ahmed presided over the meeting,

which was attended by BFFEA President Quazi Monirul Haq and former president Golam Mostafa. Officials of commerce and fisheries and livestock ministries also attended the meeting.

According to the BFFEA president, price of frozen shrimp has plummeted by around 20 per cent in the international market since the war began in Iraq.

The price of 16-20 inches of shrimps fell from an earlier \$5 to \$4.30 per pound, according to sources.

Some quarters in Europe have urged their respective governments to impose ban on frozen foods including shrimp from Bangladesh, the sources said.

Their appeal followed some

negative stories published in the London Times and The Guardian of the UK last month.

The frozen food exporters brought the issue to the government's notice and called for measures to counteract the propaganda.

In the first seven months of the current fiscal, Bangladesh earned US\$ 207 million by exporting frozen foods. The government has a target to fetch US\$ 320 million from the sector this fiscal year.

Frozen food exporters hoped the target will be achieved if the government takes immediate measures for negating the propaganda and building a positive image abroad.

Southeast Bank Ltd arranges Tk11.5cr for Metro Spinning

Southeast Bank Limited has arranged a project loan of Tk 11.5 crore for Metro Spinning Ltd under a club finance, says a press release.

The spinning mill will get Tk 7.5 crore from Southeast Bank and Tk four crore from Bay Leasing and Investment Ltd.

A loan agreement to this effect was signed recently between Southeast Bank Ltd and Metro Spinning Ltd. A pari passu security sharing agreement amongst Southeast Bank Ltd and Metro Spinning Ltd and Bay Leasing and Investment Ltd was also inked.

Senior Executive Vice President of Southeast Bank Ltd Khondker Fazle Rashid, Managing Director of Metro Spinning Ltd Mohammad Ali Khokon and Managing Director of Bay Leasing and Investment Ltd Azadur Rahman Khan signed on behalf of their companies.

ATM booth at Islami Bank Sylhet Branch

Islami Bank Bangladesh Limited inaugurated ATM booth at Sylhet Branch recently, says a press release.

Md Abul Hossain, deputy commissioner of Sylhet, was present as chief guest while Nasiruddin Ahmed, deputy executive president of the bank, presided over the function arranged to mark the inauguration of ATM booth and the conclusion of ATM service fortnight.

Zahir Ahmed, managing director of Electronic Transaction Network Ltd (ETN), Md Asmat Ali, senior vice president and in-charge of Comilla zone, and Md Azizur Rahman, vice president of Sylhet Branch of the bank, also spoke at the function.

E-cash ATM network allows its customers to conduct banking transactions and pay utility bills, like BTB Telephone and Grameen Phone bills 24 hours a day. Even installments of Mudaraba Hajj Savings Scheme, Mudaraba Special Savings (Pension) Scheme, Mudaraba Muhor Savings Scheme and Household Durable Scheme of Islami Bank may be paid through E-cash ATM Service. When cash is required in an emergency or on a holiday or after banking hour E-cash under ATM Service allows access to their accounts.

Japan gives \$28m for Afghan road, airport schemes

AFP, Kabul

Japan Sunday extended 3.34 billion yen (27.8 million US dollars) in aid for Afghan road and airport reconstruction.

Japanese ambassador Kinichi Komano and Afghan Foreign Minister Abdullah Abdullah signed the notes offering three billion yen (25 million dollars) for rebuilding the important Kabul-Kandahar road and 341 million yen (2.8 million dollars) for equipment for Kabul international airport.

Japanese aid will provide equipment to improve security and facilities at the airport.

Call money rate hits 14pc

BSS, Dhaka

After a periodic lull, the call money rate jumped to 14 per cent yesterday as some private banks and leasing companies faced liquidity crunch, fund managers of different commercial banks said.

The call money rate jumped its day-high at 14 per cent Monday compared to Sunday's high at 7.30 per cent when some private banks and leasing companies rushed into the market for cash to meet their liquidity short-fall.

But the overnight money rate, in most deals, ranged between 11 per cent and 13 per cent yesterday compared to Sunday's range between 5.00 per cent and 6.00 per

cent, fund managers said.

"This is a temporary phenomenon and the money market fell into a liquidity crunch as most banks placed their surplus funds in the government treasury bills when the inflow from government was lower," fund manager of a leading commercial bank said.

The government sold treasury bills worth 242.60 crore taka Sunday lower than its scheduled payment of Tk 195.00 crore to banks against earlier bills. Following depressed money demand, fund managers are placing their surplus funds in long-term deposits and government treasury bills.

"This mismatch of funds has

created liquidity shortfall in the money market and forced some private banks and leasing companies to borrow money such as high rates," fund managers said.

High call money rate forced some banks to sell their securities to the central bank yesterday. The 1-day tenor repo rate was stood at 7.50 per cent, he said.

The Bangladesh Bank Monday conducted the reverse repo auction for commercial banks and financial institutions where one bid of 1-day tenor amounting to Tk 50 crore was accepted, according to a statement issued by the central bank.



PHOTO: SINGER BANGLADESH

Chairman of Singer Bangladesh Limited Mahubul Jamil presides over the 23rd annual general meeting of the company held in Dhaka yesterday.

Singer dividend totals 85pc for 2002

Singer Bangladesh's declared dividend totalled 85 per cent for the year 2002, says a press release.

The 23rd annual general meeting (AGM) of the company, held in Dhaka yesterday, declared a 15 per cent final dividend. Earlier, it had declared a 70 per cent interim dividend.

Chairman of Singer Bangladesh Limited Mahubul Jamil, who presided over the AGM, said despite many negative factors and the generally depressed state of economy, Singer has been able to maintain its business growth both in terms of sales and profitability.

During 2002, earning per share of the company increased by 17.27 per cent while net assets per share rose by 7.36 per cent.

The company's revenue increased to Tk 134.3 crore from Tk

124.3 crore of the previous year while the net profit increased by 17.27 per cent.

In the same year, Singer's motor cycle assembly and radio cassette recorder assembly units went into commercial production. It also introduced remote control decorative ceiling fan.

Five new showroom-cum-sales centres were also opened during the year 2002. As a result, the total number of Singer outlets rose to 170.

As part of its social commitment, Singer increased the number of its sewing schools to 81 in 2002.

The company contributed around Tk 38 crore to the national exchequer in the form of corporate tax, customs duty and VAT during the year.

Jute research body meets

The annual Agricultural Research Committee (ARC) meeting of Bangladesh Jute Research Institute (BJRI) was held yesterday in Dhaka, says a press release.

Director General of BJRI MA Sobhan Sheikh presided over the meeting. The meeting evaluated research activities of 2002-2003 and also approved research programme for the year 2003-2004.

The director general informed the meeting that BJRI developed a new tossa variety namely BJRI Tossa 4 and National Seed Board (NSB) released it in 2002 for countrywide cultivation.

About 500 farmers have already been trained by BJRI on techniques of cultivating new developed varieties-Kenaf, and Mesta, he said.

Another local variety having silky white fibre and blue seeds has been developed. The variety having fibre suitable for industrial and cottage industry usage is expected to be approved by NSB this year, he disclosed.

Director of Agricultural Research Wing of BJRI Dr Firoze Shah Sikder, members of ARC, chiefs of Agricultural Research Division and senior scientists of BJRI attended the meeting.

Cathay Pacific cuts dividend due to SARS

AFP, Hong Kong

Hong Kong's de facto flag carrier Cathay Pacific Airways Ltd. said Monday it would slash by half its final dividend for last year as a result of the financial damage unleashed by the SARS outbreak.

The airline said it would cut its final dividend from the originally proposed 56 Hong Kong cents (7.19 US cents) a share to 28 cents, saving 935 million Hong Kong dollars as a result.

Cathay Pacific cut 45 per cent of its flights last month due to plunging passenger numbers as a result of the Severe Acute Respiratory Syndrome (SARS) outbreak and the impact of the war in Iraq.

Airline group again urges HK airport to cut charges

AFP, Hong Kong

A group of Asian airlines on Monday reiterated its call for the Hong Kong Airport Authority (AA) to reduce charges amid the SARS outbreak in the region.

The 17-member Association of Asia-Pacific Airlines (AAPA) urged Hong Kong airport to re-examine its position on airport charges and look at its cost structure and manning levels.

The AA last week announced a financial package designed to help airlines and airport businesses battered by Severe Acute Respiratory Syndrome (SARS).

Execute secretarial body suggestions to save jute

Jute spinners urge govt

STAR BUSINESS REPORT

Jute spinners have urged the government to implement the recommendations of the secretarial committee immediately to salvage the jute sector.

The jute sector is in deep trouble as yarn buyers from the Middle East and other parts of the world have canceled their orders and advised to delay shipment of goods due to the war on Iraq.

Besides, the jute yarn producers were forced to sell their products in the global market below their production cost to compete with the artificial fibres, Bangladesh Jute Spinners Association (BJS) Chairman Ahmed Hossain said in a

statement.

In order to address the problems that the entrepreneurs in the jute sector were facing, the government formed a secretarial committee that sent recommendations to the finance ministry in October last year.

In case of export of jute goods, loan can be given on contract basis for a 90-day term under the cash against document (CAD) approved by the central bank, the committee suggested.

Considering the recent depression in jute industry, interest rate for working capital can be fixed at seven per cent. Besides, export-oriented and agro-based jute sector can be given working capital

at seven per cent interest rate as the leather sector is allowed to get export cash credit, the committee recommended.

In case of export of raw jute and jute goods, the entrepreneurs can be given five to 10 per cent and 15 to 20 per cent marketing assistance on FOB (freight on board) value, the committee suggested.

Interest on working capital for the last five years should be transferred to an interest-free blocked account and the exporters should be allowed to pay back the amount in a 10 to 15 years term, it said. Peak hour electricity tariff for the export-oriented industries can be withdrawn, it added.



PHOTO: SOUTHEAST BANK

Senior Executive Vice President of Southeast Bank Ltd Khondker Fazle Rashid, Managing Director of Metro Spinning Ltd Mohammad Ali Khokon and Managing Director of Bay Leasing and Investment Ltd Azadur Rahman Khan sign a loan agreement recently. Under the agreement, Metro Spinning Ltd will get a project loan of Tk 11.5 crore under a club finance.

Peace bid may revive billion dollar Indo-Pak trade

AFP, New Delhi

Peace moves by India and Pakistan have kindled hopes of reviving trade worth billions of dollars that had withered under intense political hostilities between the arch-rivals, industry experts said Monday.

Despite the strained relations between the two countries, trade through illegal channels is flourishing and estimated at around 1.5 billion dollars annually and rising, they added.

The Times of India newspaper said official trade between the two neighbours could go up to four billion dollars in two to three years -- from around 200 million dollars currently -- if ties are normalised.

The restoration of normal ties could create a trade region next in size only to China, with a market of 350 million middle class families with a per capita income of at least 1,000 dollars annually.

"The voluminous unofficial trade between the two countries is an indication of the mutually beneficial opportunities and the intense desire of the two business communities to trade with each other," said P.K. Jain, president of the PHD Chamber of Commerce and Industry, one of India's largest trade organisations.

"It can be contained and channelised through direct trade if both the governments take neces-

sary steps in carrying out changes in their policies to facilitate official trade."

At the moment, official trade links are so poor that the two neighbours route much trade to each other through Dubai.

Businessmen travelling between the two countries have to take equally circuitous routes, multiplying the cost of air travel by eight to ten times.

Jain said despite the compelling logic for normal ties, it would be premature to expect trade to grow rapidly immediately as only the first steps towards peace have been taken.

Relations between the nuclear-armed rivals thawed Friday when Indian Prime Minister Atal Behari Vajpayee said New Delhi would revive air links with Islamabad and send an ambassador to the Pakistani capital, 17 months after severing ties.

Pakistan has welcomed the move, but analysts said the peace process has only just begun.

The president of the Confederation of Indian Industry, Anand Mahindra, said he was willing to lead an industry delegation to Pakistan and work with the Lahore Chamber of Commerce in support of the peace process and to cement trade ties.

He said the industry body had prepared a comprehensive report which showed the "synergies"

between the two countries.

Indian officials said Pakistan allows the importation of only 610 items from India and these are subject to high tariffs, encouraging smuggling across the borders.

The officials said India has granted most favoured nation status to Pakistan for trade, which means imports are treated the same as any other countries' goods in India.

Industry officials said the resumption of trade talks was vital for the whole region as the rivalry between the arch-foes has thwarted free trade from taking off under the seven-nation South Asian Association for Regional Cooperation (SAARC).

"The resumption of trade ties and a trade dialogue will enable other important regional discussions such as SAARC cooperation and the preferential trade arrangement under it," Mahindra added.

SAARC has been negotiating a preferential trade agreement, which is the forerunner of a proposed free trade pact.

Taxes on the main export items of the member nations -- Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka -- remain high.

Intra-SAARC trade has ranged at around three to four per cent of the member states' combined trade with the rest of the world.