

Call money rate keeps falling

BSS, Dhaka

The call money rate continued easing yesterday, thanks to inflow of funds from the government's exchequer due to retirement of treasury bills, fund managers said.

The call money rate touched its intra-day high at 9.25 per cent compared to Wednesday's rate at 10.00 per cent while in most deals the rate ranged between 6.50 per cent and 8.50 per cent, leading fund managers said.

"The demand for call money is strong as some private banks and financial institutions had higher payments and investment to the private sector. But it did not raise call money rate due to government's payments to some banks against T-bills," a fund manager of a leading market player said.

Dollar strong against taka

BSS, Dhaka

The US dollar was strong against Bangladesh taka in inter-bank trading yesterday due to weekend demand from some dealers and importers, dealers said.

But the euro remained strong against the dollar after reaching a record high overnight on concern about the huge US current account and trade deficits and geopolitical risks, dealers on online trading said.

The dollar touched its high at 58.48 per unit from its earlier high at 58.4450 taka on Wednesday while in most deals, it traded between 58.4350 taka and 58.4400 taka, dealers of different commercial banks said.

The demand for the greenback was strong from importers when some banks had short-fall due to lower inflow of remittances since the end of Eid-ul-Fitr, dealers of a leading commercial bank said.

"Today, the demand was stronger as some dealers had to buy to reconcile their nostro accounts ahead of weekend holidays," a dealer of a leading bank said.

The volume of foreign currency trade was higher due to higher import payments, he added.

Japan, S Korea, China to set up joint venture plants in EPZs

Japan, South Korea and China will jointly set up several bio-recycling plants in both Comilla and Ishwardi Export Processing Zones.

The plants will use sugarcane and casava as raw materials to produce bio energy products, says a press release.

This was disclosed by Masahiro Fujioka, president of the Bio-Enpro Co Limited of Japan, Yi Yong Un, managing director of BENOS Korea Co Limited, during a meeting with Bangladesh Export Processing Zones Authority (Bepza) Executive Chairman M Mofizur Rahman in Dhaka yesterday.

Special paper and plastic products will also be produced in these plants. They have also planned to produce gasohol with the combination of ethanol and petrol for use in motor vehicles.

Proposed India money tools to steepen yield curve

REUTERS, Bombay

The rupee would be restrained and Indian long bond yields would rise relative to shorter-term debt if the central bank adopted new proposals for managing foreign money flooding into the country, analysts said Wednesday.

New means of "sterilising" foreign currency, issuing special public securities, would offset demand for the rupee and leave less cash in the banking system chasing the limited supplies of long term government bonds, they said.

So bond yields should rise, creating a steeper yield curve that would benefit India's powerful economic growth.

"The central bank is telling the market to focus more on growth and inflation and less on foreign exchange inflows, which can put downward pressure on rates," said Kishlaya Pathak, an economist with Standard Chartered Bank.

Shares with strong fundamentals rule bourses

STAR BUSINESS REPORT

Scripts with strong fundamentals dominated both the stock exchanges yesterday after the Securities and Exchange Commission (SEC) suspended trading of 16 Z category shares Wednesday.

Most of the good company shares gained yesterday though the overall turnover and volume dropped substantially from the previous day.

Turnover dipped by more than nine crore taka in DSE and volume to 6,010,971 from 10,204,764 on Wednesday.

Market analysts said strong shares recovered the prices they lost in the previous day while a

significant number of shares with weak fundamentals representing Z category witnessed a further drop from the previous day, indicating that investors have confidence in the market.

"In fact, the SEC move helps the market move on right direction," said a top executive of Dhaka Stock Exchange.

Of the 194 issues traded on the DSE yesterday, 116 gained, while 67 dropped and 11 remained unchanged.

The DSE-20, an index of blue chip companies, gained 16.838 points yesterday to close at 1317.364 points and the DSE General Index gained 23.249 points to close at 997.13 points.

"The SEC move has cast a positive impact on the capital market. As the bullish trend is continuing, it means investors did not lose their confidence in the market," said the top executive of the Asset & Investment Management Services (AIMS) of Bangladesh Ltd.

Of the 82 issues traded on CSE yesterday, 61 gained, 16 lost and five remained unchanged.

The CSE Selective Index rose 34.36 points to close at 1602.963 points yesterday.

"The market became bearish on Wednesday after the SEC suspended transaction of 16 Z category shares. But shares with strong fundamental dominated the market Thursday," said an official of Chittagong Stock Exchange.

Lack of political will retards trade in S Asia

French Forum 2003 discussion observes

STAR BUSINESS REPORT

Lack of political will and positive mindsets of the governments is one of the main hindrances to expanding intra-regional trade among South Asian nations, speakers at a discussion in Dhaka observed yesterday.

They suggested removal of political conflicts as well as non-tariff and para-tariff barriers for increasing the intra-regional trade.

The discussion on 'Bangladesh Trade with Neighbouring Countries' was arranged as part of French Forum 2003 that began at Dhaka Sheraton Hotel yesterday. France Bangladesh Chamber of Commerce and Industry (CCIFB) organised the event.

Citing the example of Asean (Association for Southeast Asian Nations) that achieved tremendous success in boosting trade in the Southeast Asia the discussants said Saarc has failed to be an effective forum to promote regional trade.

Former State Minister for Foreign Affairs Abul Hasan Chowdhury said there are political conflicts among the Asean countries but the confrontation does not create any negative effect on their mutual trade relations.

Singapore and Malaysia have political conflict between themselves similar to India-Pakistan's but that does not hinder their trade relations, he said.

Chowdhury said though Bangladesh removed all types of para-tariff and non-tariff barriers much before its neighbours, the country failed to gain from it.

Presenting keynote paper, M Fouzul Kabir Khan, executive director and CEO of Infrastructural Development Company Ltd suggested increasing the share of South Asian countries in the global trade.

He mentioned that the share of Saarc countries in global trade is only 3.4 per cent while it is 37 per cent for the Asean countries.

India is dominating intra-Saarc

trade holding 72 per cent of the total trade while every other member countries has below 10 per cent share, Khan said showing trade disparity among the South Asian nations. Bangladesh's share is only three percent.

Commerce Secretary Suhel Ahmed pointed out that lack of political will of the governments is hindering regional trade.

Ahmed identified presence of non-tariff barriers as a major problem in the expansion of trade between Bangladesh and India.

Waqar Ahmad Shah, commercial secretary of Pakistan High Commission in Dhaka stressed the need for removal of the trade barriers and creating a level playing ground for Pakistani exporters in Bangladesh.

Yug Nath Paudel, deputy chief of mission of Nepal Embassy in Dhaka, said establishing air-link between Saidpur of Bangladesh and Viratnagar of Nepal would help increase trade between two countries.

IMF moves to expel Zimbabwe

AFP, Harare

The International Monetary Fund (IMF) has moved to expel Zimbabwe, citing a lack of cooperation and arrears of more than 270 million dollars (224 million euros) running back almost three years, the body said in a statement.

"The executive board of the IMF reviewed Zimbabwe's overdue financial obligations to the Fund and decided to initiate the procedure on the compulsory withdrawal of Zimbabwe from the IMF after having determined that Zimbabwe had not actively cooperated with the IMF," a statement posted on its website said.

The IMF board held a meeting in Washington Wednesday to discuss the deteriorating economic situation in the southern African country.

Its gross domestic product has declined by about 40 per cent between 1999 and 2003, and inflation rose to 526 percent in October.

Zimbabwe has not only been dogged by severe drought, but also political instability and a controversial land reform programme that saw white farmers being forced off their farms, causing major food shortages.

"The adverse effects of the land reform and a drought left two-thirds of the population in need of food aid in 2002/2003, and no significant improvement is expected in the remainder of 2003/2004," the IMF said.

"Executive directors urged the authorities to strengthen cooperation with the Fund and to adopt a comprehensive adjustment program that would arrest and reverse Zimbabwe's continuing economic decline."

The body said Zimbabwe had been in continuous arrears since February 2001.

"As of end-November 2003, Zimbabwe's arrears to the IMF amount to 273 million dollars, or about 53 per cent of its quota in the IMF," the statement said.

Qatar Airways to take part in int'l aerospace event

Qatar Airways will participate in the 8th International Aerospace Event begins Sunday in Dubai.

Akbar Al Baker, chief executive officer of the airlines, will lead the Qatar Airways' delegation at the five-day event, says a press release.

Apart from showcasing the services and products, the airlines will also exhibit two of its aircraft during the event.

India back in running to win Malaysian rail contract

AFP, Kuala Lumpur

India looked back in the running Thursday to win part of a multi-billion dollar Malaysian rail contract through new negotiations with the government after being cut out of the deal in favour of a local group.

Malaysia Works Minister Samy Vellu told reporters he had held talks with Indian ministers and state-owned Indian Railway Construction Co (IRCON) and "they have agreed to come down to a certain price."

Without revealing what the new offer was, he said: "I think that price will be much more acceptable to the government of Malaysia."

If the deal is finalised, it would be awarded on a government-to-government basis as previously agreed and IRCON would undertake 70 per cent of the work on the northern half of a dual track railway running the 600-kilometre (372-mile) length of peninsular Malaysia, he said.

"You can call it a nominated sub-contract. There are nominated subcontractors which are appointed by the government and the government pays them directly, not through the contractor," Samy said, adding that the local consortium would remain the lead contractor.

The double-tracking rail project, which forms part of an ambitious 5,600-kilometre trans-Asia link, was originally promised to IRCON and China Railway under a government-to-government deal involving a barter trade of some eight million tonnes of palm oil worth 12 billion ringgit (3.16 billion dollars).

However, Malaysia dropped the Indian and Chinese contractors despite signing letters of intent last year, citing overpriced bids of 42 billion ringgit, which were later reduced to 24 billion.



Commerce Minister Amir Khosru Mahmud Chowdhury visits a stall after inaugurating the two-day trade show organised as part of French Forum 2003 at Dhaka Sheraton Hotel yesterday.

French trade show gets underway

STAR BUSINESS REPORT

French companies are displaying various products, services and technologies at a trade show organised as part of French Forum 2003 that began in Dhaka yesterday.

Commerce Minister Amir Khosru Mahmud Chowdhury formally inaugurated the seventh version of the Forum at Dhaka Sheraton Hotel.

Other programmes of the French Forum, an annual event, include discussion on regional trade and cultural show featuring French artists.

France Bangladesh Chamber of Commerce and Industry (CCIFB) organised the programme sponsored jointly by Lafarge Surma Cement Ltd, GEC of Bangladesh Ltd and SQ Group of Industries.

Michel Lummaux, ambassador of France to Bangladesh, Yong Ngai Chan, president in charge of CCIFB, and Syed Farhad Ahmed, vice-president in charge, also spoke at the inaugural function.

In his speech, the commerce minister highlighted the benefits of organising trade shows. Citing the example of Bangladesh Trade Show held in Paris last month he said it had received good response from buyers.

The show participated by 28 Bangladeshi companies also helped increase the country's image abroad, Khosru said. He expressed his satisfaction over the interest of France in Bangladesh

products including readymade garments.

French Ambassador Lummaux said useful link between the two countries' business communities will further develop bilateral trade relations.

France had been the number one source of foreign direct foreign investment in Bangladesh during 2002-03, he said giving statistics.

A total of 16 French companies are displaying catalogues, products, services and technologies at the trade show, which will remain open from 10am to 8pm today.

The participating companies include Alcatel, Alliance Francaise de Dacca, Aventis Limited, Energypac, Lafarge Surma Cement Ltd, Tele Tel Communications, Trade Services International, Total Gaz and ECM Services Ltd.

The closing function of the forum will be held on December 13 with a cultural programme marked by French jazz music. Local artists will also perform in the show.

Bangladesh exports readymade garments, knitwear, leather, jute goods, frozen shrimps and ceramic tableware worth \$500 million a year to France.

Goods imported from France include electrical equipment, agricultural and chemical products, aeronautic equipment, machinery, consumer goods, metals and food items.

No deal in sight on new Opec secretary

AFP, Vienna

Opec ministers began meeting here Thursday with no deal in sight on a candidate to become the next secretary general of the 11-nation oil cartel.

Iran, Qatar and Venezuela have fielded candidates for the sought-after top post and all three were refusing to bow out, according to the president of the cartel, Abdullah Bin Hamad Al-Attiyah.

Attiyah, who is also the energy minister of Qatar, told reporters: "I will report to the conference... that the three candidates are insisting... so it's impossible."

Thursday's meeting was the second time OPEC producers were to try select a new top official, having failed to do so at their last meeting here on September 24.

Iran and Kuwait's candidates are, respectively, Hadi Nejad Hosseini and Adnan Shihab-Eldin, while Venezuela is seeking a second term for the current secretary general, Alvaro Silva-Calderon.

The secretary general is appointed for three years and his mandate can be extended only once.

In principle he does not interfere with policy making, which remains in the hands of the ministers, but can influence the efficiency of the cartel that controls about a third of the world's oil supply.

The secretary general acts as OPEC's spokesman and organises its day-to-day running.



Waqar Ahmad Shah, commercial secretary of Pakistan High Commission in Dhaka, M Fouzul Kabir Khan, executive director of Infrastructural Development Company Ltd, Abul Hasan Chowdhury, former state minister for Foreign Affairs, Yong Ngai Chan, president (in-charge) of France Bangladesh Chamber of Commerce and Industry (CCIFB), Yug Nath Paudel, deputy chief of mission of Nepal Embassy in Dhaka, at a discussion organised by the CCIFB at Dhaka Sheraton Hotel yesterday.

Food exporters sans USFDA registration to run into trouble

Speakers say at FBCCI-EPB seminar

STAR BUSINESS REPORT

Speakers at a seminar yesterday warned if local exporters of food, beverage and medicine are not registered with the US Food & Drug Administration (USFDA) by the December 12, 2003 deadline exports to the US will run into trouble.

The registration has been made compulsory for all food exporters to the US under 'Bio-Terrorism Act-2002'.

The speakers said Bangladeshi companies interested to export food products to the US must comply with the rules.

They were speaking at a seminar on 'Bio-Terrorism Act-2002 of USA' jointly organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)

and Export Promotion Bureau (EPB) at the Federation Bhaban in Dhaka.

Speaking at the seminar, Commerce Secretary Suhel Ahmed said till yesterday it was not confirmed that all food, beverage and medicine exporters have completed their registration.

However, most shrimp exporters have got themselves registered with the USFDA.

"The commerce ministry has organised several meetings and workshops to disseminate information about different provisions of the act," he said.

FBCCI President Abdul Awal Minto said the act is a major issue for Bangladesh as the country exports various food items particularly shrimps, fish and medicine to the US.

If people export without getting registered the US government can initiate civil or criminal procedures in federal court against them, he added.

Abdul Karim, joint secretary of the commerce ministry, made a presentation at the seminar on the US Bio-Terrorism Act, which was introduced following the September 11 incident.

Under the new law, registered food exporters will have to give prior notice to the USFDA before each shipment. The companies involved in food manufacturing, processing, packaging, transportation, distribution, and hoarding must have necessary information on the whole chain of export processes so that in case of any harmful incident the USFDA can identify the reason, he said.

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