

DHAKA MONDAY SEPTEMBER 29, 2003

American catalogue show begins in Ctg today

STAFF CORRESPONDENT, Ctg

A two-day American Catalogue Exhibition begins at the Chamber Auditorium here today.

Chittagong Chamber of Commerce and Industry (CCCI) and Embassy of the United States in Dhaka are jointly organising the exhibition to showcase American products.

Deputy Ambassador of the US Embassy Judith Chammas will inaugurate the catalogue exhibition at 11.00am.

As part of the show a seminar on 'Container and Food Safety' will also be held.

The catalogue exhibition will remain open to all from noon to 4.00pm today and from 9.00am to 5.00pm tomorrow.

Earlier, the US Embassy in collaboration with the CCCI had organised an 'American Week' in the port city last year.

Asia Ins okays 8.5pc dividend

Asia Insurance Limited declared a 8.5 per cent dividend for its shareholders in its 3rd annual general meeting (AGM) held in Chittagong recently.

Presided over by Asia Insurance Chairman Abul Bashir Chowdhury, the AGM was also attended by Md Jahangir Alam, director and vice chairman, Md Ezhar Hossain, managing director, and Yussuf Abdullah Harun, advisor, says a press release.

The AGM was told that the company earned gross premium of Tk 63.08 million last year ending on December 31, 2002.

During the time, the company paid Tk 4.25 million as tax to the government's exchequer, the AGM was also told.

A board of governors meeting held same day re-elected Abul Bashir Chowdhury and Md Jahangir Alam chairman and vice-chairman for 3rd consecutive year.

Uttara Bank managers' confce held in Ctg

STAFF CORRESPONDENT, Ctg

A regional conference of branch managers of Uttara Bank Ltd was held in Chittagong on Friday.

The conference held at Chittagong regional office at Agrabad thoroughly reviewed the business progress of the bank.

Bank's Additional Managing Director Abdus Satter was the chief guest at the conference.

BASIC bank cuts lending rate for agro industries

Bangladesh Small Industries and Commerce Bank Limited (BASIC) has reduced interest rates both on term loan and working capital loan for agro based industries.

The new rates were re-fixed at 10 per cent for both cases, says a press release.

The bank has also simplified some procedures for increasing lending in this sector.

India bonds seen creeping up after cautious start

REUTERS, Bombay

Indian government bond prices could rise marginally this week, with yields extending last week's dip on expectations of a central bank rate cut next month to boost the economy, analysts said.

But sentiment will be cautious ahead of the redemption of a multi-billion dollar bond on October 1 and selling by state-run banks to book profits before the half-yearly close on September 30.

Traders said they will also study the government bond issuance calendar for the second half of the financial year to March 2004, expected to be released on Monday.

The redemption of Resurgent India Bonds, floated in 1998 and falling due on October 1, will see an outflow of 5.5 billion dollar. Some traders expect it to cause a temporary cash crunch, despite central bank assurances that it would be a smooth affair.

Corruption, red tape erode investors' confidence

Outgoing British envoy says at Ficci meet

STAR BUSINESS REPORT

Law and order, red tapism, corruption and rent seeking influence the confidence of the foreign investors in Bangladesh, said David Carter, the outgoing British High Commissioner in Dhaka.

"A better environment for business is important for the foreign investors," he said speaking at a monthly luncheon meeting of the Foreign Investors' Chamber of Commerce & Industry (Ficci) at Dhaka Sheraton Hotel yesterday.

The British envoy who is going to leave Bangladesh soon on completion of his tenure said a reduction in corruption will reduce costs and lead times of business.

He also pointed out that political interference, absence of a level playing field and shortcomings in

the infrastructure are hindering business.

Carter put accent on promoting good governance, transparency and international standards of efficiency for boosting business.

Citing the example of the recent flag ordinance issue, which put the garment industry 'in jeopardy', he urged the leading business organisations to promote a common agenda apart from raising voice individually in pursuing their own sectional interests.

"The leading private sector trendsetter business organisations like Ficci can achieve what the politicians rarely do-- coming together in the national interest," Carter said.

The British High Commissioner emphasised promoting the common interest of creating a truly enabling

environment for democratic development in Bangladesh and the region.

He suggested formation of a joint secretariat of the business groups to focus their reform activities. The 'dedicated and professional' secretariat would highlight the problems and bottlenecks in business and alert policymakers.

Speaking at the meeting, Ficci President Wali Bhuian said since the official aid pipeline is getting dried up day by day, larger volume of foreign direct investment (FDI) is the only alternative left with LDCs.

Each LDC will not only have to create an enabling environment to attract FDI but compete among themselves harder for the scare resource, he added.

"Most LDCs have not been able to benefit from the policy changes

mainly because the reality in most LDCs is very different than what is written in their books."

To attract FDI, many LDCs including Bangladesh have brought in investment friendly policy changes, liberalised investment regimes and have in place attractive fiscal incentives and legislative reforms, the Ficci president said.

He felt regional co-operation and possible integration must be explored seriously by all least developed nations.

The process of globalisation has been uneven, Bhuian said, adding all countries are not getting benefited from globalisation. "The LDCs account for only 0.5 per cent of global FDI inflows."

Taste of Bangladeshi foods

Diplomats, tourists flock to food festival

STAR BUSINESS REPORT

It was a real taste of Bangladeshi foods for foreign diplomats and tourists who gathered at the Bangladesh Food Festival at Café Bazar restaurant of Sonargaon Hotel in Dhaka on Saturday.

They savoured traditional dishes like dried fish, *gilapi*, *halim*, *kitchury*, *tehari* and *biriani* along with foods from different regions including the 'Mezban' items of Chittagong.

The local foods attracted ambassadors, high commissioners and other diplomats based in Dhaka as well as a large number of foreign tourists.

Pan Pacific Sonargaon Hotel

organised the daylong Bangladesh cuisine festival on the occasion of World Tourism Day 2003.

A display of Bangladeshi musical instruments at the hotel lobby added colour to the tourism day programmes, which also included cultural function.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin formally inaugurated the function in the morning.

Speaking at the function, Nasiruddin reiterated the government's commitment towards promoting tourism industry in Bangladesh.

"We have already formed a task force and taken some other steps to develop the prospective sector," he

said.

As a result, the state minister said, tourists from the Far East, especially from Japan, Korea and China, have started to visit Bangladesh for the first time.

The theme of this year's World Tourism Day was - Tourism: A driving force for poverty alleviation, job creation and social harmony.

Sonargaon Hotel General Manager Grant J Gaskin, Bangladesh Parjatan Corporation Chairman Harunur Rashid Bhuian and Biman Bangladesh Airlines Managing Director Air Commodore (rd) Lutfur Rahman also attended the function.

Call money rate steady

BSS, Dhaka

The call money rate was steady yesterday thanks to surplus liquidity with a number of commercial banks, fund managers said.

The call money rate touched its intra-high high at 8.00 per cent yesterday, fund managers of leading commercial banks said.

But in most deals, the rate ranged between 3.00 per cent and 7.00 per cent in line with its previous closing on Thursday, they said.

"The market was packed with surplus liquidity as a number of commercial banks including four nationalised commercial banks had surplus liquidity mostly in idle form," fund managers said.

Dollar steady against taka

BSS, Dhaka

The US dollar remained steady against the Bangladesh taka yesterday in dull inter-bank trading despite the demand from importers and traders was very thin due to holiday in the international markets, dealers said.

The dollar traded at Tk 58.4150 and Tk 58.4300 per unit yesterday in line with its previous closing on Saturday, dealers of leading commercial banks said.

The demand for the greenback was lower from importers as most international markets remained closed due to weekend holiday. Most dealers were anticipating renewed pressure on the dollar, though earlier expectations of a crash seemed to be diminishing.

"Today every one in the foreign exchange markets were in holiday mood as cross-currency trade was nil due to weekend holiday in most international markets," said one dealer of a nationalised commercial bank yesterday.

The US unit, however, still is strong against the local currency, which earlier was officially sold at Tk 58.40 to the dollar.

"But still we are looking to further development and not buying dollar as it may face renewed pressure," dealer said.



Outgoing British High Commissioner to Bangladesh David Carter speaks at the monthly luncheon meeting organised by Foreign Investors' Chamber of Commerce and Industry (Ficci) at Dhaka Sheraton Hotel yesterday. Ficci President Waliur Rahman Bhuian is also seen in the picture.

Netting system fails to boost trading on CSE

NAZRATUN NAYEEM MONALISA

Reintroduction of netting settlement system in Chittagong Stock Exchange (CSE) has apparently failed to generate interest among investors, as there has been very little change in trade volume.

In the wake of lackluster trading over the last six months following the postponement of netting system by the market regulators, the CSE had demanded reintroduction of the system with a view to boost transactions.

Trading took-off sharply on September 20 when the system was reintroduced but on the third day it started plummeting again.

On September 20, the trade volume at CSE rose to Tk 38.15 lakh from Tk 14.21 lakh on the previous

trading day. On the second day it surged to Tk 60.46 lakh but the very next day it came down sharply to only Tk 15.49 lakh.

The CSE launched its operation with netting mode of settlement but on March 19 this year, the Securities and Exchange Commission (SEC) suspended it on allegation of misuse of the system by manipulators.

The regulators allowed only A-category shares to enjoy the netting system under which shares bought and sold electronically are settled by depositing the total scrips and total money at the end of the day.

The SEC had cancelled the system when it found that small investors were falling in trap of manipulators who resort to trading quoting artificial prices.

"Investors used to be lured by

such artificial quotes and were handed with the shares at fictitious rates," an SEC official said.

SEC officials said they had allowed the CSE to reintroduce the system based on commitments that the bourse would take all necessary measures to stop such malpractice.

"We are now closely monitoring the trading and settlement of the CSE and if we detect any manipulation, we will take necessary action," the SEC official said.

Meanwhile, the Dhaka Stock exchange (DSE) management refused to reintroduce the system saying they find the market to be behaving normally after withdrawal of the netting system.

\$13m US grant to revamp non-traditional businesses

BSS, Dhaka

The US government will provide a grant of 13 million dollars or Tk 75.5 crore to revamp the non-traditional export-oriented private sector businesses and enterprises in Bangladesh.

The money will come as technical assistance to diversify and boost the new export sectors, reducing dependence on the main export earner ready-made garments (RMG), which will lose its privileges in the US market after 2004.

A memorandum of understanding (MoU) to this effect was signed between Bangladesh and the United States here yesterday. Bangladesh will provide about Tk 7.8 crore (1.3 million dollars) for the

five-year programme that also focuses on ICT sector development and human capacity development programmes, economic relations division (ERD) sources said.

"The programme is expected to help Bangladesh diversify its export earnings and reduce dependence on the RMG sector as the principal export earner," an official of the USAID said.

He said the assistance would focus on helping Bangladeshi private enterprises to expand their businesses within sub-sectors having export growth potentials.

The sectors include light engineering, auto parts, electronics and electrical items, footwear and leather goods, handmade papers, computer software and IT enabled services.

ERD Secretary Mirza Tassadug Hossain Beg and Mission Chief of the US Agency for International Development (USAID) Gene V. George signed the agreement at the NEC Bhaban here this afternoon. USAID Project Development Officer Caryle Cammisia and senior officials of the government were present in the agreement signing ceremony.

The USAID official said the ministry of commerce would identify and address the legal, policy and regulatory barriers hindering exports from potential sub sectors in the country.

It will also take initiative to make the selected sectors capable to compete in global and domestic market places using the grant money.



Commerce Minister Amir Khosru Mahmud Chowdhury talks with visiting nine-member delegation of Japan Export Motor Vehicle Exporters' Association at his office in Dhaka yesterday. At the meeting, where Japan Ambassador in Dhaka Matsuhiro Horiguchi was also present, the minister urged Japanese entrepreneurs to set up car manufacturing plants in Bangladesh.

US anti-dumping campaigns

Asian shrimp exporters likely to forge alliance

UNB, Dhaka

Asian shrimp exporters are likely to forge an alliance to encounter anti-dumping campaigns by a coalition of US producers of the food item that could create export barriers.

The indication came as local exporters agreed with a visiting delegation from Vietnamese exporters to hold a meeting of Asian shrimp exporters in Bangkok in November to work out a common safeguard.

Major exporting countries include Thailand, Vietnam, Indonesia, India, the Philippines and Bangladesh.

A coalition of US-based shrimp producers has petitioned US authorities for anti-dumping measures to stop a shrimp-import surge, which could eventually come as a blow to Bangladesh's shrimp industry.

Bangladesh Frozen Foods Exporters Association (BFFEA) accorded a reception to the visiting

leaders of Vietnam Association of Seafood Exporters and Processors (VASEP) at a local hotel on Saturday, devising the encounter plan at the meet.

The 4-member delegation, led by VASEP vice secretary general Truong Dinh Hoi, arrived here from India for a 3-day visit to Bangladesh.

Their trip is part of a campaign against the US anti-dumping campaign and other international issues.

Several months ago, the US catfish industry had kicked off a similar anti-dumping campaign against their Vietnamese counterpart. The US catfish industry was able to convince the US Department of Commerce and anti-dumping regulators.

Truong told local exporters that the US authorities imposed 36-63% duties on the catfish exported from Vietnam, filing anti-dumping case that forced Vietnam to explore new markets in other regions.

The BFFEA President, Quazi

Monirul Haq, said the Asian shrimp exporters should unite in their common interest amid threat from the US shrimp producers.

A press release said he sought technology support from Vietnamese shrimp industry for applying improved extensive international method of shrimp culture to increase output in Bangladesh.

The BFFEA and the VASEP have agreed to sign a Memorandum of Understanding (MOU) very soon for the exchange of information, technology and for other bilateral interests.

VASEP leaders met with the officials of the Ministry of Fisheries and Livestock and Directorate of Fisheries to exchange views on bilateral issues.

The alliance, however, initially targeted the group of countries that have 3 per cent or more of the market share in USA. These countries include Thailand, India, China, Vietnam, Ecuador, Mexico, Brazil, Indonesia, Venezuela, and Guyana.

US democrats decry Bush's economic priorities

REUTERS, Washington

Democrats accused President George W. Bush on Saturday of pursuing economic policies that short change US domestic needs while providing billions to rebuild Iraq's shattered infrastructure.

"We all understand the importance of helping the Iraqi people, but it need not come at the expense of our schools, roads, healthcare and jobs here at home," US Sen. Patty Murray of Washington said in the weekly Democratic radio address.

"Today our families and communities are being asked to do more with less," she added.

Bush has asked Congress to approve an emergency 87 billion dollar spending bill for operations in Iraq and Afghanistan. Some 20 billion dollar of that amount would be used to rebuild Iraqi roads, water supply and electrical systems as well as other infrastructure that experienced years of neglect.



Neil Kearney, general secretary of International Textile, Garments, Leather Workers' Federation, receives a crest at a meeting organised by Bangladesh National Council of Textile, Garments, Leather Workers in Dhaka yesterday. The meeting was organised to felicitate Kearney and Akiko Gono, secretary of Textile Workers' Asian Regional Organisation, for their role in favour of the ready-made garment industry of Bangladesh.