

HR Textile okays 7.5pc dividend

HR Textile Mills Ltd has declared a 7.5 percent dividend for its shareholders for the year that ended on September 30, 2005.

The dividend was approved at the 21st annual general meeting (AGM) of the company held recently in Dhaka, says a press release.

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Bangkok in SriLankan Airlines' expansion plan

ANN/ THE NATION

SriLankan Airlines' chief commercial officer said Saturday (March 25) that Bangkok is now the third biggest hub of the airline, after Colombo and Dubai.

At the airline's Asia-Pacific regional meeting in Bangkok, Barry Brown said SriLankan currently operates 15 flights weekly from Bangkok. There are seven to Colombo, four to Beijing and four to Hong Kong.

The tsunami at the end of 2004 and higher fuel prices had a big negative effect on SriLankan Airlines throughout 2005.

However, Brown said, the situation was now looking "very promising", as the airline is aggressively planning route expansion to India and China for the years to come.

"The airline's flight connections in the region also aim to focus on destinations with potential to promote religious culture. Therefore the air links between Bangkok, Colombo and Buddhist destinations like Bodhgaya in India will be heavily promoted among Thai pilgrims", added Brown.

The Indian market is growing strongly for SriLankan Airlines.

The latest additional service to Goa, the beach resort in the western coast of India, will be launched in its coming winter programme.

Malaysia calls for reduced car prices on new auto policy

AFP, Kuala Lumpur

Malaysia's deputy prime minister Najib Razak has called for further cuts in car prices after the government imposed a new auto policy which reduces tariffs on imports, reports said Sunday.

To better compete with imports, struggling national automaker Proton late Friday announced price reductions on cars of between 2.5 to 7 percent, while fellow Malaysian company Perodua cut prices by 4 percent for some models.

A Toyota importer has also reportedly announced price reductions of between 5.6 and 11 percent.

But Najib said the cuts were not significant or meaningful enough.

"We want car manufacturers and dealers which had announced their price cuts to conduct another study as we feel that the reductions are too small," he was quoted as saying in the New Straits Times.

New export trophy policy likely to be placed before cabinet today

JASIM UDDIN KHAN

The commerce ministry is likely to place before the cabinet meeting today a new national export trophy policy, which seeks to increase the number of product categories from 21 to 39.

The government is planning to give away 'National Export Trophy', an export performance award, to 351 individuals and companies for three years to encourage export diversification.

The Ministry of Commerce has finalised the new policy suggesting increasing the number of products for export trophy from 21 categories to 39.

The new policy, 'National Export

Trophy Policy 2006', which was previously styled 'President Export Trophy Sub-Rules 1990', is likely to be discussed today (Monday) at the cabinet meeting.

If the cabinet approves the policy, the government will present the trophies by the end of April for fiscal year 2002-03, FY 03-04 and FY 04-05, sources said.

The commerce ministry after consulting Board of Investment (BoI), Bangladesh Bank, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Export Promotion Bureau (EPB) and Chittagong Chamber of Commerce and Industry (CCCI) finalised the policy.

In the changed policy new prod-

ucts such as fabrics, silk, jute yarn, footwear, vegetables and flower, cement, herbal medicine, plastic products and cold rolled coil were suggested to be included for export trophy.

In the proposed policy, the minimum export income for being eligible for export trophy was set at US\$12 million for readymade garment, \$10 million for knitwear, \$5 million for yarn, \$3 million for textile, \$8 million for frozen foods and \$10 million for leather products.

Awarding export trophies was first introduced in 1978 and the government for the last time distributed the trophies in 2004 for four years.

Western Union's network convention held

The network convention of Western Union, a worldwide money transferring company, was held in Dhaka recently.

The convention was organised for National Bank Ltd, one of the partners of Western Union in Bangladesh, says a press release.

M Aminuzzaman, managing director of National Bank, gave away the performance awards for 2005 to top ten performing branches of the bank.

National Bank branches such as Narayanganj, Daganbhuiyan, Comilla, Mirpur, Chowmahuni, Feni, Dilkusha, Motijheel, Narshindi and Brahmanbaria received the awards for outstanding performances of money transferring by Western Union, the release added.

Shamsul Huda Khan, senior vice-president and head of international division of National Bank, Debshankar Mukhopadhyay, business development manager, and Syed Mohammad Kamal, regional operations manager of Western Union, Bangladesh, were present at the function.

In Bangladesh, Western Union is offering its services through three of its agents -- National Bank Ltd (76 branches), Arab-Bangladesh Bank (34 branches), and Brac Bank Ltd (18 branches and 450 BDP area offices). Out of them, the National Bank is handling major business for Bangladesh market.

Gold prices in Myanmar soar

XINHUA, Yangon

Gold prices in Myanmar soared Sunday to 390,000 kyats (354.54 US dollars) per tical (0.0163 kg) from 340,000 kyats (309.09 dollars) as news about the government's raising sharply of the salaries of civil servants, gold dealers said.

The market exchange rate of Myanmar kyat against US dollar also rose to over 1,200 kyats per dollar from over 1,100 kyats before the move and the official exchange rate remained at nearly six kyats per dollar, merchants here said.

The market prices of gasoline also increased from 3,000 kyats (2.72 dollars) to 3,400 kyats (3.09 dollars), impacted by the move. The official fuel prices had been brought up once by nearly nine times starting late October last year to 1,500 kyats (1.22 dollars) from the previous 180 kyats (0.14 dollars) per gallon for petrol and 160 kyats (0.13 dollars) per gallon for diesel.

With the rising of the fuel prices, most other consumers commodities prices and transport cost are generally expected to go up correspondingly.

It was officially confirmed on Saturday evening that the Myanmar government had decided to raise the salaries of government employees to a large margin with effect from April 1, the start of the next fiscal year 2006-07. The monthly salaries will be increased sharply by a range from nearly six times to 12.5 times for the lowest-paying basic workers to government officials of ranks of managing director.

CORRUPTION PROBE

Investigators storm Hyundai Motor

AFP, Seoul

South Korean investigators Sunday stormed the headquarters of the country's top automaker, Hyundai Motor, in a widening corruption probe into a local business lobbyist, officials said.

A team from the Prosecutor General's Office seized some 100 boxes of data from Hyundai Motor's head office in southern Seoul after hours of searching, company officials told AFP.

The seizure followed the Prosecutor General's arrest of Kim Jae-Rok, a 49-year-old business consultant, on Friday for allegedly bribing politicians and officials while negotiating mergers and acquisitions of local firms.

Yonhap news agency said Sunday's seizure was connected to Kim's alleged wrongdoing relating to the merger of Hyundai Motor and Kia Motors in 1998.

An investigator said Kim had taken "billions of won" from a subsidiary of Hyundai Motor called Glovis to lobby then government officials over the Hyundai and Kia merger, Yonhap said.

Prosecutors were not immediately available for comment.

Participants vent mixed reaction over sales as Ctg int'l trade fair ends

CU CORRESPONDENT

The 14th Chittagong International Trade Fair (CITF) 2006 ended here yesterday with participants expressing mixed reaction over sales.

The 40-day show organised by Chittagong Chamber of Commerce and Industry (CCCI) was successful in attracting a large number of visitors. But all participants were not happy with sales.

"We spent Tk 1.80 lakh on the stall this year but we had a total

sales of around Tk 5 lakh, which is much below the previous year's figure," said Mohammed Shahidul Islam, manager of Pride Saree Mini Pavilion.

A salesperson of a textile company said although they had a good number of visitors in the fair, their sales were below expectation.

Another participant said less participation by IT firms and unplanned allocation of stalls were responsible for poor sales.

However, Mahmudur Rahman,

marketing manager of Bay Phones, a privately run wireless land phone operator, said, "We achieved our sales target in the fair."

Mohammed Raqib, fair in-charge of Otobi, said, "We received orders of around Tk 1 crore for our furniture products and are quite happy."

The fair began on February 14 to promote local products and explore newer markets.

A total of 330 stalls and 29 pavilions were set up in the fair.

World gas market making a pitch to come of age

AFP, Paris

The natural gas market, still in its early years, is looking to secure a place in the global energy distribution scheme in the face of major technical challenges and high geopolitical stakes.

About seven tenths of the world's natural gas reserves are concentrated in two regions -- the Middle East and the Commonwealth of Independent States (CIS), the loose association of 12 of the one-time constituent republics of the former Soviet Union.

Russia alone has nearly 27 percent of total world reserves, Iran 15 percent and the Gulf state of Qatar 14 percent, a similar pattern of distribution to that of world oil reserves.

Gas reserves are vast, estimated to be able easily to meet demand at a growth rate of two to three percent annually for many decades to come, and likely to rise to 26-27 percent of primary energy demand by 2020.

Gas prices, indexed to those of oil, have continued on a rising spiral in recent years and experts say they will continue bullish for a while yet.

But the natural gas market, despite its environmental advan-

tages, has so far reached nothing like the state of maturity of oil, having been relatively neglected for a long time.

Transportation proved a big obstacle, preventing gas being much beyond its immediate production area.

During the 1960s and 1970s, oil prospectors regularly had to block up dis-used gas wells, one specialist recalled.

Even today, gas pipelines and methane terminals are so costly to set up that gas remains something of a privilege for richer countries.

"It's often said there is not one world market for natural gas, but three regional markets, Europe, North America and Asia," said Francis Perrin, editor of a specialist magazine *Le pétrole et le gaz arabes*.

"It's less true today than a few years ago due mainly to a reduction in costs of liquefied natural gas (transported by boat). But the potential to lower costs further has certainly not been exhausted," Perrin suggested.

Indeed, changes are happening. Europe, feeling the effects of the Russian-Ukrainian pricing row at the start of the year and recent supply difficulties experienced by Britain -- once a gas exporter -- is following developments keenly.

For Europe has now entered a phase of decline in natural gas production, with only Norway able to continue raising output, and has lately begun addressing the need for a new gas strategy.

Growing dependence is forcing the Europeans into massive investment required for new ports and pipelines, said Marie-Francoise Chabrele, general-secretary of the French gas sector association Cedigaz.

Then there's the need to respond to an all-out challenge posed by the Russian natural gas major Gazprom, which is strengthening links with gas producer Algeria and planning to export liquefied natural gas to North America from northern Russia, not to speak of the two gas pipelines it plans to lay to China.

"The map showing the place of gas around the world has been reshaped," said Moncef Kaabi, an analyst with Ixis Corporate and Investment Bank.

"Russia is assuming a major role in creating external growth to distribute gas to Europe and Asia."

The huge US market has great appeal, according to Francis Perrin. It's there that prices are highest and could prove a particular attraction to exporters -- to Europe's disadvantage.



PHOTO: BANGLALINK
Md Shamim Islam, corporate director of Jamuna Group, and Tanvir Ibrahim, head of Corporate Sales of mobile phone operator Banglalink, exchange documents after signing a corporate agreement recently under Banglalink's 'Professional' package. Other senior officials from both the sides are also seen in the picture.

India, Gulf states hope to sign FTA

PTI, Muscat

India hopes to sign a free-trade pact with the six-nation GCC to boost economic ties, after negotiating trade possibilities in goods, services and investment sector by 2007, Commerce Minister Kamal Nath said on Saturday.

Addressing the second India-Gulf Cooperation Council Industrial Conference here Saturday, Kamal Nath said the two sides had made significant progress in pursuing the proposal for a Free Trade Agreement for boosting economic ties.

The outcome of the latest round of discussions three days ago in Riyadh, Saudi Arabia, was fruitful

and both sides resolved to finalise the FTA by early 2007, he was quoted as saying by an official release.

"We also agreed to expand the scope to include services and investment, thus making it a Comprehensive Economic Cooperation Agreement (CECA) instead of a mere FTA," he said.

Excluding oil imports, India's trade with GCC -- which comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and UAE -- would exceed USD 20 billion in the current financial year, he said. In a couple of years, India's trade with GCC could be more than that with the US.

Nath recalled signing the

Framework Agreement on Economic Cooperation with the GCC in August 2004 while committing to broad-based economic and commercial partnership. He stressed the strategic relevance of the region and invited Gulf entrepreneurs to invest in India.

"There is convergence of interests between India and GCC in the present global economic environment. While the GCC countries are experiencing a period of rapid growth propelled by oil revenue windfall on account of high prices, in the economic reconfiguration India has emerged as a favourite investment destination," Nath said.

China to raise oil prices

AFP, Beijing

China said Sunday it will raise oil prices from March 26 to offset refinery losses but will subsidise disadvantaged communities and public service sectors.

The State Development and Reform Commission, which regulates energy prices, said gasoline prices will increase by 300 yuan (37.5 dollars) per tonne while the cost of diesel oil will rise by 200 yuan per tonne.

To offset the impact of the hikes on communities sensitive to higher prices, the commission said China's State Council will implement a mechanism to subsidise some communities and public service sectors.

The recipients of the subsidies include grain growers, fishermen, farmers, state-owned forestry enterprises and urban public transportation firms, the commission said as reported by the official Xinhua news agency.

The government has ordered local authorities to "improve inspection and supervision of prices of processed oil to maintain the stability of the oil prices," Xinhua said.

The commission said China's current prices for processed oil are far below that of the international market.

This, Xinhua said citing the commission, "is not helpful to oil refineries in China, to ensuring adequate supplies and to improving energy efficiencies, thus having negative impact on the stable operation of the economy."

"The artificially lower prices have resulted in heavy losses of domestic refineries and made it difficult for the oil sector to ensure domestic supplies," it said.

Imported oil accounts for over 40 percent of the fuel-hungry nation's oil consumption, according to the government.



PHOTO: AKTEL
Rajaduray Selvaduray, chief financial officer of mobile phone operator AKTEL, and Omar Sharif Chowdhury, director (Finance & Marketing) of Dreamland Courier Services Ltd, pose for photographs at a corporate agreement signing ceremony recently. Other senior officials from both the sides are also seen.

More bankruptcies expected among US auto suppliers

AFP, Detroit, Michigan

More bankruptcies are expected among US auto suppliers which are being squeezed by demands for lower prices for fewer parts as General Motors Corp and Ford Motor Company implement massive restructuring plans, analysts said.

The shakeups among suppliers have placed manufacturers at an increased risk of costly production delays as unions respond to wage and benefit cuts.

A strike could hit GM's largest parts supplier in the coming weeks. Delphi has warned it will ask a bankruptcy judge to void its contract with the United Auto Workers union if the two parties are unable to reach agreement on wage cuts by March 30. The UAW has responded by threatening to strike if the request is granted.

A coalition of unions have also warned Tower Automotive, which

supplies body structures, lower vehicle structures, suspension components and modules for nearly every major automotive manufacturer, that it will strike if a bankruptcy court voids their contracts.

"The next 18 months are to be very tenuous given the financial conditions and the uncertainty in the

productions schedules," David Andrea, vice president of business development for the Original Equipment Suppliers Association said Friday.

"The cost structures are still elevated and the prices pressures are still downward."