

CAPITAL MARKET GROWTH DSE, CSE to form joint committee

STAR BUSINESS REPORT

The country's two bourses have agreed to form a six-member working committee to jointly work on a long-term growth of capital market.

The committee comprising equal number of representatives from Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) will be formed within this month.

The decision was made at a joint meeting of DSE and CSE directors held in the DSE boardroom on Monday.

Various ways and means to boost the capital market were also discussed at the meeting, chaired by DSE President Abdullah Bukhari. CSE President MKM Mohiuddin led the delegation of CSE.

The loopholes that are hindering the growth of stock market in recent times were also discussed at the meeting.

Their policymakers of the bourses also agreed to work jointly on various market-related issues such as initial public offering, de-listing and direct listing of companies, attracting foreign investors, keeping the stock markets open on Saturdays and disseminating price sensitive information.

Earlier on Thursday, the DSE met institutional investors seeking bigger supports from them to boost the market.

Google operating without Internet license in China

AFP, Beijing

Chinese authorities are investigating US Internet giant Google for launching its local service without the proper license, state press reported Tuesday.

Google.cn does not have the Internet content provider (ICP) license necessary to operate in China, the Beijing News said.

"Without a license, foreign capital is not allowed to engage in telecom business, including ICP operations," the paper said.

Instead of its own ICP licence, Google.cn is using the same one as Ganji.com, a Chinese information website.

The newspaper said the Ministry of Information was aware of the status of Google's Chinese operations and that authorities were investigating the incident.

A Google spokeswoman, who asked not to be identified, confirmed the company was using the ICP license of Ganji.com, but said it was operating through the proper channels.

"Google has a partnership with Ganji.com through which we have the required license to operate the Google.cn service in China," the spokeswoman said.

She said Google "clearly displays its ICP licence number on the Google.cn site," but did not want to divulge other details, such as why it had not obtained its own license.

The Beijing News said other foreign Internet companies had previously used the ICP licenses of local enterprises.

Executives at Ganji.com and Ministry of Information Industry officials could not be immediately reached Tuesday for comment on the report.

Dhaka eyes maximum benefit from WTO talks

Plans bilateral negotiations with developed, developing nations

JASIM UDDIN KHAN

Dhaka plans to hold bilateral talks with some developed and developing countries to reap maximum benefit from the upcoming WTO negotiations.

The government is also contemplating to formulate a separate strategy to ensure its optimum market access to the world market under the WTO regime, a commerce ministry source said.

The final negotiations on decisions reached at the Hong Kong ministerial are supposed to be completed by 30 April at the WTO headquarters in Geneva. At the Hong Kong meeting, the developed and developing countries agreed to

provide the 97 percent products from least developed countries (LDCs) with duty-free access.

An expert team has already started identifying products in an effort to keep those on the duty-free list of 97 percent items as decided in the last WTO ministerial.

A priority list of products will also be developed to exclude them from the 3 percent sensitive list of a few countries, including the US.

At the same time, Bangladesh will request the countries not to put the products, for which the country is getting GSP facility, on the sensitive list.

Earlier the commerce ministry formed three committees on market access, diversification of export

and services sector comprising all stakeholders from the public and private sectors to develop strategies to protect the national interest.

The committees are supposed to submit their recommendations by February 28 to commerce ministry.

The committee sources said the members want extension of February 28 deadline of report submission.

Earlier, the commerce minister announced that a high-level government committee would be formed to evaluate the list of products and other strategies for the upcoming WTO Geneva meeting. But the committee is yet to be formed.

Mittal fires back at Chirac over Arcelor bid

AFP, New Delhi

Indian billionaire Lakshmi Mittal has fired back at charges by President Jacques Chirac that his 23-billion-dollar bid for steel giant Arcelor contradicts normal business practices.

The French president who left New Delhi on Tuesday charged that Mittal Steel's "hostile bid had been made contrary to practice, with no prior explanation and no reason given on a large European company."

"We have made a fully transparent offer for Arcelor which is based on sound industrial logic... we will create a stronger European company with a strong global footprint," Mittal told Tuesday's Economic Times.

"We believe this logic is well understood in the favourable response the transaction has received from the market," Mittal said, referring to a sharp rise in

Arcelor shares.

To Chirac's insistence on Monday that, "We have absolutely nothing against a non-European bidding against a European company," Mittal replied that Netherlands-based "Mittal Steel is a European company."

Chirac also described Mittal as British. In fact the Kolkata-born magnate lives in London but still holds an Indian passport.

The row over the offer by the world's largest steelmaker for its nearest rival cast a shadow over Chirac's trip intended to bolster trade and promote future nuclear cooperation.

"Indo-French summit: Mittal steels show," said The Pioneer in a front-page headline. "Mittal hot rolls Chirac barbs," said The Economic Times.

Chirac last week told an Indian magazine the bid went against the interests of Arcelor which has

thousands of French employees. Indian commentators have called France's reaction xenophobic.

Chirac said he did not understand "what all the fuss is about" adding it was "the right of the Europeans to be concerned about employment problems, technology problems."

Luxembourg-based Arcelor whose activities are pan-European has rejected the offer and enlisted European governments' help.

The Indian Express said in an editorial Tuesday the row highlighted how "a globalising India is drawing closer to the Anglo-Saxons and drifting away from Europe and France."

"France despite all its claims to being a superior culture is protectionist," the paper said, adding, "If India stopped buying the mostly overpriced French weapons, there wouldn't be a lot to talk about at the next state visit."

State Bank of India to open branch in Shanghai

AFP, Shanghai

State Bank of India will become the first Indian bank to set up a branch in China after gaining approval last week from the Chinese regulatory authorities, state press reported Tuesday.

The State Bank of India, the country's largest commercial lender, will upgrade its representative office in Shanghai into a fully-fledged branch, the China Daily said, citing a senior company official.

"Our physical presence in Shanghai will make it much easier for our customers to get project financing and find the right partners in China," the newspaper quoted TCA Ranganathan, head of bank's Shanghai operations, as saying.

The approval from regulators comes as Indian businesses increasingly seek to gain a foothold in the booming Chinese economy.

Three other Indian banks also have representative offices in China.

Relations between Beijing and New Delhi were frosty for years following a bitter border war but have warmed dramatically from the 1990s with both sides eager to ramp up trade.

In 2005, trade between the world's two most populous nations jumped to 18.7 billion dollars, a rise of 6.7 billion dollars from a year earlier, the newspaper said.

By 2010 the figure could rise to 30 billion dollars, it said.

SpiceJet buys 10 Boeing 737 jets

AFP, Singapore

Indian low-cost carrier SpiceJet signed a deal Tuesday to buy 10 737 jets from US aircraft manufacturer Boeing worth 700 million US dollars, at Asian Aerospace, the world's third-largest airshow.

Reporters witnessed the signing, which includes an option to buy 10 more aircraft. The initial order is for five 737-800 and five 737-900ER models.

"We are absolutely delighted to be placing a new order with Boeing and we think that this new order reflects the rapid growth in the Indian market," said Ajay Singh, director of SpiceJet.

China to host annual 'summer Davos' summits

AFP, Beijing

China will next year begin hosting "summer Davos" meetings focusing on emerging global companies, state media said Tuesday.

According to an agreement signed with the World Economic Forum (WEF), the organizer of Davos, China will host the Global Industry Summit annually, although it has not been announced in which city, the China Daily reported.

China shares with the WEF the determination "to make the summer summit an annual gathering as famous as its annual Davos summit," Zhang Xiaojang, deputy head of the National Development and Reform Commission, told the newspaper.

While Davos attracts representatives of the world's largest multinational companies, the China meetings will be for emerging companies.

Indonesia sees 2006 growth near 6pc

AFP, Jakarta

Indonesia may achieve economic growth of nearly 6.0 percent in 2006, up on last year's of 5.6 percent, the minister for economic affairs said Tuesday.

"I am optimistic that achieving (gross domestic product) growth of close to 6.0 percent is not impossible," Budiono told reporters.

The official growth forecast for 2006 is still 6.2 percent but institutions such as the central bank and the World Bank, as well as independent economists, have predicted a lower rate. In 2004, growth was at 5.05 percent.

Bank Indonesia has said that due to increases in fuel prices last year, Southeast Asia's largest economy may grow only 5.0-5.7 percent in 2006.

Bird flu costs India Rs 1800cr in 2 days

PALLAB BHATTACHARYA, New Delhi

Even as culling of chickens continued in Maharashtra state's Navapur area, where bird flu has broken out, the rest of the Rs30,000 crore poultry industry of India is counting its chickens and eggs and the losses following a countrywide scare that is estimated to have cost the sector Rs1800 crore in two days.

The fear set off by the outbreak in Navapur has resulted in a sharp drop in demand for chickens and eggs across the country and Nepal, Sri Lanka, Pakistan and a few Gulf countries announced ban on import of poultry products from India.

During 2004-05, India exported poultry, meat and dairy products worth Rs2,400 crore and the exports in these three categories increased more than sixteen percent during April-October last year, according to official figures.

The major destinations of Indian poultry products export include the Middle East, Africa, Japan and European Union.

All India Poultry Products

Exporters' Association officials said exporters have stopped sales after the outbreak of the disease because there is apprehension that importing countries may not accept the consignments.

Initial estimates put the losses of the industry at Rs1800 crore in the two days since news about the bird flu in Navapur poured in on Saturday.

The southern Indian state of Andhra Pradesh is the biggest manufacturer of chickens and eggs followed by Tamil Nadu and Maharashtra.

Anuradha Desai, chairperson of National Egg Coordination Committee, said the prices of chickens lifted from farms have dropped at a range between 20 to 50 percent and so have the retail business.

What has added to the worries of the poultry industry is that all major Indian air carriers as well as Indian Railways have announced that they have stopped serving chickens and eggs in their dishes as a precautionary measure.

India is the fifth largest producer

of eggs in the world and ninth biggest producer of broiler chickens.

Japan has cancelled an order of Rs7 crore from Venkateshwara Hatcheries, India's biggest poultry farm.

All Indian states are strictly monitoring the health of chickens in farms and some of them have halted inflow of poultry products from Maharashtra.

Poultry Federation of India Chief Shashi Kapur rejected claims by Venkateshwara Hatcheries that there is no bird flu outbreak in Navapur and appealed to the poultry industry to cooperate with the government's efforts to contain the disease rather than being in denial mode.

Since the report of bird flu came, Desai has been claiming that it was nothing but the seasonal phenomena which kills chickens every year. But a high security laboratory in Bhopal has confirmed the presence of avian flu in the birds of Navapur, said Kapur.

Nigeria concerns push oil higher in Asian trade

AFP, Singapore

Oil prices rose sharply Asian trade Tuesday on concerns that separatist tensions in Nigeria, a major exporter, will force further a reduction in supplies, dealers said.

At 1:19 am (0319 GMT), New York's main contract, light sweet crude for delivery in March, was up 1.07 dollars to 60.95 dollars a barrel from its close of 59.88 dollars Friday in the United States.

Trading on the New York Mercantile Exchange (Nymex) was closed Monday for the President's Day Holiday.

In London trade, the price of Brent North Sea crude for April delivery jumped 1.79 dollars to 61.54 dollars, off a peak of 61.63 dollars.

"It's a delayed reaction to what happened over the weekend. Nymex was closed yesterday and so it couldn't react," said Daruis Kowalyczak, a Hong-Kong based senior investment strategist with CFC Seymour.

"So when Nymex opened, the market had to adjust this morning to a lower global supply of crude and the higher geopolitical risk premium," he said.

Separatist guerrillas in Africa's biggest crude producer taunted the army Monday with claims of further attacks after a weekend of violence forced energy giant Royal Dutch Shell to cut oil exports by a fifth.

The insurgents said the military had abandoned one of its posts in waterways west of the oil city of Warri, allowing the militants to dynamite a floating barracks block and another of Shell's crude oil pipelines. An army spokesman denied the attack took place.

Officials of the oil giant said they had evacuated all oil plants in the immediate area, bringing Nigeria's losses to around half a million barrels per day.

Following the weekend assault, Shell said it was suspending exports from the Forcados terminal, which produces 380,000 barrels per day and was evacuating an offshore field

supplying 115,000 bpd.

The worsening situation "has the potential of lifting oil prices back towards the high 60 dollar" range, Sudeen analysts said.

The global oil market currently has spare capacity of roughly 1.5 million barrels per day, according to market analysts.

That would be insufficient to compensate for a loss of total production in Nigeria, which stood at 2.4 million bpd in January.

The market was also keeping a close watch over events in Moscow, where Iranian and Russian officials on Monday ended talks without agreement on a Russian plan to resolve Iran's nuclear standoff.

Russia has proposed supplying fuel for Iran's nuclear energy programme, which would remove the need for Tehran to enrich uranium on its own territory and allay Western concerns that Iran is trying to develop nuclear weapons.



PHOTO: A POSITIVE ADVERTISING
Brac Bank Chairman Fazole Hasan Abed formally inaugurates a branch of the bank at Uttara in Dhaka recently. Other officials were also present.