

Lanka central bank governor due Tuesday

UNB, Dhaka

Governor of the central bank of Sri Lanka AS Jayawardne arrives in Dhaka Tuesday to open a branch of a leading Sri Lankan bank here.

During his four-day visit to Bangladesh, Jayawardne will also exchange views with Bangladesh Bank Governor Fakhruddin Ahmed Wednesday, said a Bangladesh Bank official.

Commercial Bank of Ceylon Limited (CBCL), which absorbed the Bank Indo Suez recently, is opening its Gulshan branch in Dhaka Wednesday.

Management deal renewal for Dhaka Sheraton Wednesday

Starwood Hotels and Resorts Worldwide Inc and Bangladesh Services Limited, owner of Dhaka Sheraton Hotel, will renew the management contract to operate the hotel under Sheraton brand for the next five years on Wednesday.

The signing ceremony will be held at the Sheraton Imperial, Malaysia, says a press release.

Md Shafiqul Islam, secretary of Ministry of Civil Aviation and Tourism and also the chairman of Bangladesh Services Limited, and Erhard Hotter, vice president and area managing director of Starwood Hotels and Resorts Worldwide, will sign the deal on behalf of their respective sides.

IDLC cuts home loan interest rate

Industrial Development Leasing Company (IDLC) of Bangladesh Limited has reduced interest rate on home loan products from 15.75 per cent to 14.25 per cent for priority clients and to 14.90 per cent for others.

The rates became effective from November 29, says a press release.

The IDLC, a joint venture multi-product financial institution, has also re-fixed the applicable rates on its various deposit products by one per cent to two per cent depending on tenor.

Call money rate falls

BSS, Dhaka

The call money rate fell down further yesterday, thanks to inflow of funds from the government's exchequer last week, fund managers said.

The inter-bank money rate touched its intra-day high at 8.50 per cent from its earlier high at 9.25 per cent on Thursday.

DSE general index crosses 1000-mark for first time

Shares with strong fundamentals continue rising

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) General Index crossed 1000-mark yesterday for the first time since its introduction two years ago.

As the share prices of companies with strong fundamentals continued to rise the general index rose to 1015.968 points yesterday with a further increase of 18.838 points from Thursday's index.

The market is now rising steadily after an abnormal surge in prices of weak securities, which prompted the Securities and Exchange Commission (SEC) to suspend trading of 16 Z category

shares on Wednesday.

A capital market analyst said investors are now gaining confidence and buying shares of good companies instead of securities with weak fundamentals.

Appreciating the SEC action against Z category companies he said the move has saved the stock market from another possible scam like that of 1996. He smelt an 'ill motive' to push up share prices of weak companies.

About the increase in the prices of good companies' shares he said: "As many companies with good track records are going to hold

annual general meetings in December, investors are rushing to buy these securities."

Most of the good securities gained yesterday. One Bank made an encouraging debut on the DSE as its Tk-100 shares were sold at Tk 213 each. Shares worth over Tk 40 million of the bank were transacted yesterday.

The DSE-20 Selective Price Index for blue chip shares gained 17.19 points to 1334.55 from Thursday's 1317.36 points. The DSE Weighted Average Share Price Index was 0.38 points up to reach 824.39 points.

A total of 5,782,003 shares worth Tk 264.57 million were traded on the DSE yesterday compared with Thursday's 6,010,971 shares worth Tk 198.33 million.

The CSE-30 Selective Price Index for blue chips was 40.65 points higher to reach 1643.61 yesterday against previous day's 1602.96. The CSE Trade Volume Weighted Index went up 0.24 points to 1841.61.

A total of 4,589,820 shares worth Tk 227.41 million were traded on the CSE yesterday as against Thursday's 3,866,452 shares worth Tk 74.42 million.

Saarc trade fair starts in Dhaka on Dec 27

STAR BUSINESS REPORT

A five-day Saarc Trade Fair will begin in Dhaka on December 27 aiming at expanding intra-regional trade among the seven Saarc countries.

Commerce Minister Amir Khosru Mahmud Chowdhury will inaugurate the fifth edition of the fair to be held at Bangladesh-China Friendship Conference Centre.

Excepting the Maldives, all other Saarc countries will take part in the show to display a wide range of products and services available.

"The fair will provide a unique scope for the South Asian nations to explore their export opportunities in other countries in the region," Mahmud Reza Khan, director (information) of the Export Promotion Bureau (EPB), told The Daily Star.

According to available statistics, the share of Saarc countries in

global trade is only 3.4 per cent, which is very much lower than that of other regional blocs like Association for Southeast Asian Nations (Asean) and EU.

Khan said 10 companies from Sri Lanka will participate in the show to exhibit chemical products, agricultural items, sports goods, tires, three wheeler, herbal products, footwear, coconut oil, water pumps, chocolates and confectioneries.

Some 10 Bhutanese companies will display agro-products, woodcrafts, fruits, seeds, herbal medicine and hardboards.

Pakistani enterprises will showcase handicrafts, furniture, textile fabrics, bed sheets, herbal products, prayer mats, spices, pickles, table and trolley sets, pharmaceuticals, medical equipment, handicrafts, leather goods and sports items.

Companies from Nepal will

exhibit pashmina (fur) products, wooden crafts, handmade paper products, textile items, cotton bags, handicrafts, herbal tea and betel-nuts at the fair.

Some 20 Indian companies have also confirmed their participation at the exposition.

A good number of leading Bangladeshi companies will take part in the event, Khan said.

According to EPB, Bangladesh exported goods worth \$1.44 million to Bhutan, \$84.07 million to India, \$0.36 million to Nepal, \$31.5 million to Pakistan and \$3.75 million to Sri Lanka in 2002-03 fiscal year.

On the other hand, Bangladesh imported goods valued at \$3.8 million from Bhutan, \$1001 million from India, \$3.3 million from Nepal, \$66.66 million from Pakistan and \$6.05 million from Sri Lanka the same year.



An exhibitor shows his company's products to visitors at the international architectural building materials exhibition at Dhaka Sheraton Hotel yesterday. The four-day fair ends on Monday.

PHOTO: STAR

Joint task force with Nepal formed

Bid to boost bilateral trade

BSS, Dhaka

Bangladesh embassy in Nepal and the Confederation of Nepalese Industries (CNI) have formed a joint taskforce to find out ways and means for strengthening bilateral trade and commerce between the two countries.

The task force was formed at a meeting organised for welcoming Bangladesh ambassador to Nepal M Humayun Kabir in Kathmandu on Wednesday, a foreign ministry press release said yesterday.

The task force will study trade ties between the two countries in the past two decades, identify the problems the two countries are facing in their trade and suggest ways to give a boost in their trade.

Speaking on the occasion,

Humayun Kabir said Bangladesh government has already developed necessary infrastructures including construction of roads and bridges to facilitate Nepal's foreign trade using the Mongla port.

Referring to Bangladesh government efforts to strengthen economic relations with the neighbouring countries, including Nepal, he proposed sharing technical services and expertise with the Nepalese business community.

In this connection he welcomed a proposal of Nepalese business leaders to visit export processing zones (EPZ) in Bangladesh.

President of the CNI Binod Chaudhari stressed the need for resolving the existing hurdles in the financial and trade activities between the two countries.

Ecneec okays Tk 935cr projects

UNB, Dhaka

The Executive Committee of National Economic Council (Ecneec) yesterday approved nine development projects, involving nearly Tk 935 crore, including Tk 466 crore in project aid.

Approval to the projects was given at a meeting held in the NEC conference room at Sher-e-Bangla Nagar with Prime Minister Khaleda Zia in the chair.

The projects are introducing digital technology in the Bangladesh Film Development Corporation, setting up eight new youth-training centres, out of 18, in the first phase, upgrading the 50-bed Cancer Research Institute and Hospital to 150-bed in the first phase, and cultivation, preservation and distribution of quality seeds by the farmers in the second phase under the Ministry of Agriculture.

Other projects include creating employment opportunity for char (shoal) people under Rural Development and Co-operatives Department, gas supply to Bogra town, modernisation of signalling and inter-locking system of 10 railway stations in Akhaura-Sylhet section, collecting 30 GMG air-conditioned passenger trains and Bakerganj-Padrishipur-Kanthaltoli-Subidkhal-Chandukhali-Barguna road development project.

The ECNEC meeting also endorsed the summary of 3rd Buriganga, 2nd Shitalakha and Teesta Bridge construction projects, funded by Kuwait.

WTO Geneva meet

Dhaka firm to maintain previous stances

UNB, Dhaka

Bangladesh will remain firm on its previous stances with regard to LDC issues in the World Trade Organisation (WTO) during its general council meeting scheduled for December 15-16 in Geneva.

The post-Cancun advisory committee in its second meeting yesterday decided that the viewpoints Bangladesh demonstrated as coordinator of the LDCs in the last WTO ministerial would not change.

"We won't deviate... We'll start right from where we stopped," Commerce Minister Amir Khosru Mahmud Chowdhury told journalists after the meeting at the Ministry.

Duty-free market access for non-farm products to developed markets, temporary movement of natural persons from least developed countries (LDCs) and better market share for LDCs were among the major stances LDCs pressed in the Cancun meeting that collapsed in a fiasco.

After the collapse of Cancun, it was decided that member countries would negotiate further at senior official levels to minimise the gaps by December to create a favourable ground for the next ministerial scheduled in Hong Kong sometime next year.

With this end in view, WTO general council will meet in Geneva on December 15-16 bringing together trade negotiators from the member countries to come up with a draft agenda for the next ministerial.

StanChart receives best bank award

StanChart receives best bank award

Standard Chartered Bank has been awarded the "Best Bank" in emerging Asian currencies and emerging African/Middle East currencies in 2003 by FX Week, says a press release.

The bank has also been awarded number 2 bank in Asia overall according to AsiaRisk's annual Interbank derivatives survey.

The bank received 13 "No. 1" rankings in the categories of interest rate swaps, interest rate options, cross currency swaps, currency options, currency forward for various Asian currencies.

The global markets team of Standard Chartered Bank in Bangladesh has also been pioneering market development since the liberalisation of the foreign exchange market in 1995.

In addition to serving the foreign exchange needs of both corporate and financial institutions, the global markets team is also poised to make a difference in the debt capital market of the country.



New convener of Merchant Bankers Assoc

Ziaul Quddus, chief executive of Swadesh Investment Management Limited, has been made convener of Bangladesh Merchant Bankers Association recently.

He was made the convener at a general meeting of the association in Dhaka, says a press release. Representatives from 14 merchant banks attended the meeting.

Asian forex reserves hit record \$1.85 trillion

REUTERS, Singapore

Asian foreign exchange reserves have hit a record high of \$1.85 trillion, according to figures from regional central banks, at a time when global financial markets are worried about them shifting away from dollar assets.

Figures on Friday showed Japan, the world's largest holder of foreign exchange reserves, increased its reserves by \$18.3 billion in November to \$644.6 billion. In Taiwan, the third largest holder, reserves rose \$6.2 billion to \$202.8 billion.

Asian foreign exchange reserves have risen by \$415 billion -- 28.9 per cent -- since the end of 2002. The build-up of reserves, mostly in US dollars, largely reflects intervention by the region's monetary authorities to prevent strong portfolio inflows and rising export receipts from strengthening their currencies.

There have been worries that Asia might be starting to diversify its reserve holdings as the dollar weakens. However, this is a trend that is hard to pin down.

"The bottom line is that the US

data suggest some diversification is underway in Asian reserves, but it is not yet clear who is the key beneficiary," Allison Montgomery, a currency strategist with Westpac Bank, said in a report.

"Oil may be a (limited) option, but the European and Japanese bond trends warrant monitoring."

US Treasury data showed that net capital inflows in September

fell to a five-year low of \$4.2 billion, but US Federal Reserve data shows that foreign central banks were large buyers of US Treasuries through November.

The US Treasury data also showed that during September, holdings of Treasuries by investors -- private and official sector -- in Japan, Korea and Taiwan rose, but fell in China.

A quarterly breakdown of the figures to September showed only 1.2 per cent of intervention funds were spent on euros.

| | Reserves \$bn | Asat | end-2002 \$bn | per cent change |
|-------------|---------------|-------|---------------|-----------------|
| Japan | 644.6 | Nov30 | 469.7 | +37.2 |
| China | 401.0 | Oct31 | 286.4 | +40.0 |
| Taiwan | 202.8 | Nov30 | 161.7 | +25.4 |
| South Korea | 150.3 | Nov30 | 121.4 | +23.8 |
| Hong Kong | 112.4 | Oct31 | 111.9 | +0.4 |
| India | 95.4 | Nov21 | 70.3 | +35.7 |
| Singapore | 92.5 | Oct31 | 82.3 | +12.4 |
| Malaysia | 43.9 | Nov14 | 34.6 | +26.9 |
| Thailand | 41.3 | Nov28 | 38.8 | +6.4 |
| Indonesia | 35.1 | Nov21 | 31.6 | +11.1 |
| Philippines | 16.8 | Nov30 | 16.0 | +5.0 |
| Pakistan | 11.9 | Nov22 | 9.3 | +28.0 |
| Bangladesh | 2.5 | Nov30 | 1.7 | +47.1 |
| Total | 1,850.5 | | 1,435.7 | +28.9 |

New Product



Fast Super Glue

Fast Corporation (Pvt) Ltd has launched Fast Super Glue.

Patro Plus, the production unit of Dhaka-based Fast Group, has manufactured the glue, says a press release.

The glue can be used for joining and repairing of broken products made of plastic, wood, ceramic, metal and leather. The glue can also be used in furniture industry, electrical works and textiles industry.

The glue is available in 3, 20 and 50 gram packs.

Fast Corporation is also the exclusive agent in Bangladesh for Faber-Castell, Germany, the world's leading manufacturer of drawing and writing instrument company.